

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 2356**

**(SENATE AUTHORS: COHEN)**

DATE	D-PG	OFFICIAL STATUS
03/08/2016	4907	Introduction and first reading Referred to Finance
04/25/2016	5958a 6459	Comm report: To pass as amended Second reading See HF2749

A bill for an act

1.1 relating to state government; providing supplemental appropriations for the Office  
1.2 of Higher Education, the Board of Trustees of the Minnesota State Colleges and  
1.3 Universities, the Board of Regents of the University of Minnesota; jobs, economic  
1.4 development, labor, commerce and housing finance; state government and  
1.5 veterans; public safety and corrections; transportation; agriculture, environment,  
1.6 natural resources and clean water; early childhood education; kindergarten  
1.7 through grade 12; community and adult education including general education;  
1.8 education excellence; special education; education facilities; nutrition; state  
1.9 education agencies; health and human services; making certain appropriations  
1.10 adjustments; modifying disposition of certain revenues; requiring studies and  
1.11 reports; providing rulemaking authority; amending Minnesota Statutes 2014,  
1.12 sections 13.321, by adding a subdivision; 13.3805, by adding a subdivision;  
1.13 13.3806, subdivision 22; 13.43, subdivision 6; 16B.33, subdivisions 3, 4; 16C.10,  
1.14 subdivision 6; 16C.16, subdivisions 6, 7, 11, by adding a subdivision; 16E.0466;  
1.15 16E.21, subdivision 2, by adding subdivisions; 17.117, subdivisions 4, 11a;  
1.16 41A.12, subdivision 2; 62D.04, subdivision 1; 62D.08, subdivision 3; 62J.495,  
1.17 subdivision 4; 62J.496, subdivision 1; 62J.497, subdivisions 1, 3; 62M.02,  
1.18 subdivisions 12, 14, 15, 17, by adding subdivisions; 62M.05, subdivisions 3a,  
1.19 3b; 62M.06, subdivisions 2, 3; 62M.07; 62M.09, subdivision 3; 62M.11; 62Q.81,  
1.20 subdivision 4; 62V.05, subdivision 2; 84.091, subdivision 2; 84.798, subdivision  
1.21 2; 84.8035; 85.015, subdivision 13; 89.0385; 93.0015, subdivision 3; 93.2236;  
1.22 94.3495, subdivisions 2, 3, 7; 97A.405, subdivision 2; 97A.465, by adding a  
1.23 subdivision; 115B.48, by adding a subdivision; 115B.50, subdivision 3, by adding  
1.24 a subdivision; 115C.13; 115E.042; 116J.396, subdivision 2; 116J.423; 116J.424;  
1.25 116J.68; 116L.99; 116M.14, subdivisions 2, 4, by adding subdivisions; 116M.15,  
1.26 subdivision 1; 116M.17, subdivisions 2, 4; 116M.18; 119B.13, subdivision 1;  
1.27 120B.021, subdivisions 1, 3; 120B.115; 120B.232; 120B.30, subdivision 2, by  
1.28 adding a subdivision; 120B.31, by adding a subdivision; 120B.35; 120B.36,  
1.29 as amended; 122A.61, by adding a subdivision; 122A.63, subdivision 1;  
1.30 122A.74; 123B.04, subdivision 2, by adding a subdivision; 123B.53, subdivision  
1.31 5; 123B.535; 124D.091, subdivisions 2, 3; 124D.1158, subdivisions 3, 4;  
1.32 124D.135, subdivision 6, by adding subdivisions; 124D.55; 124D.59, by adding  
1.33 a subdivision; 124D.68, subdivision 2; 126C.05, subdivision 3; 126C.10,  
1.34 subdivisions 2d, 24; 127A.45, subdivision 6a; 136A.101, subdivisions 5a, 10;  
1.35 144A.75, subdivisions 5, 6, 8, by adding a subdivision; 145.4716, subdivision 2,  
1.36 by adding a subdivision; 152.27, subdivision 2, by adding a subdivision; 152.33,  
1.37 by adding a subdivision; 161.368; 165.14, subdivision 6; 168.017, by adding a  
1.38 subdivision; 168A.29, subdivision 1; 169.345, subdivision 2; 171.06, subdivision  
1.39

2.1 2; 171.07, by adding a subdivision; 174.185; 174.30, subdivisions 1, 4a, 8, by  
 2.2 adding a subdivision; 179A.041, by adding subdivisions; 198.03, subdivisions  
 2.3 2, 3; 214.075, subdivision 3; 216B.2424, subdivision 5a; 216B.62, subdivision  
 2.4 2, by adding a subdivision; 219.015; 219.1651; 222.49; 222.50, subdivision  
 2.5 6; 237.012, subdivision 1; 245.99, subdivision 2; 245A.10, subdivisions 2,  
 2.6 4, 8; 245C.03, by adding a subdivision; 245C.04, subdivision 1; 245C.05,  
 2.7 subdivisions 2b, 4, 7; 245C.08, subdivisions 2, 4; 245C.11, subdivision 3;  
 2.8 245C.17, subdivision 6; 245C.23, subdivision 2; 246.50, subdivision 7; 246.54,  
 2.9 as amended; 246B.01, subdivisions 1b, 2b; 246B.035; 246B.10; 254B.01,  
 2.10 subdivision 4a; 254B.03, subdivision 4; 254B.04, subdivision 2a; 254B.06,  
 2.11 subdivision 2, by adding a subdivision; 256B.04, subdivision 14; 256B.057, by  
 2.12 adding a subdivision; 256B.059, subdivisions 1, 2, 3, by adding a subdivision;  
 2.13 256B.06, subdivision 4; 256B.0621, subdivision 10; 256B.0622, by adding a  
 2.14 subdivision; 256B.0625, subdivisions 30, 34, by adding subdivisions; 256B.0924,  
 2.15 by adding a subdivision; 256B.0949; 256B.15, subdivisions 1, 1a, 2; 256B.4912,  
 2.16 by adding a subdivision; 256B.4914, subdivisions 5, 11; 256B.69, subdivision  
 2.17 6; 256B.761; 256D.051; 256L.01, subdivision 1a; 256L.04, subdivisions 1, 1a,  
 2.18 2, 7; 256L.07, subdivision 1; 256L.11, subdivision 7; 256N.26, subdivision  
 2.19 3; 260C.451, by adding a subdivision; 297B.01, subdivision 16; 297H.13,  
 2.20 subdivision 2; 299A.41, subdivisions 3, 4; 299A.55; 299D.03, subdivision  
 2.21 5; 327.14, subdivision 8; 353.01, subdivision 43; 360.013, by adding a  
 2.22 subdivision; 360.075, subdivisions 1, 2; 360.55, by adding a subdivision;  
 2.23 473.121, subdivision 2; 473.845, subdivision 1; 518.175, subdivision 5;  
 2.24 518A.34; 518A.35, subdivision 1; 518A.36; 609.3241; 626.556, subdivisions  
 2.25 3e, 10f; Minnesota Statutes 2015 Supplement, sections 16A.724, subdivision 2;  
 2.26 16C.16, subdivision 6a; 16C.19; 41A.14, subdivisions 1, 2; 41A.15, subdivision  
 2.27 10, by adding subdivisions; 41A.16, subdivision 1; 41A.17, subdivisions 1,  
 2.28 2; 41A.18, subdivision 1; 62U.04, subdivision 11; 116D.04, subdivision 2a;  
 2.29 116J.394; 120A.41; 120B.021, subdivision 4; 120B.31, subdivision 4; 120B.36,  
 2.30 subdivision 1; 122A.21, subdivision 2; 122A.415, subdivision 4; 122A.61,  
 2.31 subdivision 1; 123B.595, subdivision 1; 124D.231, subdivision 2; 124D.59,  
 2.32 subdivision 2; 124E.10, by adding a subdivision; 125A.08; 125A.11, subdivision  
 2.33 1; 125A.21, subdivision 3; 125A.76, subdivision 2c; 125A.79, subdivision 1;  
 2.34 126C.05, subdivision 1; 126C.10, subdivision 13a; 127A.47, subdivision 7;  
 2.35 136A.246, by adding subdivisions; 136A.87; 144.061; 144.4961, subdivisions 3,  
 2.36 4, 5, 6, 8, by adding a subdivision; 144A.75, subdivision 13; 174.30, subdivisions  
 2.37 4, 10; 222.50, subdivision 7; 245.4889, subdivision 1; 245.735, subdivisions  
 2.38 3, 4; 245C.08, subdivision 1; 245D.03, subdivision 1; 254B.05, subdivision  
 2.39 5; 256B.059, subdivision 5; 256B.0625, subdivisions 17, 17a, 18a, 20, 31,  
 2.40 58; 256B.441, subdivisions 30, 66; 256B.4913, subdivision 4a; 256B.4914,  
 2.41 subdivisions 10, 14, 15; 256B.76, subdivisions 1, 2, 4; 256B.766; 256L.01,  
 2.42 subdivision 5; 256L.03, subdivision 5; 256L.04, subdivision 7b; 256L.05,  
 2.43 subdivision 3a; 256L.06, subdivision 3; 256L.15, subdivisions 1, 2; 256M.41,  
 2.44 subdivision 3; 256P.06, subdivision 3; 260C.203; 260C.212, subdivisions 1,  
 2.45 14; 260C.215, subdivision 4; 260C.451, subdivision 6; 260C.521, subdivision  
 2.46 1; 518A.26, subdivision 14; 518A.39, subdivision 2; 626.556, subdivisions 2,  
 2.47 3c, 10b; Laws 1994, chapter 643, section 15, subdivision 8; Laws 2000, chapter  
 2.48 486, section 4, as amended; Laws 2011, First Special Session chapter 11, article  
 2.49 4, section 8; Laws 2012, chapter 263, sections 1, as amended; 2; Laws 2013,  
 2.50 chapter 108, article 14, section 2, subdivision 1, as amended; Laws 2014, chapter  
 2.51 198, article 2, section 2; Laws 2014, chapter 312, article 11, sections 10; 11; 13;  
 2.52 16; 18; article 12, section 6, subdivision 5, as amended; Laws 2015, chapter  
 2.53 71, article 8, section 24; article 14, sections 4, subdivision 3; 9; Laws 2015,  
 2.54 chapter 75, article 1, sections 1; 3, subdivisions 1, 2, 3; 4; 5, subdivisions 1, 2,  
 2.55 3; Laws 2015, chapter 77, article 1, section 3; Laws 2015, First Special Session  
 2.56 chapter 1, article 1, sections 3, subdivisions 5, 6, 10; 4; 6; 8, subdivisions 1, 7; 9;  
 2.57 Laws 2015, First Special Session chapter 3, article 1, section 27, subdivisions  
 2.58 2, 4, 5, 6, 7, 9; article 2, section 70, subdivisions 2, 3, 4, 5, 6, 7, 9, 11, 12,

3.1 15, 19, 21, 24, 26; article 3, section 15, subdivision 3; article 4, sections 4; 9,  
 3.2 subdivision 2; article 5, section 30, subdivisions 2, 3, 5; article 6, section 13,  
 3.3 subdivisions 2, 3, 6, 7; article 7, section 7, subdivisions 2, 3, 4; article 9, section  
 3.4 8, subdivisions 5, 6, 7, 9; article 10, section 3, subdivisions 2, 6, 7; article 11,  
 3.5 section 3, subdivisions 2, 3; article 12, section 4, subdivision 2; Laws 2015,  
 3.6 First Special Session chapter 4, article 1, sections 2, subdivision 4; 5; article 3,  
 3.7 sections 2, subdivision 4; 3, subdivision 5; article 4, section 131; proposing  
 3.8 coding for new law in Minnesota Statutes, chapters 13; 16C; 17; 41A; 62D; 62Q;  
 3.9 62V; 86B; 103F; 116J; 116L; 120B; 122A; 124D; 125B; 136A; 136F; 144; 148;  
 3.10 168; 168A; 198; 219; 256B; 260C; 260D; 325F; 360; 462A; 626; proposing  
 3.11 coding for new law as Minnesota Statutes, chapters 146C; 147F; 153B; repealing  
 3.12 Minnesota Statutes 2014, sections 144.058; 256B.059, subdivision 1a; 256L.04,  
 3.13 subdivisions 2a, 8; 256L.22; 256L.24; 256L.26; 256L.28; Minnesota Statutes  
 3.14 2015 Supplement, section 115B.48, subdivision 9; Laws 2015, First Special  
 3.15 Session chapter 1, article 1, section 2, subdivision 8.

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

3.17 **ARTICLE 1**

3.18 **HIGHER EDUCATION APPROPRIATIONS**

3.19 Section 1. **APPROPRIATIONS.**

3.20 The sums shown in the columns marked "Appropriations" are added to the  
 3.21 appropriations in Laws 2015, chapter 69, article 1, unless otherwise specified, to the  
 3.22 agencies and for the purposes specified in this article. The appropriations are from the  
 3.23 general fund, or another named fund, and are available for the fiscal years indicated  
 3.24 for each purpose. The figures "2016" and "2017" used in this article mean that the  
 3.25 appropriations listed under them are available for the fiscal year ending June 30, 2016, or  
 3.26 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal  
 3.27 year 2017. "The biennium" is fiscal years 2016 and 2017.

3.28		<b><u>APPROPRIATIONS</u></b>	
3.29		<b><u>Available for the Year</u></b>	
3.30		<b><u>Ending June 30</u></b>	
3.31		<b><u>2016</u></b>	<b><u>2017</u></b>

3.32 **Sec. 2. MINNESOTA OFFICE OF HIGHER**  
 3.33 **EDUCATION**

3.34	<b><u>Subdivision 1. Total Appropriations</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>17,570,000</u></b>
------	---	------------------	-------------------	------------------	--------------------------

3.35 The amounts that may be spent for each  
 3.36 purpose are specified in the following  
 3.37 subdivisions.

3.38 **Subd. 2. Equity in Postsecondary Education**  
 3.39 **Grants**

			<b><u>-0-</u></b>	<b><u>14,320,000</u></b>
--	--	--	-------------------	--------------------------

4.1	<u>For equity in postsecondary attainment</u>		
4.2	<u>grants under section 15. This appropriation</u>		
4.3	<u>is available until June 30, 2020. Of this</u>		
4.4	<u>appropriation, \$100,000 may be used for</u>		
4.5	<u>administration expenses to administer</u>		
4.6	<u>the grant program. This is a onetime</u>		
4.7	<u>appropriation.</u>		
4.8	<b><u>Subd. 3. Teacher Diversity Recommendation</u></b>		
4.9	<b><u>and Report</u></b>	<u>-0-</u>	<u>80,000</u>
4.10	<u>For the teacher diversity recommendation</u>		
4.11	<u>and report under section 19. This is a onetime</u>		
4.12	<u>appropriation.</u>		
4.13	<b><u>Subd. 4. State Grant</u></b>	<u>-0-</u>	<u>1,735,000</u>
4.14	<u>For the state grant program under Minnesota</u>		
4.15	<u>Statutes, section 136A.121. This is a onetime</u>		
4.16	<u>appropriation.</u>		
4.17	<b><u>Subd. 5. Dual Credit, Parent Information</u></b>	<u>-0-</u>	<u>25,000</u>
4.18	<u>For the purpose of obtaining and providing</u>		
4.19	<u>information under Minnesota Statutes,</u>		
4.20	<u>section 136A.87, paragraph (b). The base for</u>		
4.21	<u>fiscal year 2018 and later is \$20,000.</u>		
4.22	<b><u>Subd. 6. Addiction Medicine Graduate</u></b>		
4.23	<b><u>Fellowship Program</u></b>	<u>-0-</u>	<u>210,000</u>
4.24	<u>For establishing a grant program used to</u>		
4.25	<u>support up to four physicians who are</u>		
4.26	<u>enrolled each year in an addiction medicine</u>		
4.27	<u>fellowship program. A grant recipient must</u>		
4.28	<u>be enrolled in a program that trains fellows</u>		
4.29	<u>in diagnostic interviewing, motivational</u>		
4.30	<u>interviewing, addiction counseling,</u>		
4.31	<u>recognition and care of common acute</u>		
4.32	<u>withdrawal syndromes and complications,</u>		
4.33	<u>pharmacotherapies of addictive disorders,</u>		
4.34	<u>epidemiology and pathophysiology of</u>		
4.35	<u>addiction, addictive disorders in special</u>		

5.1 populations, secondary interventions, use  
 5.2 of screening and diagnostic instruments,  
 5.3 inpatient care, and working within a  
 5.4 multidisciplinary team, and prepares doctors  
 5.5 to practice addiction medicine in rural and  
 5.6 underserved areas of the state. The base for  
 5.7 this program is \$210,000 in fiscal year 2018  
 5.8 and 2019 and is zero in fiscal year 2020.

5.9 Subd. 7. **Dual Training** -0- 200,000

5.10 For making grants under Minnesota Statutes,  
 5.11 section 136A.246, subdivision 8a. This  
 5.12 appropriation is available until June 30, 2019.

5.13 Subd. 8. **Student and Employer Connection**  
 5.14 **Information System** -0- 1,000,000

5.15 For student and employer connection  
 5.16 information system under section 18. Up  
 5.17 to \$100,000 of this appropriation may be  
 5.18 spent for administrative expenses related  
 5.19 to the appropriation. This is a onetime  
 5.20 appropriation and is available until June 30,  
 5.21 2019.

5.22 Sec. 3. **BOARD OF TRUSTEES OF THE**  
 5.23 **MINNESOTA STATE COLLEGES AND**  
 5.24 **UNIVERSITIES**

5.25 Subdivision 1. **Total Appropriations** \$ -0- \$ 12,018,000

5.26 The amounts that may be spent for each  
 5.27 purpose are specified in the following  
 5.28 subdivisions.

5.29 Subd. 2. **Additional Campus Program Support** -0- 10,000,000

5.30 Only for campus programs or services that  
 5.31 affect students.

5.32 Subd. 3. **Principals' Leadership Institute** -0- 200,000

6.1	<u>For a grant to the Minnesota State University</u>		
6.2	<u>Mankato Principals' Leadership Institute</u>		
6.3	<u>under Minnesota Statutes, section 136A.89.</u>		
6.4	<b><u>Subd. 4. Early Childhood Online Program</u></b>	<u>-0-</u>	<u>100,000</u>
6.5	<u>To develop a multicampus online program</u>		
6.6	<u>for early childhood teacher preparation. This</u>		
6.7	<u>is a onetime appropriation.</u>		
6.8	<b><u>Subd. 5. MnSCU Open Textbooks</u></b>	<u>-0-</u>	<u>100,000</u>
6.9	<u>(a) For programs on system campuses</u>		
6.10	<u>that promote adoption of open textbooks.</u>		
6.11	<u>Programs must focus on the review, creation,</u>		
6.12	<u>and promotion of new or existing open</u>		
6.13	<u>textbooks and on saving money for students</u>		
6.14	<u>while meeting the academic needs of faculty.</u>		
6.15	<u>This is a onetime appropriation.</u>		
6.16	<u>(b) By January 15, 2017, the board shall</u>		
6.17	<u>report to the chairs and ranking minority</u>		
6.18	<u>members of the legislative committees with</u>		
6.19	<u>jurisdiction over higher education regarding</u>		
6.20	<u>the progress of the pilot programs. The</u>		
6.21	<u>report shall include a summary of each pilot</u>		
6.22	<u>program and the total savings expected for</u>		
6.23	<u>students as a result of the programs.</u>		
6.24	<b><u>Subd. 6. MnSCU Open Textbook Library</u></b>	<u>-0-</u>	<u>100,000</u>
6.25	<u>To expand and promote the open textbook</u>		
6.26	<u>library to faculty across the state. This is a</u>		
6.27	<u>onetime appropriation.</u>		
6.28	<b><u>Subd. 7. Developmentally Delayed Student</u></b>		
6.29	<b><u>Pilot</u></b>	<u>-0-</u>	<u>750,000</u>
6.30	<u>For the pilot program for developmentally</u>		
6.31	<u>delayed students under section 17. The base</u>		
6.32	<u>for fiscal year 2018 and later is \$853,000.</u>		
6.33	<b><u>Subd. 8. Supplemental Instruction and Data</u></b>		
6.34	<b><u>Reporting</u></b>	<u>-0-</u>	<u>768,000</u>

7.1 For activities and reporting under Minnesota  
 7.2 Statutes, section 136F.33. This is a onetime  
 7.3 appropriation.

7.4 Sec. 4. BOARD OF REGENTS OF THE  
 7.5 UNIVERSITY OF MINNESOTA

7.6 <u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u>	\$ <u>18,100,000</u>
---	----	------------	----------------------

7.7 The amounts that may be spent for each  
 7.8 purpose are specified in the following  
 7.9 subdivisions.

7.10 <u>Subd. 2. Health Restoration</u>	<u>-0-</u>	<u>5,000,000</u>
---	------------	------------------

7.11 This appropriation is for the following  
 7.12 activities:

7.13 \$3,000,000 is for support for faculty  
 7.14 physicians who teach at eight residency  
 7.15 program sites, including medical resident and  
 7.16 student training programs in the Department  
 7.17 of Family Medicine.

7.18 \$1,000,000 is for the Mobile Dental Clinic,  
 7.19 in which dental students provide patient care  
 7.20 as part of their clinical education and training  
 7.21 under the supervision of faculty dentists.

7.22 \$1,000,000 is for expansion of geriatric  
 7.23 education and family programs.

7.24 <u>Subd. 3. Tuition Relief</u>	<u>-0-</u>	<u>13,000,000</u>
-------------------------------------	------------	-------------------

7.25 For undergraduate student tuition relief for  
 7.26 Minnesota residents. The Board of Regents  
 7.27 is requested not to offset the tuition relief  
 7.28 by increases in mandatory fees, charges, or  
 7.29 other assessments to the student.

7.30 <u>Subd. 4. Rochester Campus, Collegiate</u> 7.31 <u>Recovery Program</u>	<u>-0-</u>	<u>100,000</u>
---	------------	----------------

7.32 (a) To design and implement a collegiate  
 7.33 recovery program at its Rochester campus.

8.1 This is a onetime appropriation and is  
 8.2 available until June 30, 2019.

8.3 (b) The purpose of the collegiate recovery  
 8.4 program is to provide structured support  
 8.5 for students in recovery from alcohol,  
 8.6 chemical, or other addictive behaviors.

8.7 Program activities may include, but are not  
 8.8 limited to, specialized professional support  
 8.9 through academic, career, and financial  
 8.10 advising; establishment of on-campus  
 8.11 or residential peer support communities;  
 8.12 and opportunities for personal growth  
 8.13 through leadership development and other  
 8.14 community engagement activities.

8.15 (c) No later than January 15, 2020, the  
 8.16 Board of Regents must submit a report to  
 8.17 the chairs and ranking minority members of  
 8.18 the legislative committees with jurisdiction  
 8.19 over higher education finance and policy on  
 8.20 campus recovery program outcomes. Based  
 8.21 on available data, the report must describe,  
 8.22 in summary form, the number of students  
 8.23 participating in the program and the success  
 8.24 rate of participants, including retention and  
 8.25 graduation rates, and long-term recovery and  
 8.26 relapse rates.

8.27 **Sec. 5. MNSCU TWO-YEAR COLLEGE PROGRAM; ADMINISTRATIVE**  
 8.28 **COSTS.**

8.29 The appropriation made by Laws 2015, chapter 69, article 1, section 3, subdivision  
 8.30 18, paragraph (c), for fiscal year 2017 for information technology and administrative costs  
 8.31 is available on the effective date of this section and until June 30, 2017.

8.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.



9.1 Sec. 6. Minnesota Statutes 2014, section 122A.74, is amended to read:

9.2 **122A.74 PRINCIPALS' LEADERSHIP INSTITUTE, UNIVERSITY OF**  
 9.3 **MINNESOTA.**

9.4 ~~Subdivision 1. **Establishment.**~~ (a) The commissioner of education may contract  
 9.5 with the ~~Minnesota State University Mankato~~ or the regents of the University of Minnesota  
 9.6 to establish a Principals' Leadership Institute to provide professional development to  
 9.7 school principals by:

9.8 (1) creating a network of leaders in the educational and business communities to  
 9.9 communicate current and future trends in leadership techniques;

9.10 (2) helping to create a vision for the school that is aligned with the community  
 9.11 and district priorities;

9.12 (3) developing strategies to retain highly qualified teachers and ensure that diverse  
 9.13 student populations, including at-risk students, children with disabilities, English learners,  
 9.14 and gifted students, among others, have equal access to these highly qualified teachers; and

9.15 (4) providing training to analyze data using culturally competent tools.

9.16 (b) The University of Minnesota must cooperate with participating members of the  
 9.17 business community to provide funding and content for the institute.

9.18 (c) Participants must agree to attend the Principals' Leadership Institute for four  
 9.19 weeks during the academic summer.

9.20 (d) The Principals' Leadership Institute must incorporate program elements offered  
 9.21 by leadership programs at the University of Minnesota and program elements used by  
 9.22 the participating members of the business community to enhance leadership within their  
 9.23 businesses.

9.24 (e) The board of each school district in the state may select a principal, upon the  
 9.25 recommendation of the district's superintendent and based on the principal's leadership  
 9.26 potential, to attend the institute.

9.27 (f) The school board annually shall forward its list of recommended participants to  
 9.28 the commissioner by February 1. In addition, a principal may submit an application  
 9.29 directly to the commissioner by February 1. The commissioner shall notify the school  
 9.30 board, the principal candidates, and the University of Minnesota of the principals selected  
 9.31 to participate in the Principals' Leadership Institute each year.

9.32 ~~Subd. 2. **Method of selection and requirements.**~~ (a) The board of each school  
 9.33 district in the state may select a principal, upon the recommendation of the district's  
 9.34 superintendent and based on the principal's leadership potential, to attend the institute.

9.35 (b) The school board annually shall forward its list of recommended participants  
 9.36 to the commissioner by February 1. In addition, a principal may submit an application

10.1 ~~directly to the commissioner by February 1. The commissioner shall notify the school~~  
10.2 ~~board, the principal candidates, and the University of Minnesota of the principals selected~~  
10.3 ~~to participate in the Principals' Leadership Institute each year.~~

10.4 Sec. 7. Minnesota Statutes 2014, section 136A.101, subdivision 5a, is amended to read:

10.5 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means  
10.6 the amount of a family's contribution to a student's cost of attendance, as determined by a  
10.7 federal need analysis. For dependent students, the assigned family responsibility is ~~96~~ 94  
10.8 percent of the parental contribution. For independent students with dependents other than  
10.9 a spouse, the assigned family responsibility is ~~86~~ 85 percent of the student contribution.  
10.10 For independent students without dependents other than a spouse, the assigned family  
10.11 responsibility is ~~50~~ 49 percent of the student contribution.

10.12 Sec. 8. Minnesota Statutes 2014, section 136A.101, subdivision 10, is amended to read:

10.13 Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress"  
10.14 means satisfactory academic progress as defined under Code of Federal Regulations, title  
10.15 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual  
10.16 disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled  
10.17 in an approved comprehensive transition and postsecondary program under that section  
10.18 is subject to the institution's published satisfactory academic process standards for that  
10.19 program as approved by the Office of Higher Education.

10.20 Sec. 9. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by adding  
10.21 a subdivision to read:

10.22 Subd. 8a. **Support grants.** The commissioner, from appropriations specifically  
10.23 made for the purposes of this subdivision, may provide grants to school districts and  
10.24 community colleges for the purpose of providing exposure and connection to teachers and  
10.25 staff, students, and employers regarding industry occupational pathways and employment  
10.26 with employers in the region.

10.27 Sec. 10. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by  
10.28 adding a subdivision to read:

10.29 Subd. 10. **Dual training account.** A dual training account is created in the special  
10.30 revenue fund in the state treasury. The commissioner shall deposit into the account  
10.31 appropriations made for the purposes of this section. Money in the account is appropriated  
10.32 to the commissioner for the purposes for which it was appropriated.

11.1 Sec. 11. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by  
 11.2 adding a subdivision to read:

11.3 Subd. 11. **Administration expenses.** The commissioner may expend up to five  
 11.4 percent of the appropriation made for the purposes of this section for administration  
 11.5 of this section.

11.6 Sec. 12. Minnesota Statutes 2015 Supplement, section 136A.87, is amended to read:

11.7 **136A.87 PLANNING INFORMATION FOR POSTSECONDARY**  
 11.8 **EDUCATION.**

11.9 (a) The office shall make available to all residents beginning in 7th grade through  
 11.10 adulthood information about planning and preparing for postsecondary opportunities.  
 11.11 Information must be provided to all 7th grade students and their parents annually  
 11.12 by September 30 about planning for their postsecondary education. The office may  
 11.13 also provide information to high school students and their parents, to adults, and to  
 11.14 out-of-school youth.

11.15 (b) The office must make reasonable efforts to obtain publicly available information  
 11.16 about the dual credit acceptance policies of each Minnesota, Wisconsin, South Dakota,  
 11.17 and North Dakota public and private college and university. This information must be  
 11.18 shared on the office's Web site and included in the information under paragraph (a).

11.19 (c) The information provided under paragraph (a) may include the following:

11.20 (1) the need to start planning early;

11.21 (2) the availability of assistance in educational planning from educational institutions  
 11.22 and other organizations;

11.23 (3) suggestions for studying effectively during high school;

11.24 (4) high school courses necessary to be adequately prepared for postsecondary  
 11.25 education;

11.26 (5) encouragement to involve parents actively in planning for all phases of education;

11.27 (6) information about postsecondary education and training opportunities existing  
 11.28 in the state, their respective missions and expectations for students, their preparation  
 11.29 requirements, admission requirements, and student placement;

11.30 (7) ways to evaluate and select postsecondary institutions;

11.31 (8) the process of transferring credits among Minnesota postsecondary institutions  
 11.32 and systems;

11.33 (9) the costs of postsecondary education and the availability of financial assistance  
 11.34 in meeting these costs, including specific information about the Minnesota Promise;

- 12.1 (10) the interrelationship of assistance from student financial aid, public assistance,  
 12.2 and job training programs; and  
 12.3 (11) financial planning for postsecondary education.

12.4 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
 12.5 later.

12.6 Sec. 13. **[136A.89] PRINCIPAL LEADERSHIP INSTITUTE.**

12.7 (a) The commissioner may contract with the Minnesota State University Mankato to  
 12.8 establish a Principals' Leadership Institute to provide licensed principals in Minnesota  
 12.9 with a research-based and evaluated professional development experience focused on  
 12.10 instructional and organizational leadership by:

12.11 (1) creating a network of educational leaders who demonstrate strong instructional  
 12.12 leadership, racial equity leadership, and the skills to lead for all students;

12.13 (2) advancing student achievement in school districts through the continuous  
 12.14 development of courageous and results-driven principal leaders;

12.15 (3) developing leaders who cultivate a school culture where every student is fully  
 12.16 engaged, educated, and included; and

12.17 (4) developing principal leaders who create a culture of high standards for all  
 12.18 students and demonstrate the ability to build teacher development so that culturally  
 12.19 responsive practices occur in all classrooms.

12.20 (b) Minnesota State University Mankato must partner with participating district or  
 12.21 charter school leadership to bridge professional development learning from the Principals'  
 12.22 Leadership Institute to the district at large.

12.23 (c) Participants must agree to attend all sessions of the Principals' Leadership Institute.

12.24 (d) The Principals' Leadership Institute must base the program content and  
 12.25 curriculum on current research-based best practices in educational leadership that lead to  
 12.26 accelerated achievement growth for all students.

12.27 (e) School district or charter school leadership in the state may recommend a licensed  
 12.28 principal for participation in the program based on the principal's leadership potential.

12.29 (f) The school board or charter school board must submit the list of recommended  
 12.30 participants to the Principals' Leadership Institute by July 1 each year. Principals from a  
 12.31 school district or charter school whose leadership is engaged in intentional work focused  
 12.32 on eliminating the predictable racial achievement disparities within their district or school  
 12.33 must receive priority selection for attending the Principals' Leadership Institute.

12.34 Sec. 14. **[136F.33] SUPPLEMENTAL AND DEVELOPMENTAL EDUCATION.**

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

13.3 (b) "Academic weakness" means an academic skill determined to be below college  
13.4 ready according to a formalized assessment.

13.5 (c) "Corequisite" means a course or other requirement that is taken simultaneously  
13.6 with a credit-bearing course for the purpose of providing targeted support.

13.7 (d) "Credit-bearing course" means a college entry-level course that meets the  
13.8 requirements for a diploma, certificate, or degree.

13.9 (e) "Developmental education" means the building of foundational skills in noncredit  
13.10 courses or programs to promote academic success in college-level coursework.

13.11 (f) "Gateway course" means an initial credit-bearing course in a subject.

13.12 (g) "Supplemental instruction" means a targeted support model for students with  
13.13 academic weaknesses to promote academic success in credit-bearing courses.

13.14 (h) "Targeted support" means academic support, including but not limited to  
13.15 tutoring and directed group study time, related to increasing a student's understanding of  
13.16 a credit-bearing course.

13.17 Subd. 2. **Program requirements.** (a) The board shall develop and implement varied  
13.18 research-grounded tiered approaches to supplemental instruction and developmental  
13.19 education based on student academic readiness. The tiered approach must minimize the  
13.20 placement of students in developmental education under subdivision 5 by providing a  
13.21 supplemental instruction course structure that results in earning the equivalent of credit in  
13.22 a credit-bearing course while providing targeted support to a student who:

13.23 (1) did not meet the minimum course placement criteria for a credit-bearing course;  
13.24 and

13.25 (2) using multiple measures of assessment, is identified as likely to succeed in a  
13.26 credit-bearing course if targeted support is provided.

13.27 (b) The board shall establish campus-specific tiered approaches including strategies  
13.28 under subdivision 3 that are:

13.29 (1) focused on the skills and competencies essential for success in the math and  
13.30 English college-level courses; and

13.31 (2) based on the nature of individual campus academic programming and the needs  
13.32 of specific campus student populations.

13.33 (c) To facilitate the transfer of credits, the transcript record for a supplemental  
13.34 instruction course must include a credit-bearing course or a designation of equivalency to  
13.35 a specific credit-bearing course.

14.1 (d) The board shall make available to students on its Web site, in course catalogs, and  
14.2 by other methods at the discretion of the board, the supplemental instruction, developmental  
14.3 education, and corequisite courses offered at a particular college or university.

14.4 Subd. 3. **Support strategies.** (a) The board shall continuously monitor and adopt  
14.5 strategies that have the potential or that have proven to increase the placement and success  
14.6 of students in credit-bearing courses. If the board finds that strategies are successful at  
14.7 one campus or program, the board must assess whether the strategies would be beneficial  
14.8 campuswide or systemwide and, if it determines that it would, must implement the strategy  
14.9 for all campus or system programs in which the strategy is predicted to be successful. The  
14.10 board may discontinue the strategy for those programs where it does not prove beneficial.

14.11 (b) Consistent with subdivision 2, strategies may include, but are not limited to:

14.12 (1) replacing developmental or remedial courses, when appropriate, with corequisite  
14.13 courses in which students with academic weaknesses are placed into introductory  
14.14 credit-bearing courses while receiving supplemental academic instruction on the same  
14.15 subject and during the same term;

14.16 (2) expanding proactive advising, including the use of early alert systems or  
14.17 requiring the approval of an adviser or counselor to register for certain classes;

14.18 (3) developing meta-majors in broad academic disciplines as an alternative to  
14.19 undecided majors;

14.20 (4) making available alternative mathematics curriculum, including curriculum most  
14.21 relevant to the student's chosen area of study;

14.22 (5) implementing "opt-out scheduling" by automatically enrolling students in a  
14.23 schedule of courses chosen by the student's department but allowing students to disenroll  
14.24 from those courses if they meet with an academic adviser and cosign a change of  
14.25 enrollment form; and

14.26 (6) facilitating the transfer of credits between state colleges and universities.

14.27 Subd. 4. **Assessments and advising.** (a) Common student placement assessments  
14.28 must provide information identifying academic weaknesses that must be provided to the  
14.29 student. A student assessed below college ready must be provided:

14.30 (1) materials designed to address identified academic weaknesses;

14.31 (2) support to prepare for and retake placement assessments;

14.32 (3) postassessment advising to assist in making informed decisions on identifying  
14.33 academic weaknesses and targeting supplemental instruction options; and

14.34 (4) additional targeted support while enrolled in college-level math and English  
14.35 courses.

15.1 (b) Intrusive advising must be provided to a student who participates in supplemental  
 15.2 instruction programs but has been unsuccessful in achieving academic success. Advising  
 15.3 must include career and employment options, alternative career pathways, and related  
 15.4 educational opportunities.

15.5 Subd. 5. **Developmental education.** (a) The board shall create a framework to  
 15.6 redesign developmental education to provide a student who does not meet the criteria for  
 15.7 inclusion in a supplemental instruction course the opportunity to complete gateway math  
 15.8 and English courses within one academic year. The board must provide developmental  
 15.9 education to a student or advise the student to enroll in adult basic education.

15.10 (b) The board shall not require a student who has successfully taken a developmental  
 15.11 course under section 124D.09, subdivision 10, to participate in a developmental education  
 15.12 course in the same subject area.

15.13 Subd. 6. **Report.** Annually by January 15, the board shall report to the chairs and  
 15.14 ranking minority members of the legislative committees with primary jurisdiction over  
 15.15 higher education finance on the goal of increasing the placement and success of students  
 15.16 in credit-bearing courses. The report must, at a minimum, include:

15.17 (1) the following information on board activities:

15.18 (i) strategies the board has adopted at each campus under subdivision 2, paragraph (b);

15.19 (ii) strategies that have been discontinued at each campus; and

15.20 (iii) strategies being considered for systemwide implementation; and

15.21 (2) the following information on students:

15.22 (i) the number and percent of students placed in developmental education;

15.23 (ii) the number and percent of students who complete developmental education  
 15.24 within one academic year;

15.25 (iii) the number and percent of students that complete gateway courses in math  
 15.26 and English in one academic year;

15.27 (iv) the student retention rate;

15.28 (v) time to complete a degree or certificate; and

15.29 (vi) credits earned by those completing a degree, certificate, or other program.

15.30 The report must disaggregate student data by race, ethnicity, Pell Grant eligibility,  
 15.31 and age and provide aggregate data.

15.32 Sec. 15. **EQUITY IN EDUCATION AND JOB CONNECTION GRANT**  
 15.33 **PROGRAM.**

15.34 Subdivision 1. **Grants.** (a) The commissioner of the Office of Higher Education  
 15.35 shall award grants to improve postsecondary attendance, completion, and retention and

16.1 the obtaining of well-paying jobs for which the postsecondary education provides training  
 16.2 by providing services to historically underrepresented college students. Grants must be  
 16.3 awarded to Minnesota state colleges and universities and private organization programs  
 16.4 that help the state reach the attainment goals under Minnesota Statutes, section 135A.012.

16.5 Programs must provide services targeted to make the improvements including, but not  
 16.6 limited to:

16.7 (1) academic and nonacademic counseling or advising;

16.8 (2) mentoring in education and career opportunities;

16.9 (3) structured tutoring;

16.10 (4) career awareness and exploration including internships and post graduation  
 16.11 job placements;

16.12 (5) orientation to college life;

16.13 (6) financial aid counseling;

16.14 (7) academic instruction programs in core curricular areas of mathematics and  
 16.15 language arts;

16.16 (8) supplemental instruction programs for college courses with high failure and  
 16.17 withdrawal rates; and

16.18 (9) co-requisite college course models for delivery of academic support.

16.19 (b) The office shall structure the grants for sustainability of programs funded by a  
 16.20 grant.

16.21 (c) To the extent there are sufficient qualified applicants, approximately 50 percent  
 16.22 of grant dollars must be awarded to private organization programs.

16.23 Subd. 2. **Application process.** (a) The commissioner shall develop a grant  
 16.24 application process. The commissioner shall attempt to support projects in a manner that  
 16.25 ensures that eligible students throughout the state have access to program services.

16.26 (b) The grant application must include, at a minimum, the following information:

16.27 (1) a description of the characteristics of the students to be served reflective of the  
 16.28 need for services listed in subdivision 1;

16.29 (2) a description of the services to be provided and a timeline for implementation  
 16.30 of the service activities;

16.31 (3) a description of how the services provided will foster postsecondary retention  
 16.32 and completion;

16.33 (4) a description of how the services will be evaluated to determine whether the  
 16.34 program goals were met;

16.35 (5) the history of the applicant in achieving successful improvements using the  
 16.36 services for which a grant is sought;



- 17.1 (6) the assumed cost per student of achieving successful outcomes;  
 17.2 (7) the effect of the grant on assisting students to obtain well-paying jobs;  
 17.3 (8) the proposed grant match;  
 17.4 (9) the organizational commitment to program sustainability; and  
 17.5 (10) other information as identified by the commissioner.

17.6 Grant recipients must specify both program and student outcome goals, and performance  
 17.7 measures for each goal.

17.8 Subd. 3. **Advisory committee.** The commissioner may establish and convene an  
 17.9 advisory committee to assist the commissioner in reviewing applications and advise the  
 17.10 commissioner on grantees and grant amounts. The members of the committee may include  
 17.11 representatives of postsecondary institutions, organizations providing postsecondary  
 17.12 academic and career services, and others deemed appropriate by the commissioner.

17.13 Subd. 4. **Outcome report.** Each grant recipient must annually submit a report to  
 17.14 the Office of Higher Education identifying its program and student goals and activities  
 17.15 implemented. A report must include, but not be limited to, information on:

- 17.16 (1) number of students served;  
 17.17 (2) course taking and grade point average of participating students;  
 17.18 (3) persistence and retention rates of participating students;  
 17.19 (4) postsecondary graduation rates of participating students;  
 17.20 (5) the number of students who required postsecondary academic remediation and  
 17.21 number of remedial courses for each of those students and in the aggregate; and  
 17.22 (6) jobs and wage rates of students after postsecondary graduation.

17.23 To the extent possible, the report must breakdown outcomes by Pell grant qualification,  
 17.24 race, and ethnicity.

17.25 Subd. 5. **Legislative report.** By January 15 of each year through 2021, the office  
 17.26 shall submit a report to the chairs and ranking minority members of the committees in the  
 17.27 house of representatives and the senate with jurisdiction over higher education finance  
 17.28 regarding the grant recipients and their activities. The report shall include information  
 17.29 about the students served, the organizations providing services, program activities,  
 17.30 program goals and outcomes, and program revenue sources and funding levels.

17.31 Sec. 16. **STATE GRANT TUITION CAPS.**

17.32 For the purposes of the state grant program under Minnesota Statutes, section  
 17.33 136A.121, for the fiscal year ending June 30, 2017, the tuition maximum is \$5,736  
 17.34 for students in two-year programs and the tuition maximum is \$14,186 for students in  
 17.35 four-year programs.

18.1       Sec. 17. **STATE UNIVERSITIES; PILOT PROGRAM FOR STUDENTS WITH**  
18.2 **INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.**

18.3       Subdivision 1. **Pilot program created.** (a) The Board of Trustees of the Minnesota  
18.4 State Colleges and Universities must offer a pilot academic program as described in  
18.5 this section for students with intellectual and developmental disabilities. The pilot is for  
18.6 students entering the program in the 2017-2018 academic year. The program must be  
18.7 offered at a total of four state university or college campuses that have the ability to offer  
18.8 a robust program using existing facilities, including residential facilities. The campuses  
18.9 selected must, to the extent possible, be located in different geographic regions of the state.

18.10       (b) In designing the pilot program, the Board of Trustees must consult with PACER  
18.11 Center, Inc., the Minnesota Governor's Council on Developmental Disabilities, Arc  
18.12 Minnesota, and other interested stakeholder groups. The board must also consult with  
18.13 administrators of similar programs at other postsecondary institutions.

18.14       Subd. 2. **Program enrollment and admission.** The enrollment goal for each  
18.15 campus's pilot program must be at least ten incoming students per academic year. Students  
18.16 must be admitted based on an application process that includes an in-person interview;  
18.17 an independent assessment of an applicant's interest, motivation, and likelihood of  
18.18 success in the program; and any other eligibility requirements established by the board.  
18.19 Upon successful completion, a student must be awarded a certificate, diploma, or other  
18.20 appropriate academic credential.

18.21       Subd. 3. **Program curriculum and activities.** (a) The pilot program must provide  
18.22 an inclusive, two-year full-time residential college experience for students with intellectual  
18.23 and developmental disabilities. The required curriculum must include core courses  
18.24 that develop life skills, financial literacy, and the ability to live independently; rigorous  
18.25 academic work in a student's chosen field of study; and an internship, apprenticeship, or  
18.26 other skills-based experience to prepare for meaningful employment upon completion  
18.27 of the program.

18.28       (b) In addition to academic requirements, the program must offer participating  
18.29 students the opportunity to engage fully in campus life. Program activities must include  
18.30 but are not limited to (1) the establishment of on-campus mentoring and peer support  
18.31 communities and (2) opportunities for personal growth through leadership development  
18.32 and other community engagement activities.

18.33       (c) A participating campus may tailor its program curriculum and activities to  
18.34 highlight academic programs, student and community life experiences, and employment  
18.35 opportunities unique to that campus or the region of the state where the campus is located.

19.1 Subd. 4. **Progress reports to legislature.** The board must submit progress reports  
 19.2 on the pilot program required by this section to the chairs and ranking minority members  
 19.3 of the committees in the house of representatives and the senate with jurisdiction over  
 19.4 higher education finance and policy and human services finance and policy as follows:

19.5 (1) no later than January 15, 2017, a report describing plans for implementation of  
 19.6 the program and recruitment of applicants, including identification of anticipated program  
 19.7 needs that cannot be filled using existing campus or system resources; and

19.8 (2) no later than January 15, 2019, a report describing program operations, including  
 19.9 information on participation and expected completion rates, the feasibility of program  
 19.10 expansion to other state university campuses, and detail on any unmet program needs.

19.11 Sec. 18. **STUDENT AND EMPLOYER CONNECTION INFORMATION**  
 19.12 **SYSTEM.**

19.13 The commissioner of the Office of Higher Education shall issue a request for  
 19.14 proposal no later than July 1, 2016, for a Web-based job and intern-seeking software tool  
 19.15 that matches the needs of employers located in Minnesota with the individual profiles of  
 19.16 high school seniors and postsecondary students attending Minnesota high schools and  
 19.17 postsecondary institutions. The commissioner shall no later than October 1, 2016, select a  
 19.18 provider. The selected provider must have experience that demonstrates both prior similar  
 19.19 software development ability and implementation outcomes of successful blind matching  
 19.20 of job candidates and employers in furtherance of Minnesota's workforce diversity and  
 19.21 inclusion objectives. The commissioner shall contract for the development of the system.

19.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.23 Sec. 19. **COMMISSIONER OF THE OFFICE OF HIGHER EDUCATION;**  
 19.24 **TEACHER DIVERSITY RECOMMENDATIONS AND REPORT.**

19.25 (a) The commissioner of the Office of Higher Education, in consultation with  
 19.26 the Board of Teaching, the Office of Educator Licensing at the Minnesota Department  
 19.27 of Education, and other interested stakeholders, including councils and other local  
 19.28 organizations serving communities of color or American Indian communities, diverse  
 19.29 K-12 educator candidates and licensed educators, human resources personnel, parent  
 19.30 representatives, urban, suburban, and rural school district and school board associations  
 19.31 and organizations, teacher representatives, other organizations focused on teacher diversity  
 19.32 in education, public and nonpublic higher education systems and institutions, and local  
 19.33 ethnic-focused media, shall prepare and submit a report to the legislature recommending  
 19.34 how best to realize the goal of providing all students, including low-income students,

20.1 American Indian students, and students of color with improved and equitable access to  
20.2 effective, more diverse teachers, consistent with state policy. The commissioner must  
20.3 consider the substance of state policy and paragraphs (b) and (c) in developing the  
20.4 recommendations in the report.

20.5 (b) The commissioner's recommendations must address at least the following:

20.6 (1) ensuring transparency and accountability by requiring traditional and alternative  
20.7 teacher preparation programs to publicly report enrollment and completion data for  
20.8 diverse teacher licensure candidates and by requiring districts to publicly report data on  
20.9 the demographic disparities between enrolled students and licensed teachers employed in  
20.10 the district and its school;

20.11 (2) expanding pathways to licensure by encouraging districts to develop programs  
20.12 with two- and four-year institutions and with community-based organizations to recruit  
20.13 and support diverse populations of enrolled students, nonlicensed district employees, and  
20.14 local community members in becoming licensed teachers in the district, facilitating the  
20.15 ability of diverse, nontraditional teacher candidates to change careers and pursue licensure  
20.16 through community college pathways, bachelor's degree programs or postbaccalaureate  
20.17 teacher preparation programs, and creating statewide campaigns to encourage diverse  
20.18 candidates to become licensed teachers;

20.19 (3) providing diverse teacher licensure candidates with the preparation and skills  
20.20 needed to become effective teachers, removing inequitable barriers to licensure presented  
20.21 by licensure exams, and for purposes of attaining a full professional license, allowing  
20.22 candidates to demonstrate their skills proficiency through alternatives to teacher skills and  
20.23 college entrance exams;

20.24 (4) providing financial assistance and incentives such as scholarships, student  
20.25 teaching stipends, and loan forgiveness programs to encourage diverse individuals to attain  
20.26 a teaching, counseling, or social work license or advanced degree, otherwise improve their  
20.27 professional practice, or become school administrators, and using a hiring bonus to recruit  
20.28 more diverse teachers into a district or school; and

20.29 (5) supporting induction and retention programs by funding teacher residency and  
20.30 mentoring programs that support the retention and professional development of diverse  
20.31 teachers and focusing teachers' professional development opportunities on cultural fluency  
20.32 and competency.

20.33 (c) The commissioner must include in the report, as appropriate, any  
20.34 recommendations for amendments to the following statutes and any related statutes:

20.35 (1) the world's best work force under Minnesota Statutes, section 120B.11;

20.36 (2) regional centers of excellence under Minnesota Statutes, section 120B.115;

- 21.1 (3) Board of Teaching duties under Minnesota Statutes, section 122A.09,  
 21.2 subdivisions 4 and 4a;
- 21.3 (4) teacher continuing or employment contracts and peer review and mentorship  
 21.4 under Minnesota Statutes, sections 122A.40 and 122A.41;
- 21.5 (5) the alternative teacher professional pay system agreement under Minnesota  
 21.6 Statutes, section 122A.414, subdivision 2;
- 21.7 (6) staff development programs under Minnesota Statutes, section 122A.60;
- 21.8 (7) American Indian grants, scholarships, and loan programs under Minnesota  
 21.9 Statutes, section 122A.63;
- 21.10 (8) teacher residency programs under Minnesota Statutes, section 122A.68;
- 21.11 (9) the ability of the Board of Teaching to arrange for student teachers under  
 21.12 Minnesota Statutes, section 122A.69;
- 21.13 (10) the ability of school districts to develop mentoring programs for teachers of  
 21.14 color under Minnesota Statutes, section 122A.70;
- 21.15 (11) the legislature's support of research on the effectiveness of teacher preparation  
 21.16 programs under Minnesota Statutes, section 122A.71;
- 21.17 (12) teacher centers to help teachers learn, experiment, assess, and improve to meet  
 21.18 students' needs under Minnesota Statutes, section 122A.72; and
- 21.19 (13) the teacher shortage loan forgiveness program under Minnesota Statutes,  
 21.20 section 136A.1791.
- 21.21 (d) The commissioner must submit the report to the chairs and ranking minority  
 21.22 members of the committees in the house of representatives and the senate with jurisdiction  
 21.23 over education by February 1, 2017.

## ARTICLE 2

### ECONOMIC DEVELOPMENT

#### Section 1. APPROPRIATIONS.

21.27 The sums shown in the columns under "Appropriations" are added to or, if shown  
 21.28 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session  
 21.29 chapter 1, article 1, or other law to the specified agencies. The appropriations are from the  
 21.30 general fund, or another named fund, and are available for the fiscal years indicated for  
 21.31 each purpose. The figure "2017" used in this article means that the appropriations listed  
 21.32 under it are available for the fiscal year ending June 30, 2017.

21.33 **APPROPRIATIONS**  
 21.34 **Available for the Year**

22.1		<u>Ending June 30</u>	
22.2		<u>2016</u>	<u>2017</u>
22.3	<b>Sec. 2. <u>DEPARTMENT OF EMPLOYMENT</u></b>		
22.4	<b><u>AND ECONOMIC DEVELOPMENT</u></b>		
22.5	<b>Subdivision 1. <u>Total Appropriation</u></b>	<b>\$</b>	<b><u>-0-</u> \$ <u>34,445,000</u></b>
22.6	<u>Appropriations by Fund</u>		
22.7	<u>General</u>	<u>-0-</u>	<u>33,445,000</u>
22.8	<u>Workforce</u>		
22.9	<u>Development</u>	<u>-0-</u>	<u>1,000,000</u>
22.10	<u>The amounts that may be spent for each</u>		
22.11	<u>purpose are specified in the following</u>		
22.12	<u>subdivisions.</u>		
22.13	<b>Subd. 2. <u>Business and Community</u></b>		
22.14	<b><u>Development</u></b>	<u>-0-</u>	<u>30,595,000</u>
22.15	<u>\$2,000,000 in fiscal year 2017 is for the</u>		
22.16	<u>redevelopment program under Minnesota</u>		
22.17	<u>Statutes, section 116J.571. This is a onetime</u>		
22.18	<u>appropriation.</u>		
22.19	<u>\$1,220,000 in fiscal year 2017 is for a</u>		
22.20	<u>grant to the Duluth North Shore Sanitary</u>		
22.21	<u>District to retire debt of the district in order</u>		
22.22	<u>to bring the district's monthly wastewater</u>		
22.23	<u>rates in line with those of similarly situated</u>		
22.24	<u>facilities across the state. This is a onetime</u>		
22.25	<u>appropriation.</u>		
22.26	<u>\$275,000 in fiscal year 2017 is for a grant to</u>		
22.27	<u>the Community and Economic Development</u>		
22.28	<u>Associates (CEDA) for an economic</u>		
22.29	<u>development study and analysis of the effects</u>		
22.30	<u>of current and projected economic growth</u>		
22.31	<u>in southeast Minnesota. This is a onetime</u>		
22.32	<u>appropriation and is available until June 30,</u>		
22.33	<u>2019.</u>		
22.34	<u>\$300,000 in fiscal year 2017 is for expansion</u>		
22.35	<u>of business assistance services provided by</u>		

23.1 business development specialists located in  
23.2 the Northwest Region, Northeast Region,  
23.3 West Central Region, Southwest Region,  
23.4 Southeast Region, and Twin Cities Metro  
23.5 Region offices established throughout the  
23.6 state. Funds under this section may be used  
23.7 to provide services including, but not limited  
23.8 to, business start-ups; expansion; location or  
23.9 relocation; finance; regulatory and permitting  
23.10 assistance; and other services determined  
23.11 by the commissioner. The commissioner  
23.12 may also use funds under this section to  
23.13 increase the number of business development  
23.14 specialists in each region of the state,  
23.15 increase and expand the services provided  
23.16 through each regional office, and publicize  
23.17 the services available and provide outreach  
23.18 to communities in each region regarding  
23.19 services and assistance available through the  
23.20 business development specialist program.  
23.21 This is a onetime appropriation.  
23.22 \$50,000 in fiscal year 2017 is to enhance  
23.23 the outreach and public awareness activities  
23.24 of the Bureau of Small Business under  
23.25 Minnesota Statutes, section 116J.68. This is  
23.26 a onetime appropriation.  
23.27 \$750,000 in fiscal year 2017 is for a grant to  
23.28 Enterprise Minnesota, Inc. Of this amount,  
23.29 \$375,000 is for the small business growth  
23.30 acceleration program under Minnesota  
23.31 Statutes, section 116O.115, and \$375,000  
23.32 is for operations under Minnesota Statutes,  
23.33 sections 116O.01 to 116O.061. This is a  
23.34 onetime appropriation.

24.1 \$2,000,000 in fiscal year 2017 is for  
24.2 the Minnesota Initiative program under  
24.3 Minnesota Statutes, section 116M.18.  
24.4 Of this amount, up to five percent is for  
24.5 administration, outreach, and monitoring of  
24.6 the program. This is a onetime appropriation.  
24.7 \$500,000 in fiscal year 2017 is for making  
24.8 capacity building grants under Minnesota  
24.9 Statutes, section 116M.18, subdivision 9.  
24.10 This is a onetime appropriation.  
24.11 \$3,500,000 in fiscal year 2017 is for grants to  
24.12 initiative foundations to provide financing  
24.13 for business startups, expansions, and  
24.14 maintenance; and for business ownership  
24.15 transition and succession. This is a onetime  
24.16 appropriation. Of the amount appropriated:  
24.17 (1) \$500,000 is for a grant to the Southwest  
24.18 Initiative Foundation;  
24.19 (2) \$500,000 is for a grant to the West Central  
24.20 Initiative Foundation;  
24.21 (3) \$500,000 is for a grant to the Southern  
24.22 Minnesota Initiative Foundation;  
24.23 (4) \$500,000 is for a grant to the Northwest  
24.24 Minnesota Foundation;  
24.25 (5) \$500,000 is for a grant to the Initiative  
24.26 Foundation;  
24.27 (6) \$500,000 is for a grant to the Northland  
24.28 Foundation; and  
24.29 (7) \$500,000 is for a grant to the Minnesota  
24.30 Initiative Board under Minnesota Statutes,  
24.31 chapter 116M. Funds available under this  
24.32 clause must be allocated as follows:



25.1 (i) 50 percent of the funds must be allocated  
25.2 for projects in the counties of Dakota,  
25.3 Ramsey, and Washington; and

25.4 (ii) 50 percent of the funds must be allocated  
25.5 for projects in the counties of Anoka, Carver,  
25.6 Hennepin, and Scott.

25.7 \$600,000 in fiscal year 2017 is for a grant to  
25.8 a city of the second class that is designated  
25.9 as an economically depressed area by the  
25.10 United States Department of Commerce for  
25.11 economic development, redevelopment, and  
25.12 job creation programs and projects. This is a  
25.13 onetime appropriation and is available until  
25.14 June 30, 2019.

25.15 \$5,500,000 in fiscal year 2017 is for a grant to  
25.16 the Minnesota Film and TV Board for the film  
25.17 production jobs program under Minnesota  
25.18 Statutes, section 116U.26. This appropriation  
25.19 is in addition to the appropriation in Laws  
25.20 2015, First Special Session chapter 1,  
25.21 article 1, section 2, subdivision 2. This is  
25.22 a onetime appropriation. Of this amount,  
25.23 \$250,000 is for grants to Hmong-American  
25.24 filmmakers that have directed or produced  
25.25 prior feature-length stories to produce  
25.26 projects within Minnesota.

25.27 \$150,000 in fiscal year 2017 is for a grant  
25.28 to the city of Edina to conduct a feasibility  
25.29 study of constructing Grandview Green over  
25.30 Highway 100 in Edina. This is a onetime  
25.31 appropriation.

25.32 \$10,000,000 in fiscal year 2017 is for deposit  
25.33 in the Minnesota 21st century fund. This is a  
25.34 onetime appropriation.

26.1 \$400,000 in fiscal year 2017 is for grants to  
 26.2 small business development centers under  
 26.3 Minnesota Statutes, section 116J.68. Funds  
 26.4 made available under this section may be  
 26.5 used to match funds under the federal Small  
 26.6 Business Development Center (SBDC)  
 26.7 program under United States Code, title 15,  
 26.8 section 648, provide consulting and technical  
 26.9 services, or to build additional SBDC  
 26.10 network capacity to serve entrepreneurs  
 26.11 and small businesses. The commissioner  
 26.12 shall allocate funds equally among the nine  
 26.13 regional centers and lead center. This is a  
 26.14 onetime appropriation.

26.15 \$3,100,000 in fiscal year 2017 is for a transfer  
 26.16 to the Board of Regents of the University  
 26.17 of Minnesota for academic and applied  
 26.18 research through MnDRIVE at the Natural  
 26.19 Resources Research Institute to develop new  
 26.20 technologies that enhance the long-term  
 26.21 viability of the Minnesota mining industry.  
 26.22 The research must be done in consultation  
 26.23 with the Mineral Coordinating Committee  
 26.24 established by Minnesota Statutes, section  
 26.25 93.0015. This is a onetime transfer.

26.26 \$250,000 in fiscal year 2017 is for a grant to  
 26.27 the city of Kelliher for water infrastructure  
 26.28 upgrades. This is a onetime appropriation  
 26.29 and is available until June 30, 2019.

26.30 Subd. 3. **Workforce Development** -0- 2,300,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
26.33 <u>General</u>	<u>-0-</u>	<u>1,300,000</u>
26.34 <u>Workforce</u>		
26.35 <u>Development</u>	<u>-0-</u>	<u>1,000,000</u>

27.1 \$100,000 in fiscal year 2017 is for a  
27.2 grant to Ramsey County for a study of  
27.3 the workforce-based mass transit needs  
27.4 of the north metro area. Ramsey County  
27.5 may work in collaboration with officials in  
27.6 other counties including, but not limited  
27.7 to, Anoka and Washington Counties in  
27.8 producing the study. By December 1, 2017,  
27.9 Ramsey County must submit the report to  
27.10 the commissioner. By January 1, 2018, the  
27.11 commissioner must report to the chairs of the  
27.12 standing committees of the legislature having  
27.13 jurisdiction over workforce development  
27.14 and transportation. This is a onetime  
27.15 appropriation and is available until June 30,  
27.16 2018.

27.17 \$500,000 in fiscal year 2017 is from the  
27.18 workforce development fund for rural career  
27.19 counseling coordinators in the workforce  
27.20 service areas and for the purposes specified  
27.21 in Minnesota Statutes, section 116L.667.  
27.22 This appropriation is for increases to existing  
27.23 applicants who were awarded grants in fiscal  
27.24 years 2016 and 2017.

27.25 \$500,000 in fiscal year 2017 is for a grant to  
27.26 Occupational Development Corporation, Inc.  
27.27 in the city of Buhl to provide training and  
27.28 employment opportunities for people with  
27.29 disabilities and disadvantaged workers. This  
27.30 is a onetime appropriation.

27.31 \$400,000 in fiscal year 2017 is for a grant  
27.32 to Northern Bedrock Historic Preservation  
27.33 Corps for the pathway to the preservation  
27.34 trades program for recruitment of corps  
27.35 members, engagement of technical

28.1 specialists, development of a certificate  
 28.2 program, and skill development in historic  
 28.3 preservation for youth ages 18 to 25. This is  
 28.4 a onetime appropriation.

28.5 \$300,000 in fiscal year 2017 is for the  
 28.6 "Getting to Work" grant program. This is a  
 28.7 onetime appropriation and is available until  
 28.8 June 30, 2019.

28.9 \$500,000 in fiscal year 2017 is from the  
 28.10 workforce development fund for a grant to  
 28.11 the North East Higher Education District to  
 28.12 purchase equipment for training programs  
 28.13 due to increased demand for job training  
 28.14 under the state dislocated worker program.

28.15 This is a onetime appropriation and is  
 28.16 available until June 30, 2018.

28.17 Subd. 4. **Vocational rehabilitation** -0- 1,550,000

28.18 \$800,000 in fiscal year 2017 is for grants  
 28.19 to centers for independent living under  
 28.20 Minnesota Statutes, section 268A.11. This  
 28.21 is a onetime appropriation and is in addition  
 28.22 to the appropriation in Laws 2015, First  
 28.23 Special Session chapter 1, article 1, section  
 28.24 2, subdivision 6.

28.25 \$750,000 in fiscal year 2017 is for grants  
 28.26 to day training and habilitation providers  
 28.27 to provide innovative employment options  
 28.28 and to advance community integration for  
 28.29 persons with disabilities as required under  
 28.30 the Minnesota Olmstead Plan. Of this  
 28.31 amount, \$250,000 is for a pilot program  
 28.32 for home-based, technology-enhanced  
 28.33 monitoring of persons with disabilities. This  
 28.34 is a onetime appropriation and is available  
 28.35 until June 30, 2018.

29.1	Sec. 3. <b><u>DEPARTMENT OF LABOR AND</u></b>			
29.2	<b><u>INDUSTRY</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 350,000</u></b>
29.3	<u>\$250,000 in fiscal year 2017 is from</u>			
29.4	<u>the workforce development fund for the</u>			
29.5	<u>apprenticeship program under Minnesota</u>			
29.6	<u>Statutes, chapter 178. This amount is added</u>			
29.7	<u>to the base appropriation for this purpose.</u>			
29.8	<u>\$100,000 in fiscal year 2017 is to provide</u>			
29.9	<u>outreach and education concerning</u>			
29.10	<u>requirements under state or federal law</u>			
29.11	<u>governing removal of architectural barriers</u>			
29.12	<u>that limit access to public accommodations</u>			
29.13	<u>by persons with disabilities and resources</u>			
29.14	<u>that are available to comply with</u>			
29.15	<u>those requirements. This is a onetime</u>			
29.16	<u>appropriation.</u>			
29.17	Sec. 4. <b><u>EXPLORE MINNESOTA TOURISM</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 1,250,000</u></b>
29.18	<u>\$300,000 in fiscal year 2017 is for a grant to</u>			
29.19	<u>the Mille Lacs Tourism Council to enhance</u>			
29.20	<u>marketing activities related to tourism</u>			
29.21	<u>promotion in the Mille Lacs Lake area. This</u>			
29.22	<u>is a onetime appropriation.</u>			
29.23	<u>\$950,000 in fiscal year 2017 is to establish a</u>			
29.24	<u>pilot project to assist in funding and securing</u>			
29.25	<u>major events benefiting communities</u>			
29.26	<u>throughout the state. The pilot project must</u>			
29.27	<u>measure the economic impact of visitors on</u>			
29.28	<u>state and local economies, increased lodging</u>			
29.29	<u>and nonlodging sales taxes in addition</u>			
29.30	<u>to visitor spending, and increased media</u>			
29.31	<u>awareness of the state as an event destination.</u>			
29.32	<u>This is a onetime appropriation. Of this</u>			
29.33	<u>amount, \$100,000 is for a grant to the St.</u>			
29.34	<u>Louis County Historical Society for a project,</u>			

30.1 in collaboration with the Erie Mining history  
 30.2 book project team, to research, document,  
 30.3 publish, preserve, and exhibit the history of  
 30.4 taconite mining in Minnesota.

30.5 **Sec. 5. PUBLIC EMPLOYMENT**  
 30.6 **RELATIONS BOARD** **\$** **-0-** **\$** **525,000**

30.7 \$525,000 in fiscal year 2017 is for the  
 30.8 Public Employment Relations Board under  
 30.9 Minnesota Statutes, section 179A.041.  
 30.10 The base appropriation for this purpose is  
 30.11 \$525,000 in fiscal year 2018 and \$525,000 in  
 30.12 fiscal year 2019.

30.13 **Sec. 6. HOUSING FINANCE AGENCY** **\$** **-0-** **\$** **2,500,000**

30.14 \$1,000,000 in fiscal year 2017 is to establish  
 30.15 a grant program within the housing trust fund  
 30.16 for the exploited families rental assistance  
 30.17 program. This is a onetime appropriation and  
 30.18 is available until June 30, 2019.

30.19 \$500,000 in fiscal year 2017 is for a  
 30.20 competitive grant program to fund a housing  
 30.21 project or projects in a community or  
 30.22 communities: (1) that have low housing  
 30.23 vacancy rates; and (2) that have an education  
 30.24 and training center for jobs in agriculture,  
 30.25 farm business management, health care  
 30.26 fields, or other fields with anticipated  
 30.27 significant job growth potential. A grant or  
 30.28 grants must be no more than 50 percent of  
 30.29 the total development costs for the project.  
 30.30 Funds for a grant or grants made in this  
 30.31 section must be to a housing project or  
 30.32 projects that have financial and in-kind  
 30.33 contributions from nonagency sources  
 30.34 that when combined with a grant under

31.1 this section are sufficient to complete the  
 31.2 housing project. Funds must be used to  
 31.3 create new housing units either through  
 31.4 new construction or through acquisition and  
 31.5 rehabilitation of a building or buildings not  
 31.6 currently used for housing. If funds remain  
 31.7 uncommitted at the end of fiscal year 2017,  
 31.8 the agency may transfer the uncommitted  
 31.9 funds to the housing development fund and  
 31.10 use the funds for the economic development  
 31.11 and housing challenge program under  
 31.12 Minnesota Statutes, section 462A.33. This is  
 31.13 a onetime appropriation.

31.14 \$1,000,000 in fiscal year 2017 is for the  
 31.15 Workforce and Affordable Homeownership  
 31.16 Development Program under Minnesota  
 31.17 Statutes, section 462A.38. This is a onetime  
 31.18 appropriation and is available until June 30,  
 31.19 2019.

31.20 Sec. 7. COMMERCE \$ -0- \$ 1,006,000

31.21 \$500,000 in fiscal year 2017 is for increased  
 31.22 civil insurance fraud investigation. This is a  
 31.23 onetime appropriation.

31.24 \$290,000 in fiscal year 2017 is to fund two  
 31.25 positions to return abandoned property to  
 31.26 owners, newspaper publication, and related  
 31.27 technology upgrades under Minnesota  
 31.28 Statutes, section 345.42. This is a onetime  
 31.29 appropriation.

31.30 \$66,000 in fiscal year 2017 is for the  
 31.31 commissioner of commerce to seek any  
 31.32 necessary federal approvals to modify the  
 31.33 boundaries of and reduce the number of the  
 31.34 state's designated geographic rating areas for

32.1 purposes of setting health plan premiums in  
 32.2 the individual health insurance market. This  
 32.3 is a onetime appropriation.  
 32.4 \$150,000 in fiscal year 2017 is for the  
 32.5 commissioner of commerce to:  
 32.6 (1) study and create models of potential  
 32.7 Minnesota-tailored rate-stability mechanisms  
 32.8 for the individual marketplace, such as a  
 32.9 reinsurance program;  
 32.10 (2) study and create models merging the  
 32.11 state's individual and small group markets;  
 32.12 and  
 32.13 (3) study options for making the state's rate  
 32.14 review process more transparent utilizing  
 32.15 public information and hearings.  
 32.16 The commissioner may seek other private  
 32.17 funds or grants to supplement the costs of  
 32.18 the studies. The commissioner shall issue  
 32.19 a report on the preliminary findings of the  
 32.20 studies to the chairs and ranking minority  
 32.21 members of the committees in the house  
 32.22 of representatives and the senate with  
 32.23 jurisdiction over health and marketplace  
 32.24 premiums by January 15, 2017.

32.25 Sec. 8. Laws 2015, First Special Session chapter 1, article 1, section 4, is amended to  
 32.26 read:

32.27 **Sec. 4. EXPLORE MINNESOTA TOURISM \$ 14,118,000 \$ 14,248,000**

32.28 (a) To develop maximum private sector  
 32.29 involvement in tourism, \$500,000 in fiscal  
 32.30 year 2016 and \$500,000 in fiscal year 2017  
 32.31 must be matched by Explore Minnesota  
 32.32 Tourism from nonstate sources. Each \$1 of  
 32.33 state incentive must be matched with \$6 of



33.1 private sector funding. Cash match is defined  
 33.2 as revenue to the state or documented cash  
 33.3 expenditures directly expended to support  
 33.4 Explore Minnesota Tourism programs. Up  
 33.5 to one-half of the private sector contribution  
 33.6 may be in-kind or soft match. The incentive  
 33.7 in fiscal year 2016 shall be based on fiscal  
 33.8 year 2015 private sector contributions. The  
 33.9 incentive in fiscal year 2017 shall be based on  
 33.10 fiscal year 2016 private sector contributions.  
 33.11 This incentive is ongoing. Of this amount,  
 33.12 \$100,000 is for a grant to the Northern Lights  
 33.13 International Music festival.

33.14 (b) Funding for the marketing grants is  
 33.15 available either year of the biennium.  
 33.16 Unexpended grant funds from the first year  
 33.17 are available in the second year.

33.18 (c) \$30,000 in fiscal year 2016 is for Mille  
 33.19 Lacs Lake tourism promotion. This is a  
 33.20 onetime appropriation.

33.21 Sec. 9. Laws 2015, First Special Session chapter 1, article 1, section 6, is amended to  
 33.22 read:

33.23	Sec. 6. <b>BUREAU OF MEDIATION</b>			<b>2,234,000</b>
33.24	<b>SERVICES</b>	\$	<b>2,208,000</b>	\$ <b><u>2,497,000</u></b>

33.25 (a) \$68,000 each year is for grants to area  
 33.26 labor management committees. Grants may  
 33.27 be awarded for a 12-month period beginning  
 33.28 July 1 each year. Any unencumbered balance  
 33.29 remaining at the end of the first year does not  
 33.30 cancel but is available for the second year.

33.31 (b) \$125,000 each year in fiscal year 2016  
 33.32 is for purposes of the Public Employment  
 33.33 Relations Board under Minnesota Statutes,

34.1 section 179A.041. This is a onetime  
 34.2 appropriation.

34.3 (c) \$256,000 ~~each year is~~ in fiscal year  
 34.4 2016 and \$394,000 in fiscal year 2017 are  
 34.5 for the Office of Collaboration and Dispute  
 34.6 Resolution under Minnesota Statutes, section  
 34.7 179.90. The base appropriation for this  
 34.8 purpose is \$394,000 in fiscal year 2018 and  
 34.9 \$394,000 in fiscal year 2019. Of this amount,  
 34.10 \$160,000 each year is for grants under  
 34.11 Minnesota Statutes, section 179.91, and  
 34.12 \$96,000 each year is for intergovernmental  
 34.13 and public policy collaboration and operation  
 34.14 of the office.

34.15 (d) \$250,000 is to complete the Case  
 34.16 Management System-Database Project Phase  
 34.17 II. This is a onetime appropriation.

34.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

34.19 Sec. 10. Minnesota Statutes 2014, section 13.43, subdivision 6, is amended to read:

34.20 Subd. 6. **Access by labor organizations, the Bureau of Mediation Services,**  
 34.21 **and the Public Employment Relations Board.** Personnel data may be disseminated to  
 34.22 labor organizations and the Public Employment Relations Board to the extent that the  
 34.23 responsible authority determines that the dissemination is necessary to conduct elections,  
 34.24 notify employees of fair share fee assessments, and implement the provisions of chapters  
 34.25 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public  
 34.26 Employment Relations Board, and to the Bureau of Mediation Services to the extent the  
 34.27 dissemination is ordered or authorized by the commissioner of the Bureau of Mediation  
 34.28 Services, or the Public Employment Relations Board or its designee.

34.29 **EFFECTIVE DATE.** This section is effective July 1, 2016.

34.30 Sec. 11. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

34.31 **Subdivision 1. Definition.** For purposes of this section, "board" means the Public  
 34.32 Employment Relations Board.

35.1 Subd. 2. **Not public data.** (a) Except as provided in this subdivision, all data  
 35.2 maintained by the board about a charge or complaint of unfair labor practices and  
 35.3 appeals of determinations of the commissioner under section 179A.12, subdivision 11,  
 35.4 are classified as protected nonpublic data or confidential data, and become public when  
 35.5 admitted into evidence at a hearing conducted pursuant to section 179A.13. The data may  
 35.6 be subject to a protective order as determined by the board or a hearing officer.

35.7 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

35.8 (1) the filing date of unfair labor practice charges;

35.9 (2) the status of unfair labor practice charges as an original or amended charge;

35.10 (3) the names and job classifications of charging parties and charged parties;

35.11 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

35.12 (5) the complaint issued by the board and all data in the complaint;

35.13 (6) the full and complete record of an evidentiary hearing before a hearing officer,

35.14 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,

35.15 unless subject to a protective order;

35.16 (7) recommended decisions and orders of hearing officers pursuant to section

35.17 179A.13, subdivision 1, paragraph (i);

35.18 (8) exceptions to the hearing officer's recommended decision and order filed with the

35.19 board pursuant to section 179A.13, subdivision 1, paragraph (k);

35.20 (9) briefs filed with the board; and

35.21 (10) decisions and orders issued by the board.

35.22 (c) Notwithstanding paragraph (a), individuals have access to their own statements

35.23 provided to the board under paragraph (a).

35.24 (d) The board may make any data classified as protected nonpublic or confidential

35.25 pursuant to this subdivision accessible to any person or party if the access will aid the

35.26 implementation of chapters 179 and 179A or ensure due process protection of the parties.

35.27 **EFFECTIVE DATE.** This section is effective July 1, 2016.

35.28 Sec. 12. Minnesota Statutes 2014, section 116J.423, is amended to read:

35.29 **116J.423 MINNESOTA MINERALS 21ST CENTURY FUND.**

35.30 Subdivision 1. **Created.** The Minnesota ~~minerals~~ 21st century fund is created

35.31 as a separate account in the treasury. Money in the account is appropriated to the

35.32 commissioner of employment and economic development for the purposes of this section.

35.33 All money earned by the account, loan repayments of principal and interest, and earnings

35.34 on investments must be credited to the account. For the purpose of this section, "fund"

36.1 means the Minnesota ~~minerals~~ 21st century fund. The commissioner shall operate the  
36.2 account as a revolving account.

36.3 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans  
36.4 or equity investments in mineral, steel, or ~~taconite~~ any other industry processing facilities,  
36.5 steel production facilities, ~~facilities for the manufacturing of renewable energy products,~~  
36.6 ~~or facilities for the manufacturing of biobased or biomass products,~~ manufacturing, or  
36.7 technology project that would enhance the economic diversification and that are is located  
36.8 within the taconite relief tax area as defined under section 273.134. The commissioner  
36.9 must, prior to making any loans or equity investments and after consultation with industry  
36.10 and public officials, develop a strategy for making loans and equity investments that  
36.11 assists the ~~Minnesota mineral industry in becoming globally competitive~~ taconite relief  
36.12 area in retaining and enhancing its economic competitiveness. Money in the fund may  
36.13 also be used to pay for the costs of carrying out the commissioner's due diligence duties  
36.14 under this section.

36.15 Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner  
36.16 may use money in the fund to make grants to a municipality or county, or to a county  
36.17 regional rail authority as appropriate, for public infrastructure needed to support an  
36.18 eligible project under this section. Grant money may be used by the municipality, county,  
36.19 or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff  
36.20 of storm water; to predesign, design, construct, and equip roads and rail lines; and, in  
36.21 cooperation with municipal utilities, to predesign, design, construct, and equip natural  
36.22 gas pipelines, electric infrastructure, water supply systems, and wastewater collection and  
36.23 treatment systems. Grants made under this subdivision are available until expended.

36.24 Subd. 3. **Requirements prior to committing funds.** The commissioner, prior to  
36.25 making a commitment for a loan or equity investment must, at a minimum, conduct due  
36.26 diligence research regarding the proposed loan or equity investment, including contracting  
36.27 with professionals as needed to assist in the due diligence.

36.28 Subd. 4. **Requirements for fund disbursements.** The commissioner may make  
36.29 conditional commitments for loans or equity investments but disbursements of funds  
36.30 pursuant to a commitment may not be made until commitments for the remainder of a  
36.31 project's funding are made that are satisfactory to the commissioner and disbursements  
36.32 made from the other commitments sufficient to protect the interests of the state in its  
36.33 loan or investment.

36.34 Subd. 5. **Company contribution.** The commissioner may provide loans or equity  
36.35 investments that match, in a proportion determined by the commissioner, an investment  
36.36 made by the owner of a facility.

37.1 Sec. 13. Minnesota Statutes 2014, section 116J.424, is amended to read:

37.2 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**  
 37.3 **CONTRIBUTION.**

37.4 The commissioner of the Iron Range Resources and Rehabilitation Board with  
 37.5 approval by the board, ~~shall~~ may provide an equal match for any loan or equity investment  
 37.6 made for a ~~facility~~ project located in the tax relief area defined in section 273.134,  
 37.7 paragraph (b), by the Minnesota ~~minerals~~ 21st century fund created by section 116J.423.  
 37.8 The match may be in the form of a loan or equity investment, notwithstanding whether  
 37.9 the fund makes a loan or equity investment. The state shall not acquire an equity interest  
 37.10 because of an equity investment or loan by the board and the board at its sole discretion  
 37.11 shall decide what interest it acquires in a project. The commissioner of employment and  
 37.12 economic development may require a commitment from the board to make the match  
 37.13 prior to disbursing money from the fund.

37.14 Sec. 14. Minnesota Statutes 2014, section 116J.68, is amended to read:

37.15 **116J.68 BUREAU OF SMALL BUSINESS.**

37.16 Subdivision 1. **Generally.** The Bureau of Small Business within the business  
 37.17 assistance center shall serve as a clearinghouse, technical assistance center, and referral  
 37.18 service for information and other assistance needed by small businesses including small  
 37.19 targeted group businesses and small businesses located in an economically disadvantaged  
 37.20 area.

37.21 Subd. 2. **Duties.** The bureau shall:

37.22 (1) provide information and assistance with respect to all aspects of business  
 37.23 planning, business finance, and business management related to the start-up, operation, or  
 37.24 expansion of a small business in Minnesota;

37.25 (2) refer persons interested in the start-up, operation, or expansion of a small  
 37.26 business in Minnesota to assistance programs sponsored by federal agencies, state  
 37.27 agencies, educational institutions, chambers of commerce, civic organizations, community  
 37.28 development groups, private industry associations, and other organizations;

37.29 (3) plan, develop, and implement a master file of information on small business  
 37.30 assistance programs of federal, state, and local governments, and other public and private  
 37.31 organizations so as to provide comprehensive, timely information to the bureau's clients;

37.32 (4) employ staff with adequate and appropriate skills and education and training for  
 37.33 the delivery of information and assistance;

38.1 (5) seek out and utilize, to the extent practicable, contributed expertise and services  
38.2 of federal, state, and local governments, educational institutions, and other public and  
38.3 private organizations;

38.4 (6) maintain a close and continued relationship with the director of the procurement  
38.5 program within the Department of Administration so as to facilitate the department's  
38.6 duties and responsibilities under sections 16C.16 to 16C.19 relating to the small targeted  
38.7 group business and economically disadvantaged business program of the state;

38.8 (7) develop an information system which will enable the commissioner and other  
38.9 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small  
38.10 business development and growth in the state. All executive branch agencies of state  
38.11 government and the secretary of state shall to the extent practicable, assist the bureau in  
38.12 the development and implementation of the information system;

38.13 (8) establish and maintain a toll-free telephone number, e-mail account, and other  
38.14 electronic contact mediums determined by the commissioner so that all small business  
38.15 persons anywhere in the state ~~can call~~ may contact the bureau office for assistance.

38.16 An outreach program shall be established to make the existence of the bureau and the  
38.17 assistance and services the bureau may provide to small businesses well known to its  
38.18 potential clientele throughout the state. If the small business person requires a referral to  
38.19 another provider the bureau may use the business assistance referral system established by  
38.20 the Minnesota Project Outreach Corporation;

38.21 (9) conduct research and provide data as required by the state legislature;

38.22 (10) develop and publish material on all aspects of the start-up, operation, or  
38.23 expansion of a small business in Minnesota;

38.24 (11) collect and disseminate information on state procurement opportunities,  
38.25 including information on the procurement process;

38.26 (12) develop a public awareness program ~~through the use of~~ regarding state  
38.27 assistance programs for small businesses, including those programs specifically for  
38.28 socially disadvantaged small business persons. The commissioner may utilize print and  
38.29 electronic newsletters, personal contacts, and advertising devices as defined in section  
38.30 173.02, subdivision 16, social media, other electronic and print news media advertising  
38.31 ~~about state assistance programs for small businesses, including those programs specifically~~  
38.32 ~~for socially disadvantaged small business persons, and any other means determined by~~  
38.33 the commissioner;

38.34 (13) enter into agreements with the federal government and other public and private  
38.35 entities to serve as the statewide coordinator or host agency for the federal small business  
38.36 development center program under United States Code, title 15, section 648; and

39.1 (14) assist providers in the evaluation of their programs and the assessment of  
 39.2 their service area needs. The bureau may establish model evaluation techniques and  
 39.3 performance standards for providers to use.

39.4 Sec. 15. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

39.5 Subd. 2. **Board.** "Board" means the ~~Urban~~ Minnesota Initiative Board.

39.6 **EFFECTIVE DATE.** This section is effective July 1, 2016.

39.7 Sec. 16. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 39.8 subdivision to read:

39.9 Subd. 3a. **Department.** "Department" means the Department of Employment and  
 39.10 Economic Development.

39.11 **EFFECTIVE DATE.** This section is effective July 1, 2016.

39.12 Sec. 17. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

39.13 Subd. 4. **Low-income area.** "Low-income area" means:

39.14 (1) Minneapolis, St. Paul;

39.15 ~~(2) those cities in the metropolitan area as defined in section 473.121, subdivision~~  
 39.16 ~~2, that have an average income that is below 80 percent of the median income for a~~  
 39.17 ~~four-person family as of the latest report by the United States Census Bureau; and~~

39.18 (3) ~~(2)~~ those cities in the metropolitan area, which contain two or more contiguous  
 39.19 census tracts in which the average family income is less than 80 percent of the median  
 39.20 family income for the Twin Cities metropolitan area as of the latest report by the United  
 39.21 States Census Bureau.

39.22 **EFFECTIVE DATE.** This section is effective July 1, 2016.

39.23 Sec. 18. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
 39.24 subdivision to read:

39.25 Subd. 4a. **Low-income person.** "Low-income person" means a person who has an  
 39.26 annual income, adjusted for family size, of not more than 80 percent of the area median  
 39.27 family income for the Twin Cities metropolitan area as of the latest report by the United  
 39.28 States Census Bureau.

39.29 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.1 Sec. 19. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
40.2 subdivision to read:

40.3 Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section  
40.4 473.121, subdivision 2.

40.5 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.6 Sec. 20. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
40.7 subdivision to read:

40.8 Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial  
40.9 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

40.10 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.11 Sec. 21. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
40.12 subdivision to read:

40.13 Subd. 7. **Program.** "Program" means the Minnesota Initiative program created  
40.14 by this chapter.

40.15 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.16 Sec. 22. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

40.17 Subdivision 1. ~~Creation; membership~~ **Membership.** The ~~Urban~~ Minnesota  
40.18 Initiative Board is created and consists of the commissioner of employment and economic  
40.19 development, the chair of the Metropolitan Council, and ~~eight~~ 12 members from the general  
40.20 public appointed by the governor. ~~Six~~ Nine of the public members must be representatives  
40.21 from minority business enterprises. No more than ~~four~~ six of the public members may be of  
40.22 one gender. Appointments must ensure balanced geographic representation. At least half  
40.23 of the public members must have experience working to address racial income disparities.  
40.24 All public members must be experienced in business or economic development.

40.25 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.26 Sec. 23. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

40.27 Subd. 2. **Technical assistance.** ~~The board through the department;~~ shall provide  
40.28 ~~technical assistance and development information services to state agencies, regional~~  
40.29 ~~agencies, special districts, local governments, and the public, with special emphasis on~~  
40.30 ~~minority communities~~ informational outreach about the program to lenders, nonprofit



41.1 corporations, and low-income and minority communities throughout the state that support  
 41.2 the development of business enterprises and entrepreneurs.

41.3 **EFFECTIVE DATE.** This section is effective July 1, 2016.

41.4 Sec. 24. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

41.5 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an  
 41.6 accounting of loans made under section 116M.18, including information on loans to  
 41.7 ~~minority business enterprises made, the number of jobs created by the program, the impact~~  
 41.8 on low-income areas, and recommendations concerning minority business development  
 41.9 and jobs for persons in low-income areas.

41.10 **EFFECTIVE DATE.** This section is effective July 1, 2016.

41.11 Sec. 25. Minnesota Statutes 2014, section 116M.18, is amended to read:

41.12 **116M.18 URBAN CHALLENGE GRANTS MINNESOTA INITIATIVE**  
 41.13 **PROGRAM.**

41.14 Subdivision 1. **Establishment.** The Minnesota Initiative program is established to  
 41.15 award grants to nonprofit corporations to fund loans to businesses owned by minority or  
 41.16 low-income persons or women or veterans.

41.17 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,  
 41.18 loans shall be made so that an approximately equal dollar amount of loans are made to  
 41.19 businesses in the metropolitan area as in the nonmetropolitan area. If funds remain after  
 41.20 the ninth month of the fiscal year, those funds shall revert to the general loan pool and may  
 41.21 be lent in any part of the state.

41.22 ~~Subdivision 1~~ Subd. 1b. **Eligibility rules Grants.** The board shall make urban  
 41.23 challenge grants for use in low-income areas to nonprofit corporations to fund loans to  
 41.24 businesses owned by minority or low-income persons or women or veterans to encourage  
 41.25 private investment, to provide jobs for minority and low-income persons and others in  
 41.26 low-income areas, to create and strengthen minority business enterprises, and to promote  
 41.27 economic development in a low-income area. The board shall adopt rules to establish  
 41.28 criteria for determining loan eligibility.

41.29 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) The board  
 41.30 may enter into agreements with nonprofit corporations to fund and guarantee loans the  
 41.31 nonprofit corporation makes in low-income areas under subdivision 4. A corporation  
 41.32 ~~must demonstrate that~~ to businesses owned by minority or low-income persons or  
 41.33 women or veterans. The board shall evaluate applications from nonprofit corporations.

42.1 In evaluating applications, the board must consider, among other things, whether the  
 42.2 nonprofit corporation:

42.3 (1) its has a board of directors that includes citizens experienced in business  
 42.4 and community development, minority business enterprises, addressing racial income  
 42.5 disparities, and creating jobs in low-income areas for low-income and minority persons;

42.6 (2) it has the technical skills to analyze projects;

42.7 (3) it is familiar with other available public and private funding sources and  
 42.8 economic development programs;

42.9 (4) it can initiate and implement economic development projects;

42.10 (5) it can establish and administer a revolving loan account or has operated a  
 42.11 revolving loan account; and

42.12 (6) it can work with job referral networks which assist minority and other persons in  
 42.13 low-income areas low-income persons; and

42.14 (7) has established relationships with minority communities.

42.15 (b) The department shall review existing agreements with nonprofit corporations  
 42.16 every five years and may renew or terminate the agreement based on the review. In making  
 42.17 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

42.18 Subd. 3. **Revolving loan fund.** (a) The board shall establish a revolving loan fund to  
 42.19 make grants to nonprofit corporations for the purpose of making loans and loan guarantees  
 42.20 to new and expanding businesses in a low-income area to promote owned by minority or  
 42.21 low-income persons or women or veterans and to support minority business enterprises  
 42.22 and job creation for minority and other persons in low-income areas low-income persons.

42.23 (b) Nonprofit corporations that receive grants from the department under the  
 42.24 program must establish a commissioner-certified revolving loan fund for the purpose  
 42.25 of making eligible loans.

42.26 (c) Eligible business enterprises include, but are not limited to, technologically  
 42.27 innovative industries, value-added manufacturing, and information industries. Loan  
 42.28 applications given preliminary approval by the nonprofit corporation must be forwarded to  
 42.29 the board for approval. The commissioner must give final approval for each loan or loan  
 42.30 guarantee made by the nonprofit corporation. The amount of the state funds contributed to  
 42.31 any loan or loan guarantee may not exceed 50 percent of each loan.

42.32 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans  
 42.33 made or guaranteed by nonprofit corporations under the urban challenge grant program.

42.34 (b) Loans or guarantees must be made to businesses that are not likely to undertake  
 42.35 a project for which loans are sought without assistance from the urban challenge grant  
 42.36 program.

43.1 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in  
 43.2 ~~low-income areas through the creation of job or business opportunities for them to support~~  
 43.3 a business owned by a minority or a low-income person or woman or veteran. Priority  
 43.4 must be given for loans to the lowest income areas.

43.5 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the  
 43.6 maximum is \$150,000.

43.7 (e) The state contribution must be matched by at least an equal amount of new  
 43.8 private investment.

43.9 (f) A loan may not be used for a retail development project.

43.10 (g) The business must agree to work with job referral networks that focus on  
 43.11 minority and low-income applicants ~~from low-income areas.~~

43.12 Subd. 4a. **Microenterprise loan.** ~~Urban challenge Program grants~~ may be  
 43.13 used to make microenterprise loans to small, beginning businesses, including a sole  
 43.14 proprietorship. Microenterprise loans are subject to this section except that:

43.15 (1) they may also be made to qualified retail businesses;

43.16 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~  
 43.17 \$35,000; ~~and~~

43.18 (3) in a low-income area, they may be made for a minimum of \$5,000 and a  
 43.19 maximum of \$50,000; ~~and~~

43.20 ~~(3)~~ (4) they do not require a match.

43.21 Subd. 5. **Revolving fund administration; rules.** (a) The board shall establish a  
 43.22 minimum interest rate for loans or guarantees to ensure that necessary loan administration  
 43.23 costs are covered.

43.24 (b) Loan repayment ~~amounts equal to one-half of the principal and interest~~ must be  
 43.25 ~~deposited in a revolving fund created by the board for challenge grants. The remaining~~  
 43.26 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~  
 43.27 loan fund. Loan interest payments must be deposited in a revolving loan fund created  
 43.28 by the nonprofit corporation originating the loan being repaid for further distribution,  
 43.29 consistent with the loan criteria specified in subdivision 4 of this section.

43.30 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom  
 43.31 the board enters into agreements ~~under subdivision 2~~, including expenses incurred by  
 43.32 a nonprofit corporation in providing financial, technical, managerial, and marketing  
 43.33 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of  
 43.34 the interest earned on loans and out of interest earned on money invested by the state Board  
 43.35 of Investment under section 116M.16, subdivision 2, as may be provided by the board.

43.36 ~~Subd. 6. Rules. The board shall adopt rules to implement this section.~~

44.1 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit  
 44.2 corporation with which it has entered into an agreement under subdivision 1 ~~2~~. ~~These~~  
 44.3 ~~loans must be used to support a new or expanding business.~~ This support may include  
 44.4 such forms of financing as the sale of goods to the business on installment or deferred  
 44.5 payments, lease purchase agreements, or royalty investments in the business. The interest  
 44.6 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed  
 44.7 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the  
 44.8 nonprofit corporation may charge a loan origination fee equal to or less than one percent  
 44.9 of the loan value. The nonprofit corporation may retain the amount of the origination fee.  
 44.10 The nonprofit corporation must provide at least an equal match to the loan received by the  
 44.11 board. The maximum loan available to the nonprofit corporation under this subdivision is  
 44.12 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made  
 44.13 without interest. Repayments made by the nonprofit corporation must be deposited in the  
 44.14 revolving fund created for ~~urban initiative~~ program grants.

44.15 Subd. 7. **Cooperation.** A nonprofit corporation that receives ~~an urban challenge a~~  
 44.16 program grant shall cooperate with other organizations, including but not limited to,  
 44.17 community development corporations, community action agencies, and the Minnesota  
 44.18 small business development centers.

44.19 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a  
 44.20 ~~challenge program~~ grant shall:

44.21 (1) submit an annual report to the board by ~~September~~ March 30 of each year that  
 44.22 includes a description of ~~projects~~ businesses supported by the ~~urban challenge~~ grant  
 44.23 program, an account of loans made during the calendar year, the program's impact on  
 44.24 minority business enterprises and job creation for minority persons and low-income  
 44.25 persons ~~in low-income areas~~, the source and amount of money collected and distributed by  
 44.26 the ~~urban challenge grant~~ program, the program's assets and liabilities, and an explanation  
 44.27 of administrative expenses; and

44.28 (2) provide for an independent annual audit to be performed in accordance with  
 44.29 generally accepted accounting practices and auditing standards and submit a copy of each  
 44.30 annual audit report to the board.

44.31 Subd. 9. **Capacity building grants.** The department may make grants to nonprofit  
 44.32 corporations for the purpose of building their capacity to meet the eligibility criteria for  
 44.33 the grant program under subdivision 2, or in applying for the Department of Employment  
 44.34 and Economic Development's business development competitive grant program. Funding  
 44.35 priority must be given to those applicants that can demonstrate that they have established

45.1 relationships with minority communities and have provided small business-related  
45.2 services primarily to low-income and minority business enterprises.

45.3 **EFFECTIVE DATE.** This section is effective July 1, 2016.

45.4 Sec. 26. Minnesota Statutes 2014, section 179A.041, is amended by adding a  
45.5 subdivision to read:

45.6 **Subd. 10. Open meetings.** Chapter 13D does not apply to meetings of the board  
45.7 when it is deliberating on the merits of unfair labor practice charges under sections  
45.8 179.11, 179.12, and 179A.13; reviewing a recommended decision and order of a hearing  
45.9 officer under section 179A.13; reviewing decisions of the commissioner of the Bureau of  
45.10 Mediation Services relating to unfair labor practices under section 179A.12, subdivision  
45.11 11; or exercising its hiring authority under section 179A.041.

45.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

45.13 Sec. 27. Minnesota Statutes 2014, section 179A.041, is amended by adding a  
45.14 subdivision to read:

45.15 **Subd. 11. Report.** The board shall prepare and submit a report to the governor  
45.16 and the chairs and ranking minority members of the committees with jurisdiction over  
45.17 the board by November 15, 2017. The report shall summarize the nature, number, and  
45.18 resolution of charges filed with the board. The report shall cover the period of July  
45.19 1, 2016, through June 30, 2017.

45.20 **EFFECTIVE DATE.** This section is effective July 1, 2016.

45.21 Sec. 28. **[462A.38] WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**  
45.22 **DEVELOPMENT PROGRAM.**

45.23 **Subdivision 1. Establishment.** A workforce and affordable homeownership  
45.24 development program is established to award homeownership development grants  
45.25 to nonprofit organizations, cooperatives created under chapter 308A or 308B, and  
45.26 community land trusts created for the purposes outlined in section 462A.31, subdivision  
45.27 1, for development of workforce and affordable homeownership projects. The purpose  
45.28 of the program is to increase the supply of workforce and affordable, owner-occupied  
45.29 multifamily or single-family housing throughout Minnesota.

45.30 **Subd. 2. Use of funds.** (a) Grant funds awarded under this program may be used for:

45.31 (1) development costs;

45.32 (2) rehabilitation;

46.1 (3) land development; and

46.2 (4) residential housing, including storm shelters and related community facilities.

46.3 (b) A project funded through the grant program shall serve households that meet the  
 46.4 income limits as provided in section 462A.33, subdivision 5, unless a project is intended  
 46.5 for the purpose outlined in section 462A.02, subdivision 6.

46.6 Subd. 3. **Application.** The commissioner shall develop forms and procedures for  
 46.7 soliciting and reviewing applications for grants under this section. The commissioner shall  
 46.8 consult with interested stakeholders when developing the guidelines and procedures for  
 46.9 the program. In making grants, the commissioner shall establish semiannual application  
 46.10 deadlines in which grants will be authorized from all or part of the available appropriations.

46.11 Subd. 4. **Awarding grants.** Among comparable proposals, preference must be  
 46.12 given to proposals that include contributions from nonstate resources for the greatest  
 46.13 portion of the total development cost.

46.14 Subd. 5. **Statewide program.** The agency shall attempt to make grants in  
 46.15 approximately equal amounts to applicants outside and within the metropolitan area.

46.16 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually  
 46.17 submit a report to the chairs and ranking minority members of the senate and house of  
 46.18 representatives committees having jurisdiction over housing and workforce development  
 46.19 specifying the projects that received grants under this section and the specific purposes for  
 46.20 which the grant funds were used.

46.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

46.22 Sec. 29. Minnesota Statutes 2014, section 473.121, subdivision 2, is amended to read:

46.23 Subd. 2. **Metropolitan area or area.** "Metropolitan area" or "area" means the area  
 46.24 over which the Metropolitan Council has jurisdiction, including only the counties of  
 46.25 Anoka; Carver; Dakota excluding the ~~city~~ cities of Northfield and Cannon Falls; Hennepin  
 46.26 excluding the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New  
 46.27 Prague; and Washington.

46.28 Sec. 30. **DAY TRAINING AND HABILITATION GRANT PROGRAM.**

46.29 Subdivision 1. **Establishment.** The commissioner of employment and economic  
 46.30 development shall establish a day training and habilitation grant program in fulfillment  
 46.31 of the Olmstead Plan purpose of ensuring that people with disabilities have choices for  
 46.32 competitive, meaningful, and sustained employment in the most integrated setting.

46.33 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms  
 46.34 have the meanings given them.

47.1 (b) "Day training and habilitation providers" means those organizations whose  
47.2 names are listed as Department of Human Services providers in the Minnesota Department  
47.3 of Administration, Materials Management Division, ALP Manual, Appendix J, without  
47.4 regard to whether they are listed as approved vendors with the Minnesota Department  
47.5 of Employment and Economic Development, Division of Rehabilitation Services as a  
47.6 community rehabilitation provider, limited-use vendor, or center for independent living,  
47.7 and irrespective as to whether they are accredited by CARF International.

47.8 (c) "Competitive employment" means full-time or part-time employment, with or  
47.9 without support, in an integrated setting in the community that pays at least minimum  
47.10 wage, as defined by the Fair Labor Standards Act, but not less than the customary wage  
47.11 and level of benefits paid by the employer for the same or similar work performed by  
47.12 workers without a disability.

47.13 (d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1,  
47.14 2013, and all subsequent modifications approved by the United States District Court.

47.15 Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals  
47.16 to day training and habilitation providers seeking proposals to assist the Department  
47.17 of Employment and Economic Development in achieving its goals as provided in the  
47.18 Olmstead Plan. Grant funds shall be used to improve individual employment outcomes  
47.19 by aligning programs, funding, and policies to support people with disabilities to choose,  
47.20 secure, and maintain competitive employment and self-employment, including, but not  
47.21 limited to, the following activities:

47.22 (1) implementing policies and initiating processes that improve the employment  
47.23 outcomes of working adults with disabilities;

47.24 (2) offering incentives for innovation that increase competitive employment in  
47.25 the general work force;

47.26 (3) expanding the flexibility in current funding and services to increase competitive  
47.27 employment outcomes;

47.28 (4) providing evidence of partnerships with private sector businesses and public  
47.29 sector employment; and

47.30 (5) submitting outcome data, required by the department, according to the  
47.31 stipulations of the Olmstead Plan.

47.32 Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social  
47.33 Security Administration or state medical review team is eligible to receive services  
47.34 provided with grant funds.

47.35 Subd. 5. **Consultation required.** The commissioner shall consult with the  
47.36 governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and

48.1 Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and  
48.2 other governor-appointed disability councils in designing, implementing, and evaluating  
48.3 the competitive grant program.

48.4 Subd. 6. **Report.** On or before February 1, 2017, and annually thereafter, the  
48.5 commissioner shall report to the chairs and ranking minority members of the senate and  
48.6 house of representatives committees having jurisdiction over employment and economic  
48.7 development policy and finance on the amount of funds awarded and the outcomes  
48.8 reported by grantees.

48.9 Sec. 31. **EXPLOITED FAMILIES RENTAL ASSISTANCE PROGRAM .**

48.10 Subdivision 1. **Rental assistance program.** (a) The commissioner of housing  
48.11 finance shall establish a grant program within the housing trust fund to serve families  
48.12 from emerging communities at risk of being homeless and who have been victims of  
48.13 gender-based violence, including, but not limited to domestic violence, sexual assault,  
48.14 trafficking, international abusive marriage, or forced marriage. For the purposes of this  
48.15 section the term "gender-based violence" is defined as violence that is directed against a  
48.16 woman because she is a woman or that affects women disproportionately; and the term  
48.17 "emerging communities" is defined as refugee and immigrant communities who are less  
48.18 established, who are unfamiliar with mainstream government services, or who have  
48.19 limited English proficiency. The commissioner shall award grants to organizations that  
48.20 can provide linguistically and culturally appropriate services and that have the capacity to  
48.21 serve families who have experienced gender-based violence from emerging communities.

48.22 (b) The program must:

48.23 (1) provide rental assistance to individuals with a minor child at risk of being  
48.24 homeless and who have been victims of domestic violence, sexual assault, trafficking,  
48.25 international abusive marriage, or forced marriage;

48.26 (2) require the participants to pay at least 30 percent of the participant's income  
48.27 toward the rent;

48.28 (3) allow the families to choose their own housing, including single-family homes,  
48.29 townhomes, and apartments;

48.30 (4) give priority to large families who experience barriers in accessing housing,  
48.31 including having limited English proficiency, lack of positive rental history, employment  
48.32 history, and financial history; and

48.33 (5) require the program participants to be employed, or actively seeking employment,  
48.34 or be engaged in activities that will assist them in gaining employment.



49.1 Subd. 2. **Program evaluation.** All grant recipients must collect and make available  
 49.2 to the commissioner, aggregate data to assist the agency in the evaluation of the program.  
 49.3 The commissioner shall evaluate the program effectiveness and measure the number of  
 49.4 families served from emerging communities, the support services provided for families in  
 49.5 seeking employment and achieving economic-stability, and the employment and housing  
 49.6 status of the participants.

49.7 Sec. 32. **"GETTING TO WORK" GRANT PROGRAM.**

49.8 Subdivision 1. **Creation.** The commissioner of employment and economic  
 49.9 development shall make grants to nonprofit organizations to establish and operate  
 49.10 programs under this section that provide, repair, or maintain motor vehicles to assist  
 49.11 eligible individuals to obtain or maintain employment.

49.12 Subd. 2. **Qualified grantee.** A grantee must:

- 49.13 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and  
 49.14 (2) at the time of application offer, or have the demonstrated capacity to offer, a  
 49.15 motor vehicle program that provides the services required under subdivision 3.

49.16 Subd. 3. **Program requirements.** (a) A program must offer one or more of the  
 49.17 following services:

- 49.18 (1) provision of new or used motor vehicles by gift, sale, or lease;  
 49.19 (2) motor vehicle repair and maintenance services; or  
 49.20 (3) motor vehicle loans.

49.21 (b) In addition to the requirements of paragraph (a), a program must offer one or  
 49.22 more of the following services:

- 49.23 (1) financial literacy education;  
 49.24 (2) education on budgeting for vehicle ownership;  
 49.25 (3) car maintenance and repair instruction;  
 49.26 (4) credit counseling; or  
 49.27 (5) job training related to motor vehicle maintenance and repair.

49.28 (c) A program may also offer other transportation-related support services.

49.29 Subd. 4. **Application.** Applications for a grant must be by a form provided by the  
 49.30 commissioner and on a schedule set by the commissioner. Applications must, in addition  
 49.31 to any other information required by the commissioner, include the following:

- 49.32 (1) a detailed description of all services to be offered;  
 49.33 (2) the area to be served;

50.1 (3) the estimated number of program participants to be served by the grant; and  
 50.2 (4) a plan for leveraging resources from partners that may include, but are not  
 50.3 limited to:  
 50.4 (i) automobile dealers;  
 50.5 (ii) automobile parts dealers;  
 50.6 (iii) independent local mechanics and automobile repair facilities;  
 50.7 (iv) banks and credit unions;  
 50.8 (v) employers;  
 50.9 (vi) employment and training agencies;  
 50.10 (vii) insurance companies and agents;  
 50.11 (viii) local workforce centers; and  
 50.12 (ix) educational institutions including vocational institutions and jobs or skills  
 50.13 training programs.

50.14 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services,  
 50.15 a person must:

50.16 (1) have a household income at or below 200 percent of the federal poverty level;  
 50.17 (2) be at least 18 years of age;  
 50.18 (3) have a valid driver's license;  
 50.19 (4) provide the grantee with proof of motor vehicle insurance; and  
 50.20 (5) demonstrate to the grantee that a motor vehicle is required by the person to  
 50.21 obtain or maintain employment.

50.22 (b) This subdivision does not preclude a grantee from imposing additional  
 50.23 requirements, not inconsistent with paragraph (a), for the receipt of program services.

50.24 Subd. 6. **Allocation of grants.** The commissioner shall allocate grants to up to 15  
 50.25 grantees so that, to the extent feasible, program services are available in every county of  
 50.26 the state.

50.27 Subd. 7. **Report to legislature.** By February 15, 2018, the commissioner shall  
 50.28 submit a report to the chairs of the house of representatives and senate committees with  
 50.29 jurisdiction over workforce and economic development on program outcomes. At a  
 50.30 minimum, the report must include:

50.31 (1) the total number of program participants;  
 50.32 (2) the number of program participants who received each of the following:  
 50.33 (i) provision of a motor vehicle;  
 50.34 (ii) motor vehicle repair services; and  
 50.35 (iii) motor vehicle loan; and

51.1 (3) an analysis of the impact of the "Getting to Work" grant program on the  
51.2 employment rate and wages of program participants.

51.3 Sec. 33. **REVISOR'S INSTRUCTION.**

51.4 In the next editions of Minnesota Statutes and Minnesota Rules, the Revisor of  
51.5 Statutes shall change the term "Urban Initiative Board" to "Minnesota Initiative Board,"  
51.6 "board," or similar terms as the context requires.

51.7 **ARTICLE 3**

51.8 **AGRICULTURE**

51.9 Section 1. **APPROPRIATIONS.**

51.10 The sums shown in the columns marked "Appropriations" are added to the  
51.11 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the  
51.12 agencies and for the purposes specified in this article. The appropriations are from the  
51.13 general fund, or another named fund, and are available for the fiscal year indicated for  
51.14 each purpose. The figures "2016" and "2017" used in this article mean that the addition  
51.15 to the appropriations listed under them are available for the fiscal year ending June 30,  
51.16 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second  
51.17 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day  
51.18 following final enactment.

51.19		<b><u>APPROPRIATIONS</u></b>	
51.20		<b><u>Available for the Year</u></b>	
51.21		<b><u>Ending June 30</u></b>	
51.22		<b><u>2016</u></b>	<b><u>2017</u></b>

51.23 Sec. 2. **DEPARTMENT OF AGRICULTURE**    \$                    -0- \$                    3,500,000

51.24 \$350,000 the second year is for deposit  
51.25 in the noxious weed and invasive plant  
51.26 species assistance account established under  
51.27 Minnesota Statutes, section 18.89, to be  
51.28 used to implement the noxious weed grant  
51.29 program under Minnesota Statutes, section  
51.30 18.90. This is a onetime appropriation.

51.31 \$1,000,000 the second year is for the tractor  
51.32 rollover protection pilot program under

52.1 Minnesota Statutes, section 17.119. This is a  
52.2 onetime appropriation.

52.3 \$300,000 the second year is for the pollinator  
52.4 investment grant program under Minnesota  
52.5 Statutes, section 17.1195. This is a onetime  
52.6 appropriation.

52.7 \$200,000 the second year is for a grant to the  
52.8 city of Duluth to design and construct the  
52.9 Deep Winter Greenhouse. This is a onetime  
52.10 appropriation.

52.11 \$500,000 the second year is to administer  
52.12 the industrial hemp pilot program under  
52.13 Minnesota Statutes, section 18K.09. This is  
52.14 a onetime appropriation.

52.15 \$150,000 the second year is for grants of up  
52.16 to \$750 to farmers who demonstrate financial  
52.17 hardship due to the three-year transition  
52.18 period required under federal law for organic  
52.19 certification. This is a onetime appropriation  
52.20 and is in addition to funds appropriated to the  
52.21 commissioner of agriculture and available for  
52.22 organic certification cost-share grants under  
52.23 Laws 2015, First Special Session chapter  
52.24 4, article 1, section 2, subdivision 3. The  
52.25 commissioner may award both a transition  
52.26 grant and a certification cost-share grant to a  
52.27 farmer in the same fiscal year.

52.28 \$1,000,000 the second year is for grants  
52.29 to the Board of Regents of the University  
52.30 of Minnesota to fund the Forever Green  
52.31 Agriculture Initiative and to protect the  
52.32 state's natural resources while increasing  
52.33 the efficiency, profitability, and productivity  
52.34 of Minnesota farmers by incorporating  
52.35 perennial and winter annual crops into

53.1 existing agricultural practices. This is a  
 53.2 onetime appropriation and is available until  
 53.3 June 30, 2019. The appropriation in Laws  
 53.4 2015, First Special Session chapter 2, article  
 53.5 2, section 3, paragraph (i), is available until  
 53.6 June 30, 2018.

53.7 Sec. 3. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

53.8 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 53.9 subdivision have the meanings given them.

53.10 (b) "Agricultural and environmental revolving accounts" means accounts in the  
 53.11 agricultural fund, controlled by the commissioner, which hold funds available to the  
 53.12 program.

53.13 (c) "Agriculture supply business" means a person, partnership, joint venture,  
 53.14 corporation, limited liability company, association, firm, public service company,  
 53.15 or cooperative that provides materials, equipment, or services to farmers or  
 53.16 agriculture-related enterprises.

53.17 (d) "Allocation" means the funds awarded to an applicant for implementation of best  
 53.18 management practices through a competitive or noncompetitive application process.

53.19 (e) "Applicant" means a local unit of government eligible to participate in this  
 53.20 program that requests an allocation of funds as provided in subdivision 6b.

53.21 (f) "Best management practices" has the meaning given in sections 103F.711,  
 53.22 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means  
 53.23 other practices, techniques, and measures that have been demonstrated to the satisfaction  
 53.24 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using  
 53.25 the most effective and practicable means of achieving environmental goals; or (2) to  
 53.26 achieve drinking water quality standards under chapter 103H or under Code of Federal  
 53.27 Regulations, title 40, parts 141 and 143, as amended.

53.28 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner  
 53.29 applying for a low-interest loan.

53.30 (h) "Commissioner" means the commissioner of agriculture, including when the  
 53.31 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the  
 53.32 designee of the commissioner.

53.33 (i) "Committed project" means an eligible project scheduled to be implemented at  
 53.34 a future date:

53.35 (1) that has been approved and certified by the local government unit; and

54.1 (2) for which a local lender has obligated itself to offer a loan.

54.2 (j) "Comprehensive water management plan" means a state approved and locally  
54.3 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,  
54.4 103D.401, or 103D.405.

54.5 (k) "Cost incurred" means expenses for implementation of a project accrued because  
54.6 the borrower has agreed to purchase equipment or is obligated to pay for services or  
54.7 materials already provided as a result of implementing an approved eligible project.

54.8 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability  
54.9 company, association, firm, public service company, or cooperative that regularly  
54.10 participates in physical labor or operations management of farming and files a Schedule F  
54.11 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as  
54.12 the primary business activity under Schedule C, K, or S, or any other applicable report to  
54.13 the United States Internal Revenue Service.

54.14 (m) "Lender agreement" means an agreement entered into between the commissioner  
54.15 and a local lender which contains terms and conditions of participation in the program.

54.16 (n) "Local government unit" means a county, soil and water conservation district,  
54.17 or an organization formed for the joint exercise of powers under section 471.59 with  
54.18 the authority to participate in the program.

54.19 (o) "Local lender" means a local government unit as defined in paragraph (n), a state  
54.20 or federally chartered bank, a savings association, a state or federal credit union, Agribank  
54.21 and its affiliated organizations, or a nonprofit economic development organization or other  
54.22 financial lending institution approved by the commissioner.

54.23 (p) "Local revolving loan account" means the account held by a local government unit  
54.24 and a local lender into which principal repayments from borrowers are deposited and new  
54.25 loans are issued in accordance with the requirements of the program and lender agreements.

54.26 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

54.27 (r) "Program" means the agriculture best management practices loan program  
54.28 in this section.

54.29 (s) "Project" means one or more components or activities located within Minnesota  
54.30 that are required by the local government unit to be implemented for satisfactory  
54.31 completion of an eligible best management practice.

54.32 (t) "Rural landowner" means the owner of record of Minnesota real estate located  
54.33 in an area determined by the local government unit to be rural after consideration of  
54.34 local land use patterns, zoning regulations, jurisdictional boundaries, local community  
54.35 definitions, historical uses, and other pertinent local factors.

55.1 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph  
 55.2 (d), except as expressly limited in this section.

55.3 Sec. 4. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

55.4 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse  
 55.5 environmental impacts are eligible if:

55.6 (1) the project is eligible under the an allocation agreement and funding sources  
 55.7 designated by the local government unit to finance the project; and.

55.8 (2) (b) A manure management projects remediate project is eligible if the project  
 55.9 remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units  
 55.10 as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of  
 55.11 this section.

55.12 (c) A drinking water project is eligible if the project:

55.13 (1) remediates the adverse environmental impacts or presence of contaminants in  
 55.14 private well water;

55.15 (2) implements best management practices to achieve drinking water standards; and

55.16 (3) otherwise meets the requirements of this section.

55.17 Sec. 5. **[17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT**  
 55.18 **PROGRAM.**

55.19 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share  
 55.20 grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that  
 55.21 retrofit eligible tractors with eligible rollover protective structures. Grants are limited to  
 55.22 70 percent of the farmer's or school's documented cost to purchase, ship, and install an  
 55.23 eligible rollover protective structure. The commissioner must increase the grant award  
 55.24 amount over the 70 percent grant limitation requirement if necessary to limit a farmer's or  
 55.25 school's cost per tractor to no more than \$500.

55.26 (b) A rollover protective structure is eligible if it meets or exceeds SAE International  
 55.27 standard J2194.

55.28 (c) A tractor is eligible if the tractor was built before 1987.

55.29 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20  
 55.30 percent of total program dollars each fiscal year to promote and administer the program to  
 55.31 Minnesota farmers and schools.

55.32 Subd. 3. **Nonstate sources; appropriation.** The commissioner must accept  
 55.33 contributions from nonstate sources to supplement state appropriations for this program.

56.1 Contributions received under this subdivision are appropriated to the commissioner for  
 56.2 purposes of this section.

56.3 Subd. 4. **Expiration.** This section expires on June 30, 2019.

56.4 Sec. 6. **[17.1195] POLLINATOR INVESTMENT GRANT PROGRAM.**

56.5 Subdivision 1. **Establishment.** The commissioner may award a pollinator  
 56.6 investment grant to a person who implements best management practices to protect wild  
 56.7 and managed insect pollinators in this state equal to ten percent of the first \$100,000 of  
 56.8 qualifying expenditures, provided the person makes qualifying expenditures of at least  
 56.9 \$25,000. The commissioner may award multiple pollinator investment grants to a person  
 56.10 over the life of the program as long as the cumulative amount does not exceed \$30,000.

56.11 Subd. 2. **Definition.** For the purposes of this section, "qualified expenditures"  
 56.12 means the amount spent for:

56.13 (1) in conventional farming systems, planting neonicotinoid-free seeds,  
 56.14 implementing integrated pest management practices, and not using a pesticide class  
 56.15 labeled by the United States Environmental Protection Agency as toxic to bees; or

56.16 (2) creating new pollinator habitat, and not using a pesticide class labeled by the  
 56.17 United States Environmental Protection Agency as toxic to bees; by:

56.18 (i) seeding native flowering plants as prairie strips within productive cropland to  
 56.19 provide forage for pollinators;

56.20 (ii) renovating a pasture system by overseeding a pasture with high-diversity native  
 56.21 forb or native or non-native legume mixtures;

56.22 (iii) interseeding legumes, brassicas, buckwheat, or other pollinator forage plants  
 56.23 with corn or soybean, or planting these as cover crops before or after corn or soybean;

56.24 (iv) planting or seeding riparian and wetland areas and vegetative buffer strips with  
 56.25 native perennial cover that provides forage for pollinators;

56.26 (v) planting a native hedgerow; or

56.27 (vi) increasing plant diversity in nonproductive areas by adding native flowering  
 56.28 forbs, trees, or shrubs, or by introducing pollinator-friendly plant species into existing  
 56.29 strands of grasses.

56.30 Subd. 3. **Eligibility.** (a) To be eligible for a pollinator investment grant, a person  
 56.31 must:

56.32 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,  
 56.33 subdivision 2, that is eligible to own farmland and operate a farm in this state under  
 56.34 section 500.24;

56.35 (2) be the principal operator of the farm; and



57.1 (3) apply to the commissioner on forms prescribed by the commissioner, including a  
 57.2 statement of the qualifying expenditures made during the qualifying period along with any  
 57.3 proof or other documentation the commissioner may require.

57.4 (b) The \$10,000 maximum grant applies at the entity level for partnerships, S  
 57.5 corporations, C corporations, trusts, and estates as well as at the individual level. In the  
 57.6 case of married individuals, the grant is limited to \$10,000 for a married couple.

57.7 Sec. 7. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

57.8 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner  
 57.9 may issue grants, loans, or other forms of financial assistance. Eligible activities include,  
 57.10 but are not limited to, grants to livestock producers under the livestock investment grant  
 57.11 program under section 17.118, bioenergy awards ~~made by the NextGen Energy Board~~  
 57.12 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and  
 57.13 financial assistance to support other rural economic infrastructure activities.

57.14 Sec. 8. Minnesota Statutes 2015 Supplement, section 41A.14, subdivision 1, is  
 57.15 amended to read:

57.16 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and  
 57.17 technology transfer grant program is created. The purpose of the grant program is to  
 57.18 provide investments that will most efficiently achieve long-term agricultural productivity  
 57.19 increases through improved infrastructure, vision, and accountability. The scope and  
 57.20 intent of the grants, to the extent possible, shall provide for a long-term base funding  
 57.21 that allows the research grantee to continue the functions of the research, education, ~~and~~  
 57.22 ~~extension, and technology transfer~~ efforts to a practical conclusion. Priority for grants  
 57.23 shall be given to human infrastructure. The commissioner shall provide grants for:

57.24 (1) agricultural research, extension, and technology transfer needs ~~and recipients~~  
 57.25 ~~including agricultural research and extension~~ at the University of Minnesota, research and  
 57.26 outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the  
 57.27 Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,  
 57.28 the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,  
 57.29 the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and  
 57.30 Education Council;

57.31 (2) agriculture rapid response for plant and animal diseases and pests; and

57.32 (3) agricultural education including but not limited to the Minnesota Agriculture  
 57.33 Education Leadership Council, farm business management, mentoring programs, graduate  
 57.34 debt forgiveness, and high school programs.

58.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

58.2 Sec. 9. Minnesota Statutes 2015 Supplement, section 41A.14, subdivision 2, is  
58.3 amended to read:

58.4 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the  
58.5 commissioner and a representative of the College of Food, Agricultural, and Natural  
58.6 Resource Sciences at the University of Minnesota must consult with an advisory panel  
58.7 consisting of the following stakeholders:

- 58.8 (1) ~~a representative of the College of Food, Agricultural and Natural Resource~~  
58.9 ~~Sciences at the University of Minnesota;~~
- 58.10 (2) a representative of the Minnesota State Colleges and Universities system;
- 58.11 (3) ~~(2)~~ a representative of the Minnesota Farm Bureau;
- 58.12 (4) ~~(3)~~ a representative of the Minnesota Farmers Union;
- 58.13 (5) ~~(4)~~ a person representing agriculture industry statewide;
- 58.14 (6) ~~(5)~~ a representative of each of the state commodity councils organized under  
58.15 section 17.54 and the Minnesota Pork Board;
- 58.16 (7) ~~(6)~~ a person representing an association of primary manufacturers of forest  
58.17 products;
- 58.18 (8) ~~(7)~~ a person representing organic or sustainable agriculture; and
- 58.19 (9) ~~(8)~~ a person representing statewide environment and natural resource  
58.20 conservation organizations.

58.21 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their  
58.22 respective organizations.

58.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

58.24 Sec. 10. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
58.25 subdivision to read:

58.26 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,  
58.27 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a  
58.28 biobased percentage of at least 51 percent as determined by testing representative samples  
58.29 using American Society for Testing and Materials specification D6866.

58.30 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
58.31 subdivision to read:

58.32 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means  
58.33 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased

59.1 content percentage of at least ten percent as determined by testing representative samples  
59.2 using American Society for Testing and Materials specification D6866, or that contains  
59.3 a biobased chemical constituent that displaces a known hazardous or toxic constituent  
59.4 previously used in the product formulation.

59.5 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
59.6 subdivision to read:

59.7 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is  
59.8 derived from agricultural products, including potatoes, cereal grains, cheese whey, and  
59.9 sugar beets; forest products; or other renewable resources, including residue and waste  
59.10 generated from the production, processing, and marketing of agricultural products, forest  
59.11 products, and other renewable resources.

59.12 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
59.13 subdivision to read:

59.14 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which  
59.15 biobutanol is produced.

59.16 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a  
59.17 subdivision to read:

59.18 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals  
59.19 in a calendar year: January through March, April through June, July through September,  
59.20 or October through December.

59.21 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is  
59.22 amended to read:

59.23 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with  
59.24 biobased content as defined in section 41A.105, subdivision 1a.

59.25 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is  
59.26 amended to read:

59.27 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
59.28 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or  
59.29 less from the state border, raw materials may be sourced from within a 100-mile radius.  
59.30 Raw materials must be from agricultural or forestry sources or from solid waste. The  
59.31 facility must be located in Minnesota, must begin production at a specific location by June

60.1 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMBtu of ~~annual~~ quarterly  
 60.2 biofuel production before July 1, 2015. Eligible facilities include existing companies and  
 60.3 facilities that are adding advanced biofuel production capacity, or retrofitting existing  
 60.4 capacity, as well as new companies and facilities. Production of conventional corn ethanol  
 60.5 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must  
 60.6 produce at least ~~95,000~~ 23,750 MMBtu ~~a year~~ of biofuel quarterly.

60.7 (b) No payments shall be made for advanced biofuel production that occurs after  
 60.8 June 30, 2035, for those eligible biofuel producers under paragraph (a).

60.9 (c) An eligible producer of advanced biofuel shall not transfer the producer's  
 60.10 eligibility for payments under this section to an advanced biofuel facility at a different  
 60.11 location.

60.12 (d) A producer that ceases production for any reason is ineligible to receive  
 60.13 payments under this section until the producer resumes production.

60.14 (e) Renewable chemical production for which payment has been received under  
 60.15 section 41A.17, and biomass thermal production for which payment has been received  
 60.16 under section 41A.18, are not eligible for payment under this section.

60.17 (f) Biobutanol is eligible under this section.

60.18 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is  
 60.19 amended to read:

60.20 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program  
 60.21 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~  
 60.22 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the  
 60.23 state border, biobased content must be sourced from within a 100-mile radius. Biobased  
 60.24 content must be from agricultural or forestry sources or from solid waste. The facility must  
 60.25 be located in Minnesota, must begin production at a specific location by June 30, 2025, and  
 60.26 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly  
 60.27 before January 1, 2015. Eligible facilities include existing companies and facilities that are  
 60.28 adding production capacity, or retrofitting existing capacity, as well as new companies and  
 60.29 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000  
 60.30 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced  
 60.31 through processes that are fully commercial before January 1, 2000, are not eligible.

60.32 (b) No payments shall be made for renewable chemical production that occurs after  
 60.33 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

61.1 (c) An eligible producer of renewable chemicals shall not transfer the producer's  
61.2 eligibility for payments under this section to a renewable chemical facility at a different  
61.3 location.

61.4 (d) A producer that ceases production for any reason is ineligible to receive  
61.5 payments under this section until the producer resumes production.

61.6 (e) Advanced biofuel production for which payment has been received under section  
61.7 41A.16, and biomass thermal production for which payment has been received under  
61.8 section 41A.18, are not eligible for payment under this section.

61.9 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is  
61.10 amended to read:

61.11 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make  
61.12 payments to eligible producers of renewable chemicals located in the state. The amount of  
61.13 the payment for each producer's annual production is \$0.03 per pound of sugar-derived  
61.14 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of  
61.15 cellulosic-derived renewable chemical produced at a specific location for ten years after  
61.16 the start of production.

61.17 (b) An eligible facility producing renewable chemicals using agricultural cellulosic  
61.18 biomass is eligible for a 20 percent bonus payment for each ~~MMBtu~~ pound produced from  
61.19 agricultural biomass that is derived from perennial crop or cover crop biomass.

61.20 (c) Total payments under this section to an eligible renewable chemical producer in  
61.21 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable  
61.22 chemical production. Total payments under this section to all eligible renewable chemical  
61.23 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of  
61.24 renewable chemical production. The commissioner shall award payments on a first-come,  
61.25 first-served basis within the limits of available funding.

61.26 (d) For purposes of this section, an entity that holds a controlling interest in more  
61.27 than one renewable chemical production facility is considered a single eligible producer.

61.28 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is  
61.29 amended to read:

61.30 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
61.31 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or  
61.32 less from the state border, raw materials should be sourced from within a 100-mile radius.  
61.33 Raw materials must be from agricultural or forestry sources. The facility must be located  
61.34 in Minnesota, must have begun production at a specific location by June 30, 2025, and

62.1 must not begin before July 1, 2015. Eligible facilities include existing companies and  
 62.2 facilities that are adding production capacity, or retrofitting existing capacity, as well as  
 62.3 new companies and facilities. Eligible biomass thermal production facilities must produce  
 62.4 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

62.5 (b) No payments shall be made for biomass thermal production that occurs after June  
 62.6 30, 2035, for those eligible biomass thermal producers under paragraph (a).

62.7 (c) An eligible producer of biomass thermal production shall not transfer the  
 62.8 producer's eligibility for payments under this section to a biomass thermal production  
 62.9 facility at a different location.

62.10 (d) A producer that ceases production for any reason is ineligible to receive  
 62.11 payments under this section until the producer resumes production.

62.12 (e) Biofuel production for which payment has been received under section 41A.16,  
 62.13 and renewable chemical production for which payment has been received under section  
 62.14 41A.17, are not eligible for payment under this section.

62.15 Sec. 20. **[41A.20] SIDING PRODUCTION INCENTIVE.**

62.16 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in  
 62.17 this subdivision have the meanings given them.

62.18 (b) "Commissioner" means the commissioner of agriculture.

62.19 (c) "Forest resources" means raw wood logs and material primarily made up of  
 62.20 cellulose, hemicellulose, or lignin, or a combination of those ingredients.

62.21 Subd. 2. Eligibility. (a) A facility eligible for payment under this section must  
 62.22 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles  
 62.23 or less from the state border, raw materials may be sourced from within a 100-mile  
 62.24 radius. Raw materials must be from forest resources. The facility must be located in  
 62.25 Minnesota, must begin production at a specific location by June 30, 2025, and must not  
 62.26 begin operating before July 1, 2017. Eligible facilities include existing companies and  
 62.27 facilities that are adding siding production capacity, or retrofitting existing capacity, as  
 62.28 well as new companies and facilities. Eligible siding production facilities must produce at  
 62.29 least 200,000,000 siding square feet on a 3/8 inch nominal basis of siding each year.

62.30 (b) No payments shall be made for siding production that occurs after June 30, 2035,  
 62.31 for those eligible producers under paragraph (a).

62.32 (c) An eligible producer of siding shall not transfer the producer's eligibility for  
 62.33 payments under this section to a facility at a different location.

62.34 (d) A producer that ceases production for any reason is ineligible to receive  
 62.35 payments under this section until the producer resumes production.

63.1 Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments  
63.2 to eligible producers of siding. The amount of the payment for each eligible producer's  
63.3 annual production is \$7.50 per 1,000 siding square feet on a 3/8 inch nominal basis of  
63.4 siding produced at a specific location for ten years after the start of production.

63.5 (b) Total payments under this section to an eligible siding producer in a fiscal year  
63.6 may not exceed the amount necessary for 400,000,000 siding square feet on a 3/8 inch  
63.7 nominal basis of siding produced. Total payments under this section to all eligible siding  
63.8 producers in a fiscal year may not exceed the amount necessary for 400,000,000 siding  
63.9 square feet on a 3/8 inch nominal basis of siding produced. The commissioner shall award  
63.10 payments on a first-come, first-served basis within the limits of available funding.

63.11 (c) For purposes of this section, an entity that holds a controlling interest in more  
63.12 than one siding facility is considered a single eligible producer.

63.13 Subd. 4. **Forest resources requirements.** Forest resources that come from land  
63.14 parcels greater than 160 acres must be certified by the Forest Stewardship Council,  
63.15 Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from  
63.16 parcels of 160 acres or less and federal land must be harvested by a logger who has  
63.17 completed training from the Minnesota logger education program or the equivalent, and  
63.18 have a forest stewardship plan.

63.19 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each  
63.20 eligible siding producer shall file a claim for payment for siding production during the  
63.21 preceding three calendar months. An eligible siding producer that files a claim under this  
63.22 subdivision shall include a statement of the eligible producer's total board feet of siding  
63.23 produced during the quarter covered by the claim. For each claim and statement of total  
63.24 board feet of siding filed under this subdivision, the board feet of siding produced must  
63.25 be examined by a certified public accounting firm with a valid permit to practice under  
63.26 chapter 326A, in accordance with Statements on Standards for Attestation Engagements  
63.27 established by the American Institute of Certified Public Accountants.

63.28 (b) The commissioner must issue payments by November 15, February 15, May 15,  
63.29 and August 15. A separate payment must be made for each claim filed.

63.30 Subd. 6. **Appropriation.** A sum sufficient to make the payments required by this  
63.31 section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the  
63.32 general fund to the commissioner.

63.33 Sec. 21. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,  
63.34 is amended to read:

64.1 Subd. 2a. **When prepared.** Where there is potential for significant environmental  
 64.2 effects resulting from any major governmental action, the action shall be preceded by a  
 64.3 detailed environmental impact statement prepared by the responsible governmental unit.  
 64.4 The environmental impact statement shall be an analytical rather than an encyclopedic  
 64.5 document which describes the proposed action in detail, analyzes its significant  
 64.6 environmental impacts, discusses appropriate alternatives to the proposed action and  
 64.7 their impacts, and explores methods by which adverse environmental impacts of an  
 64.8 action could be mitigated. The environmental impact statement shall also analyze those  
 64.9 economic, employment, and sociological effects that cannot be avoided should the action  
 64.10 be implemented. To ensure its use in the decision-making process, the environmental  
 64.11 impact statement shall be prepared as early as practical in the formulation of an action.

64.12 (a) The board shall by rule establish categories of actions for which environmental  
 64.13 impact statements and for which environmental assessment worksheets shall be prepared  
 64.14 as well as categories of actions for which no environmental review is required under this  
 64.15 section. A mandatory environmental assessment worksheet shall not be required for the  
 64.16 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph  
 64.17 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a  
 64.18 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~1a~~ 2d, based on  
 64.19 the capacity of the expanded or converted facility to produce alcohol fuel, but must be  
 64.20 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other  
 64.21 categories of actions for which environmental assessment worksheets must be prepared.  
 64.22 The responsible governmental unit for an ethanol plant or biobutanol facility project for  
 64.23 which an environmental assessment worksheet is prepared shall be the state agency with  
 64.24 the greatest responsibility for supervising or approving the project as a whole.

64.25 A mandatory environmental impact statement shall not be required for a facility  
 64.26 or plant located outside the seven-county metropolitan area that produces less than  
 64.27 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less  
 64.28 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as  
 64.29 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined  
 64.30 in section ~~41A.105~~ 41A.15, subdivision ~~1a, clause (1)~~ 2d; or a cellulosic biofuel facility.  
 64.31 A facility or plant that only uses a cellulosic feedstock to produce chemical products for  
 64.32 use by another facility as a feedstock shall not be considered a fuel conversion facility as  
 64.33 used in rules adopted under this chapter.

64.34 (b) The responsible governmental unit shall promptly publish notice of the  
 64.35 completion of an environmental assessment worksheet by publishing the notice in at least  
 64.36 one newspaper of general circulation in the geographic area where the project is proposed,



65.1 by posting the notice on a Web site that has been designated as the official publication site  
65.2 for publication of proceedings, public notices, and summaries of a political subdivision in  
65.3 which the project is proposed, or in any other manner determined by the board and shall  
65.4 provide copies of the environmental assessment worksheet to the board and its member  
65.5 agencies. Comments on the need for an environmental impact statement may be submitted  
65.6 to the responsible governmental unit during a 30-day period following publication of the  
65.7 notice that an environmental assessment worksheet has been completed. The responsible  
65.8 governmental unit's decision on the need for an environmental impact statement shall be  
65.9 based on the environmental assessment worksheet and the comments received during the  
65.10 comment period, and shall be made within 15 days after the close of the comment period.  
65.11 The board's chair may extend the 15-day period by not more than 15 additional days upon  
65.12 the request of the responsible governmental unit.

65.13 (c) An environmental assessment worksheet shall also be prepared for a proposed  
65.14 action whenever material evidence accompanying a petition by not less than 100  
65.15 individuals who reside or own property in the state, submitted before the proposed  
65.16 project has received final approval by the appropriate governmental units, demonstrates  
65.17 that, because of the nature or location of a proposed action, there may be potential for  
65.18 significant environmental effects. Petitions requesting the preparation of an environmental  
65.19 assessment worksheet shall be submitted to the board. The chair of the board shall  
65.20 determine the appropriate responsible governmental unit and forward the petition to it.  
65.21 A decision on the need for an environmental assessment worksheet shall be made by  
65.22 the responsible governmental unit within 15 days after the petition is received by the  
65.23 responsible governmental unit. The board's chair may extend the 15-day period by not  
65.24 more than 15 additional days upon request of the responsible governmental unit.

65.25 (d) Except in an environmentally sensitive location where Minnesota Rules, part  
65.26 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental  
65.27 review under this chapter and rules of the board, if:

65.28 (1) the proposed action is:

65.29 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

65.30 (ii) an expansion of an existing animal feedlot facility with a total cumulative  
65.31 capacity of less than 1,000 animal units;

65.32 (2) the application for the animal feedlot facility includes a written commitment by  
65.33 the proposer to design, construct, and operate the facility in full compliance with Pollution  
65.34 Control Agency feedlot rules; and

65.35 (3) the county board holds a public meeting for citizen input at least ten business  
65.36 days prior to the Pollution Control Agency or county issuing a feedlot permit for the

66.1 animal feedlot facility unless another public meeting for citizen input has been held with  
66.2 regard to the feedlot facility to be permitted. The exemption in this paragraph is in  
66.3 addition to other exemptions provided under other law and rules of the board.

66.4 (e) The board may, prior to final approval of a proposed project, require preparation  
66.5 of an environmental assessment worksheet by a responsible governmental unit selected  
66.6 by the board for any action where environmental review under this section has not been  
66.7 specifically provided for by rule or otherwise initiated.

66.8 (f) An early and open process shall be utilized to limit the scope of the environmental  
66.9 impact statement to a discussion of those impacts, which, because of the nature or location  
66.10 of the project, have the potential for significant environmental effects. The same process  
66.11 shall be utilized to determine the form, content and level of detail of the statement as well  
66.12 as the alternatives which are appropriate for consideration in the statement. In addition,  
66.13 the permits which will be required for the proposed action shall be identified during the  
66.14 scoping process. Further, the process shall identify those permits for which information  
66.15 will be developed concurrently with the environmental impact statement. The board  
66.16 shall provide in its rules for the expeditious completion of the scoping process. The  
66.17 determinations reached in the process shall be incorporated into the order requiring the  
66.18 preparation of an environmental impact statement.

66.19 (g) The responsible governmental unit shall, to the extent practicable, avoid  
66.20 duplication and ensure coordination between state and federal environmental review  
66.21 and between environmental review and environmental permitting. Whenever practical,  
66.22 information needed by a governmental unit for making final decisions on permits  
66.23 or other actions required for a proposed project shall be developed in conjunction  
66.24 with the preparation of an environmental impact statement. When an environmental  
66.25 impact statement is prepared for a project requiring multiple permits for which two or  
66.26 more agencies' decision processes include either mandatory or discretionary hearings  
66.27 before a hearing officer prior to the agencies' decision on the permit, the agencies  
66.28 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single  
66.29 consolidated hearing process if requested by the proposer. All agencies having jurisdiction  
66.30 over a permit that is included in the consolidated hearing shall participate. The responsible  
66.31 governmental unit shall establish appropriate procedures for the consolidated hearing  
66.32 process, including procedures to ensure that the consolidated hearing process is consistent  
66.33 with the applicable requirements for each permit regarding the rights and duties of parties to  
66.34 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

66.35 (h) An environmental impact statement shall be prepared and its adequacy  
66.36 determined within 280 days after notice of its preparation unless the time is extended by

67.1 consent of the parties or by the governor for good cause. The responsible governmental  
 67.2 unit shall determine the adequacy of an environmental impact statement, unless within 60  
 67.3 days after notice is published that an environmental impact statement will be prepared,  
 67.4 the board chooses to determine the adequacy of an environmental impact statement. If an  
 67.5 environmental impact statement is found to be inadequate, the responsible governmental  
 67.6 unit shall have 60 days to prepare an adequate environmental impact statement.

67.7 (i) The proposer of a specific action may include in the information submitted to the  
 67.8 responsible governmental unit a preliminary draft environmental impact statement under  
 67.9 this section on that action for review, modification, and determination of completeness and  
 67.10 adequacy by the responsible governmental unit. A preliminary draft environmental impact  
 67.11 statement prepared by the project proposer and submitted to the responsible governmental  
 67.12 unit shall identify or include as an appendix all studies and other sources of information  
 67.13 used to substantiate the analysis contained in the preliminary draft environmental impact  
 67.14 statement. The responsible governmental unit shall require additional studies, if needed,  
 67.15 and obtain from the project proposer all additional studies and information necessary for  
 67.16 the responsible governmental unit to perform its responsibility to review, modify, and  
 67.17 determine the completeness and adequacy of the environmental impact statement.

67.18 Sec. 22. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,  
 67.19 is amended to read:

67.20 Subd. 4. **Agriculture, Bioenergy, and**  
 67.21 **Bioproduct Advancement**

14,993,000 19,010,000

67.22 \$4,483,000 the first year and \$8,500,000 the  
 67.23 second year are for transfer to the agriculture  
 67.24 research, education, extension, and  
 67.25 technology transfer account under Minnesota  
 67.26 Statutes, section 41A.14, subdivision 3. The  
 67.27 transfer in this paragraph includes money  
 67.28 for plant breeders at the University of  
 67.29 Minnesota for cultivated wild rice, potatoes,  
 67.30 and grapes. Of the amount appropriated in  
 67.31 this paragraph, at least \$450,000 the second  
 67.32 year is for transfer to the Board of Regents  
 67.33 of the University of Minnesota for the  
 67.34 cultivated wild rice breeding project at the  
 67.35 North Central Research and Outreach Center

68.1 to include a tenure track/research associate  
68.2 plant breeder. Of the amount appropriated  
68.3 in this paragraph, at least \$350,000 the  
68.4 second year is for transfer to the Board of  
68.5 Regents of the University of Minnesota  
68.6 for potato breeding. Of these amounts, at  
68.7 least \$600,000 each year is for agriculture  
68.8 rapid-response the Minnesota Agricultural  
68.9 Experiment Station's agriculture rapid  
68.10 response fund under Minnesota Statutes,  
68.11 section 41A.14, subdivision 1, clause (2). Of  
68.12 the amount appropriated in this paragraph,  
68.13 \$1,000,000 each year is for transfer to  
68.14 the Board of Regents of the University of  
68.15 Minnesota for research to determine (1) what  
68.16 is causing avian influenza, (2) why some  
68.17 fowl are more susceptible, and (3) prevention  
68.18 measures that can be taken. Of the amount  
68.19 appropriated in this paragraph, \$2,000,000  
68.20 each year is for grants to the Minnesota  
68.21 Agriculture Education Leadership Council  
68.22 to enhance agricultural education with  
68.23 priority given to Farm Business Management  
68.24 challenge grants. The commissioner shall  
68.25 transfer the remaining grant funds in this  
68.26 appropriation each year to the Board of  
68.27 Regents of the University of Minnesota for  
68.28 purposes of Minnesota Statutes, section  
68.29 41A.14, subdivision 1, clause (1), and subject  
68.30 to Minnesota Statutes, section 41A.14,  
68.31 subdivision 2.

68.32 To the extent practicable, funds expended  
68.33 under Minnesota Statutes, section 41A.14,  
68.34 subdivision 1, clauses (1) and (2), must  
68.35 supplement and not supplant existing sources  
68.36 and levels of funding. The commissioner may

69.1 use up to 4.5 percent of this appropriation  
69.2 for costs incurred to administer the program.  
69.3 Any unencumbered balance does not cancel  
69.4 at the end of the first year and is available for  
69.5 the second year. Notwithstanding Minnesota  
69.6 Statutes, section 16A.28, the appropriations  
69.7 encumbered under contract on or before June  
69.8 30, 2017, for agricultural growth, research,  
69.9 and innovation grants are available until June  
69.10 30, 2019.  
69.11 \$10,235,000 the first year and \$10,235,000  
69.12 the second year are for the agricultural  
69.13 growth, research, and innovation program  
69.14 in Minnesota Statutes, section 41A.12. No  
69.15 later than February 1, 2016, and February  
69.16 1, 2017, the commissioner must report to  
69.17 the legislative committees with jurisdiction  
69.18 over agriculture policy and finance regarding  
69.19 the commissioner's accomplishments  
69.20 and anticipated accomplishments in  
69.21 the following areas: facilitating the  
69.22 start-up, modernization, or expansion of  
69.23 livestock operations including beginning  
69.24 and transitioning livestock operations;  
69.25 developing new markets for Minnesota  
69.26 farmers by providing more fruits, vegetables,  
69.27 meat, grain, and dairy for Minnesota school  
69.28 children; assisting value-added agricultural  
69.29 businesses to begin or expand, access new  
69.30 markets, or diversify products; developing  
69.31 urban agriculture; facilitating the start-up,  
69.32 modernization, or expansion of other  
69.33 beginning and transitioning farms including  
69.34 loans under Minnesota Statutes, section  
69.35 41B.056; sustainable agriculture on farm  
69.36 research and demonstration; development or

70.1 expansion of food hubs and other alternative  
70.2 community-based food distribution systems;  
70.3 and research on bioenergy, biobased content,  
70.4 or biobased formulated products and other  
70.5 renewable energy development. The  
70.6 commissioner may use up to 4.5 percent  
70.7 of this appropriation for costs incurred to  
70.8 administer the program. Any unencumbered  
70.9 balance does not cancel at the end of the first  
70.10 year and is available for the second year.  
70.11 Notwithstanding Minnesota Statutes, section  
70.12 16A.28, the appropriations encumbered  
70.13 under contract on or before June 30, 2017, for  
70.14 agricultural growth, research, and innovation  
70.15 grants are available until June 30, 2019.

70.16 The commissioner may use funds  
70.17 appropriated for the agricultural growth,  
70.18 research, and innovation program as provided  
70.19 in this paragraph. The commissioner may  
70.20 award grants to owners of Minnesota  
70.21 facilities producing bioenergy, biobased  
70.22 content, or a biobased formulated product;  
70.23 to organizations that provide for on-station,  
70.24 on-farm field scale research and outreach to  
70.25 develop and test the agronomic and economic  
70.26 requirements of diverse strands of prairie  
70.27 plants and other perennials for bioenergy  
70.28 systems; or to certain nongovernmental  
70.29 entities. For the purposes of this paragraph,  
70.30 "bioenergy" includes transportation fuels  
70.31 derived from cellulosic material, as well as  
70.32 the generation of energy for commercial heat,  
70.33 industrial process heat, or electrical power  
70.34 from cellulosic materials via gasification or  
70.35 other processes. Grants are limited to 50  
70.36 percent of the cost of research, technical

71.1 assistance, or equipment related to bioenergy,  
71.2 biobased content, or biobased formulated  
71.3 product production or \$500,000, whichever  
71.4 is less. Grants to nongovernmental entities  
71.5 for the development of business plans and  
71.6 structures related to community ownership  
71.7 of eligible bioenergy facilities together may  
71.8 not exceed \$150,000. The commissioner  
71.9 shall make a good-faith effort to select  
71.10 projects that have merit and, when taken  
71.11 together, represent a variety of bioenergy  
71.12 technologies, biomass feedstocks, and  
71.13 geographic regions of the state. Projects  
71.14 must have a qualified engineer provide  
71.15 certification on the technology and fuel  
71.16 source. Grantees must provide reports at the  
71.17 request of the commissioner.

71.18 Of the amount appropriated for the  
71.19 agricultural growth, research, and innovation  
71.20 program in this subdivision, \$1,000,000 the  
71.21 first year and \$1,000,000 the second year  
71.22 are for distribution in equal amounts to each  
71.23 of the state's county fairs to preserve and  
71.24 promote Minnesota agriculture.

71.25 Of the amount appropriated for the  
71.26 agricultural growth, research, and innovation  
71.27 program in this subdivision, \$500,000 in  
71.28 fiscal year 2016 and \$1,500,000 in fiscal  
71.29 year 2017 are for incentive payments  
71.30 under Minnesota Statutes, sections 41A.16,  
71.31 41A.17, and 41A.18. If the appropriation  
71.32 exceeds the total amount for which all  
71.33 producers are eligible in a fiscal year, the  
71.34 balance of the appropriation is available  
71.35 to the commissioner for the agricultural  
71.36 growth, research, and innovation program.

72.1 Notwithstanding Minnesota Statutes,  
72.2 section 16A.28, the first year appropriation  
72.3 is available until June 30, 2017, and the  
72.4 second year appropriation is available until  
72.5 June 30, 2018. The commissioner may use  
72.6 up to 4.5 percent of the appropriation for  
72.7 administration of the incentive payment  
72.8 programs.

72.9 Of the amount appropriated for the  
72.10 agricultural growth, research, and innovation  
72.11 program in this subdivision, \$250,000  
72.12 the first year is for grants to communities  
72.13 to develop or expand food hubs and  
72.14 other alternative community-based food  
72.15 distribution systems. Of this amount,  
72.16 \$50,000 is for the commissioner to consult  
72.17 with existing food hubs, alternative  
72.18 community-based food distribution systems,  
72.19 and University of Minnesota Extension  
72.20 to identify best practices for use by other  
72.21 Minnesota communities. No later than  
72.22 December 15, 2015, the commissioner must  
72.23 report to the legislative committees with  
72.24 jurisdiction over agriculture and health  
72.25 regarding the status of emerging alternative  
72.26 community-based food distribution systems  
72.27 in the state along with recommendations  
72.28 to eliminate any barriers to success. Any  
72.29 unencumbered balance does not cancel at the  
72.30 end of the first year and is available for the  
72.31 second year. This is a onetime appropriation.  
72.32 \$250,000 the first year and \$250,000 the  
72.33 second year are for grants that enable  
72.34 retail petroleum dispensers to dispense  
72.35 biofuels to the public in accordance with the  
72.36 biofuel replacement goals established under



73.1 Minnesota Statutes, section 239.7911. A  
73.2 retail petroleum dispenser selling petroleum  
73.3 for use in spark ignition engines for vehicle  
73.4 model years after 2000 is eligible for grant  
73.5 money under this paragraph if the retail  
73.6 petroleum dispenser has no more than 15  
73.7 retail petroleum dispensing sites and each  
73.8 site is located in Minnesota. The grant  
73.9 money received under this paragraph must  
73.10 be used for the installation of appropriate  
73.11 technology that uses fuel dispensing  
73.12 equipment appropriate for at least one fuel  
73.13 dispensing site to dispense gasoline that is  
73.14 blended with 15 percent of agriculturally  
73.15 derived, denatured ethanol, by volume, and  
73.16 appropriate technical assistance related to  
73.17 the installation. A grant award must not  
73.18 exceed 85 percent of the cost of the technical  
73.19 assistance and appropriate technology,  
73.20 including remetering of and retrofits for  
73.21 retail petroleum dispensers and replacement  
73.22 of petroleum dispenser projects. The  
73.23 commissioner may use up to \$35,000 of this  
73.24 appropriation for administrative expenses.  
73.25 The commissioner shall cooperate with  
73.26 biofuel stakeholders in the implementation  
73.27 of the grant program. The commissioner  
73.28 must report to the legislative committees  
73.29 with jurisdiction over agriculture policy and  
73.30 finance by February 1 each year, detailing  
73.31 the number of grants awarded under this  
73.32 paragraph and the projected effect of the grant  
73.33 program on meeting the biofuel replacement  
73.34 goals under Minnesota Statutes, section  
73.35 239.7911. These are onetime appropriations.

74.1 \$25,000 the first year and \$25,000 the second  
 74.2 year are for grants to the Southern Minnesota  
 74.3 Initiative Foundation to promote local foods  
 74.4 through an annual event that raises public  
 74.5 awareness of local foods and connects local  
 74.6 food producers and processors with potential  
 74.7 buyers.

74.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

74.9 Sec. 23. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to  
 74.10 read:

74.11 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; APPROPRIATIONS**  
 74.12 **AND TRANSFERS.**

74.13 (a) ~~\$3,619,000~~ \$619,000 is appropriated from the general fund in fiscal year 2016 to  
 74.14 the commissioner of agriculture for avian influenza emergency response activities. The  
 74.15 commissioner may use money appropriated under this paragraph to purchase necessary  
 74.16 euthanasia and composting equipment and to reimburse costs incurred by local units of  
 74.17 government directly related to avian influenza emergency response activities that are not  
 74.18 eligible for federal reimbursement. This appropriation is available the day following final  
 74.19 enactment until June 30, 2017.

74.20 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the  
 74.21 Board of Animal Health for avian influenza emergency response activities. The Board  
 74.22 may use money appropriated under this paragraph to purchase necessary euthanasia and  
 74.23 composting equipment and to retain trained staff. This appropriation is available the day  
 74.24 following final enactment until June 30, 2017.

74.25 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the  
 74.26 commissioner of health for avian influenza emergency response activities. This  
 74.27 appropriation is available the day following final enactment until June 30, 2017.

74.28 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the  
 74.29 commissioner of natural resources for sampling wild animals to detect and monitor the  
 74.30 avian influenza virus. This appropriation may also be used to conduct serology sampling,  
 74.31 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy  
 74.32 Chair in Avian Health, from birds within a control zone and outside of a control zone.  
 74.33 This appropriation is available the day following final enactment until June 30, 2017.

74.34 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the  
 74.35 commissioner of public safety to operate the State Emergency Operation Center in

75.1 coordination with the statewide avian influenza response activities. Appropriations  
 75.2 under this paragraph may also be used to support a staff person at the state's agricultural  
 75.3 incident command post in Willmar. This appropriation is available the day following final  
 75.4 enactment until June 30, 2017.

75.5 (f) The commissioner of management and budget may transfer unexpended balances  
 75.6 from the appropriations in this section to any state agency for operating expenses related  
 75.7 to avian influenza emergency response activities. The commissioner of management and  
 75.8 budget must report each transfer to the chairs and ranking minority members of the senate  
 75.9 Committee on Finance and the house of representatives Committee on Ways and Means.

75.10 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,  
 75.11 section 17, no later than September 30, 2015, the commissioner of management and  
 75.12 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general  
 75.13 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,  
 75.14 subdivision 6. This amount is available for avian influenza emergency response activities  
 75.15 as provided in Laws 2015, chapter 65, article 1, section 18.

75.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

#### 75.17 **ARTICLE 4**

#### 75.18 **NATURAL RESOURCES**

##### 75.19 Section 1. **APPROPRIATIONS.**

75.20 The sums shown in the columns marked "Appropriations" are added to the  
 75.21 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the  
 75.22 agencies and for the purposes specified in this article. The appropriations are from the  
 75.23 general fund, or another named fund, and are available for the fiscal year indicated for  
 75.24 each purpose. The figures "2016" and "2017" used in this article mean that the addition  
 75.25 to the appropriations listed under them are available for the fiscal year ending June 30,  
 75.26 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second  
 75.27 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day  
 75.28 following final enactment.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2016</u></b>	<b><u>2017</u></b>

##### 75.33 Sec. 2. **NATURAL RESOURCES**

75.34 <b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>2,269,000</u></b>	<b><u>\$</u></b>	<b><u>14,885,000</u></b>
--	------------------	-------------------------	------------------	--------------------------

76.1	<u>Appropriations by Fund</u>	
76.2	<u>2016</u>	<u>2017</u>
76.3 <u>General</u>	<u>1,599,000</u>	<u>12,386,000</u>
76.4 <u>Natural Resources</u>	<u>-0-</u>	<u>2,320,000</u>
76.5 <u>Game and Fish</u>	<u>670,000</u>	<u>110,000</u>
76.6 <u>Permanent School</u>	<u>-0-</u>	<u>69,000</u>
76.7 <u>The amounts that may be spent for each</u>		
76.8 <u>purpose are specified in the following</u>		
76.9 <u>subdivisions.</u>		
76.10 <u>Subd. 2. <b>Lands and Minerals Management</b></u>	<u>-0-</u>	<u>500,000</u>
76.11 <u>\$500,000 the second year is for transfer to</u>		
76.12 <u>the school trust lands director to initiate the</u>		
76.13 <u>private sale of surplus school trust lands</u>		
76.14 <u>identified according to Minnesota Statutes,</u>		
76.15 <u>section 92.82, paragraph (d), including, but</u>		
76.16 <u>not limited to, valuation expenses, legal</u>		
76.17 <u>fees, and transactional staff costs. This</u>		
76.18 <u>appropriation must not be used to extinguish</u>		
76.19 <u>school trust interests in school trust lands.</u>		
76.20 <u>This is a onetime appropriation.</u>		
76.21 <u>Subd. 3. <b>Ecological and Water Resources</b></u>	<u>-0-</u>	<u>1,637,000</u>
76.22 <u>\$187,000 the second year is for a grant to the</u>		
76.23 <u>Middle-Snake-Tamarac Rivers Watershed</u>		
76.24 <u>District to match equal funds from the North</u>		
76.25 <u>Dakota State Water Commission and North</u>		
76.26 <u>Dakota water boards to conduct hydraulic</u>		
76.27 <u>modeling of alternative floodway options</u>		
76.28 <u>for the reach including and upstream and</u>		
76.29 <u>downstream of the Minnesota and North</u>		
76.30 <u>Dakota agricultural levies in the vicinity</u>		
76.31 <u>of Oslo, Minnesota. The modeling must</u>		
76.32 <u>include evaluating removal of floodway</u>		
76.33 <u>flow obstructions, channel obstructions,</u>		
76.34 <u>transportation access, and equalization of</u>		
76.35 <u>agricultural levy protection. The project must</u>		

77.1 be conducted in partnership with the border  
 77.2 township association group representing four  
 77.3 Minnesota townships and the city of Oslo  
 77.4 and the three adjacent townships in North  
 77.5 Dakota. This is a onetime appropriation and  
 77.6 is available until June 30, 2018.

77.7 \$1,200,000 the second year is for an impact  
 77.8 study of irrigation on the Pineland Sands  
 77.9 aquifer. This is a onetime appropriation and  
 77.10 is available until June 30, 2019.

77.11 \$250,000 the second year is for maintenance  
 77.12 of the Little Stone Lake Dam. St. Louis  
 77.13 County shall transfer to the state of Minnesota  
 77.14 maintenance and control of the Little Stone  
 77.15 Lake Dam that is described as: DAM ID  
 77.16 MN00373. This is a onetime appropriation.

77.17 Subd. 4. **Forest Management** -0- 3,100,000

77.18 \$600,000 the second year is for a pilot  
 77.19 program to increase forest road maintenance.  
 77.20 The commissioner shall use the money to  
 77.21 perform needed maintenance on forest roads  
 77.22 in conjunction with timber sales. Optional  
 77.23 forest road maintenance contracts may be  
 77.24 offered to successful purchasers of state  
 77.25 timber sales at the commissioner's discretion.  
 77.26 This is a onetime appropriation.

77.27 \$2,500,000 the second year is for private  
 77.28 forest management assistance. The agency  
 77.29 base is increased by \$2,028,000 in fiscal year  
 77.30 2018 and thereafter.

77.31 Subd. 5. **Parks and Trails Management** -0- 5,668,000

77.32	<u>Appropriations by Fund</u>		
77.33	<u>2016</u>	<u>2017</u>	
77.34	<u>General</u>	<u>-0-</u>	<u>3,279,000</u>

78.1	<u>Natural Resources</u>	<u>-0-</u>	<u>2,320,000</u>
78.2	<u>Permanent School</u>	<u>-0-</u>	<u>69,000</u>
78.3	<u>\$3,000,000 the second year is a onetime</u>		
78.4	<u>appropriation.</u>		
78.5	<u>\$2,300,000 the second year is from the state</u>		
78.6	<u>parks account in the natural resources fund.</u>		
78.7	<u>Of this amount, \$1,300,000 is onetime. In</u>		
78.8	<u>fiscal year 2017, the level of service and</u>		
78.9	<u>hours at all state parks and recreation areas</u>		
78.10	<u>must be maintained at fiscal year 2015 levels.</u>		
78.11	<u>\$20,000 the second year is from the natural</u>		
78.12	<u>resources fund to design and erect signs</u>		
78.13	<u>marking the David K. Dill trail designated in</u>		
78.14	<u>this act. Of this amount, \$10,000 is from the</u>		
78.15	<u>snowmobile trails and enforcement account</u>		
78.16	<u>and \$10,000 is from the all-terrain vehicle</u>		
78.17	<u>account. This is a onetime appropriation.</u>		
78.18	<u>\$69,000 the second year is from the state</u>		
78.19	<u>forest suspense account in the permanent</u>		
78.20	<u>school fund for the improvement of the</u>		
78.21	<u>infrastructure for sanitary sewer service at the</u>		
78.22	<u>Woodenfrog Campground in Kabetogama</u>		
78.23	<u>State Forest. This is a onetime appropriation.</u>		
78.24	<u>\$250,000 the second year is for a grant to</u>		
78.25	<u>Douglas County to acquire land, including a</u>		
78.26	<u>ski area, for use as a regional park. The grant</u>		
78.27	<u>must be matched by other state or nonstate</u>		
78.28	<u>sources. This is a onetime appropriation and</u>		
78.29	<u>is available until June 30, 2019.</u>		
78.30	<u>\$29,000 the second year is for computer</u>		
78.31	<u>programming related to the transfer-on-death</u>		
78.32	<u>title changes for watercraft. This is a onetime</u>		
78.33	<u>appropriation.</u>		
78.34	<b><u>Subd. 6. Fish and Wildlife Management</u></b>	<b><u>-0-</u></b>	<b><u>50,000</u></b>

79.1 \$50,000 the second year is from the game  
 79.2 and fish fund for fish virus surveillance,  
 79.3 including fish testing in high-risk waters used  
 79.4 for bait production, to ensure the availability  
 79.5 of safe bait. This is a onetime appropriation.

79.6 Subd. 7. Enforcement 670,000 -0-

79.7 \$670,000 the first year is from the game and  
 79.8 fish fund for aviation services. This is a  
 79.9 onetime appropriation.

79.10 Subd. 8. Operations Support 1,599,000 3,930,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
79.11		
79.12		
79.13	<u>1,599,000</u>	<u>3,870,000</u>
79.14	<u>-0-</u>	<u>60,000</u>

79.15 \$1,599,000 the first year and \$2,370,000 the  
 79.16 second year are for legal costs related to the  
 79.17 NorthMet mining project. This is a onetime  
 79.18 appropriation and is available until June 30,  
 79.19 2019.

79.20 \$1,500,000 the second year is for a grant to  
 79.21 Wolf Ridge Environmental Learning Center  
 79.22 to construct a new dormitory, renovate an old  
 79.23 dormitory, construct a maintenance building,  
 79.24 and construct a small classroom building  
 79.25 with parking. The grant is not available  
 79.26 until the commissioner of management  
 79.27 and budget determines that an amount  
 79.28 sufficient to complete the project is available  
 79.29 from nonstate sources. This is a onetime  
 79.30 appropriation and is available until June 30,  
 79.31 2019.

79.32 \$60,000 the second year is from the  
 79.33 heritage enhancement account for the  
 79.34 department's Southeast Asian unit to  
 79.35 conduct outreach efforts to the Southeast

80.1 Asian community in Minnesota, including  
 80.2 outreach efforts to refugees from Burma, to  
 80.3 encourage participation in outdoor education  
 80.4 opportunities and activities. This is a onetime  
 80.5 appropriation.

80.6 Sec. 3. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

80.7 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in  
 80.8 ~~paragraph (b) this subdivision~~, a person may not harvest, buy, sell, transport, or possess  
 80.9 aquatic plants without a license required under this chapter. A license shall be issued in  
 80.10 the same manner as provided under the game and fish laws.

80.11 (b) A resident under the age of 18 years may harvest wild rice without a license, if  
 80.12 accompanied by a person with a wild rice license.

80.13 (c) Tribal band members who possess a valid tribal identification card may harvest  
 80.14 wild rice without a license under this section.

80.15 Sec. 4. Minnesota Statutes 2014, section 84.798, subdivision 2, is amended to read:

80.16 Subd. 2. **Exemptions.** Registration is not required for an off-road vehicle that is:

80.17 (1) owned and used by the United States, an Indian tribal government, the state,  
 80.18 another state, or a political subdivision; ~~or~~

80.19 (2) registered in another state or country and has not been in this state for more than  
 80.20 30 consecutive days; or

80.21 (3) operated with a valid state trail pass according to section 84.8035.

80.22 **EFFECTIVE DATE.** This section is effective January 1, 2017.

80.23 Sec. 5. Minnesota Statutes 2014, section 84.8035, is amended to read:

80.24 **84.8035 NONRESIDENT OFF-ROAD VEHICLE STATE TRAIL PASS.**

80.25 Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a  
 80.26 ~~nonresident person~~ may not operate an off-road vehicle on a state or grant-in-aid off-road  
 80.27 vehicle trail or use area unless the vehicle displays a ~~nonresident an~~ off-road vehicle state  
 80.28 trail pass sticker issued according to this section. The pass must be viewable by a peace  
 80.29 officer, a conservation officer, or an employee designated under section 84.0835.

80.30 (b) ~~The fee for an annual pass is \$20. The pass is valid from January 1 through~~  
 80.31 ~~December 31. The fee for a three-year pass is \$30.~~ The commissioner of natural resources  
 80.32 shall issue a pass upon application and payment of the fee. Fees collected under this



81.1 section, except for the issuing fee for licensing agents, shall be deposited in the state  
81.2 treasury and credited to the off-road vehicle account in the natural resources fund and,  
81.3 except for the electronic licensing system commission established by the commissioner  
81.4 under section 84.027, subdivision 15, must be used for grants-in-aid to counties and  
81.5 municipalities for off-road vehicle organizations to construct and maintain off-road  
81.6 vehicle trails and use areas.

81.7 (c) ~~A nonresident~~ An off-road vehicle state trail pass is not required for:

81.8 (1) an off-road vehicle that is owned and used by the United States, another state,  
81.9 or a political subdivision thereof that is exempt from registration under section 84.798,  
81.10 subdivision 2;

81.11 (2) a person operating an off-road vehicle only on the portion of a trail that is owned  
81.12 by the person or the person's spouse, child, or parent; or

81.13 (3) a ~~nonresident~~ person operating an off-road vehicle that is registered according  
81.14 to section 84.798.

81.15 (d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The  
81.16 nonresident pass is valid from January 1 through December 31. The fee for a nonresident  
81.17 three-year pass is \$30.

81.18 (e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is  
81.19 valid for 30 consecutive days after the date of issuance.

81.20 Subd. 2. **License agents.** The commissioner may appoint agents to issue and  
81.21 sell ~~nonresident~~ off-road vehicle state trail passes. The commissioner may revoke the  
81.22 appointment of an agent at any time. The commissioner may adopt additional rules as  
81.23 provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted  
81.24 by the commissioner for accounting and handling of passes pursuant to section 97A.485,  
81.25 subdivision 11. An agent shall promptly deposit and remit all money received from the  
81.26 sale of the passes, exclusive of the issuing fee, to the commissioner.

81.27 Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell  
81.28 ~~nonresident~~ off-road vehicle state trail passes. The commissioner shall also make the  
81.29 passes available through the electronic licensing system established under section 84.027,  
81.30 subdivision 15.

81.31 Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass  
81.32 shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for  
81.33 passes issued by the commissioner shall be deposited in the off-road vehicle account in the  
81.34 natural resources fund and retained for the operation of the electronic licensing system.

81.35 Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate  
81.36 pass to persons whose pass is lost or destroyed using the process established under section

82.1 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate ~~nonresident~~  
 82.2 off-road vehicle state trail pass is \$4, with an issuing fee of 50 cents.

82.3 **EFFECTIVE DATE.** This section is effective January 1, 2017.

82.4 Sec. 6. Minnesota Statutes 2014, section 85.015, subdivision 13, is amended to read:

82.5 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**  
 82.6 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.  
 82.7 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to  
 82.8 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in  
 82.9 Itasca County and there terminate;

82.10 (2) the C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County  
 82.11 and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand  
 82.12 Marais in Cook County, thence northeasterly to the international boundary in the vicinity  
 82.13 of the north shore of Lake Superior, and there terminate;

82.14 (3) ~~The Grand Marais to International Falls Trail shall originate in Grand Marais~~  
 82.15 ~~in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,~~  
 82.16 ~~to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to~~  
 82.17 ~~Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.~~  
 82.18 ~~Louis County to International Falls in Koochiching County, and there terminate~~ the David  
 82.19 K. Dill/Arrowhead Trail shall originate at International Falls in Koochiching County and  
 82.20 extend southeasterly through the Pelican Lake area in St. Louis County, intersecting with  
 82.21 the Taconite Trail west of Tower; then the David K. Dill/Taconite Trail continues easterly  
 82.22 to Ely in St. Louis County; then the David K. Dill/Tomahawk Trail extends southeasterly,  
 82.23 outside the Boundary Waters Canoe Area, to the area of Little Marais in Lake County and  
 82.24 there terminates at the intersection with the C. J. Ramstad/Northshore Trail; and

82.25 (4) the Matthew Lourey Trail shall originate in Duluth in St. Louis County and  
 82.26 extend southerly to Chengwatana State Forest in Pine County.

82.27 (b) The trails shall be developed primarily for riding and hiking.

82.28 (c) In addition to the authority granted in subdivision 1, lands and interests in lands  
 82.29 for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring  
 82.30 any land or interest in land by eminent domain the commissioner of administration shall  
 82.31 obtain the approval of the governor. The governor shall consult with the Legislative  
 82.32 Advisory Commission before granting approval. Recommendations of the Legislative  
 82.33 Advisory Commission shall be advisory only. Failure or refusal of the commission to  
 82.34 make a recommendation shall be deemed a negative recommendation.

83.1       Sec. 7. **[86B.841] TRANSFER-ON-DEATH TITLE TO WATERCRAFT.**

83.2             Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a  
83.3 watercraft may have the watercraft titled in transfer-on-death or TOD form by including in  
83.4 the application for the certificate of title a designation of a beneficiary or beneficiaries to  
83.5 whom the watercraft must be transferred on death of the owner or the last survivor of joint  
83.6 owners with rights of survivorship, subject to the rights of secured parties.

83.7             Subd. 2. **Designation of beneficiary.** A watercraft is registered in transfer-on-death  
83.8 form by designating on the certificate of title the name of the owner and the names  
83.9 of joint owners with identification of rights of survivorship, followed by the words  
83.10 "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may  
83.11 be used instead of "transfer-on-death." A title in transfer-on-death form is not required  
83.12 to be supported by consideration, and the certificate of title in which the designation  
83.13 is made is not required to be delivered to the beneficiary or beneficiaries in order for  
83.14 the designation to be effective.

83.15             Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries  
83.16 have no interest in the watercraft until the death of the owner or the last survivor of joint  
83.17 owners with rights of survivorship. A beneficiary designation may be changed at any time  
83.18 by the owner or by all joint owners with rights of survivorship, without the consent of the  
83.19 beneficiary or beneficiaries, by filing an application for a new certificate of title.

83.20             Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a watercraft titled in  
83.21 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of  
83.22 the owner or the last of the joint owners with rights of survivorship, subject to the rights of  
83.23 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner  
83.24 may apply for a new certificate of title to the watercraft upon submitting a certified death  
83.25 record of the owner of the watercraft. If no transfer-on-death beneficiary or beneficiaries  
83.26 survive the owner of a watercraft, the watercraft must be included in the probate estate  
83.27 of the deceased owner. A transfer of a watercraft to a transfer-on-death beneficiary or  
83.28 beneficiaries is not a testamentary transfer.

83.29             Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any  
83.30 secured party or creditor of the owner of a watercraft against a transfer-on-death  
83.31 beneficiary or beneficiaries.

83.32             (b) The state or a county agency with a claim or lien authorized by section 246.53,  
83.33 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim  
83.34 or lien under those sections continues to apply against the designated beneficiary or  
83.35 beneficiaries after the transfer under this section if other assets of the deceased owner's  
83.36 estate are insufficient to pay the amount of the claim. The claim or lien continues to apply

84.1 to the watercraft until the designated beneficiary sells or transfers it to a person against  
 84.2 whom the claim or lien does not apply and who did not have actual notice or knowledge  
 84.3 of the claim or lien.

84.4 Sec. 8. Minnesota Statutes 2014, section 89.0385, is amended to read:

84.5 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**  
 84.6 **CERTIFICATION.**

84.7 (a) The commissioner shall certify the total costs incurred for forest management,  
 84.8 forest improvement, and road improvement on state-managed lands during each fiscal  
 84.9 year. The commissioner shall distribute forest management receipts credited to various  
 84.10 accounts according to this section.

84.11 (b) The amount of the certified costs incurred for forest management activities on  
 84.12 state lands shall be transferred from the account where receipts are deposited to the forest  
 84.13 management investment account in the natural resources fund, except for those costs  
 84.14 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and  
 84.15 revenue reports, throughout the fiscal year, with final certification and reconciliation after  
 84.16 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

84.17 (c) The amount of the certified costs incurred for forest management activities  
 84.18 on nonstate lands managed under a good neighbor or joint powers agreement must be  
 84.19 transferred from the account where receipts are deposited to the forest management  
 84.20 investment account in the natural resources fund. Transfers for costs incurred may occur  
 84.21 after projects or timber permits are finalized.

84.22 Sec. 9. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

84.23 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

84.24 Sec. 10. Minnesota Statutes 2014, section 93.2236, is amended to read:

84.25 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

84.26 (a) The minerals management account is created as an account in the natural  
 84.27 resources fund. Interest earned on money in the account accrues to the account. Money in  
 84.28 the account may be spent or distributed only as provided in paragraphs (b) and (c).

84.29 (b) If the balance in the minerals management account exceeds \$3,000,000 on March  
 84.30 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must  
 84.31 be distributed to the permanent school fund, the permanent university fund, and taxing  
 84.32 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed  
 84.33 to each fund must be in the same proportion as the total mineral lease revenue received

85.1 in the previous biennium from school trust lands, university lands, and lands held by the  
85.2 state in trust for taxing districts.

85.3 (c) Subject to appropriation by the legislature, money in the minerals management  
85.4 account may be spent by the commissioner of natural resources for mineral resource  
85.5 management and projects to enhance future mineral income and promote new mineral  
85.6 resource opportunities.

85.7 Sec. 11. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

85.8 Subd. 2. **Classes of land; definitions.** (a) The classes of public land that may be  
85.9 involved in an expedited exchange under this section are:

85.10 (1) Class 1 land, which for the purpose of this section is Class A land as defined in  
85.11 section 94.342, subdivision 1, ~~except for:~~

85.12 ~~(i) school trust land as defined in section 92.025; and~~

85.13 ~~(ii) university land granted to the state by acts of Congress;~~

85.14 (2) Class 2 land, which for the purpose of this section is Class B land as defined in  
85.15 section 94.342, subdivision 2; and

85.16 (3) Class 3 land, which for the purpose of this section is all land owned in fee by  
85.17 a governmental subdivision of the state.

85.18 (b) "School trust land" has the meaning given in section 92.025.

85.19 (c) "University land" means land granted to the state by acts of Congress for  
85.20 university purposes.

85.21 Sec. 12. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

85.22 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,  
85.23 the value of all the land shall be determined by the commissioner of natural resources,  
85.24 but the county board must approve the value determined for the Class 2 land, and the  
85.25 governmental subdivision of the state must approve the value determined for the Class 3  
85.26 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be  
85.27 determined by the county board of the county in which the land lies, but the governmental  
85.28 subdivision of the state must approve the value determined for the Class 3 land.

85.29 (b) To determine the value of the land, the parties to the exchange may either (1)  
85.30 cause the land to be appraised, utilize the valuation process provided under section  
85.31 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or  
85.32 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most  
85.33 current township or county assessment schedules for similar land types from the county

86.1 assessor of the county in which the lands are located. Merchantable timber value ~~must~~  
 86.2 should be determined and considered in finalizing valuation of the lands.

86.3 ~~(b) All~~ (c) Except for school trust lands and university lands, the lands exchanged  
 86.4 under this section shall be exchanged only for lands of at least substantially equal value.  
 86.5 For the purposes of this subdivision, "substantially equal value" has the meaning given  
 86.6 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the  
 86.7 lands, other than school trust lands or university lands, are of substantially equal value but  
 86.8 are not of the same value.

86.9 (d) School trust lands and university lands exchanged under this section must be  
 86.10 exchanged only for lands of equal or greater value.

86.11 Sec. 13. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

86.12 Subd. 7. **Reversionary interest; Mineral and water power rights and other**  
 86.13 **reservations.** ~~(a) All deeds conveying land given in an expedited land exchange under~~  
 86.14 ~~this section shall include a reverter that provides that title to the land automatically reverts~~  
 86.15 ~~to the conveying governmental unit if:~~

86.16 ~~(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of~~  
 86.17 ~~the land within 40 years of the date of the deed conveying ownership; and~~

86.18 ~~(2) there is no prior written approval for the transfer from the conveying~~  
 86.19 ~~governmental unit. The authority for granting approval is the commissioner of natural~~  
 86.20 ~~resources for former Class 1 land, the county board for former Class 2 land, and the~~  
 86.21 ~~governing body for former Class 3 land.~~

86.22 ~~(b)~~ Class 1 land given in exchange is subject to the reservation provisions of section  
 86.23 94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation  
 86.24 provisions of section 94.344, subdivision 4. County fee land given in exchange is subject  
 86.25 to the reservation provisions of section 373.01, subdivision 1, paragraph (g).

86.26 Sec. 14. Minnesota Statutes 2014, section 97A.405, subdivision 2, is amended to read:

86.27 Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from  
 86.28 an area where a licensed activity was performed must have in personal possession ~~either:~~  
 86.29 (1) the proper license, if the license has been issued to and received by the person; (2) a  
 86.30 driver's license or Minnesota identification card issued under section 171.07, subdivision  
 86.31 19, that has a valid written designation of the proper lifetime license; ~~(2) (3)~~ the proper  
 86.32 license identification number or stamp validation, if the license has been sold to the person  
 86.33 by electronic means but the actual license has not been issued and received.

87.1 (b) If possession of a license or a license identification number is required, a person  
87.2 must exhibit, as requested by a conservation officer or peace officer, ~~either~~: (1) the  
87.3 proper license if the license has been issued to and received by the person; (2) a driver's  
87.4 license or Minnesota identification card issued under section 171.07, subdivision 19,  
87.5 that has a valid written designation of the proper lifetime license; or ~~(2)~~ (3) the proper  
87.6 license identification number or stamp validation and a valid state driver's license, state  
87.7 identification card, or other form of identification provided by the commissioner, if the  
87.8 license has been sold to the person by electronic means but the actual license has not been  
87.9 issued and received. A person charged with violating the license possession requirement  
87.10 shall not be convicted if the person produces in court or the office of the arresting officer,  
87.11 the actual license previously issued to that person, which was valid at the time of arrest,  
87.12 or satisfactory proof that at the time of the arrest the person was validly licensed. Upon  
87.13 request of a conservation officer or peace officer, a licensee shall write the licensee's name  
87.14 in the presence of the officer to determine the identity of the licensee.

87.15 (c) Except as provided in paragraph (a), clause (2), if the actual license has been  
87.16 issued and received, a receipt for license fees, a copy of a license, or evidence showing the  
87.17 issuance of a license, including the license identification number or stamp validation, does  
87.18 not entitle a licensee to exercise the rights or privileges conferred by a license.

87.19 (d) A license issued electronically and not immediately provided to the licensee shall  
87.20 be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory  
87.21 waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee  
87.22 after purchase of a stamp validation only if the licensee pays an additional fee that covers  
87.23 the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be  
87.24 purchased for a fee that covers the costs of producing and mailing the pictorial stamp.  
87.25 Notwithstanding section 16A.1283, the commissioner may, by written order published in  
87.26 the State Register, establish fees for providing the pictorial stamps. The fees must be set in  
87.27 an amount that does not recover significantly more or less than the cost of producing and  
87.28 mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14,  
87.29 and section 14.386 does not apply.

87.30 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date  
87.31 the Department of Public Safety implements the Minnesota Licensing and Registration  
87.32 System (MNLARS), whichever occurs first.

87.33 Sec. 15. Minnesota Statutes 2014, section 97A.465, is amended by adding a  
87.34 subdivision to read:

88.1 Subd. 8. **Nonresident members of National Guard.** A nonresident that is a  
88.2 member of the state's National Guard may obtain a resident license to take fish or game.  
88.3 This subdivision does not apply to the taking of moose or elk.

88.4 Sec. 16. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision  
88.5 to read:

88.6 Subd. 19. **Resident lifetime game and fish license.** (a) The department shall  
88.7 maintain in its records information transmitted electronically from the commissioner of  
88.8 natural resources identifying each person to whom the commissioner has issued a resident  
88.9 lifetime license under section 97A.473. The records transmitted from the Department of  
88.10 Natural Resources must contain:

88.11 (1) the full name and date of birth as required for the driver's license or identification  
88.12 card;

88.13 (2) the category of lifetime license issued under section 97A.473; and

88.14 (3) the Department of Natural Resources lifetime license number.

88.15 Records that are not matched to a driver's license or identification card record may  
88.16 be deleted after seven years.

88.17 (b) After receiving information under paragraph (a) that a person has received  
88.18 a lifetime license, the department shall include, on all drivers' licenses or Minnesota  
88.19 identification cards subsequently issued to the person, a written designation that the person  
88.20 has a lifetime license, the category of the lifetime license issued, and the Department of  
88.21 Natural Resources lifetime license number.

88.22 (c) If a person who has received a lifetime license under section 97A.473 applies  
88.23 for a driver's license or Minnesota identification card before that information has been  
88.24 transmitted to the department, the department may accept a copy of the license issued  
88.25 under section 97A.473 as proof of its issuance and shall then follow the procedures in  
88.26 paragraph (b).

88.27 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date  
88.28 the Department of Public Safety implements the Minnesota Licensing and Registration  
88.29 System (MNLARS), whichever occurs first.

88.30 Sec. 17. Laws 2000, chapter 486, section 4, as amended by Laws 2001, chapter 182,  
88.31 section 2, is amended to read:

88.32 Sec. 4. **[BOATHOUSE LEASES; SOUDAN UNDERGROUND MINE STATE**  
88.33 **PARK.]**



89.1 (a) In 1965, United States Steel Corporation conveyed land to the state of Minnesota  
89.2 that was included in the Soudan underground mine state park, with certain lands at Stuntz  
89.3 Bay subject to leases outstanding for employee boathouse sites.

89.4 (b) Notwithstanding Minnesota Statutes, sections 85.011, 85.012, subdivision 1, and  
89.5 86A.05, subdivision 2, upon the expiration of a boathouse lease described under paragraph  
89.6 (a), the commissioner of natural resources shall offer a new lease to the party in possession  
89.7 at the time of lease expiration, or, if there has been a miscellaneous lease issued by the  
89.8 Department of Natural Resources due to expiration of a lease described under paragraph  
89.9 (a), upon its expiration to the lessee. The new lease shall be issued under the terms and  
89.10 conditions of Minnesota Statutes, section 92.50, with the following limitations:

89.11 (1) the term of the lease shall be for the lifetime of the party being issued a renewed  
89.12 lease and, if transferred, for the lifetime of the party to whom the lease is transferred;

89.13 (2) the new lease shall provide that the lease may be transferred only once and the  
89.14 transfer must be to a person within the third degree of kindred or first cousin according to  
89.15 civil law; ~~and~~

89.16 (3) the commissioner shall limit the number of lessees per lease to no more than two  
89.17 persons who have attained legal age; and

89.18 (4) the lease amount must not exceed 50 percent of the average market rate, based  
89.19 on comparable private lease rates adjusted every five years.

89.20 At the time of the new lease, the commissioner may offer, and after agreement with the  
89.21 leaseholder, lease equivalent alternative sites to the leaseholder.

89.22 (c) The commissioner shall not cancel a boathouse lease described under paragraphs  
89.23 (a) and (b) except for noncompliance with the lease agreement.

89.24 (d) The commissioner must issue a written receipt to the lessee for each lease  
89.25 payment.

89.26 ~~(d)~~ (e) By January 15, 2001, the commissioner of natural resources shall report to  
89.27 the senate and house environment and natural resources policy and finance committees on  
89.28 boathouse leases in state parks. The report shall include information on:

89.29 (1) the number of boathouse leases;

89.30 (2) the number of leases that have forfeited;

89.31 (3) the expiration dates of the leases;

89.32 (4) the historical significance of the boathouses;

89.33 (5) recommendations on the inclusion of the land described in paragraph (d) within  
89.34 the park boundary; and

89.35 (6) any other relevant information on the leases.

90.1 (e) (f) The commissioner of natural resources shall contact U.S.X. Corporation and  
90.2 local units of government regarding the inclusion of the following lands within Soudan  
90.3 underground mine state park:

90.4 (1) all lands located South of Vermillion Lake shoreline in Section 13, Township  
90.5 62 North, Range 15 West;

90.6 (2) all lands located South of Vermillion Lake shoreline in the S1/2-SE1/4 of Section  
90.7 14, Township 62 North, Range 15 West;

90.8 (3) NE1/4-SE1/4 and E1/2-NE1/4 of Section 22, Township 62 North, Range 15 West;

90.9 (4) all lands located South of Vermillion Lake shoreline in Section 23, Township  
90.10 62 North, Range 15 West;

90.11 (5) all of Section 24, Township 62 North, Range 15 West;

90.12 (6) all lands North of trunk highway No. 169 located in Section 25, Township  
90.13 62 North, Range 15 West;

90.14 (7) all lands North of trunk highway No. 169 located in Section 26, Township  
90.15 62 North, Range 15 West;

90.16 (8) NE1/4-SE1/4 and SE1/4-NE1/4 of Section 27, Township 62 North, Range 15  
90.17 West; and

90.18 (9) NW1/4 of Section 19, Township 62 North, Range 14 West.

90.19 **EFFECTIVE DATE.** This section is effective the day following final enactment  
90.20 **and applies to monthly lease payments made on or after that date.**

90.21 Sec. 18. Laws 2014, chapter 312, article 12, section 6, subdivision 5, as amended by  
90.22 Laws 2015, First Special Session chapter 4, article 3, section 11, is amended to read:

90.23 **Subd. 5. Fish and Wildlife**  
90.24 **Management**

-0- 2,412,000

90.25 \$3,000 in 2015 is from the heritage  
90.26 enhancement account in the game and fish  
90.27 fund for a report on aquatic plant management  
90.28 permitting policies for the management  
90.29 of narrow-leaved and hybrid cattail in a  
90.30 range of basin types across the state. The  
90.31 report shall be submitted to the chairs and  
90.32 ranking minority members of the house of  
90.33 representatives and senate committees with  
90.34 jurisdiction over environment and natural  
90.35 resources by December 15, 2014, and include

91.1 recommendations for any necessary changes  
91.2 in statutes, rules, or permitting procedures.  
91.3 This is a onetime appropriation.

91.4 \$9,000 in 2015 is from the game and fish  
91.5 fund for the commissioner, in consultation  
91.6 with interested parties, agencies, and other  
91.7 states, to develop a detailed restoration plan  
91.8 to recover the historical native population of  
91.9 bobwhite quail in Minnesota for its ecological  
91.10 and recreational benefits to the citizens of the  
91.11 state. The commissioner shall conduct public  
91.12 meetings in developing the plan. No later  
91.13 than January 15, 2015, the commissioner  
91.14 must report on the plan's progress to the  
91.15 legislative committees with jurisdiction over  
91.16 environment and natural resources policy  
91.17 and finance. This is a onetime appropriation.

91.18 \$2,000,000 in 2015 is from the game and  
91.19 fish fund for shooting sports facility grants  
91.20 under Minnesota Statutes, section 87A.10.  
91.21 The commissioner may spend up to \$50,000  
91.22 of this appropriation to administer the grant.  
91.23 This is a onetime appropriation and is  
91.24 available until June 30, 2017.

91.25 \$400,000 in 2015 is from the heritage  
91.26 enhancement account in the game and fish  
91.27 fund for hunter and angler recruitment  
91.28 and retention activities and grants to local  
91.29 chapters of Let's Go Fishing of Minnesota  
91.30 to provide community outreach to senior  
91.31 citizens, youth, and veterans and for the costs  
91.32 associated with establishing and recruiting  
91.33 new chapters. The grants must be matched  
91.34 with cash or in-kind contributions from  
91.35 nonstate sources. Of this amount, \$25,000

92.1 is for Asian ~~Outdoor Heritage~~ for youth  
 92.2 fishing recruitment efforts and outreach in  
 92.3 the metropolitan area. The commissioner  
 92.4 shall establish a grant application process  
 92.5 that includes a standard for ownership  
 92.6 of equipment purchased under the grant  
 92.7 program and contract requirements that  
 92.8 cover the disposition of purchased equipment  
 92.9 if the grantee no longer exists. Any  
 92.10 equipment purchased with state grant money  
 92.11 must be specified on the grant application  
 92.12 and approved by the commissioner. The  
 92.13 commissioner may spend up to three percent  
 92.14 of the appropriation to administer the grant.  
 92.15 This is a onetime appropriation and is  
 92.16 available until June 30, ~~2016~~ 2017.

92.17 Sec. 19. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 5,  
 92.18 is amended to read:

92.19 Subd. 5. **Parks and Trails Management** 74,064,000 73,650,000

Appropriations by Fund			
	2016	2017	
92.21			
92.22	General	24,967,000	24,427,000
92.23	Natural Resources	46,831,000	46,950,000
92.24	Game and Fish	2,266,000	2,273,000

92.25 \$1,075,000 the first year and \$1,075,000 the  
 92.26 second year are from the water recreation  
 92.27 account in the natural resources fund for  
 92.28 enhancing public water access facilities.

92.29 \$5,740,000 the first year and \$5,740,000 the  
 92.30 second year are from the natural resources  
 92.31 fund for state trail, park, and recreation area  
 92.32 operations. This appropriation is from the  
 92.33 revenue deposited in the natural resources  
 92.34 fund under Minnesota Statutes, section  
 92.35 297A.94, paragraph (e), clause (2).

93.1 \$1,005,000 the first year and \$1,005,000 the  
93.2 second year are from the natural resources  
93.3 fund for park and trail grants to local units of  
93.4 government on land to be maintained for at  
93.5 least 20 years for the purposes of the grants.

93.6 This appropriation is from the revenue  
93.7 deposited in the natural resources fund  
93.8 under Minnesota Statutes, section 297A.94,  
93.9 paragraph (e), clause (4). Any unencumbered  
93.10 balance does not cancel at the end of the first  
93.11 year and is available for the second year. Up  
93.12 to 2.5 percent of this appropriation may be  
93.13 used to administer the grants.

93.14 \$8,424,000 the first year and \$8,424,000  
93.15 the second year are from the snowmobile  
93.16 trails and enforcement account in the  
93.17 natural resources fund for the snowmobile  
93.18 grants-in-aid program. Any unencumbered  
93.19 balance does not cancel at the end of the first  
93.20 year and is available for the second year.

93.21 \$1,360,000 the first year and \$1,360,000  
93.22 the second year are from the natural  
93.23 resources fund for the off-highway vehicle  
93.24 grants-in-aid program. Of this amount,  
93.25 \$1,210,000 each year is from the all-terrain  
93.26 vehicle account; and \$150,000 each year is  
93.27 from the off-highway motorcycle account.  
93.28 Any unencumbered balance does not cancel  
93.29 at the end of the first year and is available for  
93.30 the second year.

93.31 \$75,000 the first year and \$75,000 the second  
93.32 year are from the cross-country ski account  
93.33 in the natural resources fund for grooming  
93.34 and maintaining cross-country ski trails in  
93.35 state parks, trails, and recreation areas.

94.1 \$250,000 the first year and \$250,000 the  
94.2 second year are from the state land and  
94.3 water conservation account (LAWCON)  
94.4 in the natural resources fund for priorities  
94.5 established by the commissioner for eligible  
94.6 state projects and administrative and  
94.7 planning activities consistent with Minnesota  
94.8 Statutes, section 84.0264, and the federal  
94.9 Land and Water Conservation Fund Act.

94.10 Any unencumbered balance does not cancel  
94.11 at the end of the first year and is available for  
94.12 the second year.

94.13 \$968,000 the first year and \$968,000 the  
94.14 second year are from the off-road vehicle  
94.15 account in the natural resources fund. Of  
94.16 this amount, \$568,000 each year is for parks  
94.17 and trails management for off-road vehicle  
94.18 purposes; \$325,000 each year is for the  
94.19 off-road vehicle grant in aid program; and  
94.20 \$75,000 each year is for a new full-time  
94.21 employee position or contract in northern  
94.22 Minnesota to work in conjunction with the  
94.23 Minnesota Four-Wheel Drive Association  
94.24 to address off-road vehicle touring routes  
94.25 and other issues related to off-road vehicle  
94.26 activities. Of this appropriation, the \$325,000  
94.27 each year is onetime.

94.28 \$65,000 the first year is from the water  
94.29 recreation account in the natural resources  
94.30 fund to cooperate with local units of  
94.31 government in marking routes and  
94.32 designating river accesses and campsites  
94.33 under Minnesota Statutes, section 85.32.

94.34 This is a onetime appropriation and is  
94.35 available until June 30, 2019.

95.1 \$190,000 the first year is for a grant to the  
 95.2 city of Virginia for the additional cost of  
 95.3 supporting a trail due to the rerouting of  
 95.4 U.S. Highway No. 53. This is a onetime  
 95.5 appropriation and is available until June 30,  
 95.6 2019.

95.7 \$50,000 the first year is for development of  
 95.8 a master plan for the Mississippi Blufflands  
 95.9 Trail, including work on possible extensions  
 95.10 or connections to other state or regional  
 95.11 trails. This is a onetime appropriation that is  
 95.12 available until June 30, 2017.

95.13 \$61,000 from the natural resources fund the  
 95.14 first year is for a grant to the city of East  
 95.15 Grand Forks for payment under a reciprocity  
 95.16 agreement for the Red River State Recreation  
 95.17 Area.

95.18 \$500,000 the first year is for restoration or  
 95.19 replacement of a historic trestle bridge in  
 95.20 Blackduck. This is a onetime appropriation  
 95.21 and is available until June 30, 2019.

95.22 The base for parks and trails operations in  
 95.23 the natural resources fund in fiscal year 2018  
 95.24 and thereafter is \$46,450,000.

95.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

95.26 Sec. 20. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended  
 95.27 to read:

95.28 Sec. 131. **SURPLUS STATE LAND SALES.**

95.29 The school trust lands director shall identify, in consultation with the commissioner  
 95.30 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange  
 95.31 with school trust lands. The lands identified shall not be within a unit of the outdoor  
 95.32 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or trust  
 95.33 land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands identified  
 95.34 under this section by June 30, 2017. Land exchanged under this section may be exchanged

96.1 in accordance with Minnesota Statutes, section 94.3495. The value of the surplus land  
 96.2 exchanged shall serve as compensation to the permanent school fund as provided under  
 96.3 Minnesota Statutes, section 84.027, subdivision 18, paragraph (b). Notwithstanding the  
 96.4 restrictions on sale of riparian land and the public sale provisions under Minnesota  
 96.5 Statutes, sections 92.45, 94.09, and 94.10, the commissioner may offer the surplus land,  
 96.6 including land bordering public water, for public or private sale. Notwithstanding  
 96.7 Minnesota Statutes, section 94.16, subdivision 3, or any other law to the contrary, the  
 96.8 amount of the proceeds from the sale of lands that exceeds the actual expenses of selling  
 96.9 the lands must be deposited in the school trust lands account and used to extinguish the  
 96.10 school trust interest as provided under Minnesota Statutes, section 92.83, on school trust  
 96.11 lands that have public water access sites or old growth forests located on them.

96.12 **Sec. 21. APPROPRIATION REALLOCATION.**

96.13 Notwithstanding Laws 2013, chapter 137, article 3, section 4, paragraph (o), and  
 96.14 Laws 2015, First Special Session chapter 2, article 3, section 4, paragraph (b), the  
 96.15 Minneapolis Park and Recreation Board may allocate its share of the distribution of fiscal  
 96.16 years 2016 and 2017 funds under Minnesota Statutes, section 85.53, subdivision 3, to the  
 96.17 Minneapolis Chain of Lakes, Mississippi Gorge, Above the Falls, and Central Mississippi  
 96.18 Riverfront Regional Parks in accordance with the most recent priority rankings that the  
 96.19 Minneapolis Park and Recreation Board has submitted to the Metropolitan Council. This  
 96.20 reallocation of funds is anticipated to result in \$500,000 in federal funds to match extant  
 96.21 parks and trails fund appropriations.

96.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

96.23 **ARTICLE 5**

96.24 **BROADBAND**

96.25 **Section 1. APPROPRIATIONS.**

96.26 The sums shown in the columns under "Appropriations" are added to or, if shown  
 96.27 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session  
 96.28 chapter 1, article 1, or other law to the specified agencies. The appropriations are from the  
 96.29 general fund, or another named fund, and are available for the fiscal years indicated for  
 96.30 each purpose. The figure "2017" used in this article means that the appropriations listed  
 96.31 under it are available for the fiscal year ending June 30, 2017.

96.32 **APPROPRIATIONS**  
 96.33 **Available for the Year**



97.1		<u>Ending June 30</u>	
97.2		<u>2016</u>	<u>2017</u>
97.3	Sec. 2. <b><u>DEPARTMENT OF EMPLOYMENT</u></b>		
97.4	<b><u>AND ECONOMIC DEVELOPMENT.</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b> <b><u>\$</u></b> <b><u>85,000,000</u></b>
97.5	<b><u>Border-To-Border Broadband</u></b>		
97.6	<b><u>Development Program.</u></b> (a) \$85,000,000		
97.7	<u>in fiscal year 2017 is appropriated to</u>		
97.8	<u>the commissioner of employment and</u>		
97.9	<u>economic development for deposit in the</u>		
97.10	<u>border-to-border broadband fund account</u>		
97.11	<u>created under Minnesota Statutes, section</u>		
97.12	<u>116J.396, and may be used for the purposes</u>		
97.13	<u>provided in Minnesota Statutes, section</u>		
97.14	<u>116J.395. This is a onetime appropriation.</u>		
97.15	<u>(b) Of the appropriation in paragraph (a),</u>		
97.16	<u>the commissioner may include the following</u>		
97.17	<u>activities related to measuring progress</u>		
97.18	<u>toward the state's broadband goals established</u>		
97.19	<u>in Minnesota Statutes, section 237.012,</u>		
97.20	<u>as administrative costs under Minnesota</u>		
97.21	<u>Statutes, section 116J.395. Administrative</u>		
97.22	<u>costs may include the following activities</u>		
97.23	<u>related to measuring progress toward the</u>		
97.24	<u>state's broadband goals established in</u>		
97.25	<u>Minnesota Statutes, section 237.012:</u>		
97.26	<u>(1) collecting broadband deployment data</u>		
97.27	<u>from Minnesota providers, verifying its</u>		
97.28	<u>accuracy through on-the-ground testing, and</u>		
97.29	<u>creating state and county maps available</u>		
97.30	<u>to the public showing the availability of</u>		
97.31	<u>broadband service at various upload and</u>		
97.32	<u>download speeds throughout Minnesota;</u>		
97.33	<u>(2) analyzing the deployment data collected</u>		
97.34	<u>to help inform future investments in</u>		
97.35	<u>broadband infrastructure; and</u>		

98.1 (3) conducting business and residential  
 98.2 surveys that measure broadband adoption  
 98.3 and use in the state.

98.4 (c) Data provided by a broadband provider  
 98.5 under this paragraph is nonpublic data  
 98.6 under Minnesota Statutes, section 13.02,  
 98.7 subdivision 9. Maps produced under this  
 98.8 paragraph are public data under Minnesota  
 98.9 Statutes, section 13.03.

98.10 Sec. 3. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

98.11 **116J.394 DEFINITIONS.**

98.12 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have  
 98.13 the meanings given them.

98.14 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,  
 98.15 subdivision 1, paragraph (b).

98.16 (c) "Broadband infrastructure" means networks of deployed telecommunications  
 98.17 equipment and technologies necessary to provide high-speed Internet access and other  
 98.18 advanced telecommunications services for end users.

98.19 (d) "Commissioner" means the commissioner of employment and economic  
 98.20 development.

98.21 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the  
 98.22 final leg connecting the broadband service provider's network to the end-use customer's  
 98.23 on-premises telecommunications equipment.

98.24 (f) "Middle-mile infrastructure" means broadband infrastructure that links a  
 98.25 broadband service provider's core network infrastructure to last-mile infrastructure.

98.26 (g) "Political subdivision" means any county, city, town, school district, special  
 98.27 district or other political subdivision, or public corporation.

98.28 (h) "Underserved areas" means areas of Minnesota in which households or  
 98.29 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~  
 98.30 ~~broadband goals of ten to 20~~ at least 100 megabits per second download and ~~five to ten~~  
 98.31 at least 20 megabits per second upload.

98.32 (i) "Unserved areas" means areas of Minnesota in which households or businesses  
 98.33 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds of at  
 98.34 least 25 megabits per second download and at least three megabits per second upload.

99.1 Sec. 4. Minnesota Statutes 2014, section 116J.396, subdivision 2, is amended to read:

99.2 Subd. 2. **Expenditures.** Money in the account may be used only:

99.3 (1) for grant awards made under section 116J.395, including costs incurred by the  
99.4 Department of Employment and Economic Development to administer that section not  
99.5 to exceed three percent of any expenditures made from the border-to-border broadband  
99.6 fund account;

99.7 (2) to supplement revenues raised by bonds sold by local units of government for  
99.8 broadband infrastructure development; or

99.9 (3) to contract for the collection of broadband deployment data from providers and  
99.10 the creation of maps showing the availability of broadband service.

99.11 Sec. 5. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

99.12 Subdivision 1. **Universal access and high-speed goal.** It is a state goal that as  
99.13 ~~soon as possible, but no later than 2015, all state residents and businesses have access to~~  
99.14 ~~high-speed broadband that provides minimum download speeds of ten to 20 megabits per~~  
99.15 ~~second and minimum upload speeds of five to ten megabits per second.;~~

99.16 (1) no later than 2022, all Minnesota businesses and homes have access to  
99.17 high-speed broadband that provides minimum download speeds of at least 25 megabits  
99.18 per second and minimum upload speeds of at least three megabits per second; and

99.19 (2) no later than 2026, all Minnesota businesses and homes have access to at least  
99.20 one provider of broadband with download speeds of at least 100 megabits per second and  
99.21 upload speeds of at least 20 megabits per second.

## 99.22 ARTICLE 6

### 99.23 EQUITY

99.24 Section 1. **APPROPRIATIONS.**

99.25 The sums shown in the columns marked "Appropriations" are appropriated to the  
99.26 agencies and for the purposes specified in this article. The appropriations are from the  
99.27 general fund, or another named fund, and are available for the fiscal year indicated  
99.28 for each purpose. The figures "2016" and "2017" used in this article mean that the  
99.29 appropriations listed under them are available for the fiscal year ending June 30, 2016,  
99.30 or June 30, 2017, respectively.

	<b><u>APPROPRIATIONS</u></b>
	<b><u>Available for the Year</u></b>
	<b><u>Ending June 30</u></b>
	<b><u>2016</u>                      <u>2017</u></b>

100.1 Sec. 2. EQUITY APPROPRIATIONS100.2 Subdivision 1. Total Appropriation \$ -0- \$ 87,130,000100.3 Subd. 2. Department of Employment and  
100.4 Economic Development -0- 60,557,000100.5 (a) \$1,420,000 in fiscal year 2017 is for  
100.6 grants to the Neighborhood Development  
100.7 Center for small business programs. This is a  
100.8 onetime appropriation and is available until  
100.9 June 30, 2019.100.10 Of this amount, \$770,000 is for the small  
100.11 business development program, including:100.12 (1) \$600,000 for training, lending, and  
100.13 business services for aspiring business  
100.14 owners, and expansion of services for  
100.15 immigrants in suburban communities; and100.16 (2) \$170,000 is for Neighborhood  
100.17 Development Center model outreach and  
100.18 training activities in greater Minnesota.100.19 Of this amount, \$650,000 is for grants for the  
100.20 small business incubator program, including:100.21 (1) \$400,000 for capital improvements to  
100.22 existing small business incubators; and100.23 (2) \$250,000 for the creation of two  
100.24 additional small business incubators.100.25 (b) \$2,500,000 in fiscal year 2017 is for  
100.26 the Minnesota Initiative program under  
100.27 Minnesota Statutes, section 116M.18.100.28 Priority for loans made from this  
100.29 appropriation shall be given to businesses  
100.30 operated by women of color. This is a  
100.31 onetime appropriation and is available until  
100.32 June 30, 2019.100.33 (c) \$5,550,000 in fiscal year 2017 is for  
100.34 a competitive grant program to provide

101.1 grants to organizations that provide support  
101.2 services for individuals, such as job training,  
101.3 employment preparation, internships,  
101.4 assistance to fathers in supporting their  
101.5 children, financial literacy, academic and  
101.6 behavioral interventions for low-performing  
101.7 students, and youth intervention. Grants  
101.8 made under this section must focus on  
101.9 low-income communities, young adults from  
101.10 families with a history of intergenerational  
101.11 poverty, and communities of color. All grant  
101.12 recipients are subject to the requirements of  
101.13 section 35. This is a onetime appropriation  
101.14 and is available until June 30, 2019.

101.15 (d) \$2,100,000 in fiscal year 2017 is for  
101.16 grants to YWCA organizations to provide job  
101.17 training services and workforce development  
101.18 programs and services, including job skills  
101.19 training and counseling necessary to secure  
101.20 a child development associate credential and  
101.21 to develop a career path in early childhood  
101.22 education. This is a onetime appropriation  
101.23 and is available until June 30, 2019.

101.24 (e) \$4,250,000 in fiscal year 2017 is for a  
101.25 grant to EMERGE Community Development,  
101.26 in collaboration with community partners, for  
101.27 services targeting Minnesota communities  
101.28 with the highest concentrations of African  
101.29 and African-American joblessness to provide  
101.30 employment readiness training, credentialed  
101.31 training placement, job placement and  
101.32 retention services, supportive services for  
101.33 hard-to-employ individuals, and a general  
101.34 education development fast track and  
101.35 adult diploma program. This is a onetime

102.1 appropriation and is available until June 30,  
102.2 2019.

102.3 (f) \$5,050,000 in fiscal year 2017 is for  
102.4 a grant to the Metropolitan Economic  
102.5 Development Association (MEDA) for  
102.6 statewide business development and  
102.7 assistance services, including services to  
102.8 entrepreneurs with businesses that have  
102.9 the potential to create job opportunities for  
102.10 unemployed and underemployed people. The  
102.11 grants must be awarded with an emphasis  
102.12 on minority-owned businesses. This is a  
102.13 onetime appropriation and is available until  
102.14 June 30, 2019.

102.15 Of this appropriation, \$3,250,000 is for a  
102.16 revolving loan fund to provide additional  
102.17 minority-owned businesses with access to  
102.18 capital.

102.19 (g) \$1,500,000 in fiscal year 2017 is for a  
102.20 grant to the Minneapolis Foundation for  
102.21 a strategic intervention program designed  
102.22 to target and connect program participants  
102.23 to meaningful, sustainable living-wage  
102.24 employment. This is a onetime appropriation  
102.25 and is available until June 30, 2019.

102.26 (h) \$407,000 in fiscal year 2017 is for a  
102.27 grant to Twin Cities R!SE, in collaboration  
102.28 with Metro Transit and Hennepin Technical  
102.29 College, for the Metro Transit technician  
102.30 training program. This is a onetime  
102.31 appropriation and is available until June 30,  
102.32 2019.

102.33 (i) \$4,800,000 in fiscal year 2017 is for  
102.34 the creation of additional multiemployer,  
102.35 sector-based career connections pathways.

103.1 This is a onetime appropriation and is  
103.2 available until June 30, 2019. \$4,500,000 of  
103.3 this amount is for a grant to Hennepin County  
103.4 to establish pathways using the Hennepin  
103.5 Career Connections framework. \$300,000  
103.6 of this amount is for a grant to Hennepin  
103.7 County to establish a pilot program based on  
103.8 the career connections pathways framework  
103.9 outside the seven-county metropolitan area,  
103.10 in collaboration with another local unit of  
103.11 government.

103.12 (j) \$1,500,000 in fiscal year 2017 is for the  
103.13 high-wage, high-demand, nontraditional  
103.14 jobs grant program under Minnesota  
103.15 Statutes, section 116L.99. This is a onetime  
103.16 appropriation and is available until June 30,  
103.17 2019.

103.18 (k) \$8,000,000 in fiscal year 2017 is for the  
103.19 youth-at-work competitive grant program  
103.20 under Minnesota Statutes, section 116L.562,  
103.21 subdivision 3. This is a onetime appropriation  
103.22 and is available until June 30, 2019. Of  
103.23 this amount, \$6,000,000 is for increases to  
103.24 existing applicants who were awarded grants  
103.25 in fiscal year 2016 and 2017, and \$2,000,000  
103.26 is to fund existing or new eligible applicants.

103.27 (l) \$4,000,000 in fiscal year 2017 is for a  
103.28 competitive grant program for grants to  
103.29 organizations providing services to relieve  
103.30 economic disparities in the Southeast Asian  
103.31 community through workforce recruitment,  
103.32 development, job creation, assistance of  
103.33 smaller organizations to increase capacity,  
103.34 and outreach. Grant recipients under this  
103.35 paragraph are subject to the requirements of

104.1 section 35. This is a onetime appropriation  
104.2 and is available until June 30, 2019.

104.3 (m) \$1,500,000 in fiscal year 2017 is for  
104.4 a grant to Latino Communities United  
104.5 in Service (CLUES) to expand culturally  
104.6 tailored programs that address employment  
104.7 and education skill gaps for working parents  
104.8 and underserved youth by providing new  
104.9 job skills training to stimulate higher wages  
104.10 for low-income people, family support  
104.11 systems designed to reduce intergenerational  
104.12 poverty, and youth programming to promote  
104.13 educational advancement and career  
104.14 pathways. At least 50 percent of this amount  
104.15 must be used for programming targeted  
104.16 at greater Minnesota. This is a onetime  
104.17 appropriation and is available until June 30,  
104.18 2019.

104.19 (n) \$880,000 in fiscal year 2017 is for a grant  
104.20 to the American Indian Opportunities and  
104.21 Industrialization Center, in collaboration  
104.22 with the Northwest Indian Community  
104.23 Development Center, to reduce academic  
104.24 disparities for American Indian students  
104.25 and adults. The grant funds may be used to  
104.26 provide:

104.27 (1) student tutoring and testing support  
104.28 services;

104.29 (2) training in information technology;

104.30 (3) assistance in obtaining a GED;

104.31 (4) remedial training leading to enrollment in  
104.32 a postsecondary higher education institution;

104.33 (5) real-time work experience in information  
104.34 technology fields; and



105.1 (6) contextualized adult basic education.

105.2 This is a onetime appropriation and is  
105.3 available until June 30, 2019.

105.4 (o) \$1,000,000 in fiscal year 2017 is for  
105.5 a grant to the White Earth Nation for the  
105.6 White Earth Nation Integrated Business  
105.7 Development System to provide business  
105.8 assistance with workforce development,  
105.9 outreach, technical assistance, infrastructure  
105.10 and operational support, financing, and other  
105.11 business development activities. This is a  
105.12 onetime appropriation and is available until  
105.13 June 30, 2019.

105.14 (p) \$6,000,000 is for the emerging  
105.15 entrepreneur fund program. This is a onetime  
105.16 appropriation and is available until June 30,  
105.17 2019. Of this amount, \$5,000,000 is for  
105.18 small business lending and shall be deposited  
105.19 in the emerging entrepreneur fund special  
105.20 revenue account under Minnesota Statutes,  
105.21 section 116J.55, and \$1,000,000 is for grants  
105.22 for small business technical assistance.

105.23 (q) \$5,100,000 is for the Pathways to  
105.24 Prosperity adult workforce development  
105.25 competitive grant program. When  
105.26 awarding grants under this paragraph, the  
105.27 commissioner must give preference to any  
105.28 previous grantee with demonstrated success  
105.29 in job training and placement for hard-to-train  
105.30 individuals. A portion of the grants must  
105.31 provide year-end educational and experiential  
105.32 learning opportunities for teens and young  
105.33 adults that provide careers in the construction  
105.34 industry. This is a onetime appropriation and  
105.35 is available until June 30, 2019.

106.1 (r) \$3,000,000 is for the capacity  
 106.2 building grant program to assist nonprofit  
 106.3 organizations offering or seeking to offer  
 106.4 workforce development and economic  
 106.5 development programming. This is a  
 106.6 onetime appropriation and is available until  
 106.7 June 30, 2019.

106.8 (s) \$2,000,000 in fiscal year 2017 is for a grant  
 106.9 to Youthprise for positive youth development,  
 106.10 community engagement, legal services, and  
 106.11 capacity building for community-based  
 106.12 organizations serving Somali youth,  
 106.13 including youth engagement, prevention,  
 106.14 and intervention activities that help build  
 106.15 the resiliency of the Somali Minnesotan  
 106.16 community and address challenges facing  
 106.17 Somali youth. Funded projects must provide  
 106.18 culturally and linguistically relevant services.  
 106.19 To the maximum extent possible, 50 percent  
 106.20 of the funding must be distributed in greater  
 106.21 Minnesota, and 50 percent of funding must  
 106.22 be distributed within the metropolitan area,  
 106.23 as defined in Minnesota Statutes, section  
 106.24 473.121, subdivision 2. This is a onetime  
 106.25 appropriation and is available until June 30,  
 106.26 2019.

106.27 Subd. 3. **Department of Administration** -0- 2,500,000

106.28 \$2,500,000 is to assess, upgrade, and enhance  
 106.29 accounting and procurement software to  
 106.30 facilitate targeted group business utilization  
 106.31 and data reporting.

106.32 Subd. 4. **Department of Corrections** -0- 350,000

106.33 \$350,000 is for a grant to a nonprofit  
 106.34 organization to provide job skills training  
 106.35 to individuals who have been released from

107.1 incarceration for a felony-level offense in the  
 107.2 preceding 12 months. To be eligible for the  
 107.3 grant, the organization shall:

107.4 (1) provide housing or rental assistance for  
 107.5 program participants;

107.6 (2) provide employment opportunities for  
 107.7 program participants;

107.8 (3) require program participants, when  
 107.9 appropriate, to receive counseling for alcohol  
 107.10 or chemical dependency; and

107.11 (4) serve a primarily minority population.

107.12 This is a onetime appropriation and is  
 107.13 available until June 30, 2019.

107.14 Subd. 5. **Minnesota Housing Finance Agency** -0- 500,000

107.15 \$500,000 is for a grant to Build Wealth MN to  
 107.16 provide a family stabilization plan program  
 107.17 including program outreach, financial  
 107.18 literacy education, and budget and debt  
 107.19 counseling. This is a onetime appropriation  
 107.20 and is available until June 30, 2019.

107.21 Subd. 6. **Department of Agriculture** -0- 5,000,000

107.22 \$5,000,000 shall be deposited in the good  
 107.23 food access account created in Minnesota  
 107.24 Statutes, section 17.1017, subdivision 3. This  
 107.25 is a onetime appropriation and is available  
 107.26 until June 30, 2019.

107.27 Subd. 7. **Department of Education** -0- 10,200,000

107.28 (a) \$1,500,000 in fiscal year 2017 is for a first  
 107.29 class city school district or any other school  
 107.30 district with more than 40 percent minority  
 107.31 students to provide tuition scholarships  
 107.32 or stipends to eligible employees for a  
 107.33 nonconventional teacher residency pilot

108.1 program established under Minnesota  
108.2 Statutes, section 122A.09, subdivision 10,  
108.3 paragraph (a). The program shall provide  
108.4 tuition scholarships or stipends to enable  
108.5 education or teaching assistants or other  
108.6 nonlicensed employees of a first class city  
108.7 school district or any other school district  
108.8 with more than 40 percent minority students  
108.9 who hold a bachelor's degree from an  
108.10 accredited college or university and who seek  
108.11 an education license to participate in a Board  
108.12 of Teaching-approved nonconventional  
108.13 teacher residency program under Minnesota  
108.14 Statutes, section 122A.09, subdivision 10,  
108.15 paragraph (a). Any funds not awarded by  
108.16 June 1, 2017, may be reallocated among the  
108.17 remaining districts if the total cost of the  
108.18 program exceeds the original allocation. This  
108.19 is a onetime appropriation and is available  
108.20 until June 30, 2019.

108.21 (b) \$3,200,000 in fiscal year 2017 is for grants  
108.22 as provided under this paragraph. This is a  
108.23 onetime appropriation and is available until  
108.24 June 30, 2019. Of this amount, \$1,200,000  
108.25 is for grants to adult basic education (ABE)  
108.26 program providers to establish up to four  
108.27 college readiness academies. A college  
108.28 readiness academy is a partnership between  
108.29 ABE programs, with support from Minnesota  
108.30 State Colleges and Universities, to prepare  
108.31 ABE students to successfully enter college  
108.32 and complete credit-bearing courses needed  
108.33 for career-related credentials. The academies  
108.34 must include academic skill building for  
108.35 college success, integrated sector-specific  
108.36 academic training when applicable, and

109.1 intensive navigation and educational  
109.2 support for the program participants. The  
109.3 commissioner must award one grant to the  
109.4 International Institute of Minnesota. The  
109.5 remaining grant awards must be based on the  
109.6 following criteria:

109.7 (1) program capacity;  
109.8 (2) program need for funding; and  
109.9 (3) geographic balance of programs around  
109.10 the state.

109.11 Of the amount appropriated under this  
109.12 paragraph, \$1,200,000 is for grants to  
109.13 ABE program providers that establish  
109.14 a contextualized GED or adult diploma  
109.15 program to prepare adults for successful  
109.16 GED or adult diploma completion and  
109.17 successful entry into credentialing programs  
109.18 leading to careers. The programs must:

109.19 (1) provide program navigation and academic  
109.20 supports;

109.21 (2) be connected to an ABE consortium and  
109.22 partner with the Department of Employment  
109.23 and Economic Development;

109.24 (3) provide instruction in one of the state's six  
109.25 demand sectors identified by the Department  
109.26 of Employment and Economic Development,  
109.27 servicing participants in the top three ABE  
109.28 levels of ABE intermediate high, adult  
109.29 secondary education (ASE) low, or ASE  
109.30 high;

109.31 (4) have a history of success working with  
109.32 the target populations; and

110.1 (5) demonstrate how a GED or an adult  
110.2 diploma plus the designated postsecondary  
110.3 credential will lead to a career.

110.4 The commissioner shall award grants to  
110.5 four contextualized GED or adult diploma  
110.6 programs based on program capacity, need,  
110.7 and geographic balance of programs around  
110.8 the state. One grant must be awarded to  
110.9 Summit Academy OIC.

110.10 Of the amount appropriated under this  
110.11 paragraph, \$800,000 is for grants to eight  
110.12 ABE programs to provide ABE navigating  
110.13 and advising support services. The programs  
110.14 must help ABE students:

110.15 (1) explore careers;

110.16 (2) develop personalized learning;

110.17 (3) plan for a postsecondary education and  
110.18 career;

110.19 (4) attain personal learning goals;

110.20 (5) complete a standard adult high school  
110.21 diploma under Minnesota Statutes, section  
110.22 124D.52, subdivisions 8 and 9, or complete  
110.23 a GED;

110.24 (6) develop time management and study  
110.25 skills;

110.26 (7) develop critical academic and  
110.27 career-related skills needed to enroll in a  
110.28 postsecondary program without need for  
110.29 remediation;

110.30 (8) navigate the registration process for a  
110.31 postsecondary program;

111.1 (9) understand postsecondary program  
111.2 requirements and instruction expectations;  
111.3 and  
111.4 (10) resolve personal issues related to mental  
111.5 health, domestic abuse, chemical abuse,  
111.6 homelessness, and other issues that, if left  
111.7 unaddressed, are barriers to enrolling in and  
111.8 completing a postsecondary program.  
111.9 The commissioner must award ABE  
111.10 navigating and advising support services  
111.11 grants to eight ABE programs. The  
111.12 commissioner shall award grants to programs  
111.13 based on program capacity, need, and  
111.14 geographic balance of programs around  
111.15 the state. The commissioner shall give  
111.16 priority to ABE programs already providing  
111.17 navigating and advising support services.  
111.18 The commissioner shall allocate the grant  
111.19 funding based on the number of ABE  
111.20 program participants the program served in  
111.21 the prior year.  
111.22 (c) \$2,750,000 is for the Minnesota's  
111.23 future teachers grant program under  
111.24 Minnesota Statutes, section 136A.123.  
111.25 The commissioner of management and  
111.26 budget shall transfer this amount to the  
111.27 Office of Higher Education for the purposes  
111.28 of this appropriation. This is a onetime  
111.29 appropriation and is available until June 30,  
111.30 2019.  
111.31 (d) \$2,750,000 is for the stepping up for kids  
111.32 financial assistance account under section  
111.33 33. The commissioner of management and  
111.34 budget shall transfer this amount to the  
111.35 Office of Higher Education for the purposes

112.1 of this appropriation. This is a onetime  
 112.2 appropriation and is available until June 30,  
 112.3 2019.

112.4 **Subd. 8. Minnesota Management and Budget** -0- 3,615,000

112.5 \$3,615,000 is for administrative expenses  
 112.6 related to grants appropriated in this article.  
 112.7 The commissioner shall transfer funds in an  
 112.8 amount to be determined by the commissioner  
 112.9 to agencies administering competitive grant  
 112.10 programs and serving as fiscal agents for  
 112.11 grants appropriated in this article. The  
 112.12 transfer to each agency may not exceed four  
 112.13 percent of the amount appropriated to that  
 112.14 agency. This is a onetime appropriation and  
 112.15 is available until June 30, 2019.

112.16 **Subd. 9. Department of Human Services** -0- 8,000

112.17 \$18,000 is for the MAXIS system. This is a  
 112.18 onetime appropriation.

112.19 Sec. 3. Minnesota Statutes 2014, section 16C.10, subdivision 6, is amended to read:

112.20 Subd. 6. **Expenditures under specified amounts.** A competitive solicitation  
 112.21 process described in this chapter is not required for the acquisition of goods, services,  
 112.22 construction, and utilities in an amount of \$5,000 or less or as authorized by section  
 112.23 16C.16, subdivisions 6, paragraph (b), 6a, paragraph (b), and 7, paragraph (b).

112.24 Sec. 4. Minnesota Statutes 2014, section 16C.16, subdivision 6, is amended to read:

112.25 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a six  
 112.26 percent preference ~~in the amount bid~~ for specified goods or services to small targeted  
 112.27 group businesses.

112.28 (b) The commissioner may award a contract for goods, services, or construction  
 112.29 directly to a small business or small targeted group business without going through a  
 112.30 competitive solicitation process up to a total contract award value, including extension  
 112.31 options, of \$25,000.

112.32 ~~(b)~~ (c) The commissioner may designate a purchase of goods or services for  
 112.33 award only to small businesses or small targeted group businesses if the commissioner



113.1 determines that at least three small businesses or small targeted group businesses are likely  
 113.2 to ~~bid~~ respond to a solicitation.

113.3 ~~(e)~~ (d) The commissioner, as a condition of awarding a construction contract or  
 113.4 approving a contract for professional or technical services, may set goals that require  
 113.5 the prime contractor to subcontract a portion of the contract to small businesses or  
 113.6 small targeted group businesses. The commissioner must establish a procedure for  
 113.7 granting waivers from the subcontracting requirement when qualified small businesses  
 113.8 or small targeted group businesses are not reasonably available. The commissioner may  
 113.9 establish financial incentives for prime contractors who exceed the goals for use of small  
 113.10 business or small targeted group business subcontractors and financial penalties for prime  
 113.11 contractors who fail to meet goals under this paragraph. The subcontracting requirements  
 113.12 of this paragraph do not apply to prime contractors who are small businesses or small  
 113.13 targeted group businesses.

113.14 Sec. 5. Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 6a, is  
 113.15 amended to read:

113.16 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the  
 113.17 federal government as a condition of receiving federal funds, the commissioner shall  
 113.18 award up to a six percent preference, but no less than the percentage awarded to any  
 113.19 other group under this section, ~~in the amount bid~~ on state procurement to certified small  
 113.20 businesses that are majority-owned and operated by veterans.

113.21 (b) The commissioner may award a contract for goods, services, or construction  
 113.22 directly to a veteran-owned small business without going through a competitive solicitation  
 113.23 process up to a total contract award value, including extension options, of \$25,000.

113.24 (c) The commissioner may designate a purchase of goods or services for award only  
 113.25 to a veteran-owned small business if the commissioner determines that at least three  
 113.26 veteran-owned small businesses are likely to respond to a solicitation.

113.27 (d) The commissioner, as a condition of awarding a construction contract or  
 113.28 approving a contract for professional or technical services, may set goals that require  
 113.29 the prime contractor to subcontract a portion of the contract to a veteran-owned small  
 113.30 business. The commissioner must establish a procedure for granting waivers from the  
 113.31 subcontracting requirement when qualified veteran-owned small businesses are not  
 113.32 reasonably available. The commissioner may establish financial incentives for prime  
 113.33 contractors who exceed the goals for use of veteran-owned small business subcontractors  
 113.34 and financial penalties for prime contractors who fail to meet goals under this paragraph.

114.1 The subcontracting requirements of this paragraph do not apply to prime contractors  
114.2 who are veteran-owned small businesses.

114.3 ~~(b)~~ (e) The purpose of this designation is to facilitate the transition of veterans from  
114.4 military to civilian life, and to help compensate veterans for their sacrifices, including but  
114.5 not limited to their sacrifice of health and time, to the state and nation during their military  
114.6 service, as well as to enhance economic development within Minnesota.

114.7 ~~(e)~~ (f) Before the commissioner certifies that a small business is majority-owned and  
114.8 operated by a veteran, the commissioner of veterans affairs must verify that the owner of  
114.9 the small business is a veteran, as defined in section 197.447.

114.10 Sec. 6. Minnesota Statutes 2014, section 16C.16, subdivision 7, is amended to read:

114.11 Subd. 7. **Economically disadvantaged areas.** (a) ~~Except as otherwise provided in~~  
114.12 ~~paragraph (b),~~ The commissioner may award up to a six percent preference in the amount  
114.13 bid on state procurement to small businesses located in an economically disadvantaged area.

114.14 ~~(b) The commissioner may award up to a four percent preference in the amount bid~~  
114.15 ~~on state construction to small businesses located in an economically disadvantaged area.~~

114.16 (b) The commissioner may award a contract for goods, services, or construction  
114.17 directly to a small business located in an economically disadvantaged area without going  
114.18 through a competitive solicitation process up to a total contract award value, including  
114.19 extension options, of \$25,000.

114.20 (c) The commissioner may designate a purchase of goods or services for award only  
114.21 to a small business located in an economically disadvantaged area if the commissioner  
114.22 determines that at least three small businesses located in an economically disadvantaged  
114.23 area are likely to respond to a solicitation.

114.24 (d) The commissioner, as a condition of awarding a construction contract or  
114.25 approving a contract for professional or technical services, may set goals that require the  
114.26 prime contractor to subcontract a portion of the contract to a small business located in  
114.27 an economically disadvantaged area. The commissioner must establish a procedure for  
114.28 granting waivers from the subcontracting requirement when qualified small businesses  
114.29 located in an economically disadvantaged area are not reasonably available. The  
114.30 commissioner may establish financial incentives for prime contractors who exceed the  
114.31 goals for use of subcontractors that are small businesses located in an economically  
114.32 disadvantaged area and financial penalties for prime contractors who fail to meet goals  
114.33 under this paragraph. The subcontracting requirements of this paragraph do not apply to  
114.34 prime contractors who are small businesses located in an economically disadvantaged area.

114.35 ~~(e)~~ (e) A business is located in an economically disadvantaged area if:

115.1 (1) the owner resides in or the business is located in a county in which the median  
 115.2 income for married couples is less than 70 percent of the state median income for married  
 115.3 couples;

115.4 (2) the owner resides in or the business is located in an area designated a labor  
 115.5 surplus area by the United States Department of Labor; or

115.6 (3) the business is a certified rehabilitation facility or extended employment provider  
 115.7 as described in chapter 268A.

115.8 ~~(d)~~ (f) The commissioner may designate one or more areas designated as targeted  
 115.9 neighborhoods under section 469.202 or as border city enterprise zones under section  
 115.10 469.166 as economically disadvantaged areas for purposes of this subdivision if the  
 115.11 commissioner determines that this designation would further the purposes of this section.  
 115.12 If the owner of a small business resides or is employed in a designated area, the small  
 115.13 business is eligible for any preference provided under this subdivision.

115.14 ~~(e)~~ (g) The Department of Revenue shall gather data necessary to make the  
 115.15 determinations required by paragraph ~~(e)~~ (e), clause (1), and shall annually certify counties  
 115.16 that qualify under paragraph ~~(e)~~ (e), clause (1). An area designated a labor surplus area  
 115.17 retains that status for 120 days after certified small businesses in the area are notified of  
 115.18 the termination of the designation by the United States Department of Labor.

115.19 Sec. 7. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision  
 115.20 to read:

115.21 Subd. 7a. **Designated purchases and subcontractor goals.** (a) When designating  
 115.22 purchases directly to a business in accordance with this section, the commissioner may  
 115.23 also designate a purchase of goods or services directly to any combination of small  
 115.24 businesses, small targeted group businesses, veteran-owned small businesses or small  
 115.25 businesses located in an economically disadvantaged area if the commissioner determines  
 115.26 that at least three businesses in two or more of the disadvantaged business categories  
 115.27 are likely to respond.

115.28 (b) When establishing subcontractor goals under this section, the commissioner may  
 115.29 set goals that require the prime contractor to subcontract a portion of the contract to any  
 115.30 combination of a small business, small targeted group business, veteran-owned small  
 115.31 business, or small business located in an economically disadvantaged area.

115.32 Sec. 8. Minnesota Statutes 2014, section 16C.16, subdivision 11, is amended to read:

115.33 Subd. 11. **Procurement procedures.** All laws and rules pertaining to solicitations,  
 115.34 bid evaluations, contract awards, and other procurement matters apply equally to

116.1 ~~procurements designated for small businesses or small targeted group businesses involving~~  
116.2 ~~any small business, small targeted group business, veteran-owned business, or small~~  
116.3 ~~business located in an economically disadvantaged area. In the event of conflict with other~~  
116.4 ~~rules, section 16C.15 and rules adopted under it govern, if section 16C.15 applies. If it~~  
116.5 ~~does not apply, sections 16C.16 to 16C.21 and rules adopted under those sections govern.~~

116.6 Sec. 9. **[17.1017] GOOD FOOD ACCESS PROGRAM.**

116.7 Subdivision 1. Definitions. (a) For purposes of this section, unless the language  
116.8 or context indicates that a different meaning is intended, the following terms have the  
116.9 meanings given them.

116.10 (b) "Account" means the good food access account established in subdivision 3.

116.11 (c) "Commissioner" means the commissioner of agriculture.

116.12 (d) "Economic or community development financial institution (ECDFI)" means  
116.13 a lender, including but not limited to a community development financial institution  
116.14 (CDFI), an economic development district (EDD), a political subdivision of the state, a  
116.15 microenterprise firm, or a nonprofit community lending organization that has previous  
116.16 experience lending to a food retailer, producer, or another healthy food enterprise in an  
116.17 underserved community in a low-income or moderate-income area, as defined in this  
116.18 section; has been in existence and operating prior to January 1, 2014; has demonstrated  
116.19 the ability to raise matching capital and in-kind services to leverage appropriated money;  
116.20 has the demonstrated ability to underwrite loans and grants; and has partnered previously  
116.21 with nonprofit healthy food access, public health, or related governmental departments or  
116.22 community organizations.

116.23 (e) "Farmers' market" means an association of three or more persons who assemble  
116.24 at a defined location that is open to the public for the purpose of selling directly to the  
116.25 consumer the products of a farm or garden occupied and cultivated by the person selling  
116.26 the product.

116.27 (f) "Financing" means loans, including low-interest loans, zero-interest loans,  
116.28 forgivable loans, and other types of financial assistance other than grants.

116.29 (g) "Food hub" means a centrally located facility with a business management  
116.30 structure that facilitates the aggregation, storage, processing, distribution, marketing, and  
116.31 sale of locally or regionally produced food products, and which may include a small-scale  
116.32 retail grocery operation.

116.33 (h) "Good Food Access Program Advisory Committee" means the Good Food  
116.34 Access Program Advisory Committee under section 17.1018.

117.1 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail  
117.2 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries,  
117.3 and dairy products and may also sell household products, sundries, and other products.

117.4 Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery  
117.5 establishment and may include a mobile food market or a delivery service operation.

117.6 (j) "Low-income area" means a census tract as reported in the most recently  
117.7 completed decennial census published by the United States Bureau of the Census that has  
117.8 a poverty rate of at least 20 percent or in which the median family income does not exceed  
117.9 80 percent of the greater of the statewide or metropolitan median family income.

117.10 (k) "Moderate-income area" means a census tract as reported in the most recently  
117.11 completed decennial census published by the United States Bureau of the Census in which  
117.12 the median family income is between 81 percent and 95 percent of the median family  
117.13 income for that area.

117.14 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or  
117.15 cooperative retail grocery operation located in a movable new or renovated truck, bus, or  
117.16 other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood,  
117.17 fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal  
117.18 supply of cooking utensils and equipment and other household products and sundries.

117.19 (m) "Program" means the good food access program established in this section.

117.20 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery  
117.21 store as defined in this section. Small food retailer includes, but is not limited to, a corner  
117.22 store, convenience store, farmers' market, mobile food market, and a retail food outlet  
117.23 operated by an emergency food program or food hub.

117.24 (o) "Technical assistance" means needs-based project assistance provided through  
117.25 the program, including sustainability-focused individualized guidance, presentations,  
117.26 workshops, trainings, printed materials, mentorship opportunities, peer-to-peer  
117.27 opportunities, or other guidance and resources on relevant topics such as business  
117.28 planning, sales projections, cash flow, succession planning, financing, fund-raising,  
117.29 marketing, food preparation demonstrations, and workforce training.

117.30 (p) "Underserved community" means a census tract that is federally designated  
117.31 as a food desert by the United States Department of Agriculture, or a census tract in a  
117.32 low-income or moderate-income area that includes a substantial subpopulation such as  
117.33 the elderly or the disabled that has low supermarket access, regardless of distance, due  
117.34 to lack of transportation.

117.35 Subd. 2. **Program established.** (a) A good food access program is established within  
117.36 the Department of Agriculture to increase the availability of and access to affordable,

118.1 nutritious, and culturally appropriate food, including fresh fruits and vegetables, for  
118.2 underserved communities in low-income and moderate-income areas by providing financial  
118.3 support and sustainable public-private projects to open, renovate, or expand the operations  
118.4 of grocery stores and small food retailers; expanding access to credit and reducing barriers  
118.5 to investment in underserved communities in low- and moderate-income areas; and to  
118.6 provide technical assistance, primarily for small food retailers with demonstrated need,  
118.7 to increase availability and sustainable sales of affordable, nutritious, and culturally  
118.8 appropriate food, including fresh fruits and vegetables, to underserved communities in  
118.9 low-income and moderate-income areas. The commissioner, in cooperation with public  
118.10 and private partners, shall establish and implement the program as provided in this section.

118.11 (b) The good food access program shall be comprised of state or private grants, loans,  
118.12 or other types of financial and technical assistance for the establishment, construction,  
118.13 expansion of operations, or renovation of grocery stores and small food retailers to increase  
118.14 the availability of and access to affordable fresh produce and other nutritious, culturally  
118.15 appropriate food to underserved communities in low-income and moderate-income areas.

118.16 Subd. 3. **Good food access account.** A good food access account is established in  
118.17 the agricultural fund. The account consists of money appropriated by the legislature to the  
118.18 commissioner, as provided by law, and any other money donated, allotted, transferred,  
118.19 or otherwise provided to the account. Money in the account may only be expended on  
118.20 projects receiving financing, grants, or other financial and technical assistance as provided  
118.21 under this section, and shall be used, to the extent practicable, to leverage other forms of  
118.22 public and private financing or financial assistance for the projects.

118.23 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator  
118.24 of the account for auditing purposes and shall establish program requirements and a  
118.25 competitive process for projects applying for financial and technical assistance.

118.26 (b) The commissioner may receive money or other assets from any source, including  
118.27 but not limited to philanthropic foundations and financial investors, for deposit into the  
118.28 account, and shall direct the investment of the account and credit to the account interest  
118.29 and earnings from account investments.

118.30 (c) Through issuance of requests for proposals, the commissioner may contract  
118.31 with one or more qualified economic or community development financial institutions  
118.32 to manage the financing component of the program and with one or more qualified  
118.33 organizations or public agencies with financial or other program-related expertise to  
118.34 manage the provision of technical assistance to project grantees.

118.35 (d) Money in the account at the close of each fiscal year shall remain in the account  
118.36 and shall not cancel. In each biennium, the commissioner shall determine the appropriate

119.1 proportion of money to be allocated to loans, grants, technical assistance, and any other  
 119.2 types of financial assistance.

119.3 (e) To encourage public-private, cross-sector collaboration and investment in the  
 119.4 account and program and to ensure that the program intent is maintained throughout  
 119.5 implementation, the commissioner shall convene and maintain the Good Food Access  
 119.6 Program Advisory Committee.

119.7 (f) The commissioner, in cooperation with the Good Food Access Program Advisory  
 119.8 Committee, shall manage the program, establish program criteria, facilitate leveraging of  
 119.9 additional public and private investment, and promote the program statewide.

119.10 (g) The commissioner, in cooperation with the Good Food Access Program Advisory  
 119.11 Committee, shall establish annual monitoring and accountability mechanisms for all  
 119.12 projects receiving financing or other financial or technical assistance through this program.

119.13 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program  
 119.14 partners and advisors, shall establish project eligibility guidelines and application  
 119.15 processes to be used to review and select project applicants for financing or other financial  
 119.16 or technical assistance. All projects must be located in an underserved community or must  
 119.17 serve primarily underserved communities in low-income and moderate-income areas.

119.18 (b) Projects eligible for financing include, but are not limited to, new construction,  
 119.19 renovations, expansions of operations, and infrastructure upgrades of grocery stores and  
 119.20 small food retailers to improve the availability of and access to affordable, nutritious food,  
 119.21 including fresh fruits and vegetables, and build capacity in areas of greatest need.

119.22 (c) Projects eligible for other types of financial assistance such as grants or  
 119.23 technical assistance are primarily projects throughout the state, including, but not limited  
 119.24 to, feasibility studies, new construction, renovations, expansion of operations, and  
 119.25 infrastructure upgrades of small food retailers.

119.26 Subd. 6. **Qualifications for receipt of financing and other financial or technical**  
 119.27 **assistance.** (a) An applicant for receipt of financing through an economic or community  
 119.28 development financial institution, or an applicant for a grant or other financial or technical  
 119.29 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole  
 119.30 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,  
 119.31 or nonprofit community development organization. Each applicant must:

119.32 (1) demonstrate community engagement in and support for the project;

119.33 (2) demonstrate the capacity to successfully implement the project;

119.34 (3) demonstrate a viable plan for long-term sustainability, including the ability to  
 119.35 increase the availability of and access to affordable, nutritious, and culturally appropriate

120.1 food, including fresh fruits and vegetables, for underserved communities in low-income  
 120.2 and moderate-income areas; and

120.3 (4) demonstrate the ability to repay the debt, to the extent that the financing requires  
 120.4 repayment.

120.5 (b) Each applicant must also agree to comply with the following conditions for a  
 120.6 period of at least five years, except as otherwise specified in this section:

120.7 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

120.8 (2) apply to accept Special Supplemental Nutrition Program for Women, Infants,  
 120.9 and Children (WIC) benefits and, if approved, accept WIC benefits;

120.10 (3) allocate at least 30 percent of retail space for the sale of affordable, nutritious,  
 120.11 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat  
 120.12 dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute  
 120.13 beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins,  
 120.14 consistent with nutrition standards in national guidelines described in the current United  
 120.15 States Department of Agriculture Dietary Guidelines for Americans;

120.16 (4) comply with all data collection and reporting requirements established by the  
 120.17 commissioner; and

120.18 (5) promote the hiring, training, and retention of local or regional residents from  
 120.19 low-income and moderate-income areas that reflect area demographics, including  
 120.20 communities of color.

120.21 (c) A selected project that is a small food retailer is not subject to the allocation  
 120.22 agreement under paragraph (b), clause (3), and may use financing, grants, or other financial  
 120.23 or technical assistance for refrigeration, displays, or onetime capital expenditures for the  
 120.24 promotion and sale of perishable foods, including a combination of affordable, nutritious,  
 120.25 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,  
 120.26 poultry, and fish, consistent with nutrition standards in national guidelines described in the  
 120.27 current United States Department of Agriculture Dietary Guidelines for Americans.

120.28 Subd. 7. **Additional selection criteria.** In determining which qualified projects to  
 120.29 finance, and in determining which qualified projects to provide with grants or other types  
 120.30 of financial or technical assistance, the commissioner, in cooperation with any entities  
 120.31 with which the commissioner contracts for those purposes and the Good Food Access  
 120.32 Program Advisory Committee, shall also consider:

120.33 (1) the level of need in the area to be served;

120.34 (2) the degree to which the project requires an investment of public support, or  
 120.35 technical assistance where applicable, to move forward, build capacity, create community  
 120.36 impact, or be competitive;



121.1 (3) the likelihood that the project will have positive economic and health impacts on  
 121.2 the underserved community, including creation and retention of jobs for local or regional  
 121.3 residents from low-income and moderate-income areas that reflect area demographics,  
 121.4 including communities of color;

121.5 (4) the degree to which the project will participate in state and local health department  
 121.6 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,  
 121.7 and support locally grown food products through programs such as Minnesota Grown; and

121.8 (5) any other criteria that the commissioner, in cooperation with public and private  
 121.9 partners, determines to be consistent with the purposes of this chapter.

121.10 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest,  
 121.11 zero-interest, and forgivable loans, grants, and other financial or technical assistance, may  
 121.12 be used to support one or more of the following purposes:

121.13 (1) site acquisition and preparation;

121.14 (2) predevelopment costs, including but not limited to feasibility studies, market  
 121.15 studies, and appraisals;

121.16 (3) construction and build-out costs;

121.17 (4) equipment and furnishings;

121.18 (5) workforce or retailer training; and

121.19 (6) working capital.

121.20 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic  
 121.21 or community development financial institution and any other entity with which it  
 121.22 contracts, shall submit an annual report on the good food access program by January 15 of  
 121.23 each year to the chairs and ranking minority members of the house of representatives and  
 121.24 senate committees and divisions with jurisdiction over agriculture policy and finance. The  
 121.25 annual report shall include, but not be limited to, a summary of the following metrics:

121.26 (1) the number and types of projects financed;

121.27 (2) the amount of dollars leveraged or matched per project;

121.28 (3) the geographic distribution of financed projects;

121.29 (4) the number and types of technical assistance recipients;

121.30 (5) any market or commodity expansion associated with increased access;

121.31 (6) the demographics of the areas served;

121.32 (7) the costs of the program;

121.33 (8) the number of SNAP and WIC dollars spent;

121.34 (9) any increase in retail square footage;

121.35 (10) the number of loans or grants to minority-owned or female-owned businesses;

121.36 and

122.1 (11) measurable economic and health outcomes, including, but not limited to,  
 122.2 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,  
 122.3 the number of construction and retail jobs retained or created, and any health initiatives  
 122.4 associated with the program.

122.5 Sec. 10. **[17.1018] GOOD FOOD ACCESS PROGRAM ADVISORY**  
 122.6 **COMMITTEE.**

122.7 Subdivision 1. **Definitions.** As used in this section, the following terms have the  
 122.8 meanings given them:

122.9 (1) "program" means the good food access program under section 17.1017; and

122.10 (2) "commissioner" means the commissioner of agriculture.

122.11 Subd. 2. **Creation.** The Good Food Access Program Advisory Committee consists  
 122.12 of the following members, appointed by the commissioner of agriculture, unless otherwise  
 122.13 specified:

122.14 (1) the commissioners of health, employment and economic development, and  
 122.15 human services, or their respective designees;

122.16 (2) one person representing the grocery industry;

122.17 (3) two people representing economic or community development, one rural  
 122.18 member and one urban or suburban member;

122.19 (4) two people representing political subdivisions of the state;

122.20 (5) one person designated by the Council for Minnesotans of African Heritage;

122.21 (6) one person designated by the Minnesota Indian Affairs Council;

122.22 (7) one person designated by the Council on Asian Pacific Minnesotans;

122.23 (8) one person designated by the Chicano Latino Affairs Council;

122.24 (9) one person designated by the Minnesota Farmers Union;

122.25 (10) one person representing public health experts;

122.26 (11) one person representing philanthropic foundations;

122.27 (12) one person representing economic or community development financial  
 122.28 institutions;

122.29 (13) one person representing the University of Minnesota Regional Sustainable  
 122.30 Development Partnerships;

122.31 (14) two people representing organizations engaged in addressing food security,  
 122.32 one representative from a statewide hunger relief organization and one from a  
 122.33 community-based organization;

122.34 (15) one person representing immigrant farmer-led organizations;

123.1 (16) one person representing small business technical assistance with experience  
 123.2 in food retail; and

123.3 (17) up to four additional members with economic development, health equity,  
 123.4 financial, or other relevant expertise.

123.5 At least half of the members must reside in or their organizations must serve rural  
 123.6 Minnesota. The commissioner may remove members and fill vacancies as provided in  
 123.7 section 15.059, subdivision 4.

123.8 Subd. 3. **Duties.** The advisory committee must advise the commissioner of  
 123.9 agriculture on managing the program, establishing program criteria, establishing project  
 123.10 eligibility guidelines, establishing application processes and additional selection criteria,  
 123.11 establishing annual monitoring and accountability mechanisms, facilitating leveraging of  
 123.12 additional public and private investments, and promoting the program statewide.

123.13 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at  
 123.14 least two times per year to achieve the committee's duties.

123.15 Subd. 5. **Administrative support.** The commissioner of agriculture must provide  
 123.16 staffing, meeting space, and administrative services for the advisory committee.

123.17 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee  
 123.18 shall serve as chair of the committee.

123.19 Subd. 7. **Compensation.** The public members of the advisory committee serve  
 123.20 without compensation or payment of expenses.

123.21 Subd. 8. **Expiration.** The advisory committee does not expire.

123.22 **Sec. 11. [116J.55] EMERGING ENTREPRENEUR FUND PROGRAM.**

123.23 Subdivision 1. **Program created.** The emerging entrepreneur fund program is  
 123.24 created to provide, through partnership with nonprofit corporations, financial and technical  
 123.25 assistance for small businesses owned by minorities, women, veterans, or persons with  
 123.26 disabilities, or businesses located in low-income areas in the seven-county metropolitan  
 123.27 area. Loans and business development services must promote job creation and economic  
 123.28 development in low-income areas and encourage private investment and strengthen  
 123.29 businesses owned by minorities, women, veterans, and persons with disabilities.

123.30 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

123.31 (b) "Commissioner" means the commissioner of employment and economic  
 123.32 development.

123.33 (c) "Department" means the Department of Employment and Economic  
 123.34 Development.

124.1 (d) "Disability-owned business" means a small business that is majority owned and  
124.2 operated by a person with a disability who is eligible to receive Supplemental Security  
124.3 Income (SSI) or Social Security Disability Insurance (SSDI) based on the person's own  
124.4 disability or is eligible for services from the department's vocational rehabilitation services  
124.5 or State Services for the Blind programs.

124.6 (e) "Emerging Entrepreneur Fund Advisory Council" or "council" means the  
124.7 advisory council created under subdivision 9.

124.8 (f) "Emerging entrepreneur fund program" or "program" means the program  
124.9 established under this section.

124.10 (g) "Emerging entrepreneur fund qualified small business" means a small business  
124.11 that is majority owned and operated by a racial or ethnic minority, woman, veteran, or a  
124.12 person with a disability, solely or in any combination thereof.

124.13 (h) "Greater Minnesota" means the area of the state that excludes the metropolitan  
124.14 area, as defined in section 473.121, subdivision 2.

124.15 (i) "Low-income area" means:

124.16 (1) those cities in the metropolitan area that have an average income that is below  
124.17 80 percent of the median income for a four-person family as of the latest report by the  
124.18 United States Census Bureau; or

124.19 (2) those cities in the metropolitan area that contain two or more contiguous census  
124.20 tracts in which the average family income is less than 80 percent of the median family  
124.21 income for the Twin Cities metropolitan area.

124.22 (j) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

124.23 (k) "Minority-owned business" means a small business that is majority owned and  
124.24 operated by persons belonging to a racial or ethnic minority as defined in Minnesota  
124.25 Rules, part 1230.0150, subpart 24.

124.26 (l) "Nonprofit corporation" means a nonprofit lender or a nonprofit technical  
124.27 assistance provider operating in the state.

124.28 (m) "Nonprofit lender" means a nonprofit corporation that has been certified as a  
124.29 participating lender under subdivision 3.

124.30 (n) "Nonprofit technical assistance provider" means a nonprofit corporation that  
124.31 provides consulting services to assist businesses under the program.

124.32 (o) "Small business" means an enterprise as defined in section 645.445, subdivision 2.

124.33 (p) "Veteran-owned business" means a small business that is majority owned and  
124.34 operated by a veteran as defined in section 197.447.

124.35 (q) "Woman-owned business" means a small business that is majority owned and  
124.36 operated by a woman.

125.1 Subd. 3. **Nonprofit lender application.** (a) The commissioner shall provide funds  
125.2 to nonprofit lenders for the purpose of making loans to businesses that are (1) located in a  
125.3 low-income area or (2) emerging entrepreneur fund qualified small businesses.

125.4 (b) A nonprofit corporation wishing to be certified as a nonprofit lender in the program  
125.5 must apply using the form prescribed by the commissioner. The application must include:

125.6 (1) an assurance signed by the nonprofit lender's chair that the applicant will comply  
125.7 with all applicable state and federal laws, guidelines, and requirements;

125.8 (2) a resolution passed by the nonprofit lender's board of directors approving the  
125.9 submission of an application and authorizing execution of the grant agreement if funds  
125.10 are made available;

125.11 (3) a plan demonstrating the nonprofit lender's approach to assisting small businesses  
125.12 that are majority owned and operated by a racial or ethnic minority, woman, veteran, or a  
125.13 person with disabilities and the expected outcomes from the corporation's participation  
125.14 in the program;

125.15 (4) the geographic area served by the nonprofit lender's loan programs; and

125.16 (5) any additional information that the commissioner deems necessary to clarify the  
125.17 applicant's ability to achieve the program's objectives.

125.18 (c) The commissioner must enter into agreements with nonprofit lenders to fund  
125.19 loans under this section. The commissioner shall select and certify participating nonprofit  
125.20 lenders based on the organization's ability to demonstrate:

125.21 (1) a board of directors or management team that includes citizens experienced in  
125.22 business development; financing small businesses that are majority owned and operated  
125.23 by a racial or ethnic minority, woman, veteran, or a person with disabilities; financing  
125.24 businesses located in low-income areas; and creating jobs in low-income areas;

125.25 (2) the technical skills needed to analyze projects;

125.26 (3) familiarity with other available public and private funding sources and economic  
125.27 development programs;

125.28 (4) ability to initiate and implement business finance projects;

125.29 (5) capacity to establish and administer a revolving loan account;

125.30 (6) experience working with job referral networks that assist small businesses that  
125.31 are majority owned and operated by a racial or ethnic minority, woman, veteran, or a  
125.32 person with disabilities or persons in low-income areas; and

125.33 (7) any other criteria the commissioner deems necessary.

125.34 (d) The commissioner shall solicit applications by participating and nonparticipating  
125.35 lenders at least every five years.

- 126.1            Subd. 4. **Business loan criteria.** (a) A participating nonprofit corporation must use  
126.2 the criteria in this subdivision when making loans under the program.
- 126.3            (b) Loans must be made to small businesses that are not likely to undertake a project  
126.4 for which loans are sought without assistance from the program.
- 126.5            (c) A loan may be used for a project for an emerging entrepreneur fund qualified  
126.6 small business (1) located anywhere in Minnesota or (2) that is not an emerging  
126.7 entrepreneur fund qualified small business but is located in a low-income area.
- 126.8            (d) If a loan involves a small business that is not an emerging entrepreneur fund  
126.9 qualified small business, the state contribution must be matched by at least an equal  
126.10 amount of new private investment funded and provided by the nonprofit lender. If the loan  
126.11 does not exceed \$50,000, private matching funds are not required.
- 126.12            (e) The state contribution may represent up to 75 percent of the project's financing if  
126.13 the applicant is an emerging entrepreneur fund qualified small business with the nonprofit  
126.14 lender funding and providing 25 percent of the financing.
- 126.15            (f) The minimum state contribution to a loan is \$2,000, and the maximum is \$150,000.
- 126.16            (g) A loan may not be used for a retail development project unless the loan does  
126.17 not exceed \$25,000.
- 126.18            (h) The participating small business must agree to work with job referral networks  
126.19 that focus on minority, women, veteran, and disabled applicants.
- 126.20            (i) The loan funds may be used for normal operating business expenses including  
126.21 but not limited to business or site acquisition, new construction, renovation, machinery  
126.22 and equipment, inventory, or working capital.
- 126.23            (j) The loan funds may not be used for any of the following:
- 126.24            (1) costs incurred by applicants not meeting the eligibility requirements in this  
126.25 subdivision;
- 126.26            (2) lending, passive real estate investment purposes, or land speculation;
- 126.27            (3) management fees, financing costs, debt consolidation, or refinancing existing  
126.28 business or personal debt;
- 126.29            (4) any activity deemed illegal by federal, state, or local law or ordinance; and
- 126.30            (5) other purposes or activities determined by the commissioner to not be in the  
126.31 best interests of the state.
- 126.32            (k) An applicant must be in compliance with all applicable local, state, and federal  
126.33 laws and must not be subject to any judgments, liens, or other actions that would prevent  
126.34 loan repayment.

127.1 (l) Other factors that the commissioner deems important shall be incorporated as  
127.2 part of the agreement between the department and the nonprofit lender required under  
127.3 subdivision 3.

127.4 Subd. 5. **Loan administration.** (a) An eligible small business may make an  
127.5 application to the nonprofit corporation for an emerging entrepreneur fund loan. The  
127.6 application must be in the form approved by the nonprofit lender and the commissioner.

127.7 (b) The nonprofit corporation must review the application and may give preliminary  
127.8 approval for the loan based on criteria in subdivision 4. Loan applications given  
127.9 preliminary approval by the nonprofit lender must be forwarded to the commissioner  
127.10 for approval. The commissioner shall disburse funds for each approved emerging  
127.11 entrepreneur fund loan made by the nonprofit corporation for which funding is available.

127.12 (c) In cases where the nonprofit lender fails to demonstrate that it has met the  
127.13 requirements of this section, the commissioner must disapprove the application. The  
127.14 commissioner shall inform the nonprofit corporation of the decision, in writing, stating  
127.15 the reasons for the denial.

127.16 (d) The nonprofit lender must use a loan agreement for each emerging entrepreneur  
127.17 fund loan. Each agreement must identify specific loan terms and include, at a minimum, the  
127.18 maximum loan period, repayment terms, and default terms. The commissioner may pursue  
127.19 any course of action authorized by statute, rule, or loan agreement to remedy default.

127.20 (1) Nonprofit lenders may structure project financing using interest or an equivalent  
127.21 approach using other allowable charges if the borrower has limitations or restrictions on  
127.22 the type of project financing used.

127.23 (2) If interest is charged, the rate on a loan shall be established by the nonprofit  
127.24 lender, but may be no less than two percent per annum nor more than seven percent per  
127.25 annum or four percent above the prime rate, as published in the Wall Street Journal at the  
127.26 time the loan is closed, whichever is greater.

127.27 (3) The nonprofit lender may charge a loan origination fee equal to or less than  
127.28 one percent of the loan value. The nonprofit corporation may retain the amount of the  
127.29 origination fee.

127.30 (4) The nonprofit lender may only charge the participating small business  
127.31 out-of-pocket administrative expenses connected with originating the loan at the time  
127.32 of closing.

127.33 (5) For emerging entrepreneur fund loans made by the nonprofit lender, the principal  
127.34 payments shall be submitted to the commissioner. These funds must be deposited in the  
127.35 emerging entrepreneur fund account in the special revenue fund as defined in subdivision 6.

128.1 (6) The commissioner may allow the nonprofit lender to keep interest payments for  
128.2 a loan in order to pay for the nonprofit lender's administrative expenses associated with  
128.3 that loan.

128.4 (7) The nonprofit lender shall attempt to have applicants provide security for the loan  
128.5 equal to the loan value. Security may be a lien on real property owned by the applicant or  
128.6 other security satisfactory to the agency such as a lien on other assets of the applicant or  
128.7 other individuals affiliated with the applicant or business, or a guaranty by the business  
128.8 owners or other individuals affiliated with the applicant or business.

128.9 Subd. 6. **Special revenue account.** (a) The emerging entrepreneur fund account  
128.10 is established as a separate account in the special revenue fund in the state treasury.  
128.11 The commissioner shall transfer to the account appropriations made for loans. Loan  
128.12 principal repayments must be deposited in the account. Any interest not used for lenders  
128.13 for administrative expenses and repaid to the commissioner or earned on money in the  
128.14 account accrues to the account. Funds remaining in the account at the end of a fiscal  
128.15 year are not canceled to the general fund, but remain in the account until expended. The  
128.16 commissioner shall manage the account.

128.17 (b) Amounts in the emerging entrepreneur fund account in the special revenue fund  
128.18 are appropriated to the commissioner for providing, through partnership with nonprofit  
128.19 organizations, financial assistance for small businesses owned by minorities, women,  
128.20 veterans, or persons with disabilities or located in low-income areas.

128.21 (c) The balance in any accounts authorized under chapter 116M shall be transferred  
128.22 to the emerging entrepreneur fund account in the special revenue fund. Loan repayments  
128.23 made under chapter 116M shall be transferred to the emerging entrepreneur fund account  
128.24 in the special revenue fund.

128.25 Subd. 7. **Business development technical assistance.** (a) The commissioner shall  
128.26 award grants to organizations to provide technical assistance services.

128.27 (b) The commissioner shall select participating nonprofit technical assistance  
128.28 providers for competitive grants under this subdivision based on the organization's ability  
128.29 to provide services to small businesses owned by minorities, women, veterans, or persons  
128.30 with disabilities, or businesses located in low-income areas by demonstrating:

128.31 (1) a need for funding;

128.32 (2) clear and measurable activities and outcomes within a service delivery area  
128.33 and schedule;

128.34 (3) partnerships that will support the service delivery;

128.35 (4) organizational capacity and related experience providing technical assistance;

128.36 (5) a clear and detailed budget;



129.1 (6) methods to evaluate the success of reaching proposed outcomes; and  
129.2 (7) any additional information that the commissioner finds is necessary to clarify  
129.3 the applicant's ability to achieve the program's objectives.

129.4 Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives  
129.5 funding from the emerging entrepreneur fund for loans or technical services must report to  
129.6 the commissioner by March 1 of each year in a format prescribed by the commissioner.  
129.7 The report shall include the information in this subdivision and any other information  
129.8 deemed necessary by the commissioner.

129.9 (b) Nonprofit corporations that receive funding to provide lending shall submit a  
129.10 report containing: a description of all projects supported by the program; an account of  
129.11 any loans made during the calendar year; the project's assets and liabilities; an explanation  
129.12 of administrative expenses; and the project's impact on small businesses owned by  
129.13 minorities, women, veterans, or persons with disabilities.

129.14 (c) Nonprofit corporations that receive funding to provide lending shall provide  
129.15 for an independent annual audit to be performed in accordance with generally accepted  
129.16 accounting practices and auditing standards and submit a copy of each annual audit report  
129.17 to the commissioner.

129.18 (d) Nonprofit corporations that receive a grant to provide business development  
129.19 technical assistance shall provide an account of the number of businesses served during  
129.20 the calendar year, the program's impact on small businesses owned by minorities, women,  
129.21 veterans, or persons with disabilities, and an explanation of administrative expenses.

129.22 Subd. 9. **Emerging Entrepreneur Fund Advisory Council.** (a) The Emerging  
129.23 Entrepreneur Fund Advisory Council is created and consists of the commissioner, the  
129.24 chair of the Metropolitan Council, the commissioner of the Department of Human Rights,  
129.25 and ten members from the general public appointed by the governor. Appointments must  
129.26 ensure balanced geographic representation. At least half of the public members must have  
129.27 experience working to address racial disparities.

129.28 (b) The membership terms, compensation, removal, and filling of vacancies of  
129.29 public members of the council are as provided in section 15.0575.

129.30 (c) The commissioner shall serve as chair of the council. The council may elect other  
129.31 officers as necessary from its members.

129.32 (d) The commissioner shall provide staff, consultant support, materials, and  
129.33 administrative services necessary for the council's activities. The emerging entrepreneur  
129.34 fund account in the special revenue fund may be used for council expenses.

129.35 (e) The governor must make initial appointments to the council by November 15,  
129.36 2016, and the chair must convene the first meeting of the council by December 15, 2016.

130.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

130.2 Sec. 12. **[116L.562] YOUTH-AT-WORK GRANT PROGRAM.**

130.3 Subdivision 1. **Establishment.** The commissioner shall award grants to eligible  
 130.4 organizations for the purpose of providing workforce development and training  
 130.5 opportunities to economically disadvantaged or at-risk youth ages 14 to 24.

130.6 Subd. 2. **Definitions.** For purposes of this section:

130.7 (1) "eligible organization" or "eligible applicant" means a local government unit,  
 130.8 nonprofit organization, community action agency, or a public school district;

130.9 (2) "at-risk youth" means youth classified as at-risk under section 116L.56,  
 130.10 subdivision 2; and

130.11 (3) "economically disadvantaged" means youth who are economically disadvantaged  
 130.12 as defined in United States Code, title 29, section 1503.

130.13 Subd. 3. **Competitive grant awards.** (a) In awarding competitive grants, priority  
 130.14 shall be given to programs that:

130.15 (1) provide students with information about education and training requirements for  
 130.16 careers in high-growth, in-demand occupations;

130.17 (2) serve youth from communities of color who are under represented in the  
 130.18 workforce; or

130.19 (3) serve youth with disabilities.

130.20 (b) Eligible organizations must have demonstrated effectiveness in administering  
 130.21 youth workforce programs and must leverage nonstate or private sector funds.

130.22 (c) New eligible applicants must be youth-serving organizations with significant  
 130.23 capacity and demonstrable youth development experience and outcomes to operate a  
 130.24 youth workforce development project.

130.25 (d) If a program is not operated by a local unit of government or a workforce  
 130.26 development board, the grant recipient must coordinate the program with the local  
 130.27 workforce development board.

130.28 Subd. 4. **Reports.** Each grant recipient shall report to the commissioner in a format  
 130.29 to be determined by commissioner.

130.30 Sec. 13. Minnesota Statutes 2014, section 116L.99, is amended to read:

130.31 **116L.99 WOMEN AND HIGH-WAGE, HIGH-DEMAND,**  
 130.32 **NONTRADITIONAL JOBS GRANT PROGRAM.**

130.33 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms  
 130.34 have the meanings given.

131.1 (b) "Commissioner" means the commissioner of employment and economic  
131.2 development.

131.3 (c) "Eligible organization" includes, but is not limited to:

131.4 (1) community-based organizations experienced in serving women;

131.5 (2) employers;

131.6 (3) business and trade associations;

131.7 (4) labor unions and employee organizations;

131.8 (5) registered apprenticeship programs;

131.9 (6) secondary and postsecondary education institutions located in Minnesota; and

131.10 (7) workforce and economic development agencies.

131.11 (d) "High-wage, high-demand" means occupations that represent at least 0.1 percent  
131.12 of total employment in the base year, have an annual median salary which is higher than  
131.13 the average for the current year, and are projected to have more total openings as a share  
131.14 of employment than the average.

131.15 (e) "Low-income" means income less than 200 percent of the federal poverty  
131.16 guideline adjusted for a family size of four.

131.17 (f) "Nontraditional occupations" means those occupations in which women make  
131.18 up less than 25 percent of the workforce as defined under United States Code, title 20,  
131.19 section 2302.

131.20 (g) "Registered apprenticeship program" means a program registered under United  
131.21 States Code, title 29, section 50.

131.22 (h) "STEM" means science, technology, engineering, and math.

131.23 (i) "Women of color" means females age 18 and older who are American Indian,  
131.24 Asian, Black, or Hispanic.

131.25 (j) "Girls of color" means females under age 18 who are American Indian, Asian,  
131.26 Black, or Hispanic.

131.27 Subd. 2. **Grant program.** The commissioner shall establish the women and  
131.28 high-wage, high-demand, nontraditional jobs grant program to increase the number of  
131.29 women in high-wage, high-demand, nontraditional occupations. The commissioner shall  
131.30 make grants to eligible organizations for programs that encourage and assist women to enter  
131.31 high-wage, high-demand, nontraditional occupations including but not limited to those in  
131.32 the skilled trades, ~~science, technology, engineering, and math (STEM)~~ STEM occupations.  
131.33 The commissioner must give priority to programs that encourage and assist women of color  
131.34 to enter high-wage, high-demand, nontraditional occupations and STEM occupations.

131.35 Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

132.1 (1) recruitment, preparation, placement, and retention of women, including women  
132.2 of color, low-income women and women over 50 years old, in registered apprenticeships,  
132.3 postsecondary education programs, on-the-job training, and permanent employment in  
132.4 high-wage, high-demand, nontraditional occupations;

132.5 (2) secondary or postsecondary education or other training to prepare women  
132.6 to succeed in high-wage, high-demand, nontraditional occupations. Activities under  
132.7 this clause may be conducted by the grantee or in collaboration with another institution,  
132.8 including but not limited to a public or private secondary or postsecondary school;

132.9 (3) innovative, hands-on, best practices that stimulate interest in high-wage,  
132.10 high-demand, nontraditional occupations among girls, increase awareness among  
132.11 girls about opportunities in high-wage, high-demand, nontraditional occupations, or  
132.12 increase access to secondary programming leading to jobs in high-wage, high-demand,  
132.13 nontraditional occupations. Best practices include but are not limited to mentoring,  
132.14 internships, or apprenticeships for girls in high-wage, high-demand, nontraditional  
132.15 occupations;

132.16 (4) training and other staff development for job seeker counselors and Minnesota  
132.17 family investment program (MFIP) caseworkers on opportunities in high-wage,  
132.18 high-demand, nontraditional occupations;

132.19 (5) incentives for employers and sponsors of registered apprenticeship programs  
132.20 to retain women in high-wage, high-demand, nontraditional occupations for more than  
132.21 one year;

132.22 (6) training and technical assistance for employers to create a safe and healthy  
132.23 workplace environment designed to retain and advance women, including best practices  
132.24 for addressing sexual harassment, and to overcome gender inequity among employers  
132.25 and registered apprenticeship programs;

132.26 (7) public education and outreach activities to overcome stereotypes about women  
132.27 in high-wage, high-demand, nontraditional occupations, including the development of  
132.28 educational and marketing materials; ~~and~~

132.29 (8) services to support for women in high-wage, high-demand, nontraditional  
132.30 occupations including but not limited to assistance with balancing work responsibilities;  
132.31 skills training and education; family caregiving; financial assistance for child care,  
132.32 transportation, and safe and stable housing; workplace issues resolution; and access to  
132.33 advocacy assistance and services; and

132.34 (9) recruitment, participation, and support of girls of color in approved training  
132.35 programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

133.1 (b) Grant applications must include detailed information about how the applicant  
133.2 plans to:

133.3 (1) increase women's participation in high-wage, high-demand occupations in which  
133.4 women are currently underrepresented in the workforce;

133.5 (2) comply with the requirements under subdivision 3; ~~and~~

133.6 (3) use grant funds in conjunction with funding from other public or private  
133.7 sources; and

133.8 (4) collaborate with existing, successful programs for training, education,  
133.9 recruitment, preparation, placement, and retention of women of color in high-wage,  
133.10 high-demand, nontraditional occupations and STEM occupations.

133.11 (c) In awarding grants under this subdivision, the commissioner shall give priority  
133.12 to eligible organizations:

133.13 (1) with demonstrated success in recruiting and preparing women, especially  
133.14 low-income women, women of color, and women over 50 years old, for high-wage,  
133.15 high-demand, nontraditional occupations; and

133.16 (2) that leverage additional public and private resources.

133.17 (d) At least 50 percent of total grant funds must be awarded to programs providing  
133.18 services and activities targeted to low-income women and women of color.

133.19 (e) The commissioner of employment and economic development in conjunction  
133.20 with the commissioner of labor and industry shall monitor the use of funds under this  
133.21 section, collect and compile information on the activities of other state agencies and public  
133.22 or private entities that have purposes similar to those under this section, and identify other  
133.23 public and private funding available for these purposes.

133.24 (f) By January 15, 2019, and each January 15 thereafter, the commissioner must  
133.25 submit a report to the chairs and ranking minority members of the committees of the  
133.26 house of representatives and the senate having jurisdiction over workforce development  
133.27 that details the use of grant funds. If data is available, the report must contain data that is  
133.28 disaggregated by race, cultural groups, family income, age, geographical location, migrant  
133.29 or foreign immigrant status, primary language, whether the participant is an English  
133.30 learner under Minnesota Statutes, section 124D.59, disability, and status of homelessness.

133.31 Sec. 14. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

133.32 Subd. 2. **Board.** "Board" means the Urban Minnesota Initiative Board.

133.33 Sec. 15. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
133.34 subdivision to read:

134.1           Subd. 3a. **Department.** "Department" means the Department of Employment and  
134.2 Economic Development.

134.3           Sec. 16. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

134.4           Subd. 4. **Low-income area.** "Low-income area" means:

134.5           (1) Minneapolis, St. Paul;

134.6           ~~(2) those cities in the metropolitan area as defined in section 473.121, subdivision~~  
134.7 ~~2, that have an average income that is below 80 percent of the median income for a~~  
134.8 ~~four-person family as of the latest report by the United States Census Bureau; and~~

134.9           (3) (2) those cities in the metropolitan area, which contain two or more contiguous  
134.10 enumerated census tracts in which the average family income is less than 80 percent of the median  
134.11 family income for the Twin Cities metropolitan area as of the latest report by the United  
134.12 States Census Bureau.

134.13           Sec. 17. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
134.14 subdivision to read:

134.15           Subd. 4a. **Low-income person.** "Low-income person" means a person who has an  
134.16 annual income, adjusted for family size, of not more than 80 percent of the area median  
134.17 family income for the Twin Cities metropolitan area as of the latest report by the United  
134.18 States Census Bureau.

134.19           Sec. 18. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
134.20 subdivision to read:

134.21           Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section  
134.22 473.121, subdivision 2.

134.23           Sec. 19. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
134.24 subdivision to read:

134.25           Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial  
134.26 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

134.27           Sec. 20. Minnesota Statutes 2014, section 116M.14, is amended by adding a  
134.28 subdivision to read:

134.29           Subd. 7. **Program.** "Program" means the Minnesota Initiative program created  
134.30 by this chapter.

135.1 Sec. 21. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

135.2 Subdivision 1. ~~Creation; membership~~ **Membership.** The ~~Urban Minnesota~~  
 135.3 Initiative Board is created and consists of the commissioner of employment and economic  
 135.4 development, the chair of the Metropolitan Council, the commissioner of human rights,  
 135.5 and ~~eight~~ 12 members from the general public appointed by the governor. ~~Six~~ Nine of the  
 135.6 public members must be representatives from minority business enterprises. No more than  
 135.7 ~~four~~ six of the public members may be of one gender. Appointments must ensure balanced  
 135.8 geographic representation. At least half of the public members must have experience  
 135.9 working to address racial income disparities. All public members must be experienced in  
 135.10 business or economic development.

135.11 Sec. 22. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

135.12 Subd. 2. **Technical assistance.** ~~The board through the department,~~ shall provide  
 135.13 technical assistance and ~~development information services to state agencies, regional~~  
 135.14 ~~agencies, special districts, local governments, and the public, with special emphasis on~~  
 135.15 ~~minority communities~~ informational outreach about the program to lenders, nonprofit  
 135.16 corporations, and low-income and minority communities throughout the state that support  
 135.17 the development of business enterprises and entrepreneurs.

135.18 Sec. 23. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

135.19 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an  
 135.20 accounting of loans made under section 116M.18, including information on loans ~~to~~  
 135.21 ~~minority business enterprises made,~~ the number of jobs created by the program, the impact  
 135.22 on low-income areas, and recommendations concerning minority business development  
 135.23 and jobs for persons in low-income areas.

135.24 Sec. 24. Minnesota Statutes 2014, section 116M.18, is amended to read:

135.25 **116M.18 URBAN CHALLENGE GRANTS MINNESOTA INITIATIVE**  
 135.26 **PROGRAM.**

135.27 Subdivision 1. **Establishment.** The Minnesota Initiative program is established to  
 135.28 award grants to nonprofit corporations to fund loans to businesses owned by minority or  
 135.29 low-income persons or women.

135.30 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,  
 135.31 loans shall be made so that an approximately equal dollar amount of loans are made to  
 135.32 businesses in the metropolitan area as in the nonmetropolitan area. If funds remain after

136.1 the ninth month of the fiscal year, those funds shall revert to the general loan pool and may  
 136.2 be lent in any part of the state.

136.3 ~~Subdivision 1~~ Subd. 1b. **Eligibility rules Grants.** The board shall make urban  
 136.4 ~~challenge grants for use in low-income areas to nonprofit corporations to fund loans to~~  
 136.5 ~~businesses owned by minority or low-income persons or women, to encourage private~~  
 136.6 ~~investment, to provide jobs for minority and low-income persons and others in low-income~~  
 136.7 ~~areas, to create and strengthen minority business enterprises, and to promote economic~~  
 136.8 ~~development in a low-income area. The board shall adopt rules to establish criteria for~~  
 136.9 ~~determining loan eligibility.~~

136.10 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) The board  
 136.11 may enter into agreements with nonprofit corporations to fund and guarantee loans the  
 136.12 nonprofit corporation makes ~~in low-income areas under subdivision 4. A corporation must~~  
 136.13 ~~demonstrate that~~ to businesses owned by minority or low-income persons or women. The  
 136.14 board shall evaluate applications from nonprofit corporations. In evaluating applications,  
 136.15 the board must consider, among other things, whether the nonprofit corporation:

136.16 (1) ~~it~~ has a board of directors that includes citizens experienced in business  
 136.17 and community development, minority business enterprises, addressing racial income  
 136.18 disparities, and creating jobs in low-income areas for low-income and minority persons;

136.19 (2) ~~it~~ has the technical skills to analyze projects;

136.20 (3) ~~it~~ is familiar with other available public and private funding sources and  
 136.21 economic development programs;

136.22 (4) ~~it~~ can initiate and implement economic development projects;

136.23 (5) ~~it~~ can establish and administer a revolving loan account or has operated a  
 136.24 revolving loan account; and

136.25 (6) ~~it~~ can work with job referral networks which assist minority and ~~other persons in~~  
 136.26 ~~low-income areas~~ low-income persons; and

136.27 (7) has established relationships with minority communities.

136.28 (b) The department shall review existing agreements with nonprofit corporations  
 136.29 every five years and may renew or terminate the agreement based on the review. In making  
 136.30 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

136.31 Subd. 3. **Revolving loan fund.** (a) The board shall establish a revolving loan fund to  
 136.32 make grants to nonprofit corporations for the purpose of making loans and loan guarantees  
 136.33 to ~~new and expanding~~ businesses in a low-income area to promote owned by minority  
 136.34 or low-income persons or women and to support minority business enterprises and job  
 136.35 creation for minority and ~~other persons in low-income areas~~ low-income persons.



137.1 (b) Nonprofit corporations that receive grants from the department under the  
 137.2 program must establish a commissioner-certified revolving loan fund for the purpose  
 137.3 of making eligible loans.

137.4 (c) Eligible business enterprises include, but are not limited to, technologically  
 137.5 innovative industries, value-added manufacturing, and information industries. Loan  
 137.6 applications given preliminary approval by the nonprofit corporation must be forwarded to  
 137.7 the board for approval. The commissioner must give final approval for each loan ~~or loan~~  
 137.8 ~~guarantee~~ made by the nonprofit corporation. The amount of the state funds contributed to  
 137.9 any loan ~~or loan-guarantee~~ may not exceed 50 percent of each loan.

137.10 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans  
 137.11 made ~~or guaranteed~~ by nonprofit corporations under the ~~urban-challenge grant~~ program.

137.12 (b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake  
 137.13 a project for which loans are sought without assistance from the ~~urban-challenge grant~~  
 137.14 program.

137.15 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in  
 137.16 ~~low-income areas through the creation of job or business opportunities for them~~ to support  
 137.17 a business owned by a minority or a low-income person or woman. Priority must be  
 137.18 given for loans to the lowest income areas.

137.19 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the  
 137.20 maximum is \$150,000.

137.21 (e) The state contribution must be matched by at least an equal amount of new  
 137.22 private investment.

137.23 (f) A loan may not be used for a retail development project.

137.24 (g) The business must agree to work with job referral networks that focus on  
 137.25 minority and low-income applicants ~~from low-income areas.~~

137.26 Subd. 4a. **Microenterprise loan.** ~~Urban-challenge Program~~ grants may be  
 137.27 used to make microenterprise loans to small, beginning businesses, including a sole  
 137.28 proprietorship. Microenterprise loans are subject to this section except that:

137.29 (1) they may also be made to qualified retail businesses;

137.30 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~  
 137.31 \$35,000; and

137.32 (3) in a low-income area, they may be made for a minimum of \$5,000 and a  
 137.33 maximum of \$50,000; and

137.34 ~~(3)~~ (4) they do not require a match.

138.1 Subd. 5. **Revolving fund administration; rules.** (a) The board shall establish a  
138.2 minimum interest rate for loans or guarantees to ensure that necessary loan administration  
138.3 costs are covered.

138.4 (b) Loan repayment ~~amounts equal to one-half of the principal and interest must be~~  
138.5 ~~deposited in a revolving fund created by the board for challenge grants. The remaining~~  
138.6 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~  
138.7 loan fund. Loan interest payments must be deposited in a revolving loan fund created  
138.8 by the nonprofit corporation originating the loan being repaid for further distribution,  
138.9 consistent with the loan criteria specified in subdivision 4 of this section.

138.10 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom  
138.11 the board enters into agreements ~~under subdivision 2~~, including expenses incurred by  
138.12 a nonprofit corporation in providing financial, technical, managerial, and marketing  
138.13 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of  
138.14 the interest earned on loans and out of interest earned on money invested by the state Board  
138.15 of Investment under section 116M.16, subdivision 2, as may be provided by the board.

138.16 ~~Subd. 6. Rules. The board shall adopt rules to implement this section.~~

138.17 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit  
138.18 corporation with which it has entered into an agreement under subdivision ~~4~~ 2. ~~These~~  
138.19 ~~loans must be used to support a new or expanding business.~~ This support may include  
138.20 such forms of financing as the sale of goods to the business on installment or deferred  
138.21 payments, lease purchase agreements, or royalty investments in the business. The interest  
138.22 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed  
138.23 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the  
138.24 nonprofit corporation may charge a loan origination fee equal to or less than one percent  
138.25 of the loan value. The nonprofit corporation may retain the amount of the origination fee.  
138.26 The nonprofit corporation must provide at least an equal match to the loan received by the  
138.27 board. The maximum loan available to the nonprofit corporation under this subdivision is  
138.28 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made  
138.29 without interest. Repayments made by the nonprofit corporation must be deposited in the  
138.30 revolving fund created for urban initiative program grants.

138.31 Subd. 7. **Cooperation.** A nonprofit corporation that receives ~~an urban challenge a~~  
138.32 program grant shall cooperate with other organizations, including but not limited to,  
138.33 community development corporations, community action agencies, and the Minnesota  
138.34 small business development centers.

138.35 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a  
138.36 challenge program grant shall:

139.1 (1) submit an annual report to the board by ~~September~~ March 30 of each year that  
 139.2 includes a description of ~~projects~~ businesses supported by the ~~urban challenge~~ grant  
 139.3 program, an account of loans made during the calendar year, the program's impact on  
 139.4 minority business enterprises and job creation for minority persons and low-income  
 139.5 persons ~~in low-income areas~~, the source and amount of money collected and distributed by  
 139.6 the ~~urban challenge grant~~ program, the program's assets and liabilities, and an explanation  
 139.7 of administrative expenses; and

139.8 (2) provide for an independent annual audit to be performed in accordance with  
 139.9 generally accepted accounting practices and auditing standards and submit a copy of each  
 139.10 annual audit report to the board.

139.11 Sec. 25. Minnesota Statutes 2014, section 124D.55, is amended to read:

139.12 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

139.13 The commissioner shall pay 60 percent of the fee that is charged to an eligible  
 139.14 individual for the full battery of a general education development (GED) test, but not  
 139.15 more than \$40 for an eligible individual.

139.16 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee that is  
 139.17 charged to an eligible individual for the full battery of a general education development  
 139.18 (GED) test, but not more than the cost of one full battery per year for any individual.

139.19 Sec. 26. **[136A.123] MINNESOTA'S FUTURE TEACHERS GRANT PROGRAM.**

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

139.22 (b) "Eligible institution" means a postsecondary institution under section 136A.101,  
 139.23 subdivision 4, located in Minnesota.

139.24 (c) "High needs area" means a high needs area as defined by the Department of  
 139.25 Education biannual teacher supply and demand report under section 127A.05, subdivision  
 139.26 6, or other surveys conducted by the Department of Education that provide indicators for  
 139.27 teacher supply and demand needs not captured by the teacher supply and demand report.

139.28 (d) "High needs school" means a school that:

139.29 (1) has been designated a low performing school under the most recently passed  
 139.30 version of the federal Elementary and Secondary Education Act; or

139.31 (2) is above the state average in concentration of students qualifying for free and  
 139.32 reduced-price lunch.

140.1 (e) "Qualified candidate" means a student enrolled in an eligible institution with an  
 140.2 approved teacher preparation program that meets the program eligibility requirements in  
 140.3 subdivision 3.

140.4 Subd. 2. **Program requirements.** (a) The commissioner of the Office of Higher  
 140.5 Education shall award grants to eligible institutions to facilitate undergraduate and  
 140.6 graduate students, beginning in the 2017-2018 academic year, to become licensed  
 140.7 teachers. The commissioner of the Office of Higher Education shall determine the  
 140.8 maximum grant amount per institution and the maximum amount of the grant available  
 140.9 for administrative and support services.

140.10 (b) Grants must be awarded to programs at eligible institutions that demonstrate:

140.11 (1) a majority of the grant will be used to reduce the tuition, fees, and costs for  
 140.12 qualified candidates;

140.13 (2) the ability of the program to perform outreach activities to encourage historically  
 140.14 underserved students, students of color, and students interested in teaching in a high needs  
 140.15 area or high needs school to participate in the program;

140.16 (3) participating students will be provided with support services to ensure persistence  
 140.17 and completion in their program and successful teacher licensure;

140.18 (4) participating students will be provided with experiential opportunities to explore  
 140.19 teacher and educator experiences;

140.20 (5) participating students will provide a letter of intent, demonstrating their interest  
 140.21 in teaching in a high needs area or high needs school, upon completing their teacher  
 140.22 preparation program and receiving their teaching license.

140.23 (c) A grantee must be provided mentoring. Mentoring must include, but is not  
 140.24 limited to:

140.25 (1) communicating frequently and consistently throughout program participation;

140.26 (2) developing a personalized student success plan, which must include concrete  
 140.27 steps towards program completion and job placement and identify and make contingency  
 140.28 plans for potential obstacles to program completion;

140.29 (3) connecting grantees to on-campus resources and personal development  
 140.30 opportunities; and

140.31 (4) financial planning.

140.32 Sec. 27. Minnesota Statutes 2014, section 256D.051, is amended to read:

140.33 **256D.051 FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.**

140.34 Subdivision 1. **Food stamp employment and training program.** The  
 140.35 commissioner shall implement a food stamp employment and training program in order to

141.1 meet the food stamp employment and training participation requirements of the United  
 141.2 States Department of Agriculture. ~~Unless exempt under subdivision 3a, each adult~~  
 141.3 ~~recipient in the unit must participate in the food stamp employment and training program~~  
 141.4 ~~each month that the person is eligible for food stamps. The person's participation in~~  
 141.5 ~~food stamp employment and training services must begin no later than the first day of~~  
 141.6 ~~the calendar month following the determination of eligibility for food stamps. With the~~  
 141.7 ~~county agency's consent, and To the extent of available resources, the person a recipient~~  
 141.8 ~~may voluntarily continue volunteer to participate in food stamp employment and training~~  
 141.9 ~~services for up to three additional consecutive months immediately following termination~~  
 141.10 ~~of food stamp benefits in order to complete the provisions of the person's employability~~  
 141.11 ~~development plan. A recipient who volunteers for employment and training services is~~  
 141.12 subject to work requirements in Code of Federal Regulations, title 7, section 273.7.

141.13 Subd. 1a. **Notices and sanctions.** (a) At the time the county agency notifies the  
 141.14 household that it is eligible for food stamps, the county agency must: (1) inform all  
 141.15 mandatory employment and training services participants as identified in subdivision 1  
 141.16 in the household that they must comply with all food stamp employment and training  
 141.17 program requirements each month, including the requirement to attend an initial  
 141.18 orientation to the food stamp employment and training program and that food stamp  
 141.19 eligibility will end unless the participants comply with the requirements specified in the  
 141.20 notice adults of the opportunity to volunteer for and participate in SNAP employment  
 141.21 and training activities; (2) provide plain language material that explains the benefits of  
 141.22 voluntary participation; and (3) provide the name and address of the county's designated  
 141.23 employment and training service provider.

141.24 (b) ~~A participant who fails without good cause to comply with food stamp~~  
 141.25 ~~employment and training program requirements of this section, including attendance~~  
 141.26 ~~at orientation, will lose food stamp eligibility for the following periods: The county~~  
 141.27 must inform all recipients who are able-bodied adults without dependents that SNAP  
 141.28 benefits are time limited to three months in a 36-month period from the first full month  
 141.29 of application unless the recipient meets the work requirements in Code of Federal  
 141.30 Regulations, title 7, section 273.7.

141.31 (1) ~~for the first occurrence, for one month or until the person complies with the~~  
 141.32 ~~requirements not previously complied with, whichever is longer;~~

141.33 (2) ~~for the second occurrence, for three months or until the person complies with the~~  
 141.34 ~~requirements not previously complied with, whichever is longer; or~~

141.35 (3) ~~for the third and any subsequent occurrence, for six months or until the person~~  
 141.36 ~~complies with the requirements not previously complied with, whichever is longer.~~

142.1 If the participant is not the food stamp head of household, the person shall be  
142.2 considered an ineligible household member for food stamp purposes. If the participant is  
142.3 the food stamp head of household, the entire household is ineligible for food stamps as  
142.4 provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means  
142.5 circumstances beyond the control of the participant, such as illness or injury, illness or  
142.6 injury of another household member requiring the participant's presence, a household  
142.7 emergency, or the inability to obtain child care for children between the ages of six and  
142.8 12 or to obtain transportation needed in order for the participant to meet the food stamp  
142.9 employment and training program participation requirements.

142.10 (e) The county agency shall mail or hand deliver a notice to the participant not later  
142.11 than five days after determining that the participant has failed without good cause to  
142.12 comply with food stamp employment and training program requirements which specifies  
142.13 the requirements that were not complied with, the factual basis for the determination of  
142.14 noncompliance, and the right to reinstate eligibility upon a showing of good cause for  
142.15 failure to meet the requirements. The notice must ask the reason for the noncompliance  
142.16 and identify the participant's appeal rights. The notice must request that the participant  
142.17 inform the county agency if the participant believes that good cause existed for the failure  
142.18 to comply and must state that the county agency intends to terminate eligibility for food  
142.19 stamp benefits due to failure to comply with food stamp employment and training program  
142.20 requirements.

142.21 (d) If the county agency determines that the participant did not comply during the  
142.22 month with all food stamp employment and training program requirements that were in  
142.23 effect, and if the county agency determines that good cause was not present, the county  
142.24 must provide a ten-day notice of termination of food stamp benefits. The amount of  
142.25 food stamps that are withheld from the household and determination of the impact of  
142.26 the sanction on other household members is governed by Code of Federal Regulations,  
142.27 title 7, section 273.7.

142.28 (e) The participant may appeal the termination of food stamp benefits under the  
142.29 provisions of section 256.045.

142.30 Subd. 2. **County agency duties.** (a) The county agency shall provide to food stamp  
142.31 recipients a food stamp employment and training program. The program must include:

142.32 (1) orientation to the food stamp employment and training program;

142.33 (2) an individualized employability assessment and an individualized employability  
142.34 development plan that includes assessment of literacy, ability to communicate in the  
142.35 English language, educational and employment history, and that estimates the length of  
142.36 time it will take the participant to obtain employment. The employability assessment and

143.1 development plan must be completed in consultation with the participant, must assess the  
 143.2 participant's assets, barriers, and strengths, and must identify steps necessary to overcome  
 143.3 barriers to employment. A copy of the employability development plan must be provided  
 143.4 to the registrant;

143.5 (3) referral to available accredited remedial or skills training or career pathway  
 143.6 programs designed to address participant's barriers to employment;

143.7 (4) referral to available programs that provide subsidized or unsubsidized  
 143.8 employment as necessary;

143.9 (5) a job search program, including job seeking skills training; and

143.10 (6) other activities, to the extent of available resources designed by the county  
 143.11 agency to prepare the participant for permanent employment.

143.12 ~~In order to allow time for job search, the county agency may not require an individual~~  
 143.13 ~~to participate in the food stamp employment and training program for more than 32 hours~~  
 143.14 ~~a week. The county agency shall require an individual to spend at least eight hours a week~~  
 143.15 ~~in job search or other food stamp employment and training program activities.~~

143.16 (b) The county agency shall prepare an annual plan for the operation of its food  
 143.17 stamp employment and training program. The plan must be submitted to and approved by  
 143.18 the commissioner of employment and economic development. The plan must include:

143.19 (1) a description of the services to be offered by the county agency;

143.20 (2) a plan to coordinate the activities of all public and private nonprofit entities  
 143.21 providing employment-related services in order to avoid duplication of effort and to  
 143.22 provide a wide range of allowable activities and services more efficiently;

143.23 (3) a description of the factors that will be taken into account when determining a  
 143.24 client's employability development plan; and

143.25 (4) provisions to ensure that the county agency's employment and training service  
 143.26 ~~provider provides~~ providers provide each recipient with an orientation, employability  
 143.27 assessment, and employability development plan as specified in paragraph (a), clauses (1)  
 143.28 and (2), within 30 days of the recipient's ~~eligibility for assistance~~ request to participate in  
 143.29 employment and training.

143.30 Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law,  
 143.31 the commissioner shall:

143.32 (1) based on this section and section 256D.052 and Code of Federal Regulations,  
 143.33 title 7, section 273.7, supervise the administration of food stamp employment and training  
 143.34 services to county agencies;

144.1 (2) disburse money appropriated for food stamp employment and training services  
 144.2 to county agencies based upon the county's costs as specified in section 256D.051,  
 144.3 subdivision 6c;

144.4 (3) accept and supervise the disbursement of any funds that may be provided by the  
 144.5 federal government or from other sources for use in this state for ~~food stamp~~ employment  
 144.6 and training services;

144.7 (4) cooperate with other agencies including any agency of the United States or of  
 144.8 another state in all matters concerning the powers and duties of the commissioner under  
 144.9 this section and section 256D.052; and

144.10 (5) in cooperation with the commissioner of employment and economic  
 144.11 development, ensure that each component of an employment and training program carried  
 144.12 out under this section is delivered through a statewide workforce development system,  
 144.13 unless the component is not available locally through such a system.

144.14 Subd. 3. **Participant duties.** In order to receive food stamp assistance employment  
 144.15 and training services, a ~~registrant~~ participant who volunteers shall: (1) cooperate with  
 144.16 the county agency in all aspects of the food stamp employment and training program;  
 144.17 ~~and (2) accept any suitable employment, including employment offered through the Job~~  
 144.18 ~~Training Partnership Act, and other employment and training options; and (3) participate~~  
 144.19 in food stamp employment and training activities assigned by the county agency. The  
 144.20 county agency may terminate employment and training assistance to a ~~registrant~~ voluntary  
 144.21 participant who fails to cooperate in the food stamp employment and training program, ~~as~~  
 144.22 ~~provided in subdivision 1a~~ unless good cause is provided.

144.23 Subd. 3a. **Requirement to register work.** (a) To the extent required under Code  
 144.24 of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of  
 144.25 food stamps is required to register for work as a condition of eligibility for food stamp  
 144.26 benefits. Applicants and recipients are registered by signing an application or annual  
 144.27 reapplication for food stamps, and must be informed that they are registering for work  
 144.28 by signing the form.

144.29 (b) ~~The commissioner shall determine, within federal requirements, persons required~~  
 144.30 ~~to participate in the food stamp employment and training (FSET) program.~~

144.31 (c) ~~The following food stamp recipients are exempt from mandatory participation in~~  
 144.32 ~~food stamp employment and training services:~~

144.33 (1) ~~recipients of benefits under the Minnesota family investment program, Minnesota~~  
 144.34 ~~supplemental aid program, or the general assistance program;~~

144.35 (2) ~~a child;~~

144.36 (3) ~~a recipient over age 55;~~



145.1 ~~(4) a recipient who has a mental or physical illness, injury, or incapacity which is~~  
 145.2 ~~expected to continue for at least 30 days and which impairs the recipient's ability to obtain~~  
 145.3 ~~or retain employment as evidenced by professional certification or the receipt of temporary~~  
 145.4 ~~or permanent disability benefits issued by a private or government source;~~

145.5 ~~(5) a parent or other household member responsible for the care of either a~~  
 145.6 ~~dependent child in the household who is under age six or a person in the household who is~~  
 145.7 ~~professionally certified as having a physical or mental illness, injury, or incapacity. Only~~  
 145.8 ~~one parent or other household member may claim exemption under this provision;~~

145.9 ~~(6) a recipient receiving unemployment insurance or who has applied for~~  
 145.10 ~~unemployment insurance and has been required to register for work with the Department~~  
 145.11 ~~of Employment and Economic Development as part of the unemployment insurance~~  
 145.12 ~~application process;~~

145.13 ~~(7) a recipient participating each week in a drug addiction or alcohol abuse treatment~~  
 145.14 ~~and rehabilitation program, provided the operators of the treatment and rehabilitation~~  
 145.15 ~~program, in consultation with the county agency, recommend that the recipient not~~  
 145.16 ~~participate in the food stamp employment and training program;~~

145.17 ~~(8) a recipient employed or self-employed for 30 or more hours per week at~~  
 145.18 ~~employment paying at least minimum wage, or who earns wages from employment equal~~  
 145.19 ~~to or exceeding 30 hours multiplied by the federal minimum wage; or~~

145.20 ~~(9) a student enrolled at least half time in any school, training program, or institution~~  
 145.21 ~~of higher education. When determining if a student meets this criteria, the school's,~~  
 145.22 ~~program's or institution's criteria for being enrolled half time shall be used.~~

145.23 Subd. 3b. **Orientation.** The county agency or its employment and training service  
 145.24 ~~provider~~ providers must provide an orientation to food stamp employment and training  
 145.25 services to each nonexempt food stamp recipient within 30 days of the date that food  
 145.26 ~~stamp eligibility is determined~~ recipient within 30 days of the date that they agree to  
 145.27 volunteer. The orientation must inform the participant of the requirement to participate  
 145.28 benefits of participating in services, the date, time, and address to report to for services,  
 145.29 the name and telephone number of the food stamp employment and training service  
 145.30 provider, the consequences for failure without good cause to comply, the services and  
 145.31 support services available through food stamp employment and training services and other  
 145.32 providers of similar services, and must encourage the participant to view the food stamp  
 145.33 program as a temporary means of supplementing the family's food needs until the family  
 145.34 achieves self-sufficiency through employment. The orientation may be provided through  
 145.35 audio-visual methods, but the participant must have the opportunity for face-to-face  
 145.36 interaction with county agency staff.

146.1 Subd. 6b. **Federal reimbursement.** Federal financial participation from the United  
146.2 States Department of Agriculture for food stamp employment and training expenditures  
146.3 that are eligible for reimbursement through the food stamp employment and training  
146.4 program are dedicated funds and are annually appropriated to the commissioner of human  
146.5 services for the operation of the food stamp employment and training program. Funds  
146.6 appropriated under this subdivision must be used for skill attainment through employment,  
146.7 training, and support services for food stamp participants. Up to ten percent of the funds  
146.8 may be used for the administrative costs of capturing additional federal reimbursement  
146.9 dollars. By February 15, 2017, the commissioner shall report to the legislative committees  
146.10 having jurisdiction over the food stamp program on the progress of securing additional  
146.11 federal reimbursements dollars. Federal financial participation for the nonstate portion of  
146.12 food stamp employment and training costs must be paid to the county agency or services  
146.13 provider that incurred the costs at a rate to be determined by the Departments of Human  
146.14 Services and Employment and Economic Development.

146.15 Subd. 6c. **Program funding.** Within the limits of available resources, the  
146.16 commissioner shall reimburse the actual costs of county agencies and their employment  
146.17 and training service providers for the provision of food stamp employment and training  
146.18 services, including participant support services, direct program services, and program  
146.19 administrative activities. The cost of services for each county's food stamp employment and  
146.20 training program shall not exceed the annual allocated amount. No more than 15 percent of  
146.21 program funds may be used for administrative activities. The county agency may expend  
146.22 county funds in excess of the limits of this subdivision without state reimbursement.

146.23 Program funds shall be allocated based on the county's average number of food  
146.24 stamp cases as compared to the statewide total number of such cases. The average number  
146.25 of cases shall be based on counts of cases as of March 31, June 30, September 30, and  
146.26 December 31 of the previous calendar year. The commissioner may reallocate unexpended  
146.27 money appropriated under this section to those county agencies that demonstrate a need  
146.28 for additional funds.

146.29 Subd. 7. **Registrant status.** A registrant under this section is not an employee for  
146.30 the purposes of workers' compensation, unemployment benefits, retirement, or civil service  
146.31 laws, and shall not perform work ordinarily performed by a regular public employee.

146.32 Subd. 8. **Voluntary quit.** A person who is required to participate in food stamp  
146.33 employment and training services is not eligible for food stamps if, without good cause,  
146.34 the person refuses a legitimate offer of, or quits, suitable employment within 60 days  
146.35 before the date of application. A person who is required to participate in food stamp  
146.36 employment and training services and, without good cause, voluntarily quits suitable

147.1 employment or refuses a legitimate offer of suitable employment while receiving food  
 147.2 stamps shall be terminated from the food stamp program as specified in subdivision 1a.

147.3 Subd. 9. **Subcontractors.** A county agency may, at its option, subcontract any or all  
 147.4 of the duties under this section to a public or private entity approved by the commissioner  
 147.5 of employment and economic development.

147.6 Subd. 18. ~~Work experience~~ Workfare placements. (a) To the extent of available  
 147.7 resources, each county agency must establish and operate a ~~work experience~~ workfare  
 147.8 component in the food stamp employment and training program for recipients who are  
 147.9 subject to a federal limit of three months of food stamp eligibility in any 36-month period.  
 147.10 The purpose of the ~~work experience~~ workfare component is to enhance the participant's  
 147.11 employability, self-sufficiency, and to provide meaningful, productive work activities.

147.12 (b) The commissioner shall assist counties in the design and implementation of these  
 147.13 components. The commissioner must ensure that job placements under a ~~work experience~~  
 147.14 workfare component comply with section 256J.72. Written or oral concurrence with job  
 147.15 duties of persons placed under the ~~community work experience~~ workfare program shall be  
 147.16 obtained from the appropriate exclusive bargaining representative.

147.17 (c) Worksites developed under this section are limited to projects that serve a useful  
 147.18 public service such as health, social service, environmental protection, education, urban  
 147.19 and rural development and redevelopment, welfare, recreation, public facilities, public  
 147.20 safety, community service, services to aged or disabled citizens, and child care. To the  
 147.21 extent possible, the prior training, skills, and experience of a recipient must be used in  
 147.22 making appropriate ~~work experience~~ workfare assignments.

147.23 (d) Structured, supervised ~~volunteer~~ uncompensated work with an agency or  
 147.24 organization that is monitored by the county service provider may, with the approval of  
 147.25 the county agency, be used as a ~~work experience~~ workfare placement.

147.26 (e) As a condition of placing a person receiving food stamps in a program under this  
 147.27 subdivision, the county agency shall first provide the recipient the opportunity:

147.28 (1) for placement in suitable subsidized or unsubsidized employment through  
 147.29 participation in job search under section 256D.051; ~~or~~

147.30 (2) for placement in suitable employment through participation in ~~on-the-job training~~  
 147.31 a paid work experience, if such employment is available; or

147.32 (3) for placement in an educational program designed to increase job skills and  
 147.33 employability.

147.34 (f) The county agency shall limit the maximum monthly number of hours that any  
 147.35 participant may work in a ~~work experience~~ workfare placement to a number equal to the

148.1 amount of the family's monthly food stamp allotment divided by the greater of the federal  
148.2 minimum wage or the applicable state minimum wage.

148.3 After a participant has been assigned to a position for ~~nine~~ six months, the participant  
148.4 may not continue in that assignment unless the maximum number of hours a participant  
148.5 works is no greater than the amount of the food stamp benefit divided by the rate of pay  
148.6 for individuals employed in the same or similar occupations by the same employer at  
148.7 the same site.

148.8 (g) The participant's employability development plan must include the length  
148.9 of time needed in the ~~work-experience~~ workfare program, the need to continue job  
148.10 seeking activities while participating in ~~work-experience~~ the workfare program, and the  
148.11 participant's employment goals.

148.12 (h) After each six months of a recipient's participation in a ~~work-experience job~~  
148.13 workfare placement, and at the conclusion of each ~~work-experience~~ workfare assignment  
148.14 under this section, the county agency shall reassess and revise, as appropriate, the  
148.15 participant's employability development plan.

148.16 (i) A participant has good cause for failure to cooperate with a ~~work-experience job~~  
148.17 workfare placement if, in the judgment of the employment and training service provider,  
148.18 the reason for failure is reasonable and justified. ~~Good cause for purposes of this section is~~  
148.19 ~~defined in subdivision 1a, paragraph (b).~~

148.20 (j) A recipient who has failed without good cause to participate in or comply with the  
148.21 ~~work-experience job~~ a workfare placement shall be terminated from participation in ~~work~~  
148.22 ~~experience job~~ workfare activities. ~~If the recipient is not exempt from mandatory food~~  
148.23 ~~stamp employment and training program participation under subdivision 3a, the recipient~~  
148.24 ~~will be assigned to other mandatory program activities. If the recipient is exempt from~~  
148.25 ~~mandatory participation but is participating as a volunteer, the person shall be terminated~~  
148.26 ~~from the food stamp employment and training program.~~

148.27 Sec. 28. Laws 2013, chapter 108, article 14, section 2, subdivision 1, as amended by  
148.28 Laws 2014, chapter 312, article 31, section 3, is amended to read:

148.29 Subdivision 1. **Total Appropriation** \$ 6,437,815,000 \$ 6,456,311,000

148.30	Appropriations by Fund		
148.31		2014	2015
148.32	General	5,654,095,000	5,676,652,000
148.33	State Government		
148.34	Special Revenue	4,099,000	4,510,000
148.35	Health Care Access	519,816,000	518,446,000

149.1	Federal TANF	257,915,000	254,813,000
149.2	Lottery Prize Fund	1,890,000	1,890,000

149.3 **Receipts for Systems Projects.**

149.4 Appropriations and federal receipts for  
 149.5 information systems projects for MAXIS,  
 149.6 PRISM, MMIS, and SSIS must be deposited  
 149.7 in the state system account authorized  
 149.8 in Minnesota Statutes, section 256.014.

149.9 Money appropriated for computer projects  
 149.10 approved by the commissioner of Minnesota  
 149.11 information technology services, funded  
 149.12 by the legislature, and approved by the  
 149.13 commissioner of management and budget,  
 149.14 may be transferred from one project to  
 149.15 another and from development to operations  
 149.16 as the commissioner of human services  
 149.17 considers necessary. Any unexpended  
 149.18 balance in the appropriation for these  
 149.19 projects does not cancel but is available for  
 149.20 ongoing development and operations.

149.21 **Nonfederal Share Transfers.** The  
 149.22 nonfederal share of activities for which  
 149.23 federal administrative reimbursement is  
 149.24 appropriated to the commissioner may be  
 149.25 transferred to the special revenue fund.

149.26 **ARRA Supplemental Nutrition Assistance**

149.27 **Benefit Increases.** The funds provided for  
 149.28 food support benefit increases under the  
 149.29 Supplemental Nutrition Assistance Program  
 149.30 provisions of the American Recovery and  
 149.31 Reinvestment Act (ARRA) of 2009 must be  
 149.32 used for benefit increases beginning July 1,  
 149.33 2009.

149.34 **Supplemental Nutrition Assistance**

149.35 **Program Employment and Training.**

150.1 (1) Notwithstanding Minnesota Statutes,  
 150.2 sections 256D.051, subdivisions 1a, 6b,  
 150.3 and 6c, and 256J.626, federal Supplemental  
 150.4 Nutrition Assistance employment and  
 150.5 training funds received as reimbursement of  
 150.6 MFIP consolidated fund grant expenditures  
 150.7 for diversionary work program participants  
 150.8 and child care assistance program  
 150.9 expenditures must be deposited in the general  
 150.10 fund. The amount of funds must be limited to  
 150.11 \$4,900,000 per year in fiscal years 2014 and  
 150.12 2015, and to \$4,400,000 ~~per year~~ in fiscal  
 150.13 years year 2016 ~~and 2017~~, contingent on  
 150.14 approval by the federal Food and Nutrition  
 150.15 Service.

150.16 (2) Notwithstanding Minnesota Statutes,  
 150.17 sections 256D.051, subdivisions 1a, 6b, and  
 150.18 6c, and 256J.626, in fiscal year 2017, up to  
 150.19 \$4,400,000 in federal Supplemental Nutrition  
 150.20 Assistance employment and training  
 150.21 funds received as reimbursement of MFIP  
 150.22 consolidated fund grant expenditures for  
 150.23 diversionary work program participants and  
 150.24 child care assistance program expenditures  
 150.25 is appropriated to the commissioner of  
 150.26 human services to expand the Supplemental  
 150.27 Nutrition Assistance Program Employment  
 150.28 and Training Program, including  
 150.29 administrative costs, contingent on approval  
 150.30 by the federal Food and Nutrition Service.

150.31 ~~(2)~~ (3) Consistent with the receipt of the  
 150.32 federal funds, the commissioner may  
 150.33 adjust the level of working family credit  
 150.34 expenditures claimed as TANF maintenance  
 150.35 of effort. Notwithstanding any contrary

151.1 provision in this article, this rider expires  
151.2 June 30, 2017.

151.3 **TANF Maintenance of Effort.** (a) In order  
151.4 to meet the basic maintenance of effort  
151.5 (MOE) requirements of the TANF block grant  
151.6 specified under Code of Federal Regulations,  
151.7 title 45, section 263.1, the commissioner may  
151.8 only report nonfederal money expended for  
151.9 allowable activities listed in the following  
151.10 clauses as TANF/MOE expenditures:

151.11 (1) MFIP cash, diversionary work program,  
151.12 and food assistance benefits under Minnesota  
151.13 Statutes, chapter 256J;

151.14 (2) the child care assistance programs  
151.15 under Minnesota Statutes, sections 119B.03  
151.16 and 119B.05, and county child care  
151.17 administrative costs under Minnesota  
151.18 Statutes, section 119B.15;

151.19 (3) state and county MFIP administrative  
151.20 costs under Minnesota Statutes, chapters  
151.21 256J and 256K;

151.22 (4) state, county, and tribal MFIP  
151.23 employment services under Minnesota  
151.24 Statutes, chapters 256J and 256K;

151.25 (5) expenditures made on behalf of legal  
151.26 noncitizen MFIP recipients who qualify for  
151.27 the MinnesotaCare program under Minnesota  
151.28 Statutes, chapter 256L;

151.29 (6) qualifying working family credit  
151.30 expenditures under Minnesota Statutes,  
151.31 section 290.0671;

151.32 (7) qualifying Minnesota education credit  
151.33 expenditures under Minnesota Statutes,  
151.34 section 290.0674; and

152.1 (8) qualifying Head Start expenditures under  
152.2 Minnesota Statutes, section 119A.50.

152.3 (b) The commissioner shall ensure that  
152.4 sufficient qualified nonfederal expenditures  
152.5 are made each year to meet the state's  
152.6 TANF/MOE requirements. For the activities  
152.7 listed in paragraph (a), clauses (2) to  
152.8 (8), the commissioner may only report  
152.9 expenditures that are excluded from the  
152.10 definition of assistance under Code of  
152.11 Federal Regulations, title 45, section 260.31.

152.12 (c) For fiscal years beginning with state fiscal  
152.13 year 2003, the commissioner shall ensure  
152.14 that the maintenance of effort used by the  
152.15 commissioner of management and budget  
152.16 for the February and November forecasts  
152.17 required under Minnesota Statutes, section  
152.18 16A.103, contains expenditures under  
152.19 paragraph (a), clause (1), equal to at least 16  
152.20 percent of the total required under Code of  
152.21 Federal Regulations, title 45, section 263.1.

152.22 (d) The requirement in Minnesota Statutes,  
152.23 section 256.011, subdivision 3, that federal  
152.24 grants or aids secured or obtained under that  
152.25 subdivision be used to reduce any direct  
152.26 appropriations provided by law, do not apply  
152.27 if the grants or aids are federal TANF funds.

152.28 (e) For the federal fiscal years beginning on  
152.29 or after October 1, 2007, the commissioner  
152.30 may not claim an amount of TANF/MOE in  
152.31 excess of the 75 percent standard in Code  
152.32 of Federal Regulations, title 45, section  
152.33 263.1(a)(2), except:

152.34 (1) to the extent necessary to meet the 80  
152.35 percent standard under Code of Federal



153.1 Regulations, title 45, section 263.1(a)(1),  
 153.2 if it is determined by the commissioner  
 153.3 that the state will not meet the TANF work  
 153.4 participation target rate for the current year;  
 153.5 (2) to provide any additional amounts  
 153.6 under Code of Federal Regulations, title 45,  
 153.7 section 264.5, that relate to replacement of  
 153.8 TANF funds due to the operation of TANF  
 153.9 penalties; and  
 153.10 (3) to provide any additional amounts that  
 153.11 may contribute to avoiding or reducing  
 153.12 TANF work participation penalties through  
 153.13 the operation of the excess MOE provisions  
 153.14 of Code of Federal Regulations, title 45,  
 153.15 section 261.43(a)(2).  
 153.16 (f) For the purposes of paragraph (e), clauses  
 153.17 (1) to (3), the commissioner may supplement  
 153.18 the MOE claim with working family credit  
 153.19 expenditures or other qualified expenditures  
 153.20 to the extent such expenditures are otherwise  
 153.21 available after considering the expenditures  
 153.22 allowed in this subdivision and ~~subdivisions~~  
 153.23 subdivision 2 and 3.  
 153.24 ~~(f)~~ (g) Notwithstanding any contrary  
 153.25 provision in this article, paragraphs (a) to (e)  
 153.26 expire June 30, ~~2017~~ 2019.  
 153.27 **Working Family Credit Expenditures**  
 153.28 **as TANF/MOE.** The commissioner may  
 153.29 claim as TANF maintenance of effort up to  
 153.30 \$6,707,000 per year of working family credit  
 153.31 expenditures in each fiscal year.

153.32 Sec. 29. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision 5,  
 153.33 is amended to read:

154.1			8,519,000
154.2	<b>Subd. 5. Family Homeless Prevention</b>	8,519,000	<u>8,769,000</u>
154.3	This appropriation is for the family homeless		
154.4	prevention and assistance programs under		
154.5	Minnesota Statutes, section 462A.204. <u>Of</u>		
154.6	<u>this amount, \$250,000 in the second year</u>		
154.7	<u>is a onetime appropriation for grants to</u>		
154.8	<u>eligible applicants to create or expand risk</u>		
154.9	<u>mitigation programs to reduce landlord</u>		
154.10	<u>financial risks for renting to persons eligible</u>		
154.11	<u>under Minnesota Statutes, section 462A.204.</u>		
154.12	<u>Eligible programs may reimburse landlords</u>		
154.13	<u>for costs including but not limited to</u>		
154.14	<u>nonpayment of rent, or damage costs above</u>		
154.15	<u>those costs covered by security deposits. The</u>		
154.16	<u>agency may give higher priority to applicants</u>		
154.17	<u>that can demonstrate a matching amount</u>		
154.18	<u>of money by a local unit of government,</u>		
154.19	<u>business, or nonprofit organization. Grantees</u>		
154.20	<u>must establish a procedure to review and</u>		
154.21	<u>validate claims and reimbursements under</u>		
154.22	<u>this grant program.</u>		
154.23	Sec. 30. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision 6,		
154.24	is amended to read:		
154.25			885,000
154.26	<b>Subd. 6. Home Ownership Assistance Fund</b>	885,000	<u>3,885,000</u>
154.27	This appropriation is for the home ownership		
154.28	assistance program under Minnesota		
154.29	Statutes, section 462A.21, subdivision 8.		
154.30	The agency shall continue to strengthen		
154.31	its efforts to address the disparity gap in		
154.32	the homeownership rate between white		
154.33	households and indigenous American Indians		
154.34	and communities of color.		

155.1 Sec. 31. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision  
155.2 10, is amended to read:

155.3			<del>375,000</del>
155.4	Subd. 10. <b>Capacity Building Grants</b>	375,000	<u>875,000</u>

155.5 (a) This appropriation is for nonprofit  
155.6 capacity building grants under Minnesota  
155.7 Statutes, section 462A.21, subdivision 3b.  
155.8 Of this amount, \$125,000 each year is  
155.9 for support of the Homeless Management  
155.10 Information System (HMIS).

155.11 (b) \$500,000 is a onetime appropriation  
155.12 for competitive grants to nonprofit housing  
155.13 organizations, housing and redevelopment  
155.14 authorities, or other political subdivisions  
155.15 to provide intensive financial education and  
155.16 coaching services to individuals or families  
155.17 who have the goal of homeownership.  
155.18 Financial education and coaching services  
155.19 include but are not limited to asset building,  
155.20 development of spending plans, credit report  
155.21 education, repair and rebuilding, consumer  
155.22 protection training, and debt reduction.  
155.23 Priority must be given to organizations  
155.24 that have experience serving underserved  
155.25 populations.

155.26 Sec. 32. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision  
155.27 3, is amended to read:

155.28 Subd. 3. **GED tests.** For payment of ~~60 percent~~ of the costs of GED tests as  
155.29 provided under Minnesota Statutes, section 124D.55:

155.30	\$	125,000	.....	2016
155.31		<del>125,000</del>		
155.32	\$	<u>245,000</u>	.....	2017

155.33 The base appropriation for fiscal year 2018 and later is \$125,000.

155.34 Sec. 33. **STEPPING UP FOR KIDS; FINANCIAL ASSISTANCE.**

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

156.3 (b) "High needs area" means a high needs area as defined in the Department of  
156.4 Education biannual teacher supply and demand report under Minnesota Statutes, section  
156.5 127A.05, subdivision 6, or other surveys conducted by the Department of Education that  
156.6 provide indicators for teacher supply and demand needs not captured by the teacher  
156.7 supply and demand report.

156.8 (c) "High needs school" means a school that:

156.9 (1) is identified as a low performing school under federal expectations; and

156.10 (2) is above the state average in concentration of students qualifying for free and  
156.11 reduced-price lunch.

156.12 (d) "Qualified candidate" means a paraprofessional employed in a Minnesota school  
156.13 currently or within the past three years who has been admitted to an institution as defined  
156.14 under Minnesota Statutes, section 136A.101, subdivision 4, located in Minnesota with  
156.15 an approved Minnesota teacher licensure program and meets the program eligibility  
156.16 requirements in subdivision 3 and in policies adopted under subdivision 5.

156.17 Subd. 2. **Eligibility.** (a) A qualified candidate may apply, beginning in the  
156.18 2017-2018 academic year, to the commissioner of the Office of Higher Education to  
156.19 receive financial assistance under this section. The commissioner of the Office of Higher  
156.20 Education shall award financial assistance to paraprofessionals employed in high needs  
156.21 areas or high needs schools based on shortages, geographical distribution, or other surveys  
156.22 conducted by the Department of Education and must take into consideration diversifying  
156.23 the teacher workforce. The application must include a letter of support from the designated  
156.24 school district administrator where the paraprofessional is employed.

156.25 (b) A candidate must commit to remain employed in a Minnesota school district for  
156.26 four years upon completion of teacher preparation as verified through the Staff Automated  
156.27 Reporting (STAR) system maintained by the Department of Education. A candidate  
156.28 who does not complete the four-year service commitment may be required to repay the  
156.29 financial assistance.

156.30 (c) A candidate must provide a letter of intent, demonstrating an interest in teaching  
156.31 in a high needs area or high needs school, upon completing the teacher preparation  
156.32 program and receiving a teaching license.

156.33 Subd. 3. **Usage.** The financial assistance may only be used for tuition and related  
156.34 living and miscellaneous expenses required to complete teacher preparation and attain  
156.35 licensure.

157.1 Subd. 4. **Policymaking.** The commissioner of education with assistance from the  
 157.2 commissioner of the Office of Higher Education shall adopt policies or procedures to  
 157.3 implement this section, including:

- 157.4 (1) additional eligibility and renewal criteria;  
 157.5 (2) annual and lifetime maximum awards per student; and  
 157.6 (3) service fulfillment and repayment criteria.

157.7 Sec. 34. **GOOD FOOD ACCESS ADVISORY COMMITTEE.**

157.8 The commissioner of agriculture and designating authorities must make their initial  
 157.9 appointments and designations by July 1, 2016, for the Good Food Access Advisory  
 157.10 Committee established under Minnesota Statutes, section 17.1018. The commissioner of  
 157.11 agriculture or the commissioner's designee must convene the first meeting of the Good  
 157.12 Food Access Advisory Committee by September 1, 2016.

157.13 Sec. 35. **REQUIREMENTS FOR GRANTS TO INDIVIDUALLY SPECIFIED**  
 157.14 **RECIPIENTS.**

157.15 (a) **Application.** This section applies to any grant funded under this act where the  
 157.16 recipient of the grant is individually specified in this act. The commissioner serving as the  
 157.17 fiscal agent for the grant must ensure compliance with the requirements of this section, and  
 157.18 all applicable requirements under existing law, including applicable grants management  
 157.19 policies and procedures established by the Office of Grants Management.

157.20 (b) **Prerequisites.** Before any funding is provided to the grant recipient, the  
 157.21 recipient must provide the fiscal agent with a description of the following information in  
 157.22 a grant application:

- 157.23 (1) the purpose of the grant, including goals, priorities, and measurable outcomes;  
 157.24 (2) eligibility requirements for individuals who will be served by the grant program;  
 157.25 (3) the proposed geographic service areas for individuals served by the grant; and  
 157.26 (4) the reporting requirements.

157.27 These requirements are in addition to any requirements under existing laws and policies.

157.28 (c) **Financial Review.** Office of Grants Management Operating Policy and  
 157.29 Procedure number 08-06, titled "Policy on the Financial Review of Nongovernmental  
 157.30 Organizations" applies in pertinent part to all grants covered by paragraph (a).

157.31 (d) **Reporting to Fiscal Agent.** In addition to meeting any reporting requirements  
 157.32 included in the grant agreement, grant recipients subject to this section must provide the  
 157.33 following information to the commissioner serving as fiscal agent:

- 157.34 (1) a detailed accounting of the use of any grant proceeds;

158.1 (2) a description of program outcomes to date, including performance measured  
 158.2 against indicators specified in the grant agreement, including, but not limited to, job  
 158.3 creation, employment activity, wage information, business formation or expansion, and  
 158.4 academic performance; and

158.5 (3) the portion of the grant, if any, spent on the recipient's operating expenses.

158.6 Grant recipients must report the information required under this paragraph to the fiscal  
 158.7 agent within one year after receiving any portion of the grant, annually thereafter, and  
 158.8 within 30 days following the use of all funds provided under the grant.

158.9 (e) Reporting to Legislature. Beginning January 15, 2017, a commissioner serving  
 158.10 as a fiscal agent for a grant subject to this section must submit a report containing the  
 158.11 information provided by the grant recipients to the chairs and ranking minority members  
 158.12 of the legislative committees and budget divisions with jurisdiction over the agency  
 158.13 serving as fiscal agent for the grant. The report submitted under this section must also  
 158.14 include the commissioner's summary of the use of grant proceeds, and an analysis of  
 158.15 the grant recipients' success in meeting the goals, priorities, and measurable outcomes  
 158.16 specified for the grant. An updated version of this report must be submitted on January  
 158.17 15 of each succeeding year until January 15 in the year following the date when all of  
 158.18 the grant funds have been spent.

158.19 Sec. 36. **REVISOR'S INSTRUCTION.**

158.20 In the next editions of Minnesota Statutes and Minnesota Rules, the Revisor of  
 158.21 Statutes shall change the term "Urban Initiative Board" to "Minnesota Initiative Board,"  
 158.22 "board," or similar terms as the context requires.

158.23 Sec. 37. **REPEALER.**

158.24 Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 8, is  
 158.25 repealed.

158.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

## 158.27 **ARTICLE 7**

### 158.28 **ENVIRONMENT AND ENERGY**

158.29 Section 1. **APPROPRIATIONS.**

158.30 The sums shown in the columns marked "Appropriations" are added to the  
 158.31 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the  
 158.32 agencies and for the purposes specified in this article. The appropriations are from the

159.1 general fund, or another named fund, and are available for the fiscal year indicated for  
 159.2 each purpose. The figures "2016" and "2017" used in this article mean that the addition  
 159.3 to the appropriations listed under them are available for the fiscal year ending June 30,  
 159.4 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second  
 159.5 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day  
 159.6 following final enactment.

159.7		<b><u>APPROPRIATIONS</u></b>	
159.8		<b><u>Available for the Year</u></b>	
159.9		<b><u>Ending June 30</u></b>	
159.10		<b><u>2016</u></b>	<b><u>2017</u></b>

159.11 **Sec. 2. POLLUTION CONTROL AGENCY**

159.12	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>143,000</u></b>	<b><u>\$</u></b>	<b><u>6,867,000</u></b>
--------	--	------------------	-----------------------	------------------	-------------------------

159.13	<u>Appropriations by Fund</u>			
159.14		<u>2016</u>	<u>2017</u>	
159.15	<u>General</u>	<u>143,000</u>	<u>2,759,000</u>	
159.16	<u>Environmental</u>	<u>-0-</u>	<u>4,108,000</u>	

159.17	<b><u>Subd. 2. Water</u></b>		<u>-0-</u>		<u>1,146,000</u>
--------	------------------------------	--	------------	--	------------------

159.18 \$923,000 the second year is to meet the  
 159.19 increased demand for technical assistance  
 159.20 and review of municipal water infrastructure  
 159.21 projects that will be generated by increased  
 159.22 grant funding through the Public Facilities  
 159.23 Authority. This is a onetime appropriation  
 159.24 and is available until June 30, 2019.

159.25 \$108,000 the second year is from the  
 159.26 environmental fund to manage a rulemaking  
 159.27 process to enhance equity in the water  
 159.28 program permit fee structure.

159.29 \$115,000 the second year is for the working  
 159.30 lands program feasibility study and program  
 159.31 plan. This is a onetime appropriation and is  
 159.32 available until June 30, 2018.

159.33	<b><u>Subd. 3. Land</u></b>		<u>-0-</u>		<u>432,000</u>
--------	-----------------------------	--	------------	--	----------------

160.1	<u>\$432,000 the second year is to manage</u>		
160.2	<u>contaminated sediment projects at multiple</u>		
160.3	<u>sites identified in the St. Louis River</u>		
160.4	<u>remedial action plan to restore water quality</u>		
160.5	<u>in the St. Louis River area of concern. This</u>		
160.6	<u>amount is added to the base for fiscal years</u>		
160.7	<u>2018, 2019, and 2020 only.</u>		
160.8	<b>Subd. 4. <u>Environmental Assistance and</u></b>		
160.9	<b><u>Cross-Media</u></b>	<u>-0-</u>	<u>4,000,000</u>
160.10	<u>\$4,000,000 is appropriated from the</u>		
160.11	<u>environmental fund for SCORE block grants</u>		
160.12	<u>to counties. This amount is in addition to the</u>		
160.13	<u>amounts appropriated in Laws 2015, First</u>		
160.14	<u>Special Session chapter 4, article 3, section 2,</u>		
160.15	<u>subdivision 5. The forecast base for SCORE</u>		
160.16	<u>grants in fiscal year 2018 is \$21,250,000 and</u>		
160.17	<u>in fiscal year 2019 and later is \$25,250,000.</u>		
160.18	<b>Subd. 5. <u>Administrative Services</u></b>	<u>143,000</u>	<u>1,289,000</u>
160.19	<u>\$143,000 the first year and \$1,289,000</u>		
160.20	<u>the second year are for legal support costs</u>		
160.21	<u>related to the agency's environmental review</u>		
160.22	<u>and permitting decisions on the PolyMet</u>		
160.23	<u>NorthMet project. This is a onetime</u>		
160.24	<u>appropriation and is available until June 30,</u>		
160.25	<u>2019.</u>		
160.26	<b>Sec. 3. <u>BOARD OF WATER AND SOIL</u></b>		
160.27	<b><u>RESOURCES</u></b>	<u>\$</u>	<u>-0- \$</u> <u>729,000</u>
160.28	<u>\$479,000 the second year is for the working</u>		
160.29	<u>lands program feasibility study and program</u>		
160.30	<u>plan. This is a onetime appropriation and is</u>		
160.31	<u>available until June 30, 2018.</u>		
160.32	<u>\$250,000 the second year is to initiate</u>		
160.33	<u>development and coordination of Minnesota</u>		
160.34	<u>River Basin goals and strategies for sediment</u>		



161.1 reduction, flow reduction, and nutrient

161.2 reduction. This is a onetime appropriation.

161.3 Sec. 4. **[103F.519] WORKING LANDS WATERSHED RESTORATION**

161.4 **PROGRAM.**

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

161.7 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

161.8 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

161.9 (d) "Biomass processing facility" means a facility producing electricity, advanced  
161.10 biofuel, renewable chemical, or biomass thermal energy from perennial crops.

161.11 (e) "Biomass thermal energy" means energy generated from biomass for commercial  
161.12 heat or industrial process heat.

161.13 (f) "Board" means the Board of Water and Soil Resources.

161.14 (g) "Perennial crops" has the meaning given in section 41A.15, subdivision 9.

161.15 (h) "Renewable chemical" has the meaning given in section 41A.15, subdivision 10.

161.16 Subd. 2. **Establishment.** The board, in consultation with the commissioner of  
161.17 agriculture, shall administer a program to incentivize the establishment and maintenance  
161.18 of perennial crops. The board shall contract with landowners and give priority to contracts  
161.19 that implement water protection actions as identified in a completed watershed restoration  
161.20 and protection strategy developed under section 114D.26.

161.21 Subd. 3. **Eligible land.** Land eligible under this section must:

161.22 (1) have been in agricultural use for annual crop production or have been set aside,  
161.23 enrolled, or diverted under another federal or state government program for at least two  
161.24 of the last five years before the date of application; and

161.25 (2) not be currently set aside, enrolled, or diverted under another federal or state  
161.26 government program.

161.27 Subd. 4. **Contract terms; use as livestock feed.** (a) The board shall offer a contract  
161.28 rate of no more than 90 percent of the most recent federal conservation reserve program  
161.29 payment for the county in which the land is located. The board may make additional  
161.30 payments to assist with the establishment of perennial crops.

161.31 (b) Contracts must be at least ten years in duration.

161.32 (c) Perennial crops grown on land enrolled under this section may be used by a  
161.33 biomass processing facility or for livestock feed. Perennial crops may be processed in a  
161.34 manner that utilizes a portion of the plant for livestock.

162.1 (d) The board shall prioritize land with the highest potential to leverage federal  
 162.2 funding.

162.3 (e) The board may establish additional contract terms.

162.4 Subd. 5. **Pilot watershed selection.** The board may select up to two watersheds in  
 162.5 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds  
 162.6 must have, as determined by the board:

162.7 (1) a completed watershed restoration and protection strategy developed under  
 162.8 section 114D.26, or a hydrological simulation program model approved by the Pollution  
 162.9 Control Agency;

162.10 (2) multiple water quality impairments;

162.11 (3) access to a viable proposed biomass processing facility for the perennial crops  
 162.12 grown under this section; and

162.13 (4) sufficient acres of cropland available for perennial crop production to adequately  
 162.14 supply the proposed biomass processing facility.

162.15 Sec. 5. Minnesota Statutes 2014, section 115B.48, is amended by adding a subdivision  
 162.16 to read:

162.17 Subd. 10. **Owner or operator.** "Owner or operator" means a person who:

162.18 (1) owns or has owned a dry cleaning facility during the time the dry cleaning  
 162.19 facility operated; or

162.20 (2) operates or has operated a dry cleaning facility.

162.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

162.22 Sec. 6. Minnesota Statutes 2014, section 115B.50, subdivision 3, is amended to read:

162.23 Subd. 3. **Limitation on amount that may be spent.** The commissioner may not, in  
 162.24 a single fiscal year, make expenditures from the account related to a single dry cleaning  
 162.25 facility that exceed 20 percent of the balance in the account at the beginning of the fiscal  
 162.26 year \$100,000.

162.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

162.28 Sec. 7. Minnesota Statutes 2014, section 115B.50, is amended by adding a subdivision  
 162.29 to read:

162.30 Subd. 4. **Reimbursement adjustment rulemaking.** The commissioner may use  
 162.31 the expedited rulemaking process under section 14.389 to adjust reimbursement dollar  
 162.32 amounts contained in the rules established under subdivision 2.

163.1 Sec. 8. Minnesota Statutes 2014, section 115C.13, is amended to read:

163.2 **115C.13 REPEALER.**

163.3 Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05,  
163.4 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11,  
163.5 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, ~~2017~~ 2022.

163.6 Sec. 9. Minnesota Statutes 2014, section 216B.2424, subdivision 5a, is amended to read:

163.7 Subd. 5a. **Reduction of biomass mandate.** (a) Notwithstanding subdivision 5, the  
163.8 biomass electric energy mandate must be reduced from 125 megawatts to 110 megawatts.

163.9 (b) The Public Utilities Commission shall approve a request pending before the  
163.10 commission as of May 15, 2003, for amendments to and assignment of a power purchase  
163.11 agreement with the owner of a facility that uses short-rotation, woody crops as its primary  
163.12 fuel previously approved to satisfy a portion of the biomass mandate if the owner of  
163.13 the project agrees to reduce the size of its project from 50 megawatts to 35 megawatts,  
163.14 while maintaining an average price for energy in nominal dollars measured over the term  
163.15 of the power purchase agreement at or below \$104 per megawatt-hour, exclusive of any  
163.16 price adjustments that may take effect subsequent to commission approval of the power  
163.17 purchase agreement, as amended. The commission shall also approve, as necessary, any  
163.18 subsequent assignment or sale of the power purchase agreement or ownership of the  
163.19 project to an entity owned or controlled, directly or indirectly, by two municipal utilities  
163.20 located north of Constitutional Route No. 8, as described in section 161.114, which  
163.21 currently own electric and steam generation facilities using coal as a fuel and which  
163.22 propose to retrofit their existing municipal electrical generating facilities to utilize biomass  
163.23 fuels in order to perform the power purchase agreement.

163.24 (c) If the power purchase agreement described in paragraph (b) is assigned to an  
163.25 entity that is, or becomes, owned or controlled, directly or indirectly, by two municipal  
163.26 entities as described in paragraph (b), and the power purchase agreement meets the  
163.27 price requirements of paragraph (b), the commission shall approve any amendments to  
163.28 the power purchase agreement necessary to reflect the changes in project location and  
163.29 ownership and any other amendments made necessary by those changes. The commission  
163.30 shall also specifically find that:

163.31 (1) the power purchase agreement complies with and fully satisfies the provisions of  
163.32 this section to the full extent of its 35-megawatt capacity;

163.33 (2) all costs incurred by the public utility and all amounts to be paid by the public  
163.34 utility to the project owner under the terms of the power purchase agreement are fully  
163.35 recoverable pursuant to section 216B.1645;

164.1 (3) subject to prudence review by the commission, the public utility may recover  
164.2 from its Minnesota retail customers the amounts that may be incurred and paid by the  
164.3 public utility during the full term of the power purchase agreement; and

164.4 (4) if the purchase power agreement meets the requirements of this subdivision,  
164.5 it is reasonable and in the public interest.

164.6 (d) The commission shall specifically approve recovery by the public utility of  
164.7 any and all Minnesota jurisdictional costs incurred by the public utility to improve,  
164.8 construct, install, or upgrade transmission, distribution, or other electrical facilities owned  
164.9 by the public utility or other persons in order to permit interconnection of the retrofitted  
164.10 biomass-fueled generating facilities or to obtain transmission service for the energy  
164.11 provided by the facilities to the public utility pursuant to section 216B.1645, and shall  
164.12 disapprove any provision in the power purchase agreement that requires the developer  
164.13 or owner of the project to pay the jurisdictional costs or that permit the public utility to  
164.14 terminate the power purchase agreement as a result of the existence of those costs or the  
164.15 public utility's obligation to pay any or all of those costs.

164.16 (e) Upon request by the project owner, the public utility shall agree to amend the  
164.17 power purchase agreement described in paragraph (b) and approved by the commission  
164.18 as required by paragraph (c). The amendment must be negotiated and executed within  
164.19 45 days of May 14, 2013, and must apply to prices paid after January 1, 2014. The  
164.20 average price for energy in nominal dollars measured over the term of the power purchase  
164.21 agreement must not exceed \$109.20 per megawatt hour. The public utility shall request  
164.22 approval of the amendment by the commission within 30 days of execution of the  
164.23 amended power purchase agreement. The amendment is not effective until approval  
164.24 by the commission. The commission shall act on the amendment within 90 days of  
164.25 submission of the request by the public utility. Upon approval of the amended power  
164.26 purchase agreement, the commission shall allow the public utility to recover the costs of  
164.27 the amended power purchase agreement, as provided in section 216B.1645.

164.28 (f) With respect to the power purchase agreement described in paragraph (b), and  
164.29 amended and approved by the commission pursuant to paragraphs (c) and (e), upon  
164.30 request by the project owner, the public utility shall agree to amend the power purchase  
164.31 agreement to include a fuel cost adjustment clause which requires the public utility to  
164.32 reimburse the project owner monthly for all costs incurred by the project owner during  
164.33 the applicable month to procure and transport all fuel used to produce energy for delivery  
164.34 to the public utility pursuant to the power purchase agreement to the extent such costs  
164.35 exceeded \$3.40 per million metric British thermal unit (MMBTU), in addition to the price  
164.36 to be paid for the energy produced and delivered by the project owner. Reimbursable

165.1 costs include but are not limited to: (1) all costs incurred to load fuel at its source; (2)  
165.2 costs to transport fuel (i) to the biomass-fueled generating facilities or to an intermediate  
165.3 woodyard, storage facility, or handling facility, or (ii) from a facility to the biomass-fueled  
165.4 generating facilities; (3) depreciation of any depreciable loading, woodyard, storage,  
165.5 handling, or transportation equipment whether the vehicle or equipment is located at the  
165.6 fuel source, a woodyard, storage facility, handling facility, or at the generating facilities;  
165.7 and (4) costs to unload fuel at the generating facilities. Beginning with 2014, at the end of  
165.8 each calendar year of the term of the power purchase agreement, the project owner shall  
165.9 calculate the amount by which actual fuel costs for the year exceeded \$3.40 per MMBTU,  
165.10 and prior monthly payment for such fuel costs shall be reconciled against actual fuel costs  
165.11 for the applicable calendar year. If such prior monthly fuel payments for the year in the  
165.12 aggregate exceed the amount due based on the annual calculation, the project owner shall  
165.13 credit the public utility for the excess paid. If the annual calculation of fuel costs due  
165.14 exceeds the prior monthly fuel payments for the year in the aggregate, the project owner  
165.15 shall be entitled to be paid for the deficiency with the next invoice to the public utility.  
165.16 The amendment shall be negotiated and executed within 45 days of May 13, 2013, and  
165.17 shall be effective for fuel costs incurred and prices after January 1, 2014. The public  
165.18 utility shall request approval of the amendment by the commission, and the commission  
165.19 shall approve the amendment as reasonable and in the public interest and allow the public  
165.20 utility to recover from its Minnesota retail customers the amounts paid by the public utility  
165.21 to the project owner pursuant to the power purchase agreement during the full term of  
165.22 the power purchase agreement, including the reimbursement of fuel costs pursuant to the  
165.23 power purchase agreement amendment, reimbursable costs as provided in this paragraph,  
165.24 pursuant to section 216B.1645, or otherwise.

165.25 (g) With respect to the power purchase agreement described in paragraph (b) and  
165.26 approved by the commission pursuant to paragraphs (c) and (e), the public utility is  
165.27 prohibited from recovering from the project owner any costs which were not actually and  
165.28 reasonably incurred by the utility, notwithstanding any provision in the power purchase  
165.29 agreement to the contrary. In addition, beginning with 2012, the public utility shall pay for  
165.30 all energy delivered by the project owner pursuant to the power purchase agreement at  
165.31 the full price for such energy in the power purchase agreement approved and amended  
165.32 pursuant to paragraph (e), provided that the project owner does not deliver more than  
165.33 110 percent of the amount scheduled for delivery in any year of the power purchase  
165.34 agreement, and does not deliver, on average over any five consecutive years of the power  
165.35 purchase agreement, an amount greater than 105 percent of the amount scheduled for  
165.36 delivery over the five-year period.

166.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2014.

166.2 Sec. 10. Minnesota Statutes 2014, section 216B.62, subdivision 2, is amended to read:

166.3 Subd. 2. **Assessing specific utility.** Whenever the commission or department, in a  
166.4 proceeding upon its own motion, on complaint, or upon an application to it, shall deem it  
166.5 necessary, in order to carry out the duties imposed under this chapter (1) to investigate the  
166.6 books, accounts, practices, and activities of, or make appraisals of the property of, any  
166.7 public utility, (2) to render any engineering or accounting services to any public utility, or  
166.8 (3) to intervene before an energy regulatory agency, the public utility shall pay the expenses  
166.9 reasonably attributable to the investigation, appraisal, service, or intervention. The  
166.10 commission and department shall ascertain the expenses, and the department shall render  
166.11 a bill therefor to the public utility, either at the conclusion of the investigation, appraisal,  
166.12 or services, or from time to time during its progress, which bill shall constitute notice of  
166.13 the assessment and a demand for payment. The amount of the bills so rendered by the  
166.14 department shall be paid by the public utility into the state treasury within 30 days from the  
166.15 date of rendition. The total amount, in any one calendar year, for which any public utility  
166.16 shall become liable, by reason of costs incurred by the commission within that calendar  
166.17 year, shall not exceed two-fifths of one percent of the gross operating revenue from retail  
166.18 sales of gas, or electric service by the public utility within the state in the last preceding  
166.19 calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar  
166.20 year which are in excess of two-fifths of one percent of the gross operating revenues, the  
166.21 excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall  
166.22 be paid out of the general appropriation or special revenue fund to the department and  
166.23 commission. In the case of public utilities offering more than one public utility service  
166.24 only the gross operating revenues from the public utility service in connection with which  
166.25 the investigation is being conducted shall be considered when determining this limitation.

166.26 Sec. 11. Minnesota Statutes 2014, section 216B.62, is amended by adding a subdivision  
166.27 to read:

166.28 Subd. 9. **Utility assessment account; appropriation.** The utility assessment  
166.29 account is created as a separate account in the special revenue fund in the state treasury.  
166.30 Funds received by the department for the assessment of costs related to the energy  
166.31 planning and advocacy unit under subdivisions 2 and 3 must be deposited into this  
166.32 account and are annually appropriated to the commissioner of commerce. Earnings,  
166.33 such as interest, dividends, and any other earnings arising from account assets, must be  
166.34 credited to the account. Assessments dated June 1, 2016, or later will be paid into the

167.1 utility assessment account. The amount assessed under this subdivision may not exceed  
 167.2 \$3,000,000 in a fiscal year.

167.3 Sec. 12. Minnesota Statutes 2014, section 297H.13, subdivision 2, is amended to read:

167.4 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is~~  
 167.5 ~~greater,~~ Of the amounts remitted under this chapter, 75 percent in fiscal years 2017  
 167.6 and 2018, and 80 percent in fiscal year 2019 and thereafter, must be credited to the  
 167.7 environmental fund established in section 16A.531, subdivision 1.

167.8 (b) The remainder must be deposited into the general fund.

167.9 Sec. 13. Minnesota Statutes 2014, section 473.845, subdivision 1, is amended to read:

167.10 Subdivision 1. **Establishment.** The metropolitan landfill contingency action trust  
 167.11 account is an expendable trust account in the remediation fund. The account consists  
 167.12 of revenue deposited in the account under section 473.843, subdivision 2, clause (2);  
 167.13 amounts recovered under subdivision 7; and interest earned on investment of money in  
 167.14 the account. The account must be managed to maximize long-term gain through the  
 167.15 State Board of Investment.

167.16 Sec. 14. Laws 2014, chapter 198, article 2, section 2, the effective date, is amended to  
 167.17 read:

167.18 **EFFECTIVE DATE; APPLICATION.** This section is effective ~~July 1, 2015~~  
 167.19 January 1, 2016, and applies to applications for reimbursement on or after that date.

167.20 **EFFECTIVE DATE.** This section is effective retroactively from May 5, 2014.

167.21 Sec. 15. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 1,  
 167.22 is amended to read:

167.23				<b>34,073,000</b>
167.24	Subdivision 1. <b>Total Appropriation</b>	\$	<b>34,003,000</b>	\$ <u><b>32,073,000</b></u>

167.25 Appropriations by Fund

167.26		2016	2017
167.27			<del>31,030,000</del>
167.28	General	30,960,000	<u>29,030,000</u>
167.29	Special Revenue	1,240,000	1,240,000
167.30	Petroleum Tank	1,052,000	1,052,000
167.31	Workers'		
167.32	Compensation	751,000	751,000

168.1 The amounts that may be spent for each  
 168.2 purpose are specified in the following  
 168.3 subdivisions.

168.4 Sec. 16. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 7,  
 168.5 is amended to read:

168.6			3,845,000
168.7	Subd. 7. <b>Energy Resources</b>	3,848,000	<u>1,845,000</u>

168.8 \$150,000 each year is for grants to  
 168.9 providers of low-income weatherization  
 168.10 services to install renewable energy  
 168.11 equipment in households that are eligible for  
 168.12 weatherization assistance under Minnesota's  
 168.13 weatherization assistance program state  
 168.14 plan as provided for in Minnesota Statutes,  
 168.15 section 216C.264.

168.16 \$424,000 in fiscal year 2016 and \$430,000  
 168.17 in fiscal year 2017 are for costs associated  
 168.18 with competitive rates for energy-intensive,  
 168.19 trade-exposed electric utility customers.

168.20 All general fund appropriations for costs  
 168.21 associated with competitive rates for  
 168.22 energy-intensive, trade-exposed electric  
 168.23 utility customers are recovered through  
 168.24 assessments under Minnesota Statutes,  
 168.25 section 216B.62.

168.26 Sec. 17. Laws 2015, First Special Session chapter 1, article 1, section 9, is amended to  
 168.27 read:

168.28		<b>6,966,000</b>	<b>6,930,000</b>
168.29	Sec. 9. <b>PUBLIC UTILITIES COMMISSION</b> \$	<u><b>7,191,000</b></u> \$	<u><b>7,587,000</b></u>

168.30 The general fund base for the Public Utilities  
 168.31 Commission is \$7,465,000 in fiscal year  
 168.32 2018 and \$7,465,000 in fiscal year 2019.

168.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.



169.1 Sec. 18. Laws 2015, First Special Session chapter 4, article 3, section 2, subdivision 4,  
169.2 is amended to read:

169.3 Subd. 4. **Land** 21,663,000 18,584,000

169.4 Appropriations by Fund

169.5	2016	2017
169.6 General	3,368,000	-0-
169.7 Environmental	7,031,000	7,150,000
169.8 Remediation	11,264,000	11,434,000

169.9 All money for environmental response,  
169.10 compensation, and compliance in the  
169.11 remediation fund not otherwise appropriated  
169.12 is appropriated to the commissioners of the  
169.13 Pollution Control Agency and agriculture  
169.14 for purposes of Minnesota Statutes, section  
169.15 115B.20, subdivision 2, clauses (1), (2),  
169.16 (3), (6), and (7). At the beginning of each  
169.17 fiscal year, the two commissioners shall  
169.18 jointly submit an annual spending plan  
169.19 to the commissioner of management and  
169.20 budget that maximizes the utilization of  
169.21 resources and appropriately allocates the  
169.22 money between the two departments. This  
169.23 appropriation is available until June 30, 2017.

169.24 \$4,279,000 the first year and \$4,343,000 the  
169.25 second year are from the remediation fund  
169.26 for purposes of the leaking underground  
169.27 storage tank program to investigate, clean up,  
169.28 and prevent future releases from underground  
169.29 petroleum storage tanks, and to the petroleum  
169.30 remediation program for purposes of vapor  
169.31 assessment and remediation. These same  
169.32 annual amounts are transferred from the  
169.33 petroleum tank fund to the remediation fund.

169.34 \$252,000 the first year and \$252,000 the  
169.35 second year are from the remediation fund  
169.36 for transfer to the commissioner of health for

170.1 private water supply monitoring and health  
170.2 assessment costs in areas contaminated  
170.3 by unpermitted mixed municipal solid  
170.4 waste disposal facilities and drinking water  
170.5 advisories and public information activities  
170.6 for areas contaminated by hazardous releases.

170.7 \$868,000 the first year is from the general  
170.8 fund for a grant to the city of Mountain Iron  
170.9 for remediation of the abandoned wastewater  
170.10 treatment pond of the former Nichols  
170.11 Township. This is a onetime appropriation  
170.12 that is available until June 30, 2019. This  
170.13 appropriation is effective December 1, 2015.

170.14 Up to \$2,500,000 the first year is from the  
170.15 general fund to the commissioner for a grant  
170.16 to the city of Paynesville to add a treatment  
170.17 process to a water treatment plant for removal  
170.18 of volatile organic compounds. This is a  
170.19 onetime appropriation. This appropriation is  
170.20 effective December 1, 2015.

170.21 \$743,000 the second year is transferred  
170.22 from the general fund to the dry cleaner  
170.23 environmental response and reimbursement  
170.24 account in the remediation fund for the  
170.25 purpose of remediating land contaminated  
170.26 by a release from a dry cleaning facility,  
170.27 as provided under Minnesota Statutes,  
170.28 section 115B.50, ~~if legislation is enacted in~~  
170.29 ~~the 2016 legislative session to address the~~  
170.30 ~~insolvency of the dry cleaner environmental~~  
170.31 ~~response and reimbursement account. The~~  
170.32 ~~commissioner shall prioritize expenditures~~  
170.33 ~~from this transfer to address contaminated~~  
170.34 ~~sites that pose the greatest risk to public~~  
170.35 ~~health or welfare or to the environment, as~~

171.1 ~~established in Minnesota Statutes, section~~  
 171.2 ~~115B.17, subdivision 13.~~ This is a onetime  
 171.3 transfer. The commissioner shall reimburse  
 171.4 only a person who otherwise would not be  
 171.5 responsible for a release or threatened release  
 171.6 under Minnesota Statutes, section 115B.03,  
 171.7 for all but \$10,000 of the environmental  
 171.8 response costs incurred by the person if the  
 171.9 commissioner determines that the costs are  
 171.10 reasonable and were actually incurred. To be  
 171.11 eligible for reimbursement from this transfer,  
 171.12 a person seeking reimbursement must make  
 171.13 a request to the commissioner, as required  
 171.14 under Minnesota Statutes, section 115B.50,  
 171.15 subdivision 2, on or before the day following  
 171.16 final enactment of this act.

171.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

171.18 Sec. 19. **FEASIBILITY STUDY AND PROGRAM PLAN; WORKING LANDS**  
 171.19 **WATERSHED RESTORATION PROGRAM.**

171.20 (a) The Board of Water and Soil Resources shall develop a detailed plan to  
 171.21 implement Minnesota Statutes, section 103F.519 that includes the following:

171.22 (1) a process for selecting pilot watersheds that are expected to result in the greatest  
 171.23 water quality improvements and exhibit readiness to participate in the program;

171.24 (2) an assessment of the quantity of agricultural land that is expected to be eligible  
 171.25 for the program in each watershed;

171.26 (3) an assessment of landowner interest in participating in the program;

171.27 (4) an assessment of the contract terms and any recommendations for changes to the  
 171.28 terms, including consideration of variable payment rates for lands of different priority or  
 171.29 type;

171.30 (5) an assessment of the opportunity to leverage federal funds through the program  
 171.31 and recommendations on how to maximize the use of federal funds for assistance to  
 171.32 establish perennial crops;

171.33 (6) an assessment of how other state programs could complement the program;

171.34 (7) an estimate of water quality improvements expected to result from  
 171.35 implementation in pilot watersheds;

172.1 (8) an assessment of how to best integrate program implementation with existing  
 172.2 conservation requirements and develop recommendations on harvest practices and timing  
 172.3 to benefit wildlife production;

172.4 (9) an assessment of the potential viability and water quality benefit of cover crops  
 172.5 used in biomass processing facilities;

172.6 (10) a timeline for implementation, coordinated to the extent possible with proposed  
 172.7 biomass processing facilities; and

172.8 (11) a projection of funding sources needed to complete implementation.

172.9 (b) The board shall coordinate development of the plan with stakeholders and the  
 172.10 commissioners of natural resources, agriculture, and the Pollution Control Agency. The  
 172.11 board must submit an interim report by October 15, 2017, and the feasibility study and  
 172.12 program plan by February 1, 2018, to the chairs and ranking minority members of the  
 172.13 legislative committees and divisions with jurisdiction over agriculture, natural resources,  
 172.14 and environment policy and finance and to the Clean Water Council.

172.15 **Sec. 20. RULEMAKING; DRY CLEANER RESPONSE AND**  
 172.16 **REIMBURSEMENT ACCOUNT.**

172.17 (a) The commissioner of the Pollution Control Agency shall adopt rules using  
 172.18 the expedited rulemaking process under Minnesota Statutes, section 14.389, including  
 172.19 subdivision 5, to establish, with respect to Minnesota Statutes, section 115B.50,  
 172.20 subdivision 2:

172.21 (1) what environmental response costs are to be considered reasonable costs and  
 172.22 what costs are to be considered ineligible for reimbursement;

172.23 (2) appropriate application requirements for reimbursement; and

172.24 (3) a process to adjust payment reimbursement rates made for response actions.

172.25 (b) Rules adopted under this section:

172.26 (1) must be consistent with Minnesota Statutes, sections 115B.47 to 115B.51;

172.27 (2) must be structured like rules governing applicable provisions of the petroleum  
 172.28 tank response cleanup fund under Minnesota Rules, chapter 2890, as necessary to  
 172.29 implement paragraph (a), clauses (1) to (3); and

172.30 (3) must not reduce reimbursements as contained in Minnesota Rules, part  
 172.31 2890.0065, subpart 1, item C.

172.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

172.33 **Sec. 21. REPEALER.**

172.34 Minnesota Statutes 2015 Supplement, section 115B.48, subdivision 9, is repealed.

173.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

173.2 **ARTICLE 8**

173.3 **STATE GOVERNMENT**

173.4 Section 1. **APPROPRIATIONS.**

173.5 The sums shown in the columns marked "Appropriations" are added to the  
 173.6 appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the purposes  
 173.7 specified in this article. The appropriations are from the general fund or another named  
 173.8 fund. The figures "2016" and "2017" used in this article mean that the addition to the  
 173.9 appropriation listed under them are available for the fiscal year ending June 30, 2016, or  
 173.10 June 30, 2017, respectively. Supplemental appropriations for the fiscal year ending June  
 173.11 30, 2016, are effective the day following final enactment.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2016</u></b>	<b><u>2017</u></b>

173.16 Sec. 2. **ADMINISTRATION**

173.17 <u>Subdivision 1. Total Appropriation</u>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>528,000</u></b>
--	------------------	-------------------	------------------	-----------------------

173.18 <u>Subd. 2. Government and Citizen Services -</u>				
173.19 <u>Olmstead Plan Increased Capacity</u>		<b><u>-0-</u></b>		<b><u>148,000</u></b>

173.20 For administrative costs to expand services  
 173.21 provided under the Olmstead Plan serving  
 173.22 people with disabilities.

173.23 <u>Subd. 3. Government and Citizen Services</u>				
173.24 <u>- Targeted Group and Veterans Business</u>				
173.25 <u>Preference Program</u>		<b><u>-0-</u></b>		<b><u>20,000</u></b>

173.26 For implementing the preference program  
 173.27 in Minnesota Statutes, section 16C.165,  
 173.28 subdivisions 2, 3, and 4, for businesses that  
 173.29 are not small, but otherwise are eligible  
 173.30 for preference as a designated business  
 173.31 under Minnesota Statutes, section 16C.16,  
 173.32 subdivision 5, or as a veteran-owned  
 173.33 business under Minnesota Statutes, section

174.1	<u>16C.16, subdivision 6a. This is a onetime</u>		
174.2	<u>appropriation.</u>		
174.3	<b><u>Subd. 4. Strategic Management Services -</u></b>		
174.4	<b><u>Capitol Complex Child Care Facility</u></b>	<u>-0-</u>	<u>300,000</u>
174.5	<u>To predesign a child care facility on the</u>		
174.6	<u>Capitol complex. \$150,000 is added to the</u>		
174.7	<u>base appropriation beginning in fiscal year</u>		
174.8	<u>2018 and continuing in each fiscal year</u>		
174.9	<u>thereafter for operating the child care facility.</u>		
174.10	<b><u>Subd. 5. Fiscal Agent - Capitol Workers</u></b>		
174.11	<b><u>Memorial Plaque</u></b>	<u>-0-</u>	<u>10,000</u>
174.12	<u>To design, construct, and install the plaque</u>		
174.13	<u>or marker authorized in section 27 to honor</u>		
174.14	<u>those who constructed and died during the</u>		
174.15	<u>building of the Capitol, as well as those who</u>		
174.16	<u>worked on subsequent projects to preserve</u>		
174.17	<u>the building. This amount may be expended</u>		
174.18	<u>in either year of the biennium. This is a</u>		
174.19	<u>onetime appropriation.</u>		
174.20	<b><u>Subd. 6. Fiscal Agent - Veterans' Voices</u></b>	<u>-0-</u>	<u>50,000</u>
174.21	<u>For a grant to the Association of Minnesota</u>		
174.22	<u>Public Educational Radio Stations for</u>		
174.23	<u>statewide programming to promote the</u>		
174.24	<u>Veterans' Voices program. This is a onetime</u>		
174.25	<u>appropriation.</u>		
174.26	<b><u>Sec. 3. MN.IT SERVICES</u></b>	<u>\$</u>	<u>-0- \$</u> <u>5,000,000</u>
174.27	<u>To enhance cybersecurity across state</u>		
174.28	<u>government and is available until June 30,</u>		
174.29	<u>2019. \$47,000 of this appropriation is for</u>		
174.30	<u>information technology enhancements for the</u>		
174.31	<u>Gambling Control Board. This is a onetime</u>		
174.32	<u>appropriation.</u>		
174.33	<b><u>Sec. 4. MINNESOTA MANAGEMENT AND</u></b>		
174.34	<b><u>BUDGET</u></b>	<u>\$</u>	<u>-0- \$</u> <u>2,500,000</u>

175.1	<u>For statewide information technology</u>			
175.2	<u>systems and is available until June 30, 2018.</u>			
175.3	<u>This is a onetime appropriation.</u>			
175.4	Sec. 5. <b><u>REVENUE</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b> <b><u>\$</u></b>	<b><u>1,871,000</u></b>
175.5	<b><u>Tax System Management.</u></b> \$500,000 is for			
175.6	<u>tax refund fraud protection software and</u>			
175.7	<u>services.</u>			
175.8	<u>\$1,371,000 is for (1) communication and</u>			
175.9	<u>outreach; and (2) technology, audit, and</u>			
175.10	<u>fraud staff.</u>			
175.11	<u>\$2,125,000 is added to the base in fiscal year</u>			
175.12	<u>2018 and \$2,125,000 in fiscal year 2019.</u>			
175.13	Sec. 6. <b><u>AMATEUR SPORTS COMMISSION</u></b>			
175.14	Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b> <b><u>\$</u></b>	<b><u>16,000,000</u></b>
175.15	Subd. 2. <b><u>Mighty Ducks</u></b>		<b><u>-0-</u></b>	<b><u>15,000,000</u></b>
175.16	<u>For the purposes of making grants under</u>			
175.17	<u>Minnesota Statutes, section 240A.09,</u>			
175.18	<u>paragraph (b). This appropriation is a</u>			
175.19	<u>onetime appropriation and is added to the</u>			
175.20	<u>appropriations in Laws 2015, chapter 77,</u>			
175.21	<u>article 1, section 18, and Laws 2015, First</u>			
175.22	<u>Special Session chapter 5, article 1, section 9.</u>			
175.23	Subd. 3. <b><u>Red Wing Ski Jump</u></b>		<b><u>-0-</u></b>	<b><u>1,000,000</u></b>
175.24	<u>For a grant to the city of Red Wing for</u>			
175.25	<u>construction of a ski jump that meets</u>			
175.26	<u>standards for an Olympic training or</u>			
175.27	<u>qualifying jump. This is a onetime</u>			
175.28	<u>appropriation. This appropriation is not</u>			
175.29	<u>available until \$3,000,000 is committed from</u>			
175.30	<u>nonstate sources.</u>			
175.31	Sec. 7. <b><u>HUMANITIES CENTER</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b> <b><u>\$</u></b>	<b><u>95,000</u></b>

176.1 To expand education efforts around the  
 176.2 Veterans' Voices program, and to work  
 176.3 with veterans to educate and engage the  
 176.4 community regarding veterans' contributions,  
 176.5 knowledge, skills, and experiences through  
 176.6 the Veterans' Voices program. This is a  
 176.7 onetime appropriation.

176.8 **Sec. 8. MINNESOTA HISTORICAL**  
 176.9 **SOCIETY; DIGITAL PRESERVATION**      **\$**      **-0-** **\$**      **170,000**

176.10 For digital preservation and access, including  
 176.11 planning and implementation of a program to  
 176.12 preserve and make available resources related  
 176.13 to Minnesota history. This appropriation  
 176.14 is a onetime appropriation and is added to  
 176.15 the appropriation in Laws 2015, chapter 77,  
 176.16 article 1, section 23.

176.17 **Sec. 9. MINNESOTA STATE RETIREMENT**  
 176.18 **SYSTEM**      **\$**      **-0-** **\$**      **2,000,000**

176.19 **Judges Retirement Plan.** In fiscal year  
 176.20 2017 for transfer to the judges' retirement  
 176.21 fund defined in Minnesota Statutes, section  
 176.22 490.123. This appropriation is included in  
 176.23 the base and the transfer continues each fiscal  
 176.24 year until the judges retirement plan reaches  
 176.25 100 percent funding as determined by an  
 176.26 actuarial valuation prepared under Minnesota  
 176.27 Statutes, section 356.214.

176.28 **Sec. 10. MILITARY AFFAIRS**  
 176.29 **Subdivision 1. Total Appropriation**      **\$**      **-0-** **\$**      **1,348,000**

176.30 The amounts that may be spent for each  
 176.31 purpose are specified in the following  
 176.32 subdivisions.

176.33 **Subd. 2. Maintenance of Training Facilities**      **-0-**      **1,100,000**



177.1	<u>For security upgrades. This is a onetime</u>		
177.2	<u>appropriation.</u>		
177.3	<b><u>Subd. 3. Security Improvement - General</u></b>		
177.4	<b><u>Support</u></b>	<u>-0-</u>	<u>248,000</u>
177.5	<u>For payroll costs and contracted costs of</u>		
177.6	<u>training and testing to provide security at</u>		
177.7	<u>state-owned Minnesota National Guard</u>		
177.8	<u>facilities.</u>		
177.9	<b>Sec. 11. <u>VETERANS AFFAIRS</u></b>		
177.10	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 488,000</u></b>
177.11	<b><u>Subd. 2. Veterans Homes Domiciliary Increase</u></b>	<u>-0-</u>	<u>88,000</u>
177.12	<u>To increase the personal needs allowance</u>		
177.13	<u>for residents of veterans homes. \$110,000</u>		
177.14	<u>is added to the base in fiscal year 2018 and</u>		
177.15	<u>\$114,000 is added to the base in fiscal year</u>		
177.16	<u>2019.</u>		
177.17	<b><u>Subd. 3. Mental Health Study</u></b>	<u>-0-</u>	<u>150,000</u>
177.18	<u>For the study and report in section 25. This</u>		
177.19	<u>is a onetime appropriation.</u>		
177.20	<b><u>Subd. 4. Disabled Veterans Interim Housing</u></b>		
177.21	<b><u>Study</u></b>	<u>-0-</u>	<u>250,000</u>
177.22	<u>For the study and report in section 26. This</u>		
177.23	<u>is a onetime appropriation.</u>		
177.24	<b><u>Subd. 5. Veterans Homes - Montevideo and</u></b>		
177.25	<b><u>Bemidji</u></b>	<u>-0-</u>	<u>-0-</u>
177.26	<u>The fiscal year 2018 and fiscal year 2019</u>		
177.27	<u>general fund base appropriation for veterans</u>		
177.28	<u>homes is increased by \$10,000,000 each</u>		
177.29	<u>fiscal year. This increase is for the operating</u>		
177.30	<u>costs of 143 skilled nursing beds added</u>		
177.31	<u>after July 1, 2016, in one or more veteran</u>		
177.32	<u>homes, including Montevideo and Bemidji.</u>		
177.33	<u>None of this increased amount may be used</u>		

178.1 for operating costs at a veterans home in  
178.2 Minneapolis.

178.3 Sec. 12. Minnesota Statutes 2014, section 16B.33, subdivision 3, is amended to read:

178.4 Subd. 3. **Agencies must request designer.** (a) **Application.** Upon undertaking a  
178.5 project with an estimated cost greater than ~~\$2,000,000~~ \$10,000,000 or a planning project  
178.6 with estimated fees greater than ~~\$200,000~~ \$1,000,000, every user agency, except the  
178.7 Capitol Area Architectural and Planning Board, shall submit a written request for a  
178.8 primary designer for its project to the commissioner, who shall forward the request to the  
178.9 board. The University of Minnesota and the Minnesota State Colleges and Universities  
178.10 shall follow the process in subdivision 3a to select designers for their projects. The written  
178.11 request must include a description of the project, the estimated cost of completing the  
178.12 project, a description of any special requirements or unique features of the proposed  
178.13 project, and other information which will assist the board in carrying out its duties and  
178.14 responsibilities set forth in this section.

178.15 (b) **Reactivated project.** If a project for which a designer has been selected by the  
178.16 board becomes inactive, lapses, or changes as a result of project phasing, insufficient  
178.17 appropriations, or other reasons, the commissioner, the Minnesota State Colleges and  
178.18 Universities, or the University of Minnesota may, if the project is reactivated, retain  
178.19 the same designer to complete the project.

178.20 (c) **Fee limit reached after designer selected.** If a project initially estimated to  
178.21 be below the cost and planning fee limits of this subdivision has its cost or planning  
178.22 fees revised so that the limits are exceeded, the project must be referred to the board for  
178.23 designer selection even if a primary designer has already been selected. In this event, the  
178.24 board may, without conducting interviews, elect to retain the previously selected designer  
178.25 if it determines that the interests of the state are best served by that decision and shall  
178.26 notify the commissioner of its determination.

178.27 Sec. 13. Minnesota Statutes 2014, section 16B.33, subdivision 4, is amended to read:

178.28 Subd. 4. **Designer selection process.** (a) **Publicity.** Upon receipt of a request  
178.29 from a user agency for a primary designer, the board shall publicize the proposed  
178.30 project in order to determine the identity of designers interested in the design work on  
178.31 the project. The board shall establish criteria for the selection process and make this  
178.32 information public, and shall compile data on and conduct interviews of designers. The  
178.33 board's selection criteria must include consideration of the geographic proximity of each  
178.34 interested designer's primary place of business to the location of the project and each

179.1 interested designer's performance on previous projects for the state or any other person.  
179.2 Upon completing the process, the board shall select the primary designer and shall state its  
179.3 reasons in writing. If the board's vote for the selection of a primary designer results in a tie  
179.4 vote, the nonvoting member appointed under subdivision 2, paragraph (b), must vote for  
179.5 the selection of the primary designer. Notification to the commissioner of the selection  
179.6 shall be made not more than 60 days after receipt from a user agency of a request for a  
179.7 primary designer. The commissioner shall promptly notify the designer and the user  
179.8 agency. The commissioner shall negotiate the designer's fee and prepare the contract to  
179.9 be entered into between the designer and the user agency.

179.10 (b) **Conflict of interest.** A board member may not participate in the review,  
179.11 discussion, or selection of a designer or firm in which the member has a financial interest.

179.12 (c) **Selection by commissioner.** In the event the board receives a request for a  
179.13 primary designer on a project, the estimated cost of which is less than the limit established  
179.14 by subdivision 3, or a planning project with estimated fees of less than the limit established  
179.15 by subdivision 3, the board may submit the request to the commissioner of administration,  
179.16 with or without recommendations, and the commissioner shall thereupon select the  
179.17 primary designer for the project.

179.18 (d) **Second selection.** If the designer selected for a project declines the appointment  
179.19 or is unable to reach agreement with the commissioner on the fee or the terms of the  
179.20 contract, the commissioner shall, within 60 days after the first appointment, request the  
179.21 board to make another selection.

179.22 (e) **Sixty days to select.** If the board fails to make a selection and forward its  
179.23 recommendation to the commissioner within 60 days of the user agency's request  
179.24 for a designer, the commissioner may appoint a designer to the project without the  
179.25 recommendation of the board.

179.26 (f) **Less than satisfactory performance.** The commissioner, or the University of  
179.27 Minnesota and the Minnesota State Colleges and Universities for projects under their  
179.28 supervision, shall forward to the board a written report describing each instance in which  
179.29 the performance of a designer selected by the board or the commissioner has been less  
179.30 than satisfactory. Criteria for determining satisfaction include the ability of the designer to  
179.31 complete design work on time, to provide a design responsive to program needs within  
179.32 the constraints of the budget, to solve design problems and achieve a design consistent  
179.33 with the proposed function of the building, to avoid costly design errors or omissions,  
179.34 and to observe the construction work. These reports are public data and are available for  
179.35 inspection under section 13.03.

180.1 Sec. 14. **[16C.165] PROCUREMENT FROM OTHER TARGETED AND**  
180.2 **VETERAN-OWNED BUSINESSES.**

180.3 Subdivision 1. **Designation of eligible groups.** The commissioner may designate  
180.4 businesses that are not small but otherwise qualify under section 16C.16, subdivisions 5  
180.5 and 6a, as eligible for preferences under this section.

180.6 Subd. 2. **Preference.** The commissioner may award up to a three percent preference  
180.7 for specified goods, services, or construction to businesses designated under subdivision 1.

180.8 Subd. 3. **Limitations on preference.** If the application of preference under  
180.9 subdivision 2 precludes a business designated under section 16C.16, subdivisions 5 and  
180.10 6a, from receiving an award, the preference in subdivision 2 shall not be applied.

180.11 Subd. 4. **Subcontracting incentives and penalties.** The financial incentives for  
180.12 prime contractors who exceed the goals for use of small business or small targeted group  
180.13 business subcontractors and financial penalties for prime contractors who fail to meet the  
180.14 goals for use of small business or small targeted group business subcontractors apply to  
180.15 businesses designated under subdivision 1.

180.16 Subd. 5. **Mentoring program.** The commissioner shall collaborate with  
180.17 organizations that represent targeted group and veteran-owned businesses to prepare  
180.18 recommendations for establishing a targeted group and veteran-owned business mentoring  
180.19 program that incentivizes larger businesses to mentor businesses certified under  
180.20 subdivision 1 and section 16C.16.

180.21 Sec. 15. Minnesota Statutes 2015 Supplement, section 16C.19, is amended to read:

180.22 **16C.19 ELIGIBILITY; RULES.**

180.23 (a) A small business wishing to participate in the programs under section 16C.16,  
180.24 subdivisions 4 to 7, or 16C.165, must be certified by the commissioner or by a nationally  
180.25 recognized certifying organization authorized by the commissioner. The commissioner  
180.26 shall adopt by rule standards and procedures for certifying that small targeted group  
180.27 businesses, small businesses located in economically disadvantaged areas, and  
180.28 veteran-owned small businesses are eligible to participate under the requirements of  
180.29 sections 16C.16 to 16C.21. The commissioner shall adopt by rule under paragraph (g)  
180.30 standards and procedures for certifying that businesses designated under section 16C.165  
180.31 are eligible to participate. The commissioner shall adopt by rule standards and procedures  
180.32 for hearing appeals and grievances and other rules necessary to carry out the duties set  
180.33 forth in sections 16C.16 to 16C.21.

181.1 (b) The commissioner may make rules which exclude or limit the participation of  
181.2 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,  
181.3 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

181.4 (c) The commissioner may make rules that set time limits and other eligibility limits  
181.5 on business participation in programs under sections 16C.16 to 16C.21.

181.6 (d) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a  
181.7 veteran-owned small business, the principal place of business of which is in Minnesota,  
181.8 is certified if:

181.9 (1) it has been verified by the United States Department of Veterans Affairs as  
181.10 being either a veteran-owned small business or a service-disabled veteran-owned small  
181.11 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title  
181.12 38, part 74; or

181.13 (2) the veteran-owned small business supplies the commissioner with proof that the  
181.14 small business is majority-owned and operated by:

181.15 (i) a veteran as defined in section 197.447; or

181.16 (ii) a veteran with a service-connected disability, as determined at any time by the  
181.17 United States Department of Veterans Affairs.

181.18 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying  
181.19 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may  
181.20 be read to include veteran-owned small businesses. In addition to the documentation  
181.21 required in Minnesota Rules, part 1230.1700, the veteran owner must have been  
181.22 discharged under honorable conditions from active service, as indicated by the veteran  
181.23 owner's most current United States Department of Defense form DD-214.

181.24 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a  
181.25 minority- or woman-owned small business, the principal place of business of which is  
181.26 in Minnesota, is certified if it has been certified by the Minnesota unified certification  
181.27 program under the provisions of Code of Federal Regulations, title 49, part 26.

181.28 (g) The commissioner may adopt rules to implement the programs under section  
181.29 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

181.30 Sec. 16. Minnesota Statutes 2014, section 16E.0466, is amended to read:

181.31 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

181.32 (a) Every state agency with an information or telecommunications project must  
181.33 consult with the Office of MN.IT Services to determine the information technology cost  
181.34 of the project. Upon agreement between the commissioner of a particular agency and  
181.35 the chief information officer, the agency must transfer the information technology cost

182.1 portion of the project to the Office of MN.IT Services. Service level agreements must  
182.2 document all project-related transfers under this section. Those agencies specified in  
182.3 section 16E.016, paragraph (d), are exempt from the requirements of this section.

182.4 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating  
182.5 balance appropriated to a state agency may be transferred to the information and  
182.6 telecommunications technology systems and services account for the information  
182.7 technology cost of a specific project, subject to the review of the Legislative Advisory  
182.8 Commission, under section 16E.21, subdivision 3.

182.9 Sec. 17. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

182.10 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of  
182.11 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466  
182.12 for purchases of information and telecommunications technology systems and services  
182.13 by state agencies and other governmental entities through state contracts for purposes  
182.14 described in subdivision 1. Charges collected under this section must be credited to the  
182.15 information and telecommunications technology systems and services account.

182.16 Sec. 18. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
182.17 to read:

182.18 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be  
182.19 transferred to the information and telecommunications technology systems and services  
182.20 account under subdivision 2 or section 16E.0466 until the commissioner of management  
182.21 and budget has submitted the proposed transfer to the members of the Legislative  
182.22 Advisory Commission for review and recommendation. If the commission makes a  
182.23 positive recommendation or no recommendation, or if the commission has not reviewed  
182.24 the request within 20 days after the date the request to transfer funds was submitted,  
182.25 the commissioner of management and budget may approve the request to transfer the  
182.26 funds. If the commission recommends further review of a request to transfer funds, the  
182.27 commissioner shall provide additional information to the commission. If the commission  
182.28 makes a negative recommendation on the request within ten days of receiving further  
182.29 information, the commissioner shall not approve the fund transfer. If the commission  
182.30 makes a positive recommendation or no recommendation within ten days of receiving  
182.31 further information, the commissioner may approve the fund transfer.

182.32 (b) A recommendation of the commission must be made at a meeting of the  
182.33 commission unless a written recommendation is signed by all members entitled to vote on

183.1 the item as specified in section 3.30, subdivision 2. A recommendation of the commission  
183.2 must be made by a majority of the commission.

183.3 Sec. 19. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
183.4 to read:

183.5 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and  
183.6 telecommunications technology systems and services account from a fund transfer under  
183.7 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year  
183.8 four years after the funds were received in the account shall lapse to the fund from which  
183.9 the receipt was transferred.

183.10 Sec. 20. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision  
183.11 to read:

183.12 Subd. 5. **Report.** The chief information officer shall report by September 15 of  
183.13 each odd-numbered year to the chairs and ranking minority members of the legislative  
183.14 committees and divisions with jurisdiction over the office regarding the receipts credited  
183.15 to the account. The report must include a description of projects funded through the  
183.16 information and telecommunications technology systems and services account and each  
183.17 project's current status.

183.18 Sec. 21. Minnesota Statutes 2014, section 198.03, subdivision 2, is amended to read:

183.19 Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of  
183.20 calculating the average cost of care for the domiciliary and nursing care residents. The cost  
183.21 must be determined yearly based upon the average cost per resident taking into account,  
183.22 but not limited to, administrative cost of the homes, the cost of service available to the  
183.23 resident, and food and lodging costs. These average costs must be calculated separately for  
183.24 domiciliary and nursing care residents. The amount charged each resident for maintenance,  
183.25 if anything, must be based on the appropriate average cost of care calculation and the  
183.26 assets and income of the resident but must not exceed the appropriate average cost of care.

183.27 (b) Using the authority granted in section 198.03, the commissioner shall set out  
183.28 in rules the method of calculating each domiciliary resident's maintenance charge. This  
183.29 maintenance charge shall establish a personal needs allowance based on each domiciliary  
183.30 resident's monthly income. For the period of July 1, 2016, to June 30, 2017, the personal  
183.31 needs allowance shall not be less than \$122 per month. For the period of July 1, 2017,  
183.32 to June 30, 2018, the personal needs allowance shall not be less than \$130 per month.  
183.33 Thereafter, the minimum personal needs allowance must be adjusted by multiplying

184.1 the allowance by one-half of the percentage change of the Consumer Price Index on  
 184.2 the first day of each fiscal year.

184.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

184.4 Sec. 22. Minnesota Statutes 2014, section 198.03, subdivision 3, is amended to read:

184.5 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue  
 184.6 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be  
 184.7 charged interest according to section 334.01. A resident owing overdue maintenance to  
 184.8 the state of Minnesota ~~for charges incurred prior to May 1, 1990,~~ may continue to stay in  
 184.9 the home if the resident enters into an agreement, including a payment schedule, with the  
 184.10 administrator for the payment of the arrearage and abides by the agreement. Residents  
 184.11 who do not promptly pay maintenance or who do not abide by their agreements to pay  
 184.12 overdue maintenance to the state of Minnesota may be discharged from the home. The  
 184.13 payment schedule agreed to between the administrator and the resident must provide for  
 184.14 the prompt payment of the overdue maintenance owed by the resident, but it must not  
 184.15 reduce the resident's personal needs allowance below ~~that which is provided for in the~~  
 184.16 ~~administrative rules of the facility~~ the amounts specified in subdivision 2.

184.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

184.18 Sec. 23. **[198.365] VETERANS HOMES; MONTEVIDEO AND BEMIDJI.**

184.19 Subdivision 1. **Veterans homes established.** The commissioner of veterans affairs  
 184.20 may apply for federal funding and establish in Montevideo and Bemidji veterans homes  
 184.21 with up to 143 beds available for eligible veterans and their spouses. The state shall  
 184.22 provide the necessary operating costs for the veterans homes in excess of any revenue  
 184.23 and federal funding for the homes that may be required to continue the operation of the  
 184.24 homes and care for Minnesota veterans.

184.25 Subd. 2. **Nonstate contribution.** The commissioner of administration may accept  
 184.26 contributions of land or money from private individuals, businesses, local governments,  
 184.27 veterans service organizations, and other nonstate sources for the purpose of providing  
 184.28 matching funding when soliciting federal funding for the development of the homes.

184.29 Sec. 24. Laws 2015, chapter 77, article 1, section 3, is amended to read:

184.30 Sec. 3. **GOVERNOR AND LIEUTENANT**

184.31 **GOVERNOR** \$ 3,615,000 \$ 3,616,000



185.1 (a) This appropriation is to fund the Office of  
185.2 the Governor and Lieutenant Governor.

185.3 (b) Up to \$19,000 the first year and up to  
185.4 \$19,000 the second year are for necessary  
185.5 expenses in the normal performance of  
185.6 the Governor's and Lieutenant Governor's  
185.7 duties for which no other reimbursement is  
185.8 provided.

185.9 (c) During the biennium ending June 30,  
185.10 2017, and thereafter, the Office of the  
185.11 Governor may receive payments each fiscal  
185.12 year from other executive agencies under  
185.13 Minnesota Statutes, section 15.53, to support  
185.14 office costs, not including the residence  
185.15 groundskeeper, incurred by the office.  
185.16 Payments received under this paragraph must  
185.17 be deposited in a special revenue account.  
185.18 Money in the account is appropriated to the  
185.19 Office of the Governor.

185.20 ~~(e)~~ (d) By September 1 of each year, the  
185.21 commissioner of management and budget  
185.22 shall report to the chairs and ranking minority  
185.23 members of the senate State Departments  
185.24 and Veterans Affairs Budget Division and the  
185.25 house of representatives State Government  
185.26 Finance Committee any personnel costs  
185.27 incurred by the Offices of the Governor and  
185.28 Lieutenant Governor that were supported  
185.29 by appropriations to other agencies during  
185.30 the previous fiscal year. The Office of the  
185.31 Governor shall inform the chairs and ranking  
185.32 minority members of the committees before  
185.33 initiating any interagency agreements.

186.1       Sec. 25. **STUDY ON VETERANS' UNMET NEEDS FOR BEHAVIOR AND**  
186.2 **MENTAL HEALTH SERVICES.**

186.3       The commissioner of veterans affairs shall perform a study to quantify and describe  
186.4 unmet needs amongst Minnesota veterans for behavioral and mental health services. The  
186.5 study will include conducting focus groups of stakeholders, including veterans and their  
186.6 families, representatives of the United States Veterans Administration, community referral  
186.7 centers, and county veteran service officers. The commissioner of veterans affairs may  
186.8 contract with a statewide nonprofit organization to conduct the study. The commissioner  
186.9 of veterans affairs shall report by February 15, 2017, to the chairs and ranking minority  
186.10 members of the committees in the house of representatives and the senate with jurisdiction  
186.11 over veterans policy and budget with the findings of the study and with recommendations  
186.12 about how current services provided to veterans could be expanded to better meet the  
186.13 needs identified by the study.

186.14       Sec. 26. **FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM**  
186.15 **HOUSING FOR DISABLED VETERANS.**

186.16       The commissioner of veterans affairs shall study the feasibility of partnering with  
186.17 an established nonprofit organization to provide interim housing for disabled veterans in  
186.18 conjunction with fully integrated and customizable support services. The commissioner of  
186.19 veterans affairs shall submit a report including its findings and recommendations regarding  
186.20 the feasibility of such a partnership to the chairs and ranking minority members of the  
186.21 standing committees in the house of representatives and the senate having jurisdiction  
186.22 over veterans affairs by February 15, 2017.

186.23       Sec. 27. **PLAQUE OR MARKER AUTHORIZED TO HONOR CAPITOL**  
186.24 **CONSTRUCTION WORKERS.**

186.25       (a) A plaque or three-dimensional marker shall be placed in the Capitol building in  
186.26 a space easily visible to public visitors to recognize and honor the efforts and sacrifice  
186.27 of workers who constructed the State Capitol building, as well as those who worked on  
186.28 subsequent projects to preserve the building. The plaque or marker shall specifically honor  
186.29 the six workers who died during construction of the State Capitol building. The Capitol  
186.30 Area Architectural and Planning Board and the Minnesota Historical Society shall set the  
186.31 parameters and location for the memorial plaque or marker.

186.32       (b) The Capitol Area Architectural and Planning Board shall conduct an opportunity  
186.33 contest for sixth graders from across the state to submit designs for the memorial plaque  
186.34 or marker. The board shall select a design from those submissions to be used as a basis for

187.1 the final production of this plaque or marker by January 1, 2017. The memorial plaque or  
187.2 marker shall be installed during the completion of the Capitol remodel.

187.3 **Sec. 28. IMMIGRATION INTEGRATION ADVISORY TASK FORCE.**

187.4 (a) The Immigration Integration Advisory Task Force is created to research state laws  
187.5 and rules that negatively affect immigrants. The task force is composed of the following:

187.6 (1) five members appointed by the governor to represent Minnesota's diverse  
187.7 immigrant communities;

187.8 (2) two members of the house of representatives, one appointed by the speaker of  
187.9 the house and one appointed by the minority leader; and

187.10 (3) two senators, one appointed by the senate majority leader and one appointed by  
187.11 the senate minority leader.

187.12 (b) At its first meeting, the task force shall elect a chair and cochair from its  
187.13 membership. The commissioner of human rights shall provide meeting space and  
187.14 administrative and staff support for the task force.

187.15 (c) The task force shall conduct research and hold meetings to:

187.16 (1) determine the extent to which current state laws and rules negatively affect  
187.17 Minnesotans based on their status as immigrants; and

187.18 (2) develop methods to ensure that future proposed state laws and rules consider  
187.19 the impact of the proposals on immigrants.

187.20 The task force shall consult with the Minnesota Council on Latino Affairs, the Council for  
187.21 Minnesotans of African Heritage, and the Council on Asian-Pacific Minnesotans. The task  
187.22 force shall report to the chairs and ranking minority members of the committees in the  
187.23 house of representatives and the senate with jurisdiction over human rights by January 15,  
187.24 2017, with recommendations and draft legislation for changes in state laws, consistent  
187.25 with federal law, that will reduce the negative impact of state laws on immigrants, and  
187.26 ensure that future state laws and rules consider the impact on immigrants.

187.27 (d) The appointing authorities must make their initial appointments by August 1,  
187.28 2016. The commissioner of human rights shall convene the first meeting of the task  
187.29 force by September 1, 2016.

187.30 (e) Public members shall be compensated and reimbursed for expenses as provided  
187.31 in Minnesota Statutes, section 15.059, subdivision 3.

187.32 (f) The task force shall expire on January 30, 2017, or the day after submitting the  
187.33 report required under paragraph (c), whichever is earlier.

187.34 **EFFECTIVE DATE.** This section is effective the day following final enactment.

188.1 **ARTICLE 9**

188.2 **PUBLIC SAFETY AND CORRECTIONS**

188.3 Section 1. **APPROPRIATIONS.**

188.4 The sums shown in the column under "Appropriations" are added to the  
188.5 appropriations in Laws 2015, chapter 65, article 1, to the agencies and for the purposes  
188.6 specified in this article. The appropriations are from the general fund and are available for  
188.7 the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this  
188.8 article mean that the addition to the appropriation listed under them is available for the fiscal  
188.9 year ending June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations  
188.10 for the fiscal year ending June 30, 2016, are effective the day following final enactment.

188.11 **APPROPRIATIONS**  
188.12 **Available for the Year**  
188.13 **Ending June 30**  
188.14 **2016                      2017**

188.15 Sec. 2. **SUPREME COURT**                      **\$**                      **-0-** **\$**                      **5,000,000**

188.16 For a competitive grant program established  
188.17 by the chief justice for the distribution of  
188.18 safe and secure courthouse fund grants to  
188.19 government entities responsible for providing  
188.20 or maintaining a courthouse or other facility  
188.21 where court proceedings are held. Grant  
188.22 recipients must provide a 50 percent nonstate  
188.23 match. This is a onetime appropriation and is  
188.24 available until June 30, 2019.

188.25 Sec. 3. **DISTRICT COURTS**                      **\$**                      **-0-** **\$**                      **1,547,000**

188.26 To increase the juror per diem to \$20 and the  
188.27 juror mileage reimbursement rate to 54 cents  
188.28 per mile.

188.29 Sec. 4. **GUARDIAN AD LITEM BOARD**                      **\$**                      **-0-** **\$**                      **1,581,000**

188.30 To hire additional guardians ad litem to  
188.31 comply with federal and state mandates,  
188.32 and court orders for representing the best

189.1 interests of children in juvenile and family  
 189.2 court proceedings.

189.3 Sec. 5. **HUMAN RIGHTS** \$ -0- \$ 400,000

189.4 To enhance statewide outreach, education,  
 189.5 and enforcement of the Human Rights Act.

189.6 Sec. 6. **CORRECTIONS**

189.7 **Subdivision 1. Total Appropriation** \$ 5,741,000 \$ 29,026,000

189.8 The amounts that may be spent for each  
 189.9 purpose are specified in the following  
 189.10 subdivisions.

189.11 **Subd. 2. Correctional Institutions** 5,437,000 20,921,000

189.12 **(a) Employee Compensation**

189.13 \$2,827,000 in fiscal year 2016 and  
 189.14 \$8,912,000 in fiscal year 2017 are for  
 189.15 employee compensation.

189.16 **(b) Challenge Incarceration Expansion**

189.17 \$2,610,000 in fiscal year 2016 and \$2,757,000  
 189.18 in fiscal year 2017 are to increase capacity  
 189.19 in the challenge incarceration program. The  
 189.20 base for this activity is \$3,263,000 in fiscal  
 189.21 year 2018 and \$3,623,000 in fiscal year 2019.

189.22 **(c) Infectious Disease Management**

189.23 \$3,000,000 in fiscal year 2017 is for  
 189.24 infectious disease management.

189.25 **(d) 24-Hour Nursing**

189.26 \$1,500,000 in fiscal year 2017 is for 24-hour  
 189.27 nursing coverage seven days a week at  
 189.28 MCF-Shakopee, MCF-St. Cloud, MCF-Lino  
 189.29 Lakes, and MCF-Stillwater.

189.30 **(e) Behavioral and Mental Health**

190.1 \$1,550,000 in fiscal year 2017 is for  
 190.2 behavioral and mental health therapists and  
 190.3 increased security staffing at MCF-Oak Park  
 190.4 Heights.

190.5 **(f) Increased Security Staffing**

190.6 \$1,800,000 in fiscal year 2017 is for increased  
 190.7 security staffing systemwide.

190.8 **(g) New Chemical Dependency/Mental**  
 190.9 **Health Beds**

190.10 \$750,000 in fiscal year 2017 is for 70 new  
 190.11 chemical dependency/mental health beds.

190.12 **(h) Chemical Dependency Release Planner,**  
 190.13 **MCF-Shakopee**

190.14 \$125,000 in fiscal year 2017 is for a  
 190.15 chemical dependency release planner at  
 190.16 MCF-Shakopee.

190.17 **(i) Chemical Dependency Release Planner,**  
 190.18 **MCF-Stillwater**

190.19 \$125,000 in fiscal year 2017 is for a  
 190.20 chemical dependency release planner at  
 190.21 MCF-Stillwater.

190.22 **(j) EMPLOY Program Expansion**

190.23 \$375,000 in fiscal year 2017 is to expand  
 190.24 the EMPLOY program administered by  
 190.25 MINNCOR.

190.26 **Subd. 3. Community Services**

241,000

4,766,000

190.27 **(a) Employee Compensation**

190.28 \$241,000 in fiscal year 2016 and \$860,000  
 190.29 in fiscal year 2017 are for employee  
 190.30 compensation.

190.31 **(b) Challenge Incarceration Expansion**

191.1 \$406,000 in fiscal year 2017 is to increase  
 191.2 capacity in the challenge incarceration  
 191.3 program. The base for this activity is  
 191.4 \$812,000 in fiscal year 2018 and \$1,421,000  
 191.5 in fiscal year 2019.

191.6 **(c) Victim Notification System**

191.7 \$1,000,000 in fiscal year 2017 is for a  
 191.8 victim notification system. This is a onetime  
 191.9 appropriation.

191.10 **(d) Reentry and Halfway Houses**

191.11 \$500,000 in fiscal year 2017 is for grants to  
 191.12 counties or groups of counties for reentry and  
 191.13 halfway house services. Eligible programs  
 191.14 must be proven to reduce recidivism. Grant  
 191.15 recipients must provide a 50 percent nonstate  
 191.16 match.

191.17 **(e) High-Risk Revocation Reduction**

191.18 **Programs**

191.19 \$2,000,000 in fiscal year 2017 is to establish  
 191.20 two high-risk revocation reduction programs,  
 191.21 one in the metropolitan area and the other  
 191.22 in greater Minnesota. Each program shall  
 191.23 receive \$1,000,000 to provide sustained case  
 191.24 planning, housing assistance, employment  
 191.25 assistance, group mentoring, life skills  
 191.26 programming, and transportation assistance  
 191.27 to adult release violators who are being  
 191.28 released from prison.

191.29 **Subd. 4. Operations Support**

63,000

3,339,000

191.30 **(a) Employee Compensation**

191.31 \$63,000 in fiscal year 2016 and \$339,000  
 191.32 in fiscal year 2017 are for employee  
 191.33 compensation.

192.1 **(b) Information Technology Critical**192.2 **Updates**

192.3 \$3,000,000 in fiscal year 2017 is for  
 192.4 information technology upgrades and  
 192.5 staffing. The base for this activity is \$783,000  
 192.6 in each of fiscal years 2018 and 2019.

192.7 Sec. 7. **PUBLIC SAFETY** **\$** **-0-** **\$** **1,567,000**

192.8 The amounts that may be spent for each  
 192.9 purpose are specified in the following  
 192.10 paragraphs.

192.11 **(a) DNA Lab**

192.12 \$650,000 is for the Bureau of Criminal  
 192.13 Apprehension DNA lab, including the  
 192.14 addition of eight forensic scientists. The base  
 192.15 for this activity is \$1,000,000 in each of the  
 192.16 fiscal years 2018 and 2019.

192.17 **(b) Missing Person Training**

192.18 \$100,000 is to provide regional and statewide  
 192.19 training for law enforcement on best practices  
 192.20 in responding to and investigating missing  
 192.21 persons reports. This training must include  
 192.22 information on:

192.23 (1) handling cases involving persons with  
 192.24 dementia, traumatic brain injury, Alzheimer's  
 192.25 disease, or other mental disabilities; and

192.26 (2) developing agency policies and  
 192.27 procedural checklists in missing person  
 192.28 cases.

192.29 **(c) Assessment of Law Enforcement Needs**

192.30 \$88,000 is for a grant to the Arrowhead  
 192.31 Regional Development Commission to  
 192.32 conduct an assessment of law enforcement



- 193.1 needs for detention facilities in northeast  
193.2 Minnesota. This is a onetime appropriation.
- 193.3 **(d) Children In Need of Services or in**  
193.4 **Out-Of-Home Placement**
- 193.5 \$150,000 is for a grant to an organization  
193.6 that provides legal representation to children  
193.7 in need of protection or services and children  
193.8 in out-of-home placement. The grant is  
193.9 contingent upon a match in an equal amount  
193.10 from nonstate funds. The match may be  
193.11 in kind, including the value of volunteer  
193.12 attorney time, or in cash, or in a combination  
193.13 of the two.
- 193.14 **(e) Youth Intervention Programs**
- 193.15 \$129,000 is for youth intervention programs  
193.16 under Minnesota Statutes, section 299A.73.  
193.17 This is a onetime appropriation.
- 193.18 **(f) Mental Health Crisis Training**  
193.19 **Curriculum**
- 193.20 \$150,000 is for grants to organizations  
193.21 to develop curriculum, including online  
193.22 training, to meet the training requirements  
193.23 under section 8. This is a onetime  
193.24 appropriation.
- 193.25 **(g) Autism Training**
- 193.26 \$50,000 is to select and retain a person or  
193.27 entity to train law enforcement, firefighters,  
193.28 and EMTs to better respond to emergency  
193.29 encounters and crisis situations with  
193.30 individuals with autism spectrum disorder  
193.31 and to train other individuals or entities  
193.32 to conduct this training to create a Cop  
193.33 Autism Response Education (CARE) pilot  
193.34 program. When selecting a trainer, the

194.1 commissioner shall consider the trainer's  
194.2 Peace Officer Standards and Training  
194.3 Board qualified training experience, and  
194.4 demonstrated knowledge on methods to  
194.5 help responders to effectively respond to  
194.6 emergency situations involving people  
194.7 with autism spectrum disorder and other  
194.8 related disabilities. The commissioner shall  
194.9 consult with the Peace Officer Standards and  
194.10 Training Board and the Minnesota Board of  
194.11 Firefighter Training and Education before  
194.12 selecting a trainer. By February 15, 2017,  
194.13 the commissioner shall report to the chairs  
194.14 and ranking minority members of the senate  
194.15 and house of representatives committees  
194.16 having jurisdiction over criminal justice  
194.17 policy and funding on the trainer selected  
194.18 and the training conducted pursuant to this  
194.19 section, including the number of emergency  
194.20 responders trained and the departments they  
194.21 represent. This is a onetime appropriation  
194.22 and is available until June 30, 2019.

194.23 **(h) Sex Trafficking**

194.24 \$250,000 is for grants to state and local units  
194.25 of government for the following purposes:

194.26 (1) to support new or existing  
194.27 multijurisdictional entities to investigate sex  
194.28 trafficking crimes; and

194.29 (2) to provide technical assistance for  
194.30 sex trafficking crimes, including training  
194.31 and case consultation, to law enforcement  
194.32 agencies statewide.

194.33 Sec. 8. **[626.8473] TRAINING IN RESPONDING TO A MENTAL HEALTH**  
194.34 **CRISIS.**

195.1 Subdivision 1. **Training course.** The board, in consultation with the commissioner  
 195.2 of human services and mental health stakeholders, shall create a list of approved training  
 195.3 courses to instruct peace officers holding an active license in the techniques of responding  
 195.4 to a mental health crisis. A course must include instruction on one or more of the  
 195.5 following issues:

195.6 (1) techniques for relating to individuals with mental illnesses and their families;

195.7 (2) techniques for crisis de-escalation;

195.8 (3) techniques for relating to diverse communities and education on mental health  
 195.9 diversity;

195.10 (4) education on mental illnesses and the criminal justice system;

195.11 (5) education on community resources and supports for individuals experiencing a  
 195.12 mental health crisis and for their families;

195.13 (6) education on psychotropic medications and their side effects;

195.14 (7) education on co-occurring mental illnesses and substance use disorders;

195.15 (8) education on suicide prevention; and

195.16 (9) education on mental illnesses and disorders and their symptoms.

195.17 A course also must provide information on local mental health crisis teams in each  
 195.18 participating officer's jurisdiction, including a summary of the services offered by the  
 195.19 team and its contact information, and must include training on children and families of  
 195.20 individuals with mental illnesses to enable officers to respond appropriately to others  
 195.21 who are present during a mental health crisis. The board shall update the training list  
 195.22 periodically as it deems appropriate.

195.23 Subd. 2. **Training requirement.** An individual shall complete a minimum of four  
 195.24 hours of continuing education training under subdivision 1 over three years.

195.25 **EFFECTIVE DATE.** This section is effective July 1, 2017.

## 195.26 **ARTICLE 10**

### 195.27 **TRANSPORTATION APPROPRIATIONS**

195.28 Section 1. Laws 2015, chapter 75, article 1, section 1, is amended to read:

195.29 Section 1. **SUMMARY OF APPROPRIATIONS.**

195.30 The amounts shown in this section summarize direct appropriations by fund made  
 195.31 in this act, and do not have legal effect.

195.32		<b>2016</b>		<b>2017</b>		<b>Total</b>
195.33				135,792,000		275,139,000
195.34	General	\$ 139,347,000	\$	<u>137,548,000</u>	\$	<u>276,895,000</u>

196.1		<del>25,109,000</del>	<del>25,109,000</del>	<del>50,218,000</del>
196.2	Airports	<u>35,368,000</u>	<u>25,922,000</u>	<u>61,290,000</u>
196.3	C.S.A.H.	670,768,000	698,495,000	1,369,263,000
196.4	M.S.A.S.	170,743,000	178,141,000	348,884,000
196.5	Special Revenue	61,475,000	62,210,000	123,685,000
196.6	H.U.T.D.	2,192,000	2,213,000	4,405,000
196.7			<del>1,672,006,000</del>	<del>3,345,714,000</del>
196.8	Trunk Highway	1,673,708,000	<u>1,676,646,000</u>	<u>3,350,354,000</u>
196.9		<del>2,743,342,000</del>	<del>2,773,966,000</del>	<del>5,517,308,000</del>
196.10	<b>Total</b>	<b>\$ <u>2,753,601,000</u></b>	<b>\$ <u>2,781,175,000</u></b>	<b>\$ <u>5,534,776,000</u></b>

196.11 Sec. 2. Laws 2015, chapter 75, article 1, section 3, subdivision 1, is amended to read:

196.12	Subdivision 1. <b>Total Appropriation</b>	<b>\$ <del>2,488,269,000</del></b>	<b>\$ <del>2,496,573,000</del></b>
196.13		<b><u>2,498,528,000</u></b>	<b><u>2,498,972,000</u></b>

196.14 Appropriations by Fund

	2016	2017
196.15		
196.16		<del>21,058,000</del>
196.17	General	<u>22,504,000</u>
196.18		<del>25,109,000</del>
196.19	Airports	<u>25,922,000</u>
196.20	C.S.A.H.	698,495,000
196.21	M.S.A.S.	178,141,000
196.22		<del>1,573,770,000</del>
196.23	Trunk Highway	<u>1,573,910,000</u>

196.24 The amounts that may be spent for each  
 196.25 purpose are specified in the following  
 196.26 subdivisions.

196.27 Sec. 3. Laws 2015, chapter 75, article 1, section 3, subdivision 2, is amended to read:

196.28 Subd. 2. **Multimodal Systems**

196.29 (a) **Aeronautics**

196.30		<del>19,798,000</del>	
196.31	(1) <b>Airport Development and Assistance</b>	<u>30,057,000</u>	19,798,000

196.32 This appropriation is from the state  
 196.33 airports fund and must be spent according  
 196.34 to Minnesota Statutes, section 360.305,  
 196.35 subdivision 4.

197.1 The base appropriation in each of fiscal years  
197.2 2018 and 2019 is \$14,298,000.

197.3 Notwithstanding Minnesota Statutes, section  
197.4 16A.28, subdivision 6, this appropriation is  
197.5 available for five years after appropriation.  
197.6 If the appropriation for either year is  
197.7 insufficient, the appropriation for the other  
197.8 year is available for it.

197.9			6,661,000
197.10	<b>(2) Aviation Support and Services</b>	6,661,000	<u>7,474,000</u>

197.11	Appropriations by Fund		
197.12		2016	2017
197.13			5,311,000
197.14	Airports	5,311,000	<u>6,124,000</u>
197.15	Trunk Highway	1,350,000	1,350,000

197.16 \$80,000 in each year is from the state airports  
197.17 fund for the Civil Air Patrol.

197.18 \$313,000 in the second year is from the state  
197.19 airports fund for software system upgrades  
197.20 needed to accommodate the regulation of  
197.21 drones under Minnesota Statutes, sections  
197.22 360.55, subdivision 9, and 360.679, through  
197.23 aircraft regulation and commercial operator  
197.24 licensing. This is a onetime appropriation.

197.25 \$500,000 in the second year is from the  
197.26 state airports fund for the commissioner of  
197.27 transportation to conduct an air transport  
197.28 optimization planning study for the St.  
197.29 Cloud Regional Airport. The study must  
197.30 be comprehensive and market-based, using  
197.31 economic development and air service  
197.32 expertise to research, analyze, and develop  
197.33 models and strategies that maximize the  
197.34 return on investments made to enhance the  
197.35 use and impact of the St. Cloud Regional  
197.36 Airport. This is a onetime appropriation.

198.1 The base appropriation from the trunk  
 198.2 highway fund in fiscal year 2018 is  
 198.3 \$1,479,000 and in fiscal year 2019 is  
 198.4 \$1,623,000.

198.5 The base appropriation from the state airports  
 198.6 fund in each of fiscal years 2018 and 2019 is  
 198.7 \$5,311,000.

198.8 **(b) Transit** 20,543,000 20,567,000

198.9	Appropriations by Fund		
198.10		2016	2017
198.11	General	19,745,000	19,745,000
198.12	Trunk Highway	798,000	822,000

198.13 The base appropriation from the general  
 198.14 fund in each of fiscal years 2018 and 2019  
 198.15 is \$17,245,000.

198.16 The base appropriation from the trunk  
 198.17 highway fund in fiscal year 2018 is \$846,000  
 198.18 and in fiscal year 2019 is \$873,000.

198.19 **(c) Safe Routes to School** 500,000 500,000

198.20 This appropriation is from the general fund  
 198.21 for the safe routes to school program under  
 198.22 Minnesota Statutes, section 174.40.

198.23 **(d) Passenger Rail** 500,000 500,000

198.24 This appropriation is from the general  
 198.25 fund for passenger rail system planning,  
 198.26 alternatives analysis, environmental analysis,  
 198.27 design, and preliminary engineering under  
 198.28 Minnesota Statutes, sections 174.632 to  
 198.29 174.636.

198.30 5,452,000  
 198.31 **(e) Freight** 13,445,000 6,873,000

198.32	Appropriations by Fund		
198.33		2016	2017

199.1			<del>256,000</del>
199.2	General	8,401,000	<u>1,677,000</u>
199.3	Trunk Highway	5,044,000	5,196,000

199.4 \$185,000 in the second year is from the  
 199.5 general fund to pay for an interagency rail  
 199.6 director to work with the Interagency Rail  
 199.7 Working Group to address rail safety, rail  
 199.8 service, and rail impacts on communities.

199.9 \$1,128,000 in the second year is from  
 199.10 the general fund to pay for freight and  
 199.11 rail planning, engineering, administration,  
 199.12 and related activities. This is a onetime  
 199.13 appropriation.

199.14 \$108,000 in the second year is from the  
 199.15 general fund for required activities of  
 199.16 emergency response and preparedness  
 199.17 related to oil and hazardous substances  
 199.18 transported by rail. The base appropriation  
 199.19 for this activity is \$95,000 in fiscal year 2018,  
 199.20 \$37,000 in fiscal year 2019, and \$0 thereafter.

199.21 \$145,000 in the first year is from the general  
 199.22 fund for a grant to the Minnesota Commercial  
 199.23 Railway for emergency temporary repairs  
 199.24 to approximately 6.5 miles of railroad track  
 199.25 described as that portion of the Minnesota  
 199.26 Commercial main running lead, between  
 199.27 M&D Junction in White Bear Lake and the  
 199.28 end of track in Hugo.

199.29 \$3,000,000 in the first year is from the  
 199.30 general fund for port development assistance  
 199.31 program grants under Minnesota Statutes,  
 199.32 chapter 457A. Any improvements made with  
 199.33 the proceeds of these grants must be publicly  
 199.34 owned. This is a onetime appropriation and  
 199.35 is available in the second year.

200.1 \$5,000,000 in the first year is from the  
 200.2 general fund for rail grade crossing  
 200.3 safety improvements. This is a onetime  
 200.4 appropriation and is available in the second  
 200.5 year.

200.6 The base appropriation from the trunk  
 200.7 highway fund in fiscal year 2018 is  
 200.8 \$5,350,000 and in fiscal year 2019 is  
 200.9 \$5,522,000.

200.10 The base appropriation from the general fund  
 200.11 in fiscal year 2018 is \$536,000 and in fiscal  
 200.12 year 2019 is \$478,000.

200.13 Sec. 4. Laws 2015, chapter 75, article 1, section 3, subdivision 3, is amended to read:

200.14 Subd. 3. **State Roads**

200.15	<b>(a) Operations and Maintenance</b>	288,405,000	290,916,000
--------	---------------------------------------	-------------	-------------

200.16 The base appropriation in fiscal year 2018  
 200.17 is \$292,140,000 and in fiscal year 2019 is  
 200.18 \$301,545,000.

200.19			<del>231,252,000</del>
200.20	<b>(b) Program Planning and Delivery</b>	237,529,000	<u>231,392,000</u>

200.21 \$140,000 in the second year is for the costs  
 200.22 of developing, adopting, and implementing  
 200.23 best practices for project evaluation and  
 200.24 selection. This is a onetime appropriation.

200.25 \$130,000 in each year is available for  
 200.26 administrative costs of the targeted group  
 200.27 business program.

200.28 \$266,000 in each year is available for grants  
 200.29 to metropolitan planning organizations  
 200.30 outside the seven-county metropolitan area.

200.31 \$900,000 in each year is available for  
 200.32 grants for transportation studies outside  
 200.33 the metropolitan area to identify critical



201.1 concerns, problems, and issues. These  
 201.2 grants are available: (1) to regional  
 201.3 development commissions; (2) in regions  
 201.4 where no regional development commission  
 201.5 is functioning, to joint powers boards  
 201.6 established under agreement of two or  
 201.7 more political subdivisions in the region to  
 201.8 exercise the planning functions of a regional  
 201.9 development commission; and (3) in regions  
 201.10 where no regional development commission  
 201.11 or joint powers board is functioning, to the  
 201.12 department's district office for that region.

201.13 \$1,000,000 in each year is available  
 201.14 for management of contaminated and  
 201.15 regulated material on property owned by  
 201.16 the Department of Transportation, including  
 201.17 mitigation of property conveyances, facility  
 201.18 acquisition or expansion, chemical release at  
 201.19 maintenance facilities, and spills on the trunk  
 201.20 highway system where there is no known  
 201.21 responsible party. If the appropriation for  
 201.22 either year is insufficient, the appropriation  
 201.23 for the other year is available for it.

201.24 \$6,804,000 in the first year and \$1,000,000 in  
 201.25 the second year are available for the purposes  
 201.26 stated in Minnesota Statutes, section 12A.16,  
 201.27 subdivision 2.

201.28 The base appropriation for program  
 201.29 planning and delivery in fiscal year 2018  
 201.30 is \$227,004,000 and in fiscal year 2019 is  
 201.31 \$234,331,000.

201.32 **(c) State Road Construction**

779,664,000

744,166,000

201.33 This appropriation is for the actual  
 201.34 construction, reconstruction, and  
 201.35 improvement of trunk highways, including

202.1 design-build contracts, internal department  
202.2 costs associated with delivering the  
202.3 construction program, and consultant usage  
202.4 to support these activities. This includes the  
202.5 cost of actual payment to landowners for  
202.6 lands acquired for highway rights-of-way,  
202.7 payment to lessees, interest subsidies, and  
202.8 relocation expenses.

202.9 \$1,000,000 in the first year is to complete  
202.10 projects using funds made available to  
202.11 the commissioner of transportation under  
202.12 title XII of the American Recovery and  
202.13 Reinvestment Act of 2009, Public Law  
202.14 111-5, and implemented under Minnesota  
202.15 Statutes, section 161.36, subdivision 7.

202.16 \$10,000,000 in each year is for the  
202.17 transportation economic development  
202.18 program under Minnesota Statutes, section  
202.19 174.12.

202.20 The commissioner may expend up to one-half  
202.21 of one percent of the federal appropriations  
202.22 under this paragraph as grants to opportunity  
202.23 industrialization centers and other nonprofit  
202.24 job training centers for job training programs  
202.25 related to highway construction.

202.26 The commissioner may transfer up to  
202.27 \$15,000,000 each year to the transportation  
202.28 revolving loan fund.

202.29 The commissioner may receive money  
202.30 covering other shares of the cost of  
202.31 partnership projects. These receipts are  
202.32 appropriated to the commissioner for these  
202.33 projects.

203.1 The base appropriation for state road  
 203.2 construction in each of fiscal years 2018 and  
 203.3 2019 is \$695,800,000.

203.4 **(d) Highway Debt Service** 197,381,000 231,199,000

203.5 \$187,881,000 the first year and \$221,699,000  
 203.6 the second year are for transfer to the state  
 203.7 bond fund. If this appropriation is insufficient  
 203.8 to make all transfers required in the year  
 203.9 for which it is made, the commissioner  
 203.10 of management and budget shall transfer  
 203.11 the deficiency amount under the statutory  
 203.12 open appropriation, and notify the chairs  
 203.13 and ranking minority members of the  
 203.14 legislative committees with jurisdiction over  
 203.15 transportation finance and the chairs of the  
 203.16 senate Committee on Finance and the house  
 203.17 of representatives Committee on Ways and  
 203.18 Means of the amount of the deficiency. Any  
 203.19 excess appropriation cancels to the trunk  
 203.20 highway fund.

203.21 **(e) Statewide Radio Communications** 5,358,000 5,486,000

203.22	Appropriations by Fund	
203.23	2016	2017
203.24 General	35,000	3,000
203.25 Trunk Highway	5,323,000	5,483,000

203.26 \$3,000 in each year is from the general fund to  
 203.27 equip and operate the Roosevelt signal tower  
 203.28 for Lake of the Woods weather broadcasting.

203.29 \$32,000 in the first year is from the general  
 203.30 fund for a weather transmitter in Lake of the  
 203.31 Woods County.

203.32 The base appropriation from the trunk  
 203.33 highway fund in fiscal year 2018 is  
 203.34 \$5,645,000 and in fiscal year 2019 is  
 203.35 \$5,826,000.

204.1 Sec. 5. Laws 2015, chapter 75, article 1, section 4, is amended to read:

204.2 **101,126,000**  
 204.3 Sec. 4. **METROPOLITAN COUNCIL** \$ **81,626,000** \$ **101,176,000**

204.4 This appropriation is from the general fund  
 204.5 for transit system operations under Minnesota  
 204.6 Statutes, sections 473.371 to 473.449.

204.7 Of this amount, \$27,300,000 is available  
 204.8 through fiscal year 2018.

204.9 \$50,000 in the second year is for a grant  
 204.10 to the city of St. Paul for a transitway  
 204.11 development outreach pilot program. This is  
 204.12 a onetime appropriation.

204.13 Of this appropriation, \$1,000,000 in  
 204.14 each year is for financial assistance to  
 204.15 replacement service providers under  
 204.16 Minnesota Statutes, section 473.388, to  
 204.17 implement a demonstration project that  
 204.18 provides regular route transit or express  
 204.19 bus service between municipalities in the  
 204.20 metropolitan area, as defined in Minnesota  
 204.21 Statutes, section 473.121, subdivision 2,  
 204.22 excluding cities of the first class. The council  
 204.23 may not retain any portion of funds specified  
 204.24 in this rider. The replacement service  
 204.25 providers shall collectively identify one or  
 204.26 more demonstration projects for financial  
 204.27 assistance and submit a notification of the  
 204.28 allocation to the council. The council shall  
 204.29 allocate the appropriated funds as directed by  
 204.30 the replacement service providers. Criteria  
 204.31 for evaluating and identifying demonstration  
 204.32 projects must include but are not limited to:  
 204.33 (1) scope of service offering improvements;  
 204.34 (2) integration with transit facilities and  
 204.35 major business, retail, or suburban centers;

205.1 (3) extent to which a proposed route  
 205.2 complements existing transit service; and  
 205.3 (4) density of employment along a proposed  
 205.4 route. This is a onetime appropriation.  
 205.5 Of this appropriation, \$200,000 in the first  
 205.6 year is for grants payable by July 31, 2016,  
 205.7 to transportation management organizations  
 205.8 that provide services exclusively or primarily  
 205.9 in (1) each city of the first class, as provided  
 205.10 under section 410.01; and (2) the city having  
 205.11 the highest population as of the effective  
 205.12 date of this section located along the marked  
 205.13 Interstate Highway 494 corridor. Permissible  
 205.14 uses include administrative expenses and  
 205.15 programming and service expansion,  
 205.16 including but not limited to staffing,  
 205.17 communications, outreach and education  
 205.18 program development, and operations  
 205.19 management. The council may not retain any  
 205.20 portion of funds under this appropriation.  
 205.21 The base appropriation in each of fiscal years  
 205.22 2018 and 2019 is \$89,820,000.

205.23 Sec. 6. Laws 2015, chapter 75, article 1, section 5, subdivision 1, is amended to read:

205.24				<b><u>176,267,000</u></b>
205.25	Subdivision 1. <b>Total Appropriation</b>		<b>\$ 173,447,000</b>	<b>\$ <u>181,027,000</u></b>

205.26	Appropriations by Fund			
205.27		2016	2017	
205.28			<del>13,608,000</del>	
205.29	General	13,606,000	<u>13,868,000</u>	
205.30	Special Revenue	61,475,000	62,210,000	
205.31	H.U.T.D.	2,192,000	2,213,000	
205.32			<del>98,236,000</del>	
205.33	Trunk Highway	96,174,000	<u>102,736,000</u>	

205.34 The amounts that may be spent for each  
 205.35 purpose are specified in the following  
 205.36 subdivisions.

206.1 Sec. 7. Laws 2015, chapter 75, article 1, section 5, subdivision 2, is amended to read:

206.2 Subd. 2. **Administration and Related Services**

206.3	<b>(a) Office of Communications</b>	517,000	530,000
-------	-------------------------------------	---------	---------

206.4	Appropriations by Fund		
-------	------------------------	--	--

206.5		2016	2017
-------	--	------	------

206.6	General	113,000	115,000
-------	---------	---------	---------

206.7	Trunk Highway	404,000	415,000
-------	---------------	---------	---------

206.8			<u>9,124,000</u>
-------	--	--	------------------

206.9	<b>(b) Public Safety Support</b>	9,035,000	<u>9,384,000</u>
-------	----------------------------------	-----------	------------------

206.10	Appropriations by Fund		
--------	------------------------	--	--

206.11		2016	2017
--------	--	------	------

206.12			<del>3,987,000</del>
--------	--	--	----------------------

206.13	General	3,982,000	<u>4,247,000</u>
--------	---------	-----------	------------------

206.14	H.U.T.D.	1,366,000	1,366,000
--------	----------	-----------	-----------

206.15	Trunk Highway	3,687,000	3,771,000
--------	---------------	-----------	-----------

206.16 The base appropriation from the general

206.17 fund in each of fiscal years 2018 and 2019 is

206.18 \$3,537,000.

206.19 ~~\$380,000 in each~~ the first year and \$640,000

206.20 in the second year is are from the general

206.21 fund for payment of public safety officer

206.22 survivor benefits under Minnesota Statutes,

206.23 section 299A.44. If the appropriation for

206.24 either year is insufficient, the appropriation

206.25 for the other year is available for it.

206.26 \$1,367,000 in each year is from the general

206.27 fund to be deposited in the public safety

206.28 officer's benefit account. This money

206.29 is available for reimbursements under

206.30 Minnesota Statutes, section 299A.465.

206.31 \$600,000 in each year is from the general

206.32 fund and \$100,000 in each year is from the

206.33 trunk highway fund for soft body armor

206.34 reimbursements under Minnesota Statutes,

206.35 section 299A.38.

207.1 \$450,000 in each year is from the general  
 207.2 fund for the creation of two emergency  
 207.3 response teams. One emergency response  
 207.4 team must be under the jurisdiction of the  
 207.5 St. Cloud Fire Department, or a similarly  
 207.6 located fire department if necessary, and one  
 207.7 emergency response team must be under the  
 207.8 jurisdiction of the Duluth Fire Department.  
 207.9 The commissioner shall allocate the funds  
 207.10 as needed to facilitate the creation and  
 207.11 maintenance of the emergency response  
 207.12 teams. This is a onetime appropriation.

207.13 **(c) Technology and Support Service** 3,685,000 3,685,000

207.14 Appropriations by Fund			
	2016	2017	
207.15 General	1,322,000	1,322,000	
207.16 H.U.T.D.	19,000	19,000	
207.17 Trunk Highway	2,344,000	2,344,000	

207.19 Sec. 8. Laws 2015, chapter 75, article 1, section 5, subdivision 3, is amended to read:

207.20 Subd. 3. **State Patrol**

207.21			83,121,000
207.22 <b>(a) Patrolling Highways</b>		81,516,000	<u>87,621,000</u>

207.23 Appropriations by Fund			
	2016	2017	
207.24 General	154,000	37,000	
207.25 H.U.T.D.	92,000	92,000	
207.26		<del>82,992,000</del>	
207.27 Trunk Highway	81,270,000	<u>87,492,000</u>	

207.29 \$4,500,000 from the trunk highway fund in  
 207.30 the second year is to recruit, hire, train, and  
 207.31 equip a State Patrol Academy.

207.32 \$858,000 from the trunk highway fund in the  
 207.33 first year and \$117,000 from the general fund  
 207.34 in the first year is to purchase a single-engine  
 207.35 aircraft for the State Patrol.

208.1 The base appropriation from the trunk  
 208.2 highway fund for patrolling highways in each  
 208.3 of fiscal years 2018 and 2019 is \$87,492,000,  
 208.4 of which \$4,500,000 each year is for a State  
 208.5 Patrol Academy.

208.6 **(b) Commercial Vehicle Enforcement** 8,023,000 8,257,000

208.7 **(c) Capitol Security** 8,035,000 8,147,000

208.8 This appropriation is from the general fund.

208.9 The commissioner may not: (1) spend  
 208.10 any money from the trunk highway fund  
 208.11 for capitol security; or (2) permanently  
 208.12 transfer any state trooper from the patrolling  
 208.13 highways activity to capitol security.

208.14 The commissioner may not transfer any  
 208.15 money appropriated to the commissioner  
 208.16 under this section: (1) to capitol security; or  
 208.17 (2) from capitol security.

208.18 **(d) Vehicle Crimes Unit** 715,000 736,000

208.19 This appropriation is from the highway user  
 208.20 tax distribution fund.

208.21 This appropriation is to investigate: (1)  
 208.22 registration tax and motor vehicle sales tax  
 208.23 liabilities from individuals and businesses  
 208.24 that currently do not pay all taxes owed;  
 208.25 and (2) illegal or improper activity related  
 208.26 to sale, transfer, titling, and registration of  
 208.27 motor vehicles.

208.28 **Sec. 9. CITY OF GRAND RAPIDS FREIGHT RAIL CONSTRUCTION DESIGN.**

208.29 \$1,000,000 is appropriated from the rail service improvement account in the special  
 208.30 revenue fund to the commissioner of transportation for a grant to the city of Grand  
 208.31 Rapids to fund rail planning studies, design, and preliminary engineering relating to the  
 208.32 construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake  
 208.33 to serve local producers and shippers. The city of Grand Rapids shall collaborate with



209.1 the Itasca Economic Development Corporation and the Itasca County Regional Railroad  
 209.2 Authority in the activities funded with the proceeds of this grant. This is a onetime  
 209.3 appropriation and is available until June 30, 2019.

209.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

209.5 Sec. 10. **AUTONOMOUS VEHICLES TASK FORCE; APPROPRIATION.**

209.6 \$25,000 is appropriated from the general fund in fiscal year 2017 to the  
 209.7 commissioner of transportation for the administrative support costs of the autonomous  
 209.8 vehicles task force. This is a onetime appropriation and is available until June 30, 2019.

## 209.9 **ARTICLE 11**

### 209.10 **TRANSPORTATION FISCAL PROVISIONS**

209.11 Section 1. Minnesota Statutes 2014, section 115E.042, is amended to read:

209.12 **115E.042 PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS.**

209.13 Subdivision 1. **Application.** In addition to the requirements of section 115E.04,  
 209.14 a person who owns or operates railroad car rolling stock transporting a unit train must  
 209.15 comply with this section.

209.16 Subd. 2. **Training.** (a) Each railroad must offer training to each fire department,  
 209.17 and each local organization for emergency management under section 12.25, having  
 209.18 jurisdiction along the ~~route of unit trains~~ routes over which oil and other hazardous  
 209.19 substances are transported. ~~Initial training under this subdivision must be offered to each~~  
 209.20 ~~fire department by June 30, 2016, and Refresher training must be offered to each fire~~  
 209.21 ~~department and local organization for emergency management~~ at least once every three  
 209.22 years ~~thereafter~~ after initial training under this subdivision.

209.23 (b) The training must address the general hazards of oil and hazardous substances,  
 209.24 techniques to assess hazards to the environment and to the safety of responders and the  
 209.25 public, factors an incident commander must consider in determining whether to attempt to  
 209.26 suppress a fire or to evacuate the public and emergency responders from an area, and other  
 209.27 strategies for initial response by local emergency responders. The training must include  
 209.28 suggested protocol or practices for local responders to safely accomplish these tasks.

209.29 Subd. 3. **Coordination.** ~~Beginning June 30, 2015,~~ Each railroad must communicate  
 209.30 at least annually with each county or city emergency manager, safety representatives of  
 209.31 railroad employees governed by the Railway Labor Act, and a senior fire department  
 209.32 officer of each fire department having jurisdiction along the ~~route of a unit train~~ routes  
 209.33 over which oil and other hazardous substances are transported, to:

210.1 (1) ensure coordination of emergency response activities between the railroad and  
 210.2 local responders; and

210.3 (2) assist emergency managers identify and assess local threats, hazards, and risks in  
 210.4 areas (i) having high population concentration, or (ii) in which key facilities are located.

210.5 Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a  
 210.6 discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to  
 210.7 contain and recover discharged oil or hazardous substances and to protect the environment  
 210.8 and public safety.

210.9 (b) Within one hour of confirmation of a discharge, a railroad must provide a  
 210.10 qualified company employee to advise the incident commander. The employee may be  
 210.11 made available by telephone, and must be authorized to deploy all necessary response  
 210.12 resources of the railroad.

210.13 (c) Within three hours of confirmation of a discharge, a railroad must be capable of  
 210.14 delivering monitoring equipment and a trained operator to assist in protection of responder  
 210.15 and public safety. A plan to ensure delivery of monitoring equipment and an operator to a  
 210.16 discharge site must be provided each year to the commissioner of public safety.

210.17 (d) Within three hours of confirmation of a discharge, a railroad must provide qualified  
 210.18 personnel at a discharge site to assess the discharge and to advise the incident commander.

210.19 (e) A railroad must be capable of deploying containment boom from land across  
 210.20 sewer outfalls, creeks, ditches, and other places where oil or hazardous substances  
 210.21 may drain, in order to contain leaked material before it reaches those resources. The  
 210.22 arrangement to provide containment boom and staff may be made by:

210.23 (1) training and caching equipment with local jurisdictions;

210.24 (2) training and caching equipment with a fire mutual-aid group;

210.25 (3) means of an industry cooperative or mutual-aid group;

210.26 (4) deployment of a contractor;

210.27 (5) deployment of a response organization under state contract; or

210.28 (6) other dependable means acceptable to the Pollution Control Agency.

210.29 (f) Each arrangement under paragraph (e) must be confirmed each year. Each  
 210.30 arrangement must be tested by drill at least once every five years.

210.31 (g) Within eight hours of confirmation of a discharge, a railroad must be capable of  
 210.32 delivering and deploying containment boom, boats, oil recovery equipment, trained staff,  
 210.33 and all other materials needed to provide:

210.34 (1) on-site containment and recovery of a volume of oil equal to ten percent of the  
 210.35 calculated worst case discharge at any location along the route; and

211.1 (2) protection of listed sensitive areas and potable water intakes within one mile of  
 211.2 a discharge site and within eight hours of water travel time downstream in any river  
 211.3 or stream that the right-of-way intersects.

211.4 (h) Within 60 hours of confirmation of a discharge, a railroad must be capable of  
 211.5 delivering and deploying additional containment boom, boats, oil recovery equipment,  
 211.6 trained staff, and all other materials needed to provide containment and recovery of a  
 211.7 worst case discharge and to protect listed sensitive areas and potable water intakes at any  
 211.8 location along the route.

211.9 Subd. 5. **Railroad Environmental response drills.** Each railroad must conduct at  
 211.10 ~~least one~~ oil containment, recovery, and sensitive area protection ~~drill~~ exercises as follows:  
 211.11 (1) at least one tabletop exercise every year; and (2) at least one full-scale exercise every  
 211.12 three years, at a location and time and in the manner chosen by the Pollution Control  
 211.13 Agency, and attended by safety representatives of railroad employees governed by the  
 211.14 Railway Labor Act.

211.15 Subd. 5a. **Prevention and response plans; capacity information.** In addition to  
 211.16 other requirements, a prevention and response plan under section 115E.04 must include a  
 211.17 description of the capacity and methods a railroad intends to utilize in order to meet the  
 211.18 requirements under subdivision 4.

211.19 Subd. 6. **Prevention and response plans; submission requirements.** (a) By  
 211.20 ~~June 30, 2015,~~ A railroad shall submit the prevention and response plan required under  
 211.21 section 115E.04, as necessary to comply with the requirements of this section, to the  
 211.22 commissioner of the Pollution Control Agency on a form designated by the commissioner.

211.23 (b) ~~By June 30 of~~ In every third year following a plan submission under this  
 211.24 subdivision, or sooner as provided under section 115E.04, subdivision 2, a railroad must  
 211.25 update and resubmit the prevention and response plan to the commissioner.

211.26 Subd. 7. **Financial responsibility.** (a) Each railroad must file with the commissioner  
 211.27 of transportation a financial responsibility plan that complies with the requirements of this  
 211.28 subdivision, in a form and manner determined by the commissioner.

211.29 (b) The financial responsibility plan must include (1) evidence demonstrating that  
 211.30 the railroad has the financial ability to pay for the environmental costs that may arise  
 211.31 while the financial responsibility plan is in effect, and (2) business information required by  
 211.32 the commissioner.

211.33 (c) Evidence of the railroad's financial ability to pay, in the form, at the amount,  
 211.34 and with such contractual terms, conditions, or defenses required by the commissioner  
 211.35 can be demonstrated by:

211.36 (1) insurance meeting the requirements of chapter 60A;

212.1 (2) self-insurance;

212.2 (3) surety bond; or

212.3 (4) irrevocable letter of credit, as defined in section 336.5-102.

212.4 (d) The commissioner must set the amount of financial ability to pay in consultation  
 212.5 with the commissioner of the Pollution Control Agency: (1) using a calculation based on  
 212.6 the volume of oil or other hazardous substances to be transported within or through the  
 212.7 state; and (2) at a level no less than the expected environmental costs from a worst-case  
 212.8 discharge.

212.9 (e) A financial responsibility plan must be continuous until canceled. The  
 212.10 commissioner must receive 90 days' written notice prior to cancellation of any evidence of  
 212.11 the railroad's ability to pay. A railroad shall notify the commissioner promptly following a  
 212.12 material change in ability to pay.

212.13 Sec. 2. Minnesota Statutes 2014, section 161.368, is amended to read:

212.14 **161.368 HIGHWAY CONTRACTS WITH TRIBAL AUTHORITIES.**

212.15 (a) On behalf of the state, the commissioner may enter into agreements with Indian  
 212.16 tribal authorities for the purpose of providing maintenance, design, and construction to  
 212.17 highways on tribal lands. These agreements may include (1) a provision for waiver of  
 212.18 immunity from suit by a party to the contract on the part of the tribal authority with respect  
 212.19 to any controversy arising out of the contract and (2) a provision conferring jurisdiction on  
 212.20 state district courts to hear such a controversy.

212.21 (b) Notwithstanding section 161.32, for construction of highways on tribal lands  
 212.22 in a reservation exempt from Public Law 83-280, the commissioner may: (1) award  
 212.23 a preference for Indian-owned contractors to the same extent provided in the applicable  
 212.24 Tribal Employment Rights Ordinance, but not to exceed ten percent; or (2) negotiate  
 212.25 with the tribal authority and enter into an agreement for the tribal authority to award and  
 212.26 administer the construction contract, with the commissioner providing funding for the  
 212.27 state share of the project. If negotiating with the tribal authority, the commissioner must  
 212.28 perform an independent cost estimate and determine that the cost proposed by the tribal  
 212.29 authority is reasonable. An agreement negotiated with a tribal authority must include a  
 212.30 clause requiring conformance with plans and specifications approved by the commissioner.

212.31 Sec. 3. Minnesota Statutes 2014, section 165.14, subdivision 6, is amended to read:

212.32 Subd. 6. **Annual report.** Annually By January 15 of each odd-numbered year, the  
 212.33 commissioner shall submit a report on the program to the chairs and ranking minority  
 212.34 members of the house of representatives and senate committees with jurisdiction over

213.1 transportation finance. The report must include the inventory information required under  
213.2 subdivision 3, and an analysis, including any recommendations for changes, of the  
213.3 adequacy and efficacy of (1) the program requirements under subdivision 3, and (2) the  
213.4 prioritization requirements under subdivision 4.

213.5 Sec. 4. Minnesota Statutes 2014, section 168.017, is amended by adding a subdivision  
213.6 to read:

213.7 Subd. 6. Refunds; grace period. The registrar shall cancel registration and provide  
213.8 a full refund on a vehicle registered under this section if an application for refund is  
213.9 submitted within the first ten days of the month commencing the registration period for  
213.10 which the refund is submitted.

213.11 EFFECTIVE DATE. This section is effective the day following final enactment,  
213.12 and applies to registration periods starting on or after January 1, 2017.

213.13 Sec. 5. [168.1294] LAW ENFORCEMENT MEMORIAL PLATES.

213.14 Subdivision 1. Issuance of plates. The commissioner shall issue special law  
213.15 enforcement memorial license plates or a single motorcycle plate to an applicant who:

213.16 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup  
213.17 truck, motorcycle, or recreational motor vehicle;

213.18 (2) pays an additional fee of \$10 for each set of plates;

213.19 (3) pays the registration tax as required under section 168.013, along with any  
213.20 other fees required by this chapter;

213.21 (4) contributes \$25 upon initial application and a minimum of \$5 annually to the  
213.22 Minnesota Law Enforcement Memorial Association; and

213.23 (5) complies with this chapter and rules governing registration of motor vehicles  
213.24 and licensing of drivers.

213.25 Subd. 2. Design. After consultation with the Minnesota Law Enforcement Memorial  
213.26 Association, the commissioner shall design the special plate. The final design of the plate  
213.27 is subject to the approval of the commissioner.

213.28 Subd. 3. Plates transfer. On application to the commissioner and payment of a  
213.29 transfer fee of \$5, special plates may be transferred to another qualified motor vehicle that  
213.30 is registered to the same individual to whom the special plates were originally issued.

213.31 Subd. 4. Exemption. Special plates issued under this section are not subject to  
213.32 section 168.1293, subdivision 2.

214.1 Subd. 5. Fees. Fees collected under subdivision 1, clauses (2) and (3), and  
214.2 subdivision 3 are credited to the vehicle services operating account in the special revenue  
214.3 fund.

214.4 EFFECTIVE DATE. This section is effective January 1, 2017, for special law  
214.5 enforcement memorial plates issued on or after that date.

214.6 Sec. 6. [168A.125] TRANSFER-ON-DEATH TITLE TO MOTOR VEHICLE.

214.7 Subdivision 1. Titled as transfer-on-death. A natural person who is the owner of  
214.8 a motor vehicle may have the motor vehicle titled in transfer-on-death or TOD form by  
214.9 including in the application for the certificate of title a designation of a beneficiary or  
214.10 beneficiaries to whom the motor vehicle must be transferred on death of the owner or the last  
214.11 survivor of joint owners with rights of survivorship, subject to the rights of secured parties.

214.12 Subd. 2. Designation of beneficiary. A motor vehicle is registered in  
214.13 transfer-on-death form by designating on the certificate of title the name of the owner  
214.14 and the names of joint owners with identification of rights of survivorship, followed by  
214.15 the words "transfer-on-death to (name of beneficiary or beneficiaries)." The designation  
214.16 "TOD" may be used instead of "transfer-on-death." A title in transfer-on-death form is  
214.17 not required to be supported by consideration, and the certificate of title in which the  
214.18 designation is made is not required to be delivered to the beneficiary or beneficiaries in  
214.19 order for the designation to be effective. If the owner of the motor vehicle is married at  
214.20 the time of the designation, the designation of a beneficiary other than the owner's spouse  
214.21 requires the spouse's written consent.

214.22 Subd. 3. Interest of beneficiary. The transfer-on-death beneficiary or beneficiaries  
214.23 have no interest in the motor vehicle until the death of the owner or the last survivor of  
214.24 joint owners with rights of survivorship. A beneficiary designation may be changed at any  
214.25 time by the owner or by all joint owners with rights of survivorship, without the consent of  
214.26 the beneficiary or beneficiaries, by filing an application for a new certificate of title.

214.27 Subd. 4. Vesting of ownership in beneficiary. Ownership of a motor vehicle titled  
214.28 in transfer-on-death form vests in the designated beneficiary or beneficiaries on the death  
214.29 of the owner or the last of the joint owners with rights of survivorship, subject to the  
214.30 rights of secured parties. The transfer-on-death beneficiary or beneficiaries who survive  
214.31 the owner may apply for a new certificate of title to the motor vehicle upon submitting  
214.32 a certified death record of the owner of the motor vehicle. If no transfer-on-death  
214.33 beneficiary or beneficiaries survive the owner of a motor vehicle, the motor vehicle must  
214.34 be included in the probate estate of the deceased owner. A transfer of a motor vehicle to a  
214.35 transfer-on-death beneficiary or beneficiaries is not a testamentary transfer.

215.1 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any  
 215.2 secured party or creditor of the owner of a motor vehicle against a transfer-on-death  
 215.3 beneficiary or beneficiaries.

215.4 (b) The state or a county agency with a claim or lien authorized by section 246.53,  
 215.5 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim  
 215.6 or lien under those sections continues to apply against the designated beneficiary or  
 215.7 beneficiaries after the transfer under this section if other assets of the deceased owner's  
 215.8 estate are insufficient to pay the amount of the claim. The claim or lien continues to  
 215.9 apply to the motor vehicle until the designated beneficiary sells or transfers it to a person  
 215.10 against whom the claim or lien does not apply and who did not have actual notice or  
 215.11 knowledge of the claim or lien.

215.12 Sec. 7. Minnesota Statutes 2014, section 168A.29, subdivision 1, is amended to read:

215.13 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

215.14 (1) for filing an application for and the issuance of an original certificate of title,  
 215.15 the sum of:

215.16 (i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle  
 215.17 services operating account of the special revenue fund under section 299A.705, and from  
 215.18 July 1, 2012, to June 30, ~~2016~~ 2019, a surcharge of \$1 must be added to the fee and  
 215.19 credited to the driver and vehicle services technology account; and

215.20 (ii) on and after January 1, 2017, \$8.25 of which \$4.15 must be paid into the vehicle  
 215.21 services operating account;

215.22 (2) for each security interest when first noted upon a certificate of title, including the  
 215.23 concurrent notation of any assignment thereof and its subsequent release or satisfaction,  
 215.24 the sum of \$2, except that no fee is due for a security interest filed by a public authority  
 215.25 under section 168A.05, subdivision 8;

215.26 (3) until December 31, 2016, for the transfer of the interest of an owner and the  
 215.27 issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the  
 215.28 vehicle services operating account of the special revenue fund under section 299A.705,  
 215.29 and from July 1, 2012, to June 30, ~~2016~~ 2019, a surcharge of \$1 must be added to the fee  
 215.30 and credited to the driver and vehicle services technology account;

215.31 (4) for each assignment of a security interest when first noted on a certificate of title,  
 215.32 unless noted concurrently with the security interest, the sum of \$1; and

215.33 (5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must  
 215.34 be paid into the vehicle services operating account of the special revenue fund under

216.1 section 299A.705; from July 1, 2012, to June 30, ~~2016~~ 2019, a surcharge of \$1 must be  
 216.2 added to the fee and credited to the driver and vehicle services technology account.

216.3 (b) In addition to the fee required under paragraph (a), clause (1), the department  
 216.4 must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be  
 216.5 deposited in the special revenue fund and credited to the public safety motor vehicle  
 216.6 account established in section 299A.70.

216.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

216.8 Sec. 8. Minnesota Statutes 2014, section 169.345, subdivision 2, is amended to read:

216.9 Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the  
 216.10 following terms have the meanings given them in this subdivision.

216.11 (b) "Health professional" means a licensed physician, licensed physician assistant,  
 216.12 advanced practice registered nurse, or licensed chiropractor.

216.13 (c) "Long-term certificate" means a certificate issued for a period greater than 12  
 216.14 months but not greater than 71 months.

216.15 (d) "Organization certificate" means a certificate issued to an entity other than a  
 216.16 natural person for a period of three years.

216.17 (e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the  
 216.18 certificate referred to in subdivision 3, while the application is being processed.

216.19 (f) "Physically disabled person" means a person who:

216.20 (1) because of disability cannot walk without significant risk of falling;

216.21 (2) because of disability cannot walk 200 feet without stopping to rest;

216.22 (3) because of disability cannot walk without the aid of another person, a walker, a  
 216.23 cane, crutches, braces, a prosthetic device, or a wheelchair;

216.24 (4) is restricted by a respiratory disease to such an extent that the person's forced  
 216.25 (respiratory) expiratory volume for one second, when measured by spirometry, is less  
 216.26 than one liter;

216.27 (5) has an arterial oxygen tension (PaO<sub>2</sub>) of less than 60 mm/Hg on room air at rest;

216.28 (6) uses portable oxygen;

216.29 (7) has a cardiac condition to the extent that the person's functional limitations are  
 216.30 classified in severity as class III or class IV according to standards set by the American  
 216.31 Heart Association;

216.32 (8) has lost an arm or a leg and does not have or cannot use an artificial limb; ~~or~~

216.33 (9) has a disability that would be aggravated by walking 200 feet under normal  
 216.34 environmental conditions to an extent that would be life threatening; or



217.1 (10) has been diagnosed with a form of dementia that is progressive in nature with  
 217.2 physical complications, or the condition either impacts activities of daily living or presents  
 217.3 an unreasonable safety risk.

217.4 (g) "Short-term certificate" means a certificate issued for a period greater than six  
 217.5 months but not greater than 12 months.

217.6 (h) "Six-year certificate" means a certificate issued for a period of six years.

217.7 (i) "Temporary certificate" means a certificate issued for a period not greater than  
 217.8 six months.

217.9 Sec. 9. Minnesota Statutes 2014, section 171.06, subdivision 2, is amended to read:

217.10 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are  
 217.11 as follows:

217.12	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
217.13	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
217.14	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
217.15	Instruction Permit				\$5.25
217.16	Enhanced Instruction				
217.17	Permit				\$20.25
217.18	Commercial Learner's				
217.19	Permit				\$2.50
217.20	Provisional License				\$8.25
217.21	Enhanced Provisional				
217.22	License				\$23.25
217.23	Duplicate License or				
217.24	duplicate identification				
217.25	card				\$6.75
217.26	Enhanced Duplicate				
217.27	License or enhanced				
217.28	duplicate identification				
217.29	card				\$21.75
217.30	Minnesota identification				
217.31	card or Under-21				
217.32	Minnesota identification				
217.33	card, other than duplicate,				
217.34	except as otherwise				
217.35	provided in section 171.07,				
217.36	subdivisions 3 and 3a				\$11.25
217.37	Enhanced Minnesota				
217.38	identification card				\$26.25

217.39 In addition to each fee required in this paragraph, the commissioner shall collect a  
 217.40 surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30,  
 217.41 ~~2016~~ 2019. Surcharges collected under this paragraph must be credited to the driver and  
 217.42 vehicle services technology account in the special revenue fund under section 299A.705.

218.1 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
218.2 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
218.3 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving  
218.4 violations, and (3) convictions for moving violations that are not crash related, shall have a  
218.5 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"  
218.6 has the meaning given it in section 171.04, subdivision 1.

218.7 (c) In addition to the driver's license fee required under paragraph (a), the  
218.8 commissioner shall collect an additional \$4 processing fee from each new applicant  
218.9 or individual renewing a license with a school bus endorsement to cover the costs for  
218.10 processing an applicant's initial and biennial physical examination certificate. The  
218.11 department shall not charge these applicants any other fee to receive or renew the  
218.12 endorsement.

218.13 (d) In addition to the fee required under paragraph (a), a driver's license agent may  
218.14 charge and retain a filing fee as provided under section 171.061, subdivision 4.

218.15 (e) In addition to the fee required under paragraph (a), the commissioner shall  
218.16 charge a filing fee at the same amount as a driver's license agent under section 171.061,  
218.17 subdivision 4. Revenue collected under this paragraph must be deposited in the driver  
218.18 services operating account.

218.19 (f) An application for a Minnesota identification card, instruction permit, provisional  
218.20 license, or driver's license, including an application for renewal, must contain a provision  
218.21 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the  
218.22 purposes of public information and education on anatomical gifts under section 171.075.

218.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

218.24 Sec. 10. Minnesota Statutes 2014, section 174.185, is amended to read:

218.25 **174.185 PAVEMENT LIFE-CYCLE COST ANALYSIS.**

218.26 Subdivision 1. **Definitions.** For the purposes of this section, the following  
218.27 definitions apply.

218.28 (a) "Life-cycle cost" is the sum of the cost of the initial pavement project and  
218.29 all anticipated costs for maintenance, repair, and resurfacing over the life of the  
218.30 pavement. Anticipated costs must be based on Minnesota's actual or reasonably projected  
218.31 maintenance, repair, and resurfacing schedules, and costs determined by the Department  
218.32 of Transportation district personnel based upon recently awarded local projects and  
218.33 experience with local material costs.

219.1 (b) "Life-cycle cost analysis" is a comparison of life-cycle costs among competing  
 219.2 paving materials using equal ~~design lives and~~ equal comparison periods.

219.3 Subd. 2. **Required analysis.** For each project in the reconditioning, resurfacing,  
 219.4 and road repair funding categories, the commissioner shall perform a life-cycle cost  
 219.5 analysis and shall document the lowest life-cycle costs and all alternatives considered.  
 219.6 The commissioner shall document the chosen pavement strategy and, if the lowest life  
 219.7 cycle is not selected, document the justification for the chosen strategy. ~~A life-cycle cost~~  
 219.8 ~~analysis is required for projects to be constructed after July 1, 2011. For projects to be~~  
 219.9 ~~constructed prior to July 1, 2011, when feasible, the department will use its best efforts to~~  
 219.10 ~~perform life-cycle cost analyses.~~

219.11 Subd. 3. **Report.** The commissioner shall report annually by January 15 of each  
 219.12 year to the chairs and ranking minority members of the senate and house of representatives  
 219.13 committees with jurisdiction over transportation finance ~~beginning on January 1, 2012,~~ the  
 219.14 results of the analyses required in subdivision 2.

219.15 Sec. 11. Minnesota Statutes 2014, section 174.30, subdivision 1, is amended to read:

219.16 Subdivision 1. **Applicability.** (a) The operating standards for special transportation  
 219.17 service adopted under this section do not apply to special transportation provided by:

219.18 (1) ~~a common carrier operating on fixed routes and schedules~~ public transit provider  
 219.19 receiving financial assistance under sections 174.24 or 473.371 to 473.449;

219.20 (2) a volunteer driver using a private automobile;

219.21 (3) a school bus as defined in section 169.011, subdivision 71; or

219.22 (4) an emergency ambulance regulated under chapter 144.

219.23 (b) The operating standards adopted under this section only apply to providers  
 219.24 of special transportation service who receive grants or other financial assistance from  
 219.25 either the state or the federal government, or both, to provide or assist in providing that  
 219.26 service; except that the operating standards adopted under this section do not apply  
 219.27 to any nursing home licensed under section 144A.02, to any board and care facility  
 219.28 licensed under section 144.50, or to any day training and habilitation services, day care,  
 219.29 or group home facility licensed under sections 245A.01 to 245A.19 unless the facility or  
 219.30 program provides transportation to nonresidents on a regular basis and the facility receives  
 219.31 reimbursement, other than per diem payments, for that service under rules promulgated  
 219.32 by the commissioner of human services.

219.33 (c) Notwithstanding paragraph (b), the operating standards adopted under this  
 219.34 section do not apply to any vendor of services licensed under chapter 245D that provides

220.1 transportation services to consumers or residents of other vendors licensed under chapter  
220.2 245D and transports 15 or fewer persons, including consumers or residents and the driver.

220.3 Sec. 12. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision  
220.4 to read:

220.5 Subd. 1a. **Definition.** For purposes of this section, unless the context clearly  
220.6 indicates otherwise, "disqualified" means an individual disqualified under chapter 245C  
220.7 who has not received a disqualification set-aside under sections 245C.22 and 245C.23  
220.8 specific to that special transportation service provider.

220.9 Sec. 13. Minnesota Statutes 2015 Supplement, section 174.30, subdivision 4, is  
220.10 amended to read:

220.11 **Subd. 4. Vehicle and equipment inspection; rules; decal; complaint contact**  
220.12 **information; restrictions on name of service.** (a) The commissioner shall inspect or  
220.13 provide for the inspection of vehicles at least annually. In addition to scheduled annual  
220.14 inspections and reinspections scheduled for the purpose of verifying that deficiencies have  
220.15 been corrected, unannounced inspections of any vehicle may be conducted.

220.16 (b) On determining that a vehicle or vehicle equipment is in a condition that is likely  
220.17 to cause an accident or breakdown, the commissioner shall require the vehicle to be taken  
220.18 out of service immediately. The commissioner shall require that vehicles and equipment  
220.19 not meeting standards be repaired and brought into conformance with the standards  
220.20 and shall require written evidence of compliance from the operator before allowing the  
220.21 operator to return the vehicle to service. The commissioner may prohibit a vehicle from  
220.22 being placed in or returned to service under a certificate of compliance until the vehicle  
220.23 fully complies with all of the requirements in Minnesota Rules, chapter 8840.

220.24 (c) The commissioner shall provide in the rules procedures for inspecting vehicles,  
220.25 removing unsafe vehicles from service, determining and requiring compliance, and  
220.26 reviewing driver qualifications.

220.27 (d) The commissioner shall design a distinctive decal to be issued to special  
220.28 transportation service providers with a current certificate of compliance under this section.  
220.29 A decal is valid for one year from the last day of the month in which it is issued. A person  
220.30 who is subject to the operating standards adopted under this section may not provide  
220.31 special transportation service in a vehicle that does not conspicuously display a decal  
220.32 issued by the commissioner.

220.33 (e) All special transportation service providers shall pay an annual fee of \$45  
220.34 to obtain a decal. Providers of ambulance service, as defined in section 144E.001,

221.1 subdivision 3, are exempt from the annual fee. Fees collected under this paragraph must  
221.2 be deposited in the trunk highway fund, and are appropriated to the commissioner to pay  
221.3 for costs related to administering the special transportation service program.

221.4 (f) Special transportation service providers shall prominently display in each vehicle  
221.5 all contact information for the submission of complaints regarding the transportation  
221.6 services provided to that individual. All vehicles providing service under section  
221.7 473.386 shall display contact information for the Metropolitan Council. All other special  
221.8 transportation service vehicles shall display contact information for the commissioner of  
221.9 transportation.

221.10 (g) Nonemergency medical transportation providers must comply with Minnesota  
221.11 Rules, part 8840.5450, except that a provider may use the phrase "nonemergency medical  
221.12 transportation" in its name or in advertisements or information describing the service.

221.13 Sec. 14. Minnesota Statutes 2014, section 174.30, subdivision 4a, is amended to read:

221.14 Subd. 4a. **Certification of special transportation provider.** (a) The commissioner  
221.15 may refuse to issue a certificate of compliance if an individual specified in subdivision 10,  
221.16 paragraph (a), clauses (1) to (3), is disqualified.

221.17 (b) The commissioner shall annually evaluate or provide for the evaluation of each  
221.18 provider of special transportation service regulated under this section and certify that the  
221.19 provider is in compliance with the standards under this section.

221.20 Sec. 15. Minnesota Statutes 2014, section 174.30, subdivision 8, is amended to read:

221.21 Subd. 8. **Administrative penalties; loss of certificate of compliance.** (a) The  
221.22 commissioner may issue an order requiring violations of this section and the operating  
221.23 standards adopted under this section to be corrected and assessing monetary penalties  
221.24 of up to \$1,000 for all violations identified during a single inspection, investigation,  
221.25 or audit. Section 221.036 applies to administrative penalty orders issued under this  
221.26 section or section 174.315. The commissioner shall suspend, without a hearing, a special  
221.27 transportation service provider's certificate of compliance for failure to pay, or make  
221.28 satisfactory arrangements to pay, an administrative penalty when due.

221.29 (b) If the commissioner determines that an individual subject to background studies  
221.30 under subdivision 10, paragraph (a), is disqualified, the commissioner must issue a written  
221.31 notice ordering the special transportation service provider to immediately cease permitting  
221.32 the individual to perform services or functions listed in subdivision 10, paragraph (a). The  
221.33 written notice must include a warning that failure to comply with the order may result in  
221.34 the suspension or revocation of the provider's certificate of compliance under this section.

222.1 (c) The commissioner may suspend or revoke a provider's certificate of compliance  
222.2 upon determining that, following receipt by a provider of written notice under paragraph  
222.3 (b), the individual has continued to perform services or functions listed in subdivision 10,  
222.4 paragraph (a), for the provider. A provider whose certificate is suspended or revoked may  
222.5 appeal the commissioner's action in a contested case proceeding under chapter 14.

222.6 (d) Penalties collected under this section must be deposited in the state treasury  
222.7 and credited to the trunk highway fund.

222.8 Sec. 16. Minnesota Statutes 2015 Supplement, section 174.30, subdivision 10, is  
222.9 amended to read:

222.10 Subd. 10. **Background studies.** (a) Providers of special transportation service  
222.11 regulated under this section must initiate background studies in accordance with chapter  
222.12 245C on the following individuals:

222.13 (1) each person with a direct or indirect ownership interest of five percent or higher  
222.14 in the transportation service provider;

222.15 (2) each controlling individual as defined under section 245A.02, subdivision 5a;

222.16 (3) managerial officials as defined in section 245A.02, subdivision 5a;

222.17 (4) each driver employed by the transportation service provider;

222.18 (5) each individual employed by the transportation service provider to assist a  
222.19 passenger during transport; and

222.20 (6) all employees of the transportation service agency who provide administrative  
222.21 support, including those who:

222.22 (i) may have face-to-face contact with or access to passengers, their personal  
222.23 property, or their private data;

222.24 (ii) perform any scheduling or dispatching tasks; or

222.25 (iii) perform any billing activities.

222.26 (b) The transportation service provider must initiate the background studies required  
222.27 under paragraph (a) using the online NETStudy system operated by the commissioner  
222.28 of human services.

222.29 (c) The transportation service provider shall not permit any individual to provide  
222.30 any service or function listed in paragraph (a) until the transportation service provider  
222.31 has received notification from the commissioner of human services indicating that the  
222.32 individual:

222.33 (1) is not disqualified under chapter 245C; or

222.34 (2) is disqualified, but has received a set-aside of that disqualification according to  
222.35 ~~section~~ sections 245C.22 and 245C.23 related to that transportation service provider.

223.1 (d) When a local or contracted agency is authorizing a ride under section 256B.0625,  
 223.2 subdivision 17, by a volunteer driver, and the agency authorizing the ride has reason  
 223.3 to believe the volunteer driver has a history that would disqualify the individual or  
 223.4 that may pose a risk to the health or safety of passengers, the agency may initiate a  
 223.5 background study to be completed according to chapter 245C using the commissioner  
 223.6 of human services' online NETStudy system, or through contacting the Department of  
 223.7 Human Services background study division for assistance. The agency that initiates the  
 223.8 background study under this paragraph shall be responsible for providing the volunteer  
 223.9 driver with the privacy notice required under section 245C.05, subdivision 2c, and  
 223.10 payment for the background study required under section 245C.10, subdivision 11, before  
 223.11 the background study is completed.

223.12 Sec. 17. Minnesota Statutes 2014, section 219.015, is amended to read:

223.13 **219.015 STATE RAIL SAFETY INSPECTOR INSPECTION PROGRAM.**

223.14 Subdivision 1. **Positions established; duties.** (a) The commissioner of  
 223.15 transportation shall establish three state rail safety inspector positions ~~in the Office~~  
 223.16 ~~of Freight and Commercial Vehicle Operations of the Minnesota Department of~~  
 223.17 ~~Transportation. On or after July 1, 2015, and~~ the commissioner may establish a ~~fourth~~ up  
 223.18 to nine state rail safety inspector ~~position~~ positions following consultation with railroad  
 223.19 companies. The commissioner shall apply to and enter into agreements with the Federal  
 223.20 Railroad Administration (FRA) of the United States Department of Transportation  
 223.21 to participate in the federal State Rail Safety Participation Program for training and  
 223.22 certification of an inspector under authority of United States Code, title 49, sections 20103,  
 223.23 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

223.24 (b) A state rail safety inspector ~~shall~~ may inspect mainline track, secondary  
 223.25 track, and yard and industry track; inspect railroad right-of-way, including adjacent or  
 223.26 intersecting drainage, culverts, bridges, overhead structures, and traffic and other public  
 223.27 crossings; inspect yards and physical plants; inspect train equipment; review and enforce  
 223.28 safety requirements; review maintenance and repair records; and review railroad security  
 223.29 measures.

223.30 (c) A state rail safety inspector may perform, but is not limited to, the duties  
 223.31 described in the federal State Rail Safety Participation Program. An inspector may train,  
 223.32 be certified, and participate in any of the federal State Rail Safety Participation Program  
 223.33 disciplines, including: track, signal and train control, motive power and equipment,  
 223.34 operating practices compliance, hazardous materials, and highway-rail grade crossings.

224.1 (d) To the extent delegated by the Federal Railroad Administration and authorized  
 224.2 by the commissioner, an inspector may issue citations for violations of this chapter, or to  
 224.3 ensure railroad employee and public safety and welfare.

224.4 Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided  
 224.5 in this subdivision, the commissioner shall annually assess railroad companies that are  
 224.6 (1) defined as common carriers under section 218.011; (2) classified by federal law  
 224.7 or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II  
 224.8 Carriers; and (3) operating in this state.

224.9 (b) The assessment must be ~~by a division of~~ calculated to allocate state rail  
 224.10 ~~safety inspector inspection~~ program costs ~~in equal proportion between~~ proportionally  
 224.11 among carriers based on route miles operated in Minnesota, ~~assessed in equal amounts~~  
 224.12 ~~for 365 days of the calendar year~~ at the time of assessment. The commissioner shall  
 224.13 ~~assess~~ include in the assessment calculation all program or additional position start-up  
 224.14 ~~or re-establishment costs;~~ all related costs of initiating the state rail safety ~~inspector~~  
 224.15 inspection program, including but not limited to inspection, administration, supervision,  
 224.16 travel, equipment, and training; and costs of ongoing state rail inspector duties.

224.17 (c) The assessments collected under this subdivision must be deposited in a ~~special~~  
 224.18 ~~account in the special revenue fund, to be known as the~~ state rail safety inspection account,  
 224.19 which is established in the special revenue fund. The account consists of funds as provided  
 224.20 by this subdivision, and any other money donated, allotted, transferred, or otherwise  
 224.21 provided to the account. Money in the account is appropriated to the commissioner for  
 224.22 the establishment and ongoing responsibilities of the state rail safety ~~inspector~~ inspection  
 224.23 program.

224.24 Subd. 3. **Work site safety coaching program.** The commissioner may exempt a  
 224.25 common carrier not federally classified as Class I from violations for a period of up to  
 224.26 two years if the common carrier applies for participation in a work site safety coaching  
 224.27 program, such as the "MNSharp" program administered by the Minnesota Department of  
 224.28 Labor and Industry, and the commissioner determines such participation to be preferred  
 224.29 enforcement for safety or security violations.

224.30 Subd. 4. **Appeal.** Any person aggrieved by an assessment levied under this section  
 224.31 may appeal within 90 days any assessment, violation, or administrative penalty to the  
 224.32 Office of Administrative Hearings, with further appeal and review by the district court.

224.33 Subd. 5. **Inspection program information.** (a) The commissioner must maintain  
 224.34 on the department's public Web site information on state rail safety inspection program  
 224.35 activity under this section.

224.36 (b) At a minimum, the Web site information must include:



- 225.1 (1) summaries of defects and violations by (i) railroad company, (ii) shipper  
 225.2 company, (iii) State Rail Safety Participation Program discipline, (iv) type of defect or  
 225.3 violation, (v) level of severity, and (vi) geographic location such as city or region;  
 225.4 (2) to the extent permitted by federal law, inspection reports or basic details  
 225.5 regarding any identified critical or major defects, or critical or major violations;  
 225.6 (3) a summary of any enforcement activity;  
 225.7 (4) a review of corrective actions taken; and  
 225.8 (5) a review of revenue sources for and summary of expenditures from the state rail  
 225.9 safety inspection account.
- 225.10 (c) In addition, the Web site information must include railroad bridge inspection  
 225.11 reports provided to the commissioner under section 219.925, subdivision 5.

225.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

225.13 Sec. 18. Minnesota Statutes 2014, section 219.1651, is amended to read:

225.14 **219.1651 GRADE CROSSING SAFETY ACCOUNT.**

225.15 A Minnesota grade crossing safety account is created in the special revenue fund;  
 225.16 ~~consisting of money credited to the account by law.~~ The account consists of funds as  
 225.17 provided by law, and any other money donated, allotted, transferred, or otherwise provided  
 225.18 to the account. Money in the account is appropriated to the commissioner of transportation  
 225.19 for rail-highway grade crossing safety projects on public streets and highways, including  
 225.20 planning, engineering costs, and other costs associated with the administration and delivery  
 225.21 of grade crossing safety projects. At the discretion of the commissioner of transportation,  
 225.22 money in the account at the end of each biennium may cancel to the trunk highway fund.

225.23 Sec. 19. **[219.925] INCIDENT EMERGENCY RESPONSE; PREPAREDNESS**  
 225.24 **AND INFORMATION.**

225.25 Subdivision 1. Definitions. (a) For purposes of this section, the following terms  
 225.26 have the meanings given them.

225.27 (b) "Emergency manager" means the director of a local organization for emergency  
 225.28 management under section 12.25.

225.29 (c) "Hazardous substance" has the meaning given in Code of Federal Regulations,  
 225.30 title 49, section 171.8.

225.31 (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

225.32 (e) "Rail carrier" means a railroad company that is (1) defined as a common carrier  
 225.33 under section 218.011; (2) classified by federal law or regulation as Class I Railroad, Class

226.1 I Rail Carrier, Class II Railroad, Class II Carrier, Class III Railroad, or Class III Carrier;  
226.2 and (3) operating in this state.

226.3 Subd. 2. **Emergency response capability notification.** (a) A rail carrier must  
226.4 provide an emergency response capability notification to each emergency manager and fire  
226.5 chief having jurisdiction along the routes over which oil and other hazardous substances  
226.6 are transported and to the commissioner of public safety. At a minimum, the notification  
226.7 must include geographic inventories of:

226.8 (1) life-safety emergency response equipment and related major supplies, including  
226.9 details on fire-suppression equipment, equipment capacity, and supply amounts; and

226.10 (2) response staff, including information on number and expertise areas of personnel  
226.11 responding from each geographic location.

226.12 (b) Each inventory under paragraph (a), clauses (1) and (2), must specify storage  
226.13 or starting locations of equipment, supplies, and personnel, and must provide estimates  
226.14 of travel times to a sample of reasonable locations along the routes over which oil and  
226.15 other hazardous substances are transported.

226.16 (c) A rail carrier must promptly provide an updated notification following any  
226.17 material change in the information under this subdivision.

226.18 Subd. 3. **Route planning risk assessment.** A rail carrier must provide a copy of  
226.19 the route planning and analysis, including risk assessment information, required under  
226.20 Code of Federal Regulations, title 49, section 172.820, or successor requirements, to each  
226.21 emergency manager and fire chief having jurisdiction along the routes over which oil and  
226.22 other hazardous substances are transported and to the commissioner of public safety.

226.23 Subd. 4. **Hazardous materials response plans.** A rail carrier must provide a copy of  
226.24 the carrier's hazardous materials emergency response plan to each emergency manager and  
226.25 fire chief having jurisdiction along the routes over which oil and other hazardous substances  
226.26 are transported for integration and coordination with local emergency operations planning.

226.27 Subd. 5. **Bridge inspection reports.** A rail carrier must provide a copy of bridge  
226.28 inspection reports on railroad bridges along the routes over which oil and other hazardous  
226.29 substances are transported to:

226.30 (1) each emergency manager, for those bridges located within the emergency  
226.31 manager's jurisdiction;

226.32 (2) each city or county engineer, for those bridges over a roadway under the  
226.33 engineer's jurisdiction; and

226.34 (3) the commissioner of transportation, for all applicable bridges.

226.35 Subd. 6. **Software program; comprehensive oil and other hazardous materials**  
226.36 transportation tracking. (a) All rail carriers subject to this section shall collectively

227.1 maintain a single software program that must be accessible both by a downloadable  
227.2 application and by means of the Internet. The program must provide comprehensive,  
227.3 accurate, and real-time information regarding transportation of oil and other hazardous  
227.4 substances.

227.5 (b) At a minimum, the software program must:

227.6 (1) contain data that is updated on a real-time basis, including, as practicable,  
227.7 updates due to rail car switching, assembly and disassembly, and storage operations;

227.8 (2) contain information on all tanker railcars carrying oil and other hazardous  
227.9 substances in this state, which must include:

227.10 (i) identification of the specific substance in each railcar; and

227.11 (ii) reasonable estimates of the volume of the substance in each railcar;

227.12 (3) be available to emergency first responders having jurisdiction along the routes  
227.13 over which oil and other hazardous substances are transported, and to employees in the  
227.14 Department of Public Safety designated by the commissioner of public safety; and

227.15 (4) provide a user interface that is accessible by authorized individuals through a  
227.16 Web site.

227.17 (c) The requirement under paragraph (b), clause (3), does not prevent access through  
227.18 software applications on wireless communications devices if it is made available for  
227.19 each operating system commonly in use.

227.20 Subd. 7. **Data-sharing requirements.** (a) A rail carrier must provide all data  
227.21 required under subdivisions 2 to 6 in its entirety, without abridgment.

227.22 (b) A railroad is prohibited from, as a condition of providing any data required under  
227.23 this section, requiring an emergency manager or fire chief to enter into an agreement that  
227.24 restricts the ability of the emergency manager or fire chief to share the data with:

227.25 (1) local emergency responders in the same jurisdiction; or

227.26 (2) other emergency managers or fire chiefs, if information sharing is for emergency  
227.27 life-safety response planning and coordination purposes.

227.28 Subd. 8. **Transported substances community notice.** (a) As provided in this  
227.29 subdivision, each rail carrier must provide a community notice concerning all oil and other  
227.30 hazardous substance transportation within or through the state. The notice requirement  
227.31 under this subdivision does not apply to transportation of goods that are not oil or other  
227.32 hazardous substances. All rail carriers subject to this section must collectively maintain  
227.33 the community notices on a public Web site.

227.34 (b) A notice under this subdivision must include:

227.35 (1) the specific routes over which the oil or other hazardous substance is transported;

228.1 (2) the transportation schedule, including the time, frequency, and volume of oil or  
 228.2 other hazardous substance transported on a daily or other reasonable basis as authorized  
 228.3 by the commissioner;

228.4 (3) the number of tanker railcars transported;

228.5 (4) a description of the material transported, including, as applicable, the gravity as  
 228.6 measured by industry standards and the vapor pressure;

228.7 (5) all applicable emergency response information required under Code of Federal  
 228.8 Regulations, title 49, part 172, subpart G, or successor requirements; and

228.9 (6) contact information, including name, title, telephone number, and address, of  
 228.10 at least one qualified company employee who is responsible for serving as a point of  
 228.11 contact for discharge response.

228.12 (c) A railroad must provide a community notice prior to transporting oil and other  
 228.13 hazardous substances, and must provide an updated notice prior to any material change in  
 228.14 the information under paragraph (b).

228.15 **EFFECTIVE DATE.** This section is effective July 1, 2016, except that subdivision  
 228.16 6 is effective July 1, 2017.

228.17 Sec. 20. Minnesota Statutes 2014, section 222.49, is amended to read:

228.18 **222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.**

228.19 The rail service improvement account is created in the special revenue fund ~~in~~  
 228.20 ~~the state treasury.~~ The commissioner shall deposit in this account all consists of funds  
 228.21 as provided by law, and any other money appropriated to or received by the department  
 228.22 for the purpose of rail service improvement donated, allotted, transferred, or otherwise  
 228.23 provided to the account, excluding bond proceeds as authorized by article XI, section 5,  
 228.24 clause (i)<sub>2</sub> of the Minnesota Constitution. All money so deposited is appropriated to the  
 228.25 department for expenditure for rail service improvement in accordance with applicable  
 228.26 state and federal law. This appropriation shall not lapse but shall be available until the  
 228.27 purpose for which it was appropriated has been accomplished. ~~No money appropriated to~~  
 228.28 ~~the department for the purposes of administering the rail service improvement program~~  
 228.29 ~~shall be deposited in the rail service improvement account nor shall such administrative~~  
 228.30 ~~costs be paid from the account.~~

228.31 Sec. 21. Minnesota Statutes 2014, section 222.50, subdivision 6, is amended to read:

228.32 Subd. 6. **Grants.** The commissioner may approve grants from the rail service  
 228.33 improvement account for payment of up to 50 percent of the nonfederal share of the cost

229.1 ~~of any rail line project under the federal rail service continuation program~~ freight rail  
 229.2 service improvements that support economic development.

229.3 Sec. 22. Minnesota Statutes 2015 Supplement, section 222.50, subdivision 7, is  
 229.4 amended to read:

229.5 Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail  
 229.6 service improvement account for the following purposes:

229.7 (1) to make transfers as provided under section 222.57 or to pay interest adjustments  
 229.8 on loans guaranteed under the state rail user and rail carrier loan guarantee program;

229.9 (2) to pay a portion of the costs of capital improvement projects designed to improve  
 229.10 rail service of a rail user or a rail carrier;

229.11 (3) to pay a portion of the costs of rehabilitation projects designed to improve rail  
 229.12 service of a rail user or a rail carrier;

229.13 (4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to  
 229.14 the state rail bank program;

229.15 (5) to provide for aerial photography survey of proposed and abandoned railroad  
 229.16 tracks for the purpose of recording and reestablishing by analytical triangulation the  
 229.17 existing alignment of the in-place track;

229.18 (6) to pay a portion of the costs of acquiring a rail line by a regional railroad  
 229.19 authority established pursuant to chapter 398A;

229.20 (7) to pay the state matching portion of federal grants for rail-highway grade  
 229.21 crossing improvement projects;

229.22 (8) ~~for expenditures made before July 1, 2017, to pay the state matching portion~~  
 229.23 ~~of grants under the federal Transportation Investment Generating Economic Recovery~~  
 229.24 ~~(TIGER) program of the United States Department of Transportation~~ to pay the state  
 229.25 matching portion of federal grants for freight rail projects;

229.26 (9) to fund rail planning ~~studies~~ activities and other administrative and program  
 229.27 expenses; and

229.28 (10) to pay a portion of the costs of capital improvement projects designed to  
 229.29 improve capacity or safety at rail yards.

229.30 (b) All money derived by the commissioner from the disposition of railroad  
 229.31 right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall  
 229.32 be deposited in the rail service improvement account.

229.33 Sec. 23. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 17,  
 229.34 is amended to read:

230.1 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"  
 230.2 means motor vehicle transportation provided by a public or private person that serves  
 230.3 Minnesota health care program beneficiaries who do not require emergency ambulance  
 230.4 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

230.5 (b) Medical assistance covers medical transportation costs incurred solely for  
 230.6 obtaining emergency medical care or transportation costs incurred by eligible persons in  
 230.7 obtaining emergency or nonemergency medical care when paid directly to an ambulance  
 230.8 company, common carrier, or other recognized providers of transportation services.

230.9 Medical transportation must be provided by:

230.10 (1) nonemergency medical transportation providers who meet the requirements  
 230.11 of this subdivision;

230.12 (2) ambulances, as defined in section 144E.001, subdivision 2;

230.13 (3) taxicabs;

230.14 (4) public transit, as defined in section 174.22, subdivision 7; or

230.15 (5) not-for-hire vehicles, including volunteer drivers.

230.16 (c) Medical assistance covers nonemergency medical transportation provided by  
 230.17 nonemergency medical transportation providers enrolled in the Minnesota health care  
 230.18 programs. All nonemergency medical transportation providers must comply with the  
 230.19 operating standards for special transportation service as defined in sections 174.29 to  
 230.20 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota  
 230.21 Department of Transportation. All nonemergency medical transportation providers shall  
 230.22 bill for nonemergency medical transportation services in accordance with Minnesota  
 230.23 health care programs criteria. Publicly operated transit systems, volunteers, and  
 230.24 not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

230.25 (d) An organization may be terminated, denied, or suspended from enrollment if:

230.26 (1) the provider has not initiated background studies on the individuals specified in  
 230.27 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

230.28 (2) the provider has initiated background studies on the individuals specified in  
 230.29 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

230.30 (i) the commissioner has sent the provider a notice that the individual has been  
 230.31 disqualified under section 245C.14; and

230.32 (ii) the individual has not received a disqualification set-aside specific to the special  
 230.33 transportation services provider under sections 245C.22 and 245C.23.

230.34 ~~(d)~~ (e) The administrative agency of nonemergency medical transportation must:

230.35 (1) adhere to the policies defined by the commissioner in consultation with the  
 230.36 Nonemergency Medical Transportation Advisory Committee;

231.1 (2) pay nonemergency medical transportation providers for services provided to  
231.2 Minnesota health care programs beneficiaries to obtain covered medical services;

231.3 (3) provide data monthly to the commissioner on appeals, complaints, no-shows,  
231.4 canceled trips, and number of trips by mode; and

231.5 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single  
231.6 administrative structure assessment tool that meets the technical requirements established  
231.7 by the commissioner, reconciles trip information with claims being submitted by  
231.8 providers, and ensures prompt payment for nonemergency medical transportation services.

231.9 ~~(e)~~ (f) Until the commissioner implements the single administrative structure and  
231.10 delivery system under subdivision 18e, clients shall obtain their level-of-service certificate  
231.11 from the commissioner or an entity approved by the commissioner that does not dispatch  
231.12 rides for clients using modes of transportation under paragraph ~~(h)~~ (i), clauses (4), (5),  
231.13 (6), and (7).

231.14 ~~(f)~~ (g) The commissioner may use an order by the recipient's attending physician or  
231.15 a medical or mental health professional to certify that the recipient requires nonemergency  
231.16 medical transportation services. Nonemergency medical transportation providers shall  
231.17 perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted  
231.18 service includes passenger pickup at and return to the individual's residence or place of  
231.19 business, assistance with admittance of the individual to the medical facility, and assistance  
231.20 in passenger securement or in securing of wheelchairs or stretchers in the vehicle.

231.21 Nonemergency medical transportation providers must take clients to the health care  
231.22 provider using the most direct route, and must not exceed 30 miles for a trip to a primary  
231.23 care provider or 60 miles for a trip to a specialty care provider, unless the client receives  
231.24 authorization from the local agency.

231.25 Nonemergency medical transportation providers may not bill for separate base rates  
231.26 for the continuation of a trip beyond the original destination. Nonemergency medical  
231.27 transportation providers must maintain trip logs, which include pickup and drop-off times,  
231.28 signed by the medical provider or client, whichever is deemed most appropriate, attesting  
231.29 to mileage traveled to obtain covered medical services. Clients requesting client mileage  
231.30 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical  
231.31 services.

231.32 ~~(g)~~ (h) The administrative agency shall use the level of service process established  
231.33 by the commissioner in consultation with the Nonemergency Medical Transportation  
231.34 Advisory Committee to determine the client's most appropriate mode of transportation.  
231.35 If public transit or a certified transportation provider is not available to provide the  
231.36 appropriate service mode for the client, the client may receive a onetime service upgrade.

232.1 ~~(h)~~ (i) The covered modes of transportation, which may not be implemented without  
232.2 a new rate structure, are:

232.3 (1) client reimbursement, which includes client mileage reimbursement provided to  
232.4 clients who have their own transportation, or to family or an acquaintance who provides  
232.5 transportation to the client;

232.6 (2) volunteer transport, which includes transportation by volunteers using their  
232.7 own vehicle;

232.8 (3) unassisted transport, which includes transportation provided to a client by a  
232.9 taxicab or public transit. If a taxicab or public transit is not available, the client can receive  
232.10 transportation from another nonemergency medical transportation provider;

232.11 (4) assisted transport, which includes transport provided to clients who require  
232.12 assistance by a nonemergency medical transportation provider;

232.13 (5) lift-equipped/ramp transport, which includes transport provided to a client who  
232.14 is dependent on a device and requires a nonemergency medical transportation provider  
232.15 with a vehicle containing a lift or ramp;

232.16 (6) protected transport, which includes transport provided to a client who has  
232.17 received a prescreening that has deemed other forms of transportation inappropriate and  
232.18 who requires a provider: (i) with a protected vehicle that is not an ambulance or police car  
232.19 and has safety locks, a video recorder, and a transparent thermoplastic partition between  
232.20 the passenger and the vehicle driver; and (ii) who is certified as a protected transport  
232.21 provider; and

232.22 (7) stretcher transport, which includes transport for a client in a prone or supine  
232.23 position and requires a nonemergency medical transportation provider with a vehicle that  
232.24 can transport a client in a prone or supine position.

232.25 ~~(h)~~ (j) The local agency shall be the single administrative agency and shall administer  
232.26 and reimburse for modes defined in paragraph ~~(h)~~ (i) according to paragraphs ~~(h)~~ (m) and  
232.27 ~~(m)~~ (n) when the commissioner has developed, made available, and funded the Web-based  
232.28 single administrative structure, assessment tool, and level of need assessment under  
232.29 subdivision 18e. The local agency's financial obligation is limited to funds provided by  
232.30 the state or federal government.

232.31 ~~(j)~~ (k) The commissioner shall:

232.32 (1) in consultation with the Nonemergency Medical Transportation Advisory  
232.33 Committee, verify that the mode and use of nonemergency medical transportation is  
232.34 appropriate;

232.35 (2) verify that the client is going to an approved medical appointment; and

232.36 (3) investigate all complaints and appeals.



233.1 ~~(k)~~ (l) The administrative agency shall pay for the services provided in this  
 233.2 subdivision and seek reimbursement from the commissioner, if appropriate. As vendors  
 233.3 of medical care, local agencies are subject to the provisions in section 256B.041, the  
 233.4 sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules,  
 233.5 parts 9505.2160 to 9505.2245.

233.6 ~~(h)~~ (m) Payments for nonemergency medical transportation must be paid based  
 233.7 on the client's assessed mode under paragraph ~~(g)~~ (h), not the type of vehicle used to  
 233.8 provide the service. The medical assistance reimbursement rates for nonemergency  
 233.9 medical transportation services that are payable by or on behalf of the commissioner for  
 233.10 nonemergency medical transportation services are:

233.11 (1) \$0.22 per mile for client reimbursement;

233.12 (2) up to 100 percent of the Internal Revenue Service business deduction rate for  
 233.13 volunteer transport;

233.14 (3) equivalent to the standard fare for unassisted transport when provided by public  
 233.15 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency  
 233.16 medical transportation provider;

233.17 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

233.18 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

233.19 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

233.20 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip  
 233.21 for an additional attendant if deemed medically necessary.

233.22 ~~(m)~~ (n) The base rate for nonemergency medical transportation services in areas  
 233.23 defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate  
 233.24 in paragraph ~~(h)~~ (m), clauses (1) to (7). The mileage rate for nonemergency medical  
 233.25 transportation services in areas defined under RUCA to be rural or super rural areas is:

233.26 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage  
 233.27 rate in paragraph ~~(h)~~ (m), clauses (1) to (7); and

233.28 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective  
 233.29 mileage rate in paragraph ~~(h)~~ (m), clauses (1) to (7).

233.30 ~~(n)~~ (o) For purposes of reimbursement rates for nonemergency medical  
 233.31 transportation services under paragraphs ~~(h)~~ (m) and ~~(m)~~ (n), the zip code of the recipient's  
 233.32 place of residence shall determine whether the urban, rural, or super rural reimbursement  
 233.33 rate applies.

233.34 ~~(o)~~ (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA"  
 233.35 means a census-tract based classification system under which a geographical area is  
 233.36 determined to be urban, rural, or super rural.

234.1 Sec. 24. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

234.2 Subd. 1a. **Estates subject to claims.** (a) If a person receives any medical assistance  
234.3 hereunder, on the person's death, if single, or on the death of the survivor of a married  
234.4 couple, either or both of whom received medical assistance, or as otherwise provided  
234.5 for in this section, the total amount paid for medical assistance rendered for the person  
234.6 and spouse shall be filed as a claim against the estate of the person or the estate of the  
234.7 surviving spouse in the court having jurisdiction to probate the estate or to issue a decree  
234.8 of descent according to sections 525.31 to 525.313.

234.9 (b) For the purposes of this section, the person's estate must consist of:

234.10 (1) the person's probate estate;

234.11 (2) all of the person's interests or proceeds of those interests in real property the  
234.12 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of  
234.13 the person's death;

234.14 (3) all of the person's interests or proceeds of those interests in securities the person  
234.15 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time  
234.16 of the person's death, to the extent the interests or proceeds of those interests become part  
234.17 of the probate estate under section 524.6-307;

234.18 (4) all of the person's interests in joint accounts, multiple-party accounts, and  
234.19 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of  
234.20 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the  
234.21 person's death to the extent the interests become part of the probate estate under section  
234.22 524.6-207; and

234.23 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,  
234.24 living trust, transfer-on-death of title or deed, or other arrangements.

234.25 (c) For the purpose of this section and recovery in a surviving spouse's estate for  
234.26 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal  
234.27 title and interests the deceased individual's predeceased spouse had in jointly owned or  
234.28 marital property at the time of the spouse's death, as defined in subdivision 2b, and the  
234.29 proceeds of those interests, that passed to the deceased individual or another individual, a  
234.30 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy  
234.31 in common, survivorship, life estate, living trust, or other arrangement. A deceased  
234.32 recipient who, at death, owned the property jointly with the surviving spouse shall have  
234.33 an interest in the entire property.

234.34 (d) For the purpose of recovery in a single person's estate or the estate of a survivor  
234.35 of a married couple, "other arrangement" includes any other means by which title to all or  
234.36 any part of the jointly owned or marital property or interest passed from the predeceased

235.1 spouse to another including, but not limited to, transfers between spouses which are  
 235.2 permitted, prohibited, or penalized for purposes of medical assistance.

235.3 (e) A claim shall be filed if medical assistance was rendered for either or both  
 235.4 persons under one of the following circumstances:

235.5 (1) the person was over 55 years of age, and received services under this chapter;

235.6 (2) the person resided in a medical institution for six months or longer, received  
 235.7 services under this chapter, and, at the time of institutionalization or application for  
 235.8 medical assistance, whichever is later, the person could not have reasonably been expected  
 235.9 to be discharged and returned home, as certified in writing by the person's treating  
 235.10 physician. For purposes of this section only, a "medical institution" means a skilled  
 235.11 nursing facility, intermediate care facility, intermediate care facility for persons with  
 235.12 developmental disabilities, nursing facility, or inpatient hospital; or

235.13 (3) the person received general assistance medical care services under chapter 256D.

235.14 (f) The claim shall be considered an expense of the last illness of the decedent for  
 235.15 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a  
 235.16 state or county agency with a claim under this section must be a creditor under section  
 235.17 524.6-307. Any statute of limitations that purports to limit any county agency or the state  
 235.18 agency, or both, to recover for medical assistance granted hereunder shall not apply to any  
 235.19 claim made hereunder for reimbursement for any medical assistance granted hereunder.  
 235.20 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other  
 235.21 persons with an ownership interest in the real property owned by the decedent at the time  
 235.22 of the decedent's death, whose identity can be ascertained with reasonable diligence. The  
 235.23 notice must include procedures and instructions for making an application for a hardship  
 235.24 waiver under subdivision 5; time frames for submitting an application and determination;  
 235.25 and information regarding appeal rights and procedures. Counties are entitled to one-half  
 235.26 of the nonfederal share of medical assistance collections from estates that are directly  
 235.27 attributable to county effort. Counties are entitled to ten percent of the collections for  
 235.28 alternative care directly attributable to county effort.

235.29 Sec. 25. Minnesota Statutes 2014, section 297B.01, subdivision 16, is amended to read:

235.30 Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale,"  
 235.31 "sells," "selling," "purchase," "purchased," or "acquired" means any transfer of title of any  
 235.32 motor vehicle, whether absolutely or conditionally, for a consideration in money or by  
 235.33 exchange or barter for any purpose other than resale in the regular course of business.

235.34 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others  
 235.35 or by holding it in an effort to so lease it, and which is put to no other use by the owner

236.1 other than resale after such lease or effort to lease, shall be considered property purchased  
236.2 for resale.

236.3 (c) The terms also shall include any transfer of title or ownership of a motor vehicle  
236.4 by other means, for or without consideration, except that these terms shall not include:

236.5 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, or  
236.6 transfer-on-death of title by, a decedent who owned it;

236.7 (2) the transfer of a motor vehicle which was previously licensed in the names of  
236.8 two or more joint tenants and subsequently transferred without monetary consideration to  
236.9 one or more of the joint tenants;

236.10 (3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer  
236.11 licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with  
236.12 no monetary or other consideration or expectation of consideration and the parties to the  
236.13 transfer submit an affidavit to that effect at the time the title transfer is recorded;

236.14 (4) the transfer of a motor vehicle by gift between:

236.15 (i) spouses;

236.16 (ii) parents and a child; or

236.17 (iii) grandparents and a grandchild;

236.18 (5) the voluntary or involuntary transfer of a motor vehicle between a husband and  
236.19 wife in a divorce proceeding; or

236.20 (6) the transfer of a motor vehicle by way of a gift to an organization that is exempt  
236.21 from federal income taxation under section 501(c)(3) of the Internal Revenue Code when  
236.22 the motor vehicle will be used exclusively for religious, charitable, or educational purposes.

236.23 Sec. 26. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

236.24 Subd. 3. **Killed in the line of duty.** "Killed in the line of duty" does not include  
236.25 deaths from natural causes, except as provided in this subdivision. In the case of a ~~peace~~  
236.26 public safety officer, "killed in the line of duty" includes the death of ~~an~~ a public safety  
236.27 officer caused by accidental means while the ~~peace~~ public safety officer is acting in the  
236.28 course and scope of duties as a ~~peace~~ public safety officer. Killed in the line of duty also  
236.29 means if a public safety officer dies as the direct and proximate result of a heart attack,  
236.30 stroke, or vascular rupture, that officer shall be presumed to have died as the direct and  
236.31 proximate result of a personal injury sustained in the line of duty if:

236.32 (1) that officer, while on duty:

236.33 (i) engaged in a situation, and that engagement involved nonroutine stressful or  
236.34 strenuous physical law enforcement, fire suppression, rescue, hazardous material response,

237.1 emergency medical services, prison security, disaster relief, or other emergency response  
 237.2 activity; or

237.3 (ii) participated in a training exercise, and that participation involved nonroutine  
 237.4 stressful or strenuous physical activity;

237.5 (2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

237.6 (i) while engaging or participating under clause (1);

237.7 (ii) while still on duty after engaging or participating under clause (1); or

237.8 (iii) not later than 24 hours after engaging or participating under clause (1); and

237.9 (3) the presumption is not overcome by competent medical evidence to the contrary.

237.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

237.11 Sec. 27. Minnesota Statutes 2014, section 299A.41, subdivision 4, is amended to read:

237.12 Subd. 4. **Public safety officer.** "Public safety officer" includes:

237.13 (1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);

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

237.16 (3) an individual employed on a full-time basis by the state or by a fire department of  
 237.17 a governmental subdivision of the state, who is engaged in any of the following duties:

237.18 (i) firefighting;

237.19 (ii) emergency motor vehicle operation;

237.20 (iii) investigation into the cause and origin of fires;

237.21 (iv) the provision of emergency medical services; or

237.22 (v) hazardous material responder;

237.23 (4) a legally enrolled member of a volunteer fire department or member of an

237.24 independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

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

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

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

237.31 (8) a first responder who is certified by the emergency medical services regulatory  
 237.32 board to perform basic emergency skills before the arrival of a licensed ambulance service  
 237.33 and who is a member of an organized service recognized by a local political subdivision  
 237.34 to respond to medical emergencies to provide initial medical care before the arrival of  
 237.35 an ambulance; and

238.1 (9) a person, other than a state trooper, employed by the commissioner of public  
 238.2 safety and assigned to the State Patrol, whose primary employment duty is either Capitol  
 238.3 security or the enforcement of commercial motor vehicle laws and regulations.

238.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

238.5 Sec. 28. Minnesota Statutes 2014, section 299A.55, is amended to read:

238.6 **299A.55 RAILROAD AND PIPELINE SAFETY INCIDENT**  
 238.7 **PREPAREDNESS; OIL AND OTHER HAZARDOUS MATERIALS SUBSTANCES.**

238.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
 238.9 have the meanings given them.

238.10 (b) "Applicable rail carrier" means a railroad company that is subject to an  
 238.11 assessment under section 219.015, subdivision 2.

238.12 (c) "Hazardous substance" has the meaning given in ~~section 115B.02, subdivision 8~~  
 238.13 Code of Federal Regulations, title 49, section 171.8.

238.14 (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

238.15 (e) "Pipeline company" means any individual, partnership, association, or public  
 238.16 or private corporation who owns and operates pipeline facilities and is required to show  
 238.17 specific preparedness under section 115E.03, subdivision 2.

238.18 Subd. 2. **Railroad and pipeline safety incident account.** (a) A railroad and  
 238.19 pipeline safety incident account is created in the special revenue fund. The account  
 238.20 consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or  
 238.21 otherwise provided to the account.

238.22 (b) ~~\$104,000 is annually~~ \$345,000 in fiscal year 2017, and \$250,000 annually  
 238.23 beginning in fiscal year 2018 are appropriated from the railroad and pipeline safety  
 238.24 incident account to the commissioner of the Pollution Control Agency for environmental  
 238.25 protection activities related to railroad discharge preparedness under chapter 115E.

238.26 (c) Following the appropriation in paragraph (b), the remaining money in the  
 238.27 account is annually appropriated to the commissioner of public safety for the purposes  
 238.28 specified in subdivision 3.

238.29 Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this  
 238.30 subdivision, the commissioner shall provide funds for training and response preparedness  
 238.31 related to (1) derailments, discharge incidents, or spills involving trains carrying oil or  
 238.32 other hazardous substances, and (2) pipeline discharge incidents or spills involving oil  
 238.33 or other hazardous substances.

238.34 (b) The commissioner shall allocate available funds as follows:

239.1 (1) \$100,000 annually for emergency response teams; and  
 239.2 (2) the remaining amount to the Board of Firefighter Training and Education under  
 239.3 section 299N.02 and the Division of Homeland Security and Emergency Management.

239.4 (c) Prior to making allocations under paragraph (b), the commissioner shall consult  
 239.5 with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

239.6 (d) The commissioner and the entities identified in paragraph (b), clause (2), shall  
 239.7 prioritize uses of funds based on:

239.8 (1) firefighter training needs;

239.9 (2) community risk from discharge incidents or spills;

239.10 (3) geographic balance; ~~and~~

239.11 (4) risks to the general public; and

239.12 (5) recommendations of the Fire Service Advisory Committee.

239.13 (e) The following are permissible uses of funds provided under this subdivision:

239.14 (1) training costs, which may include, but are not limited to, training curriculum,  
 239.15 trainers, trainee overtime salary, other personnel overtime salary, and tuition;

239.16 (2) costs of gear and equipment related to hazardous materials readiness, response,  
 239.17 and management, which may include, but are not limited to, original purchase,  
 239.18 maintenance, and replacement;

239.19 (3) supplies related to the uses under clauses (1) and (2); ~~and~~

239.20 (4) emergency preparedness planning and coordination;<sub>2</sub>

239.21 (5) life-safety emergency response exercises, including coordinated or comprehensive  
 239.22 exercises in conjunction with the requirements under section 115E.042, subdivision 5; and

239.23 (6) public education and outreach, including but not limited to: (i) informing and  
 239.24 engaging the public regarding hazards of derailments and discharge incidents; (ii) assisting  
 239.25 in development of evacuation readiness; (iii) undertaking public information campaigns;  
 239.26 and (iv) providing accurate information to the media on likelihood and consequences of  
 239.27 derailments and discharge incidents.

239.28 (f) Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline  
 239.29 safety incident account provided for the purposes under this subdivision, the commissioner  
 239.30 may retain a balance in the account for budgeting in subsequent fiscal years.

239.31 Subd. 4. **Assessments.** (a) The commissioner of public safety shall annually assess  
 239.32 \$2,500,000 to railroad and pipeline companies based on the formula specified in paragraph  
 239.33 (b). The commissioner shall deposit funds collected under this subdivision in the railroad  
 239.34 and pipeline safety incident account under subdivision 2.

239.35 (b) The assessment for each railroad is 50 percent of the total annual assessment  
 239.36 amount, divided in equal proportion between applicable rail carriers based on route miles

240.1 operated in Minnesota. The assessment for each pipeline company is 50 percent of the  
240.2 total annual assessment amount, divided in equal proportion between companies based  
240.3 on the yearly aggregate gallons of oil and hazardous substance transported by pipeline  
240.4 in Minnesota.

240.5 (c) The assessments under this subdivision expire July 1, 2017.

240.6 Sec. 29. Minnesota Statutes 2014, section 299D.03, subdivision 5, is amended to read:

240.7 Subd. 5. **Traffic fines and forfeited bail money.** (a) All fines and forfeited bail  
240.8 money collected from persons apprehended or arrested by officers of the State Patrol  
240.9 shall be transmitted by the person or officer collecting the fines, forfeited bail money,  
240.10 or installments thereof, on or before the tenth day after the last day of the month in  
240.11 which these moneys were collected, to the commissioner of management and budget.  
240.12 Except where a different disposition is required in this subdivision or section 387.213, or  
240.13 otherwise provided by law, three-eighths of these receipts must be deposited in the state  
240.14 treasury and credited to the state general fund. The other five-eighths of these receipts  
240.15 must be deposited in the state treasury and credited as follows: (1) the first ~~\$1,000,000~~  
240.16 \$2,500,000 in each fiscal year must be credited to the Minnesota grade crossing safety  
240.17 account in the special revenue fund, and (2) remaining receipts must be credited to the state  
240.18 trunk highway fund. If, however, the violation occurs within a municipality and the city  
240.19 attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts  
240.20 shall be deposited in the state treasury and credited to the state general fund, one-third of  
240.21 the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be  
240.22 deposited in the state treasury and credited to the Minnesota grade crossing safety account  
240.23 or the state trunk highway fund as provided in this paragraph. When section 387.213 also  
240.24 is applicable to the fine, section 387.213 shall be applied before this paragraph is applied.  
240.25 All costs of participation in a nationwide police communication system chargeable to the  
240.26 state of Minnesota shall be paid from appropriations for that purpose.

240.27 (b) All fines and forfeited bail money from violations of statutes governing the  
240.28 maximum weight of motor vehicles, collected from persons apprehended or arrested by  
240.29 employees of the state of Minnesota, by means of stationary or portable scales operated  
240.30 by these employees, shall be transmitted by the person or officer collecting the fines or  
240.31 forfeited bail money, on or before the tenth day after the last day of the month in which the  
240.32 collections were made, to the commissioner of management and budget. Five-eighths of  
240.33 these receipts shall be deposited in the state treasury and credited to the state highway  
240.34 user tax distribution fund. Three-eighths of these receipts shall be deposited in the state  
240.35 treasury and credited to the state general fund.



241.1 Sec. 30. Minnesota Statutes 2014, section 353.01, subdivision 43, is amended to read:

241.2 Subd. 43. **Line of duty death.** "Line of duty death" means:

241.3 (1) a death that occurs while performing or as a direct result of performing normal or  
 241.4 less frequent duties which are specific to protecting the property and personal safety of  
 241.5 others and that present inherent dangers that are specific to the positions covered by the  
 241.6 public employees police and fire plan; or

241.7 (2) a death determined by the commissioner of public safety that meets the  
 241.8 requirements of sections 299A.41 to 299A.46.

241.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

241.10 Sec. 31. Minnesota Statutes 2014, section 360.013, is amended by adding a subdivision  
 241.11 to read:

241.12 Subd. 47a. **Drones.** "Drone" means a powered aircraft that is operated without the  
 241.13 possibility of direct human intervention from within or on the aircraft.

241.14 **EFFECTIVE DATE.** This section is effective January 1, 2017.

241.15 Sec. 32. Minnesota Statutes 2014, section 360.075, subdivision 1, is amended to read:

241.16 Subdivision 1. **Misdemeanor.** Every person who:

241.17 (1) operates an aircraft either on or over land or water in this state without the  
 241.18 consent of the owner of such aircraft;

241.19 (2) operates aircraft while in the possession of any federal license, certificate, or  
 241.20 permit or any certificate of registration issued by the ~~Transportation~~ department of this  
 241.21 state, or displays, or causes or permits to be displayed, such federal license, certificate,  
 241.22 or permit or such state certificate of registration, knowing either to have been canceled,  
 241.23 revoked, suspended, or altered;

241.24 (3) lends to, or knowingly permits the use of by, one not entitled thereto of any  
 241.25 federal airman's or aircraft license, certificate, or permit, or any state airman's or aircraft  
 241.26 certificate of registration issued to that person;

241.27 (4) displays or represents as the person's own any federal airman's or aircraft license,  
 241.28 certificate, or permit or any state airman's or aircraft certificate of registration not issued  
 241.29 to that person;

241.30 (5) tampers with, climbs upon or into, makes use of, or navigates any aircraft without  
 241.31 the knowledge or consent of the owner or person having control thereof, whether while the  
 241.32 same is in motion or at rest, or hurls stones or any other missiles at aircraft, or the occupants

242.1 thereof, or otherwise damages or interferes with the same, or places upon any portion of any  
242.2 airport any object, obstruction, or other device tending to injure aircraft or parts thereof;

242.3 (6) uses a false or fictitious name, gives a false or fictitious address, knowingly  
242.4 makes any false statement or report, or knowingly conceals a material fact, or otherwise  
242.5 commits a fraud in any application or form required under the provisions of sections  
242.6 360.011 to 360.076, or by any rules or orders of the commissioner;

242.7 (7) operates any aircraft ~~in such a manner~~ so as to indicate either a reckless ~~willful~~ or  
242.8 ~~a wanton~~ disregard for the safety of persons or property;

242.9 (8) carries on or over land or water in this state in an aircraft other than a public  
242.10 aircraft any explosive substance except as permitted by ~~the Federal Explosives Act, being~~  
242.11 ~~the Act of October 6, 1917, as amended by Public Law 775, 77th Congress, approved~~  
242.12 ~~November 24, 1942~~ United States Code, title 18, chapter 40; Code of Federal Regulations,  
242.13 title 27, part 555; and successor laws and regulations;

242.14 (9) discharges a gun, pistol, or other weapon in or from any aircraft in this state  
242.15 except as the hunting of certain wild animals from aircraft may be permitted by other laws  
242.16 of this state, or unless the person is the pilot or officer in command of the aircraft or a  
242.17 peace officer or a member of the military or naval forces of the United States, engaged in  
242.18 the performance of duty;

242.19 (10) carries in any aircraft, other than a public aircraft, any shotgun, rifle, pistol, or  
242.20 small arms ammunition except in the manner in which such articles may be lawfully carried  
242.21 in motor vehicles in this state, or is a person excepted from the provisions of clause (9);

242.22 (11) engages in acrobatic or stunt flying without being equipped with a parachute  
242.23 and without providing any other occupants of the aircraft with parachutes and requiring  
242.24 that they be worn;

242.25 (12) while in flying over a thickly inhabited area or over a public gathering in this  
242.26 state, engages in trick or acrobatic flying or in any acrobatic feat;

242.27 (13) except while in landing or taking off, flies at such low levels as to endanger  
242.28 persons on the surface beneath, or engages in advertising through the playing of music  
242.29 or transcribed or oral announcements, or makes any noise with any siren, horn, whistle,  
242.30 or other audible device which is not necessary for the normal operation of the aircraft,  
242.31 except that sound amplifying devices may be used in aircraft when operated by or under  
242.32 the authority of any agency of the state or federal government for the purpose of giving  
242.33 warning or instructions to persons on the ground;

242.34 (14) drops any object, except loose water, loose fuel, or loose sand ballast, without  
242.35 the prior written consent of the commissioner of transportation and the prior written  
242.36 consent of the municipality or property owner where objects may land; drops objects

243.1 from an aircraft that endanger person or property on the ground, or drops leaflets for any  
 243.2 purpose whatsoever; ~~or~~

243.3 (15) while in flight in an aircraft, whether as a pilot, passenger, or otherwise,  
 243.4 endangers, kills, or attempts to kill any birds or animals or uses any aircraft for the purpose  
 243.5 of concentrating, driving, rallying, or stirring up migratory waterfowl;

243.6 (16) uses a drone with intent to damage, disrupt, or otherwise interfere with an  
 243.7 aircraft that is in motion on the ground or in the air; or

243.8 (17) knowingly operates a drone within an emergency zone established by a law  
 243.9 enforcement agency, fire department, or emergency medical service provider, or within  
 243.10 one mile of a helicopter being operated by one of these entities;

243.11 except as may be permitted by other laws of this state, shall be guilty of a misdemeanor.

243.12 Notwithstanding section 609.035 or 609.04, a prosecution for or conviction of violating  
 243.13 clause (16) is not a bar to conviction of or punishment for any other crime.

243.14 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to  
 243.15 crimes committed on and after that date.

243.16 Sec. 33. Minnesota Statutes 2014, section 360.075, subdivision 2, is amended to read:

243.17 Subd. 2. **Gross misdemeanor.** Every A person who shall commit any of the acts  
 243.18 specified in commits a violation of subdivision 1 for a second or other subsequent time  
 243.19 shall be after having previously been convicted of violating subdivision 1 is guilty of a  
 243.20 gross misdemeanor.

243.21 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to  
 243.22 crimes committed on and after that date.

243.23 Sec. 34. Minnesota Statutes 2014, section 360.55, is amended by adding a subdivision  
 243.24 to read:

243.25 Subd. 9. **Drones.** A drone that weighs up to a maximum of 55 pounds may be  
 243.26 subject to fees under section 360.679, and is exempt from taxes and fees under sections  
 243.27 360.511 to 360.67.

243.28 **EFFECTIVE DATE.** This section is effective January 1, 2017.

243.29 Sec. 35. **[360.679] DRONE; COMMERCIAL USE PERMIT.**

244.1 Subdivision 1. **Requirements for commercial use permit.** The commissioner  
 244.2 shall issue a commercial use permit to an owner of a drone weighing up to a maximum  
 244.3 of 55 pounds, when the owner:

244.4 (1) utilizes the drone for any purpose other than hobby or recreational use;

244.5 (2) provides proof of payment of sales tax on the purchase of the drone;

244.6 (3) identifies each individual who will operate the drone and certifies to the

244.7 commissioner that each operator meets the qualifications under subdivision 3;

244.8 (4) provides proof of insurance that complies with the requirements of and limits in  
 244.9 section 360.59, subdivision 10;

244.10 (5) pays an annual permit fee of \$25; and

244.11 (6) provides additional information the commissioner deems to be necessary or  
 244.12 desirable.

244.13 Subd. 2. **Deposit of fee.** The proceeds of the fee required under subdivision 1  
 244.14 must be collected by the commissioner, paid into the state treasury, and credited to the  
 244.15 state airports fund.

244.16 Subd. 3. **Qualifications for drone operators.** The commissioner shall develop and  
 244.17 administer a written knowledge test for drone operators that complies with all applicable  
 244.18 state and federal regulations. To be eligible to take the knowledge test, a person must:

244.19 (1) be at least 17 years of age;

244.20 (2) possess a valid driver's license issued by this state, another state or territory of  
 244.21 the United States, or the District of Columbia; and

244.22 (3) satisfy all other applicable state or federal requirements.

244.23 A drone operator must pass the test and meet all qualifications under this subdivision in  
 244.24 this state or in a state with comparable requirements.

244.25 Subd. 4. **Commercial use permit process.** The commissioner shall implement a  
 244.26 permit application process, including a requirement that the department provide notice to an  
 244.27 applicant of the department's permit issuance decision no later than ten days from the date  
 244.28 the department receives the application. The commissioner shall offer technical guidance  
 244.29 for permit applicants and permit holders to enable compliance with program requirements.

244.30 Subd. 5. **Unlawful operations.** A person who owns or operates a drone in violation  
 244.31 of this section is guilty of a misdemeanor.

244.32 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to  
 244.33 crimes committed on and after that date.

244.34 Sec. 36. Laws 1994, chapter 643, section 15, subdivision 8, is amended to read:

245.1 Subd. 8. Trunk Highway Facility Projects 13,016,000

245.2 To the commissioner of transportation for the  
245.3 purposes specified in this subdivision. The  
245.4 appropriations in this subdivision are from  
245.5 the trunk highway fund.

245.6 (a) Installation of automatic fire sprinkler systems at maintenance headquarters in  
245.7 Virginia, Owatonna, and Windom 365,000

245.8 (b) Repair, replace, or construct chemical and salt storage buildings at 36 department  
245.9 of transportation locations statewide 1,030,000

245.10 (c) Construct, furnish, and equip a truck enforcement site and weigh scale in the  
245.11 Albert Lea area to replace the Lakeville site 886,000

245.12 (d) Construct, furnish, and equip a truck station and maintenance facility in  
245.13 Hutchinson on a new site to replace the current facility 897,000

245.14 (e) Construct, furnish, and equip a new truck station on Maryland Avenue in St. Paul  
245.15 to replace the current facility 5,440,000

245.16 (f) Construct an addition to the Detroit Lakes welding shop 355,000

245.17 (g) Remodel facilities and construct additions to truck stations in Ely, Montgomery,  
245.18 and Forest Lake 302,000

245.19 (h) Purchase, remodel, and expand the Minnesota National Guard truck maintenance  
245.20 facility in Tracy to fit the needs of a department of transportation truck station 359,000

245.21 (i) Build an unheated equipment storage building at the Golden Valley headquarters  
245.22 site 435,000

245.23 (j) Construct, furnish, and equip a truck station in Wadena on a new site to replace  
245.24 the current facility 527,000

245.25 (k) Remodel facility and construct an addition to the Preston truck station 174,000

245.26 (l) Construct, furnish, and equip class II safety rest areas in Darwin Winter park,  
245.27 Preston/Fountain vicinity, Pioneer monument, Camp Release historic monument, and  
245.28 Lake Shetek 200,000

245.29 (m) Land acquisition for new replacement truck station sites at Illgen City, Rushford,  
245.30 Gaylord, Madelia, Sherburne, and Litchfield 250,000

245.31 (n) Design fees to complete construction drawings for projects at Windom,  
245.32 Maplewood, Hastings, central services building, Arden Hills training center, and Albert  
245.33 Lea weigh scale 371,000

245.34 (o) Construct pole type storage buildings at department of transportation locations  
245.35 throughout the state 611,000

246.1 (p) Remove asbestos from various department of transportation buildings statewide

246.2 150,000

246.3 (q) Remodel facility and construct an addition to the Carlton truck station 259,000

246.4 (r) Remodel facility and construct an addition to the Sauk Centre truck station 255,000

246.5 (s) Remodel the old Burlington Northern train depot in Floodwood into a safety

246.6 information center and rest area and phase out the wayside rest at Trunk Highways 2

246.7 and 73 150,000

246.8 After completion of the project, the

246.9 commissioner of transportation shall

246.10 convey the newly remodeled rest area for

246.11 no or nominal consideration to the city of

246.12 Floodwood, ~~which thereafter shall operate~~

246.13 ~~and maintain it.~~

246.14 (t) The commissioner may use the balance

246.15 of funds appropriated by Laws 1985,

246.16 first special session chapter 15, section

246.17 9, subdivision 6, paragraph (c), for land

246.18 acquisition for a weigh station on interstate

246.19 highway 94 at Moorhead to supplement funds

246.20 appropriated by Laws of 1989, chapter 269,

246.21 section 2, subdivision 11, paragraph (d), for

246.22 construction of the Moorhead weigh station.

246.23 Sec. 37. Laws 2014, chapter 312, article 11, section 10, the effective date, is amended

246.24 to read:

246.25 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and

246.26 applies to permits issued on and after that date.

246.27 Sec. 38. Laws 2014, chapter 312, article 11, section 11, the effective date, is amended

246.28 to read:

246.29 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and

246.30 applies to permits issued on and after that date.

246.31 Sec. 39. Laws 2014, chapter 312, article 11, section 13, the effective date, is amended

246.32 to read:

247.1 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and  
 247.2 applies to permits issued on and after that date.

247.3 Sec. 40. Laws 2014, chapter 312, article 11, section 16, the effective date, is amended  
 247.4 to read:

247.5 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and  
 247.6 applies to permits issued on and after that date.

247.7 Sec. 41. Laws 2014, chapter 312, article 11, section 18, the effective date, is amended  
 247.8 to read:

247.9 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and  
 247.10 applies to permits issued on and after that date.

247.11 Sec. 42. **MINNESOTA LICENSE AND REGISTRATION SYSTEM**

247.12 **OPERATING COSTS; REPORT.**

247.13 Before January 1, 2019, the commissioners of public safety and MN.IT services  
 247.14 must submit a report documenting the costs of operating the new Minnesota License and  
 247.15 Registration System, including any recommendations for ongoing funding, to the chairs  
 247.16 and ranking members of the committees in the house of representatives and the senate  
 247.17 having jurisdiction over transportation and public safety policy and finance.

247.18 Sec. 43. **TRANSPORTATION PROJECT SELECTION PROCESS.**

247.19 Subdivision 1. **Adoption of best practices.** (a) The commissioner of transportation,  
 247.20 after consultation with the Federal Highway Administration, metropolitan planning  
 247.21 organizations, regional development commissions, area transportation partnerships,  
 247.22 local governments, the Metropolitan Council, and transportation stakeholders, shall  
 247.23 develop, adopt, and implement best practices for project evaluation and selection to apply  
 247.24 to the standard process and to special programs, such as corridors of commerce. The  
 247.25 commissioner must adopt and begin implementing the best practices no later than October  
 247.26 2017 and may update the best practices as appropriate. The commissioner shall publicize  
 247.27 the best practices and updates on the department's Web site and through other effective  
 247.28 means selected by the commissioner.

247.29 (b) The best practices adopted under this section must include:

247.30 (1) a description of each selection process and identification of ranking criteria and  
 247.31 weight of each criterion with respect to any selection process;

248.1 (2) identification and application of all relevant criteria contained in enacted  
 248.2 Minnesota or federal law, or added by the commissioner;

248.3 (3) identification to the stakeholders and general public of each candidate project  
 248.4 selected under each selection process, including identification of all the projects  
 248.5 considered that are not selected;

248.6 (4) involvement in the process of scoring and ranking candidate projects of area  
 248.7 transportation partnerships and other local authorities as appropriate for the projects under  
 248.8 consideration; and

248.9 (5) means of publicizing scoring, ranking, and decision outcomes concerning each  
 248.10 candidate project, including the projects that were considered and were not selected.

248.11 Subd. 2. **Report to legislature.** By March 1, 2017, the commissioner shall report  
 248.12 to the chairs and ranking minority members of the senate and house of representatives  
 248.13 committees having jurisdiction over transportation policy and finance concerning the  
 248.14 adopted best practices and how these best practices are anticipated to improve the  
 248.15 consistency, objectivity, and transparency of the selection process. The report must  
 248.16 include information on input from members of the public and the organizations identified  
 248.17 in subdivision 1.

248.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

248.19 Sec. 44. **ESTABLISHMENT OF AUTONOMOUS VEHICLES TASK FORCE.**

248.20 Subdivision 1. **Purpose.** The autonomous vehicles task force is established to  
 248.21 design a demonstration project, analyze policy and recommended legislation, and report  
 248.22 to the legislature concerning issues related to the use by people with disabilities of  
 248.23 autonomous vehicles on public roads and highways.

248.24 Subd. 2. **Definition of autonomous vehicle.** For the purposes of this section,  
 248.25 "autonomous vehicle" is a vehicle equipped with technology that has the capability to  
 248.26 drive a vehicle without the active control or monitoring of a human operator. Autonomous  
 248.27 vehicle excludes a motor vehicle enabled with active safety systems or driver assistance  
 248.28 systems, including, without limitation, a system to provide electronic blind spot assistance,  
 248.29 crash avoidance, emergency braking, parking assistance, adaptive cruise control, lane keep  
 248.30 assistance, lane departure warning, or traffic jam and queuing assistant, unless the system  
 248.31 alone or in combination with other systems enables the vehicle to drive without the active  
 248.32 control or monitoring by a human operator.

248.33 Subd. 3. **Task force membership.** (a) The autonomous vehicles task force consists  
 248.34 of 21 members, all of whom are voting members and who must be appointed by July  
 248.35 31, 2016, as follows:



249.1 (1) two senators, including one senator appointed by the senate majority leader and  
249.2 one senator appointed by the senate minority leader;

249.3 (2) two members of the house of representatives, including one member appointed  
249.4 by the speaker of the house of representatives and one member appointed by the minority  
249.5 leader;

249.6 (3) the commissioner of public safety or a designee;

249.7 (4) the commissioner of transportation or a designee;

249.8 (5) the commissioner of commerce or a designee;

249.9 (6) one member appointed by the Minnesota State Council on Disability;

249.10 (7) one member with experience in greater Minnesota paratransit administration  
249.11 appointed by the commissioner of transportation;

249.12 (8) one member with experience in metropolitan-area paratransit administration  
249.13 appointed by the Metropolitan Council;

249.14 (9) three members who are not public officials, and at least one of whom represents  
249.15 the disability community, appointed by the senate majority leader;

249.16 (10) three members who are not public officials, and at least one of whom represents  
249.17 the disability community, appointed by the speaker of the house of representatives;

249.18 (11) three members who are not public officials, and at least one of whom represents  
249.19 the disability community, appointed by the governor;

249.20 (12) one member with expertise in autonomous vehicle technology, appointed by  
249.21 the commissioner of transportation; and

249.22 (13) one member representing the Alliance of Automobile Manufacturers, appointed  
249.23 by the commissioner of commerce.

249.24 (b) The appointing authorities for the members appointed under clauses (9), (10),  
249.25 and (11), shall to the extent practicable make their appointments to reflect geographic  
249.26 balance across the state. The governor must select one of the appointees under paragraph  
249.27 (a), clause (11), to serve as chair of the task force.

249.28 Subd. 4. **First meeting; chair.** The member who is appointed to serve as the chair  
249.29 shall convene the first meeting of the task force by October 15, 2016. The task force may  
249.30 elect from among its members a cochair and any other officers the task force determines  
249.31 are necessary or convenient.

249.32 Subd. 5. **Duties.** The task force shall examine and report to the legislature  
249.33 concerning ways in which autonomous vehicles can best be equipped and utilized to  
249.34 provide mobility service for people with disabilities. To further this goal, the task force  
249.35 shall design a demonstration project.

250.1 Subd. 6. **Authorization.** The task force may solicit gifts, grants, or donations  
250.2 of any kind from any private or public source to carry out the purposes of this act. All  
250.3 gifts, grants, or donations received by the task force must be deposited in an autonomous  
250.4 vehicle project account established in the special revenue fund. Money in the account is  
250.5 appropriated to the commissioner of transportation for the activities of the task force and  
250.6 implementation of the demonstration project.

250.7 Subd. 7. **Compensation.** Public members of the task force shall receive no  
250.8 compensation or per diem payments for participating on the task force.

250.9 Subd. 8. **Administrative support.** The commissioner of transportation must  
250.10 provide meeting space, administrative support, and staff support for the task force. The  
250.11 task force may hold meetings in any publicly accessible location in the state.

250.12 Subd. 9. **Open Meeting Law.** Meetings of the task force are subject to Minnesota  
250.13 Statutes, chapter 13D.

250.14 Subd. 10. **Reports.** The task force shall report its findings and recommendations to  
250.15 the chairs and ranking minority members of the committees in the house of representatives  
250.16 and the senate with jurisdiction over transportation policy and finance. By January 31,  
250.17 2017, the task force shall report its findings and recommendations for implementing  
250.18 the technology demonstration project to the chairs and ranking minority members of  
250.19 the committees in the house of representatives and the senate with jurisdiction over  
250.20 transportation policy and finance. By December 31, 2018, the task force shall report  
250.21 findings concerning recommended legislation, administrative rules, and policies to  
250.22 utilize autonomous vehicles in the provision of equitable, safe, and cost-effective  
250.23 transportation solutions to people with disabilities both in the metropolitan area and  
250.24 greater Minnesota. The report must analyze benefits, costs, business models, liability  
250.25 issues, legal implications, and safety issues.

250.26 Subd. 11. **Sunset.** This section expires June 30, 2019.

250.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

250.28 Sec. 45. **TRANSITWAY DEVELOPMENT OUTREACH PILOT GRANT**  
250.29 **PROGRAM.**

250.30 Subdivision 1. **Grant program.** The Metropolitan Council shall fund a grant to  
250.31 the city of St. Paul to conduct a transitway development outreach pilot program, under  
250.32 which the city shall award grants to entities selected through a competitive process  
250.33 to conduct outreach, education, and engagement activities. These activities must be  
250.34 directed to minority communities, relating to the status and future development of  
250.35 transitways, including, but not limited to, Rush Line corridor, Red Rock corridor, and

251.1 Gateway Corridor Gold Line. The program must focus on minorities and new American  
 251.2 communities, especially Karen, Somali, Hispanic, and Hmong, whose members live,  
 251.3 work, or own businesses in the areas to be served by transitway development. A portion  
 251.4 of the grant proceeds must be used for ethnic radio programs and dissemination of  
 251.5 information by credible liaisons in the oral-culture communities.

251.6 Subd. 2. **Report.** By September 1, 2017, the Metropolitan Council shall report to the  
 251.7 chairs and ranking minority members of the senate and house of representatives committees  
 251.8 and divisions with jurisdiction over transportation policy and budget concerning the use of  
 251.9 this appropriation, the nature of activities funded, and results achieved.

251.10 Sec. 46. **REVISOR'S INSTRUCTION.**

251.11 The revisor of statutes shall recodify Minnesota Statutes, section 115E.042,  
 251.12 subdivision 2, as Minnesota Statutes, section 219.925, subdivision 9, and Minnesota  
 251.13 Statutes, section 115E.042, subdivision 3, as Minnesota Statutes, section 219.925,  
 251.14 subdivision 10. The revisor shall correct any cross-references made necessary by this  
 251.15 recodification.

## 251.16 **ARTICLE 12**

### 251.17 **GENERAL EDUCATION**

251.18 Section 1. Minnesota Statutes 2015 Supplement, section 120A.41, is amended to read:

251.19 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

251.20 A school board's annual school calendar must include at least 425 hours of  
 251.21 instruction for a kindergarten student without a disability, 935 hours of instruction for a  
 251.22 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7  
 251.23 through 12, not including summer school. The school calendar for all-day kindergarten  
 251.24 must include at least 850 hours of instruction for the school year. The school calendar for  
 251.25 a prekindergarten student under section 124D.151, if offered by the district, must include  
 251.26 at least 350 hours of instruction for the school year. A school board's annual calendar  
 251.27 must include at least 165 days of instruction for a student in grades 1 through 11 unless a  
 251.28 four-day week schedule has been approved by the commissioner under section 124D.126.

251.29 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
 251.30 later.

251.31 Sec. 2. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

252.1 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse  
 252.2 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully  
 252.3 paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast  
 252.4 served to a prekindergarten student enrolled in an approved voluntary prekindergarten  
 252.5 program under section 124D.151 or a kindergarten student.

252.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 252.7 later.

252.8 Sec. 3. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

252.9 Subd. 4. **No fees.** A school that receives school breakfast aid under this section  
 252.10 must make breakfast available without charge to all participating students in grades 1  
 252.11 to 12 who qualify for free or reduced-price meals and to all prekindergarten students  
 252.12 enrolled in an approved voluntary prekindergarten program under section 124D.151 and  
 252.13 all kindergarten students.

252.14 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
 252.15 later.

252.16 Sec. 4. **[124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.**

252.17 Subdivision 1. **Establishment; purpose.** A district, a charter school, a group of  
 252.18 districts, a group of charter schools, or a group of districts and charter schools may  
 252.19 establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten  
 252.20 program is to prepare children for success as they enter kindergarten in the following year.

252.21 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program  
 252.22 provider must:

252.23 (1) measure each child's cognitive and social skills using a formative measure  
 252.24 aligned to the state's early learning standards when the child enters and again before the  
 252.25 child leaves the program, screening and progress monitoring measures, and others from  
 252.26 the state-approved menu of kindergarten entry profile measures;

252.27 (2) provide comprehensive program content including the implementation of  
 252.28 curriculum, assessment, and instructional strategies aligned with the state early learning  
 252.29 standards, and kindergarten through third grade academic standards;

252.30 (3) provide instructional content and activities that are of sufficient length and  
 252.31 intensity to address learning needs including offering a program with at least 350 hours of  
 252.32 instruction per school year for a prekindergarten student;

253.1 (4) provide voluntary prekindergarten instructional staff salaries comparable to the  
 253.2 salaries of local kindergarten through grade 12 instructional staff;

253.3 (5) coordinate appropriate kindergarten transition with families, community-based  
 253.4 prekindergarten programs, and school district kindergarten programs;

253.5 (6) involve parents in program planning and transition planning by implementing  
 253.6 parent engagement strategies that include culturally and linguistically responsive activities  
 253.7 in prekindergarten through third grade that are aligned with early childhood family  
 253.8 education under section 124D.13;

253.9 (7) coordinate with relevant community-based services, including health and social  
 253.10 service agencies, to ensure children have access to comprehensive services;

253.11 (8) coordinate with all relevant school district programs and services including early  
 253.12 childhood special education, homeless students, and English learners;

253.13 (9) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

253.14 (10) provide high-quality coordinated professional development, training, and  
 253.15 coaching for both school district and community-based early learning providers that  
 253.16 is informed by a measure of adult-child interactions and enables teachers to be highly  
 253.17 knowledgeable in early childhood curriculum content, assessment, native and English  
 253.18 language development programs, and instruction; and

253.19 (11) implement strategies that support the alignment of professional development,  
 253.20 instruction, assessments, and prekindergarten through grade three curricula.

253.21 (b) A voluntary prekindergarten program must ensure that all classroom teachers  
 253.22 have an early childhood license issued by the Board of Teaching, or special permission,  
 253.23 by the 2022-2023 school year and later.

253.24 (c) Districts and charter schools must include their strategy for implementing and  
 253.25 measuring the impact of their voluntary prekindergarten program under section 120B.11  
 253.26 and provide results in their world's best workforce annual summary to the commissioner  
 253.27 of education.

253.28 Subd. 3. **Mixed delivery of services.** A district or charter school may contract  
 253.29 with a charter school, Head Start or child care centers, family child care programs  
 253.30 licensed under section 245A.03, or a community-based organization to provide eligible  
 253.31 children with developmentally appropriate services that meet the program requirements in  
 253.32 subdivision 2. Components of a mixed-delivery plan include strategies for recruitment,  
 253.33 contracting, and monitoring of fiscal compliance and program quality.

253.34 Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the  
 253.35 calendar year in which the school year commences is eligible to participate in a voluntary  
 253.36 prekindergarten program free of charge. Each eligible child must complete a health and

254.1 developmental screening within 90 days of program enrollment under sections 121A.16 to  
 254.2 121A.19, and provide documentation of required immunizations under section 121A.15.

254.3 Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify  
 254.4 for program approval for fiscal year 2017, a district or charter school must submit an  
 254.5 application to the commissioner by July 1, 2016. To qualify for program approval for  
 254.6 fiscal year 2018 and later, a district or charter school must submit an application to the  
 254.7 commissioner by January 30 of the fiscal year prior to the fiscal year in which the program  
 254.8 will be implemented. The application must include:

254.9 (1) a description of the proposed program, including the number of hours per week  
 254.10 the program will be offered at each school site or mixed-delivery location;

254.11 (2) an estimate of the number of eligible children to be served in the program at each  
 254.12 school site or mixed-delivery location; and

254.13 (3) a statement of assurances signed by the superintendent or charter school director  
 254.14 that the proposed program meets the requirements of subdivision 2.

254.15 (b) The commissioner must review all applications submitted for fiscal year 2017 by  
 254.16 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later  
 254.17 by March 1 of the fiscal year in which the applications are received and determine whether  
 254.18 each application meets the requirements of paragraph (a).

254.19 (c) The commissioner must divide all applications for new or expanded programs  
 254.20 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and  
 254.21 St. Paul school districts; other school districts located in the metropolitan equity region as  
 254.22 defined in section 126C.10, subdivision 28; school districts located in the rural equity region  
 254.23 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the  
 254.24 applications must be ordered by rank using a sliding scale based on the following criteria:

254.25 (1) concentration of kindergarten students eligible for free or reduced-price lunches  
 254.26 by school site on October 1 of the previous school year. For school district programs to be  
 254.27 operated at locations that do not have free and reduced-price lunch concentration data for  
 254.28 kindergarten programs for October 1 of the previous school year, including mixed-delivery  
 254.29 programs, the school district average concentration of kindergarten students eligible for  
 254.30 free or reduced-price lunches must be used for the rank ordering;

254.31 (2) presence or absence of a three- or four-star Parent Aware rated program within  
 254.32 the school district or close proximity of the district. School sites with the highest  
 254.33 concentration of kindergarten students eligible for free or reduced-price lunches that  
 254.34 do not have a three- or four-star Parent Aware program within the district or close  
 254.35 proximity of the district shall receive the highest priority, and school sites with the lowest  
 254.36 concentration of kindergarten students eligible for free or reduced-price lunches that have

255.1 a three- or four-star Parent Aware rated program within the district or close proximity of  
255.2 the district shall receive the lowest priority. If a tie exists in the rank order of applications  
255.3 under this paragraph, the commissioner must give priority among the tied applications to  
255.4 the applicant with the highest proportion of prekindergarten classroom teachers with an  
255.5 early childhood license issued by the Board of Teaching.

255.6 (d) The aid available for the program as specified in subdivision 6, paragraph (b),  
255.7 must initially be allocated among the four groups based on each group's percentage share  
255.8 of the statewide kindergarten enrollment on October 1 of the previous school year. Within  
255.9 each group, the available aid must be allocated among school sites in priority order until  
255.10 that region's share of the aid limit is reached. If the aid limit is not reached for all groups,  
255.11 the remaining amount must be allocated to the highest priority school sites, as designated  
255.12 under this section, not funded in the initial allocation on a statewide basis.

255.13 (e) Once a school site is approved for aid under this subdivision, it shall remain  
255.14 eligible for aid if it continues to meet program requirements, regardless of changes in the  
255.15 concentration of students eligible for free or reduced-price lunches.

255.16 (f) If the total aid entitlement approved based on applications submitted under  
255.17 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),  
255.18 the commissioner must notify all school districts and charter schools of the amount that  
255.19 remains available within 30 days of the initial application deadline under paragraph (a),  
255.20 and complete a second round of allocations based on applications received within 60 days  
255.21 of the initial application deadline.

255.22 (g) Procedures for approving applications submitted under paragraph (f) shall be the  
255.23 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the  
255.24 highest priority school sites not funded in the initial allocation on a statewide basis.

255.25 Subd. 6. **Program and aid entitlement limits.** (a) Notwithstanding section  
255.26 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten  
255.27 program for an eligible school district or charter school must not exceed 60 percent of the  
255.28 kindergarten pupil units for that school district or charter school under section 126C.05,  
255.29 subdivision 1, paragraph (e).

255.30 (b) In reviewing applications under subdivision 5, the commissioner must limit the  
255.31 estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year  
255.32 2017, \$33,095,000 for fiscal year 2018, and \$40,203,000 for fiscal year 2019 and later. If  
255.33 the actual state aid entitlement based on final data exceeds the limit in any year, the aid of  
255.34 the participating districts must be prorated so as not to exceed the limit.

255.35 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
255.36 later.

256.1 Sec. 5. Minnesota Statutes 2015 Supplement, section 124D.59, subdivision 2, is  
256.2 amended to read:

256.3 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten  
256.4 through grade 12 or a prekindergarten student enrolled in an approved voluntary  
256.5 prekindergarten program under section 124D.151 who meets the requirements under  
256.6 subdivision 2a or the following requirements:

256.7 (1) the pupil, as declared by a parent or guardian first learned a language other than  
256.8 English, comes from a home where the language usually spoken is other than English, or  
256.9 usually speaks a language other than English; and

256.10 (2) the pupil is determined by a valid assessment measuring the pupil's English  
256.11 language proficiency and by developmentally appropriate measures, which might include  
256.12 observations, teacher judgment, parent recommendations, or developmentally appropriate  
256.13 assessment instruments, to lack the necessary English skills to participate fully in  
256.14 academic classes taught in English.

256.15 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in  
256.16 the previous school year took a commissioner-provided assessment measuring the pupil's  
256.17 emerging academic English, shall be counted as an English learner in calculating English  
256.18 learner pupil units under section 126C.05, subdivision 17, and shall generate state English  
256.19 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff  
256.20 score or is otherwise counted as a nonproficient participant on the assessment measuring  
256.21 the pupil's emerging academic English, or, in the judgment of the pupil's classroom  
256.22 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate  
256.23 academic language proficiency in English, including oral academic language, sufficient to  
256.24 successfully and fully participate in the general core curriculum in the regular classroom.

256.25 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten  
256.26 under section 124D.151, through grade 12 shall not be counted as an English learner in  
256.27 calculating English learner pupil units under section 126C.05, subdivision 17, and shall  
256.28 not generate state English learner aid under section 124D.65, subdivision 5, if:

256.29 (1) the pupil is not enrolled during the current fiscal year in an educational program  
256.30 for English learners under sections 124D.58 to 124D.64; or

256.31 (2) the pupil has generated seven or more years of average daily membership in  
256.32 Minnesota public schools since July 1, 1996.

256.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
256.34 later.

256.35 Sec. 6. Minnesota Statutes 2014, section 124D.68, subdivision 2, is amended to read:



257.1 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the  
 257.2 requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in  
 257.3 the graduation incentives program, if the pupil:

257.4 (1) performs substantially below the performance level for pupils of the same age  
 257.5 in a locally determined achievement test;

257.6 (2) is behind in satisfactorily completing coursework or obtaining credits for  
 257.7 graduation;

257.8 (3) is pregnant or is a parent;

257.9 (4) has been assessed as chemically dependent;

257.10 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

257.11 (6) has been referred by a school district for enrollment in an eligible program or  
 257.12 a program pursuant to section 124D.69;

257.13 (7) is a victim of physical or sexual abuse;

257.14 (8) has experienced mental health problems;

257.15 (9) has experienced homelessness sometime within six months before requesting a  
 257.16 transfer to an eligible program;

257.17 (10) speaks English as a second language or is an English learner; or

257.18 (11) has withdrawn from school or has been chronically truant; or

257.19 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or  
 257.20 other life threatening illness or is the sibling of an eligible pupil who is being currently  
 257.21 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary  
 257.22 of the seven-county metropolitan area.

257.23 (b) For the 2016-2017 school year only, a pupil otherwise qualifying under  
 257.24 paragraph (a) who is at least 21 years of age and not yet 22 years of age and is an English  
 257.25 learner with an interrupted formal education according to section 124D.59, subdivision 2a,  
 257.26 is eligible to participate in the graduation incentives program under section 124D.68 and  
 257.27 in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is  
 257.28 funded in the same manner as other pupils under this section.

257.29 Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.05, subdivision 1, is  
 257.30 amended to read:

257.31 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
 257.32 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph  
 257.33 (c), in average daily membership enrolled in the district of residence, in another district  
 257.34 under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school  
 257.35 under chapter 124E; or for whom the resident district pays tuition under section 123A.18,

258.1 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,  
 258.2 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this  
 258.3 subdivision.

258.4 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
 258.5 by the commissioner and has an individualized education program is counted as the ratio  
 258.6 of the number of hours of assessment and education service to 825 times 1.0 with a  
 258.7 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

258.8 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
 258.9 counted as the ratio of the number of hours of assessment service to 825 times 1.0.

258.10 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
 258.11 by the commissioner is counted as the ratio of the number of hours of assessment and  
 258.12 education services required in the fiscal year by the pupil's individualized education  
 258.13 program to 875, but not more than one.

258.14 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is  
 258.15 enrolled in an approved voluntary prekindergarten program under section 124D.151 is  
 258.16 counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more  
 258.17 than 0.6 pupil units.

258.18 ~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0  
 258.19 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available  
 258.20 to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in  
 258.21 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,  
 258.22 every day kindergarten program available to all kindergarten pupils at the pupil's school.

258.23 ~~(e)~~ (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

258.24 ~~(f)~~ (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

258.25 ~~(g)~~ (h) A pupil who is in the postsecondary enrollment options program is counted  
 258.26 as 1.2 pupil units.

258.27 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 258.28 later.

258.29 Sec. 8. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

258.30 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units  
 258.31 for fiscal year 1998 and thereafter must be computed according to this subdivision.

258.32 (a) The compensation revenue concentration percentage for each building in a  
 258.33 district equals the product of 100 times the ratio of:

259.1 (1) the sum of the number of pupils enrolled in the building eligible to receive free  
 259.2 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October  
 259.3 1 of the previous fiscal year; to

259.4 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal  
 259.5 year.

259.6 (b) The compensation revenue pupil weighting factor for a building equals the  
 259.7 lesser of one or the quotient obtained by dividing the building's compensation revenue  
 259.8 concentration percentage by 80.0.

259.9 (c) The compensation revenue pupil units for a building equals the product of:

259.10 (1) the sum of the number of pupils enrolled in the building eligible to receive free  
 259.11 lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1  
 259.12 of the previous fiscal year; times

259.13 (2) the compensation revenue pupil weighting factor for the building; times

259.14 (3) .60.

259.15 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs  
 259.16 under section 124D.151, charter schools<sub>2</sub> and contracted alternative programs in the  
 259.17 first year of operation, compensation revenue pupil units shall be computed using data  
 259.18 for the current fiscal year. If the voluntary prekindergarten program, charter school<sub>2</sub> or  
 259.19 contracted alternative program begins operation after October 1, compensatory revenue  
 259.20 pupil units shall be computed based on pupils enrolled on an alternate date determined by  
 259.21 the commissioner, and the compensation revenue pupil units shall be prorated based on  
 259.22 the ratio of the number of days of student instruction to 170 days.

259.23 (e) The percentages in this subdivision must be based on the count of individual  
 259.24 pupils and not on a building average or minimum.

259.25 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 259.26 later.

259.27 Sec. 9. Minnesota Statutes 2014, section 126C.10, subdivision 2d, is amended to read:

259.28 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining  
 259.29 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the  
 259.30 formula allowance for that year and (2) the difference between the adjusted pupil units for  
 259.31 the preceding year and the adjusted pupil units for the current year.

259.32 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil  
 259.33 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the  
 259.34 district or charter school in which the pupil was last counted in average daily membership.

260.1 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,  
 260.2 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be  
 260.3 excluded from the calculation of declining enrollment revenue.

260.4 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 260.5 later.

260.6 Sec. 10. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,  
 260.7 is amended to read:

260.8 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district  
 260.9 may levy an amount not more than the product of its operating capital revenue for the  
 260.10 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted  
 260.11 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor  
 260.12 equals ~~\$14,500 for fiscal years 2015 and 2016, \$14,740~~ \$16,680 for fiscal year 2017,  
 260.13 ~~\$17,473~~ \$21,523 for fiscal year 2018, and ~~\$20,510~~ \$27,678 for fiscal year 2019 and later.

260.14 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 260.15 later.

260.16 Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

260.17 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

260.18 (1) the school district's adjusted pupil unit amount of basic revenue, transition  
 260.19 revenue, and referendum revenue is less than the value of the school district at or  
 260.20 immediately above the 95th percentile of school districts in its equity region for those  
 260.21 revenue categories; and

260.22 (2) the school district's administrative offices are not located in a city of the first  
 260.23 class on July 1, 1999.

260.24 (b) Equity revenue for a qualifying district that receives referendum revenue under  
 260.25 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil  
 260.26 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's  
 260.27 equity index computed under subdivision 27.

260.28 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
 260.29 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil  
 260.30 units for that year times \$14.

260.31 (d) A school district's equity revenue is increased by the greater of zero or an amount  
 260.32 equal to the district's adjusted pupil units times the difference between ten percent of the  
 260.33 statewide average amount of referendum revenue per adjusted pupil unit for that year and

261.1 the district's referendum revenue per adjusted pupil unit. A school district's revenue under  
 261.2 this paragraph must not exceed \$100,000 for that year.

261.3 (e) A school district's equity revenue for a school district ~~located in the metro equity~~  
 261.4 ~~region~~ with any of its area located within Anoka, Carver, Dakota, Hennepin, Ramsey,  
 261.5 Scott, or Washington County equals the amount computed in paragraphs (b), (c), and (d)  
 261.6 multiplied by 1.25.

261.7 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil  
 261.8 units.

261.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
 261.10 later.

261.11 Sec. 12. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to  
 261.12 read:

261.13 Sec. 8. **EARLY REPAYMENT.**

261.14 (a) A school district that received a maximum effort capital loan prior to January  
 261.15 1, 1997, may repay the full outstanding original principal on its capital loan prior to  
 261.16 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and  
 261.17 interest on the loan ceases.

261.18 (b) A school district with an outstanding capital loan balance that received a  
 261.19 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of  
 261.20 education by November 30, 2016, the full outstanding original principal on its capital  
 261.21 loan and the liability of the district on the loan is satisfied and discharged and interest  
 261.22 on the loan ceases.

261.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

261.24 Sec. 13. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision  
 261.25 2, is amended to read:

261.26 Subd. 2. **General education aid.** For general education aid under Minnesota  
 261.27 Statutes, section 126C.13, subdivision 4:

261.28	<del>6,624,310,000</del>		
261.29	\$ <u>6,649,435,000</u>	.....	2016
261.30	<del>6,761,574,000</del>		
261.31	\$ <u>6,815,589,000</u>	.....	2017

261.32 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~  
 261.33 \$6,026,527,000 for 2016.

262.1 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and  
 262.2 ~~\$6,122,762,000~~ \$6,174,177,000 for 2017.

262.3 Sec. 14. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,  
 262.4 is amended to read:

262.5 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,  
 262.6 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

262.7		<del>15,661,000</del>		
262.8	\$	<u>16,251,000</u>	.....	2016
262.9		<del>15,818,000</del>		
262.10	\$	<u>16,775,000</u>	.....	2017

262.11 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,  
 262.12 is amended to read:

262.13 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota  
 262.14 Statutes, section 124D.1158:

262.15		<del>9,731,000</del>		
262.16	\$	<u>9,457,000</u>	.....	2016
262.17		<del>10,361,000</del>		
262.18	\$	<u>10,365,000</u>	.....	2017

262.19 Sec. 16. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

262.20 Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph  
 262.21 (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions  
 262.22 of Minnesota Statutes, section 124D.041, and the agreement shall not apply to Independent  
 262.23 School District No. 402, Hendricks.

262.24 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
 262.25 later.

## 262.26 ARTICLE 13

### 262.27 EDUCATION EXCELLENCE

262.28 Section 1. Minnesota Statutes 2014, section 13.321, is amended by adding a  
 262.29 subdivision to read:

262.30 Subd. 11. **Student-user privacy requirements.** Section 125B.27 governs privacy  
 262.31 and information practices of online educational services.

263.1 Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

263.2 Subdivision 1. **Required academic standards.** (a) The following subject areas  
263.3 are required for statewide accountability:

263.4 (1) language arts;

263.5 (2) mathematics;

263.6 (3) science;

263.7 (4) social studies, including history, geography, economics, and government and  
263.8 citizenship;

263.9 (5) physical education;

263.10 (6) health, for which locally developed academic standards apply; and

263.11 (7) the arts, for which statewide or locally developed academic standards apply, as  
263.12 determined by the school district. Public elementary and middle schools must offer at least  
263.13 three and require at least two of the following four arts areas: dance; music; theater; and  
263.14 visual arts. Public high schools must offer at least three and require at least one of the  
263.15 following five arts areas: media arts; dance; music; theater; and visual arts.

263.16 (b) For purposes of applicable federal law, the academic standards for language arts,  
263.17 mathematics, and science apply to all public school students, except the very few students  
263.18 with extreme cognitive or physical impairments for whom an individualized education  
263.19 program team has determined that the required academic standards are inappropriate. An  
263.20 individualized education program team that makes this determination must establish  
263.21 alternative standards.

263.22 (c) The department must adopt the most recent National Association of Sport and  
263.23 Physical Education kindergarten through grade 12 standards and benchmarks for physical  
263.24 education as the required physical education academic standards. The department may  
263.25 modify and adapt the national standards to accommodate state interest. The modification  
263.26 and adaptations must maintain the purpose and integrity of the national standards. The  
263.27 department must make available sample assessments for school districts to assess students'  
263.28 mastery of the physical education standards beginning in the 2018-2019 school year.

263.29 ~~(e)~~ (d) District efforts to develop, implement, or improve instruction or curriculum  
263.30 as a result of the provisions of this section must be consistent with sections 120B.10,  
263.31 120B.11, and 120B.20.

263.32 Sec. 3. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

263.33 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of  
263.34 this section and section 120B.022, must adopt statewide rules under section 14.389 for  
263.35 implementing statewide rigorous core academic standards in language arts, mathematics,

264.1 science, social studies, physical education, and the arts. After the rules authorized under  
264.2 this subdivision are initially adopted, the commissioner may not amend or repeal these  
264.3 rules nor adopt new rules on the same topic without specific legislative authorization. The  
264.4 academic standards for language arts, mathematics, and the arts must be implemented for  
264.5 all students beginning in the 2003-2004 school year. The academic standards for science  
264.6 and social studies must be implemented for all students beginning in the 2005-2006 school  
264.7 year.

264.8 Sec. 4. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is  
264.9 amended to read:

264.10 Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must  
264.11 revise and appropriately embed technology and information literacy standards consistent  
264.12 with recommendations from school media specialists into the state's academic standards  
264.13 and graduation requirements and implement a ten-year cycle to review and, consistent  
264.14 with the review, revise state academic standards and related benchmarks, consistent with  
264.15 this subdivision. During each ten-year review and revision cycle, the commissioner also  
264.16 must examine the alignment of each required academic standard and related benchmark  
264.17 with the knowledge and skills students need for career and college readiness and advanced  
264.18 work in the particular subject area. The commissioner must include the contributions of  
264.19 Minnesota American Indian tribes and communities as related to the academic standards  
264.20 during the review and revision of the required academic standards.

264.21 (b) The commissioner must ensure that the statewide mathematics assessments  
264.22 administered to students in grades 3 through 8 and 11 are aligned with the state academic  
264.23 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph

264.24 (b). The commissioner must implement a review of the academic standards and related  
264.25 benchmarks in mathematics beginning in the 2020-2021 school year and every ten years  
264.26 thereafter.

264.27 (c) The commissioner must implement a review of the academic standards and related  
264.28 benchmarks in arts beginning in the 2016-2017 school year and every ten years thereafter.

264.29 (d) The commissioner must implement a review of the academic standards and  
264.30 related benchmarks in science beginning in the 2017-2018 school year and every ten  
264.31 years thereafter.

264.32 (e) The commissioner must implement a review of the academic standards and  
264.33 related benchmarks in language arts beginning in the 2018-2019 school year and every  
264.34 ten years thereafter.



265.1 (f) The commissioner must implement a review of the academic standards and  
 265.2 related benchmarks in social studies beginning in the 2019-2020 school year and every  
 265.3 ten years thereafter.

265.4 (g) The commissioner must implement a review of the academic standards and  
 265.5 related benchmarks in physical education beginning in the 2024-2025 school year and  
 265.6 every ten years thereafter.

265.7 (h) School districts and charter schools must revise and align local academic  
 265.8 standards and high school graduation requirements in health, world languages, and career  
 265.9 and technical education to require students to complete the revised standards beginning  
 265.10 in a school year determined by the school district or charter school. School districts and  
 265.11 charter schools must formally establish a periodic review cycle for the academic standards  
 265.12 and related benchmarks in health, world languages, and career and technical education.

265.13 Sec. 5. **[120B.026] PHYSICAL EDUCATION.**

265.14 Subdivision 1. Exclusion from class; recess. A student may be excused from a  
 265.15 physical education class if the student submits written information signed by a physician  
 265.16 stating that physical activity will jeopardize the student's health. A student may be  
 265.17 excused from a physical education class if being excused meets the child's unique and  
 265.18 individualized needs according to the child's individualized education program, federal  
 265.19 504 plan, or individualized health plan. A student may be excused if a parent or guardian  
 265.20 requests an exemption on religious grounds. A student with a disability must be provided  
 265.21 with modifications or adaptations that allow physical education class to meet their needs.  
 265.22 Schools are strongly encouraged not to exclude students in kindergarten through grade  
 265.23 5 from recess due to punishment or disciplinary action.

265.24 Subd. 2. Teachers. Physical education must be taught by teachers who are licensed  
 265.25 to teach physical education. A physical education teacher shall be adequately prepared  
 265.26 and regularly participate in professional development activities under section 122A.60.

265.27 Sec. 6. Minnesota Statutes 2014, section 120B.232, is amended to read:

265.28 **120B.232 CHARACTER DEVELOPMENT EDUCATION.**

265.29 Subdivision 1. **Character development education.** (a) The legislature encourages  
 265.30 districts to integrate or offer instruction on character education including, but not limited  
 265.31 to, character qualities such as attentiveness, truthfulness, respect for authority, diligence,  
 265.32 gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and  
 265.33 resourcefulness. Instruction should be integrated into a district's existing programs,

266.1 curriculum, or the general school environment. The commissioner shall provide assistance  
266.2 at the request of a district to develop character education curriculum and programs.

266.3 (b) Character development education under paragraph (a) may include a voluntary  
266.4 elementary, middle, and high school program that incorporates the history and values of  
266.5 Congressional Medal of Honor recipients and may be offered as part of the social studies,  
266.6 English language arts, or other curriculum, as a schoolwide character building and veteran  
266.7 awareness initiative, or as an after-school program, among other possibilities.

266.8 Subd. 1a. **Staff development; continuing education.** (a) Staff development  
266.9 opportunities under section 122A.60 may include training in character development  
266.10 education that incorporates the history and values of Congressional Medal of Honor  
266.11 recipients under subdivision 1, paragraph (b), and is provided without cost to the interested  
266.12 school or district.

266.13 (b) Local continuing education and relicensure committees or other local relicensure  
266.14 committees under section 122A.18, subdivision 4, are encouraged to approve up to six  
266.15 clock hours of continuing education for licensed teachers who complete the training in  
266.16 character development education under paragraph (a).

266.17 Subd. 2. **Funding sources.** The commissioner must first use federal funds for  
266.18 character development education programs to the extent available under United States  
266.19 Code, title 20, section 7247. Districts may accept funds from private and other public  
266.20 sources for character development education programs developed and implemented under  
266.21 this section, including programs funded through the Congressional Medal of Honor  
266.22 Foundation, among other sources.

266.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

266.24 Sec. 7. Minnesota Statutes 2014, section 120B.30, subdivision 2, is amended to read:

266.25 Subd. 2. **Department of Education assistance.** (a) The Department of Education  
266.26 shall contract for professional and technical services according to competitive solicitation  
266.27 procedures under chapter 16C for purposes of this section.

266.28 (b) A proposal submitted under this section must include disclosures containing:

266.29 (1) comprehensive information regarding test administration monitoring practices;

266.30 and

266.31 (2) data privacy safeguards for student information to be transmitted to or used  
266.32 by the proposing entity.

266.33 Information provided in the proposal is not security information or trade secret information  
266.34 for purposes of section 13.37.

267.1 Sec. 8. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision  
267.2 to read:

267.3 Subd. 6. **Database.** The commissioner shall establish a reporting system for  
267.4 teachers, administrators, and students to report service disruptions and technical  
267.5 interruptions. The information reported through this system shall be maintained in a  
267.6 database accessible through the department's Web site.

267.7 Sec. 9. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is  
267.8 amended to read:

267.9 Subd. 4. **Student performance data.** In developing policies and assessment  
267.10 processes to hold schools and districts accountable for high levels of academic standards  
267.11 under section 120B.021, the commissioner shall aggregate and disaggregate student  
267.12 data over time to report summary student performance and growth levels and, under  
267.13 section 120B.11, subdivision 2, clause (2), student learning and outcome data measured  
267.14 at the school, school district, and statewide level. ~~When collecting and reporting the~~  
267.15 performance data, The commissioner shall use the student categories identified under  
267.16 the federal Elementary and Secondary Education Act, as most recently reauthorized,  
267.17 to organize and report the data so that state and local policy makers can understand  
267.18 the educational implications of changes in districts' demographic profiles over time,  
267.19 including student categories of homelessness; ethnicity; race; home language; immigrant;  
267.20 refugee status; English language learners under section 124D.59; free or reduced-price  
267.21 lunch; and other categories designated by federal law, as data are available, among other  
267.22 demographic factors. Any report the commissioner disseminates containing summary data  
267.23 on student performance must integrate student performance and the demographic factors  
267.24 that strongly correlate with that performance.

267.25 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
267.26 later.

267.27 Sec. 10. Minnesota Statutes 2014, section 120B.31, is amended by adding a  
267.28 subdivision to read:

267.29 Subd. 6. **Test preparation costs.** The department must annually compile and  
267.30 publish data relating to expenditures by school districts for preparation of all assessments  
267.31 administered pursuant to section 120B.30, including the costs of materials and staff time.

268.1 Sec. 11. Minnesota Statutes 2014, section 120B.35, is amended to read:

268.2 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

268.3 Subdivision 1. **School and Student indicators of growth and achievement.**

268.4 The commissioner must develop and implement a system for measuring and reporting  
 268.5 academic achievement and individual student growth, consistent with the statewide  
 268.6 educational accountability and reporting system. The system components must measure  
 268.7 and separately report the adequate yearly progress of schools and the growth of individual  
 268.8 students: students' current achievement in schools under subdivision 2; and individual  
 268.9 students' educational growth over time under subdivision 3. The system also must include  
 268.10 statewide measures of student academic growth that identify schools with high levels  
 268.11 of growth, and also schools with low levels of growth that need improvement. ~~When~~  
 268.12 ~~determining a school's effect,~~ The data must include both statewide measures of student  
 268.13 achievement and, to the extent annual tests are administered, indicators of achievement  
 268.14 growth that take into account a student's prior achievement. Indicators of achievement and  
 268.15 prior achievement must be based on highly reliable statewide or districtwide summative,  
 268.16 interim, or formative assessments. Indicators that take into account a student's prior  
 268.17 achievement must not be used to disregard a school's low achievement or to exclude a  
 268.18 school from a program to improve low achievement levels.

268.19 Subd. 2. **Federal Expectations for student academic achievement.** (a) Each  
 268.20 school year, a school district must determine if the student achievement levels at each  
 268.21 school site meet federal expectations. If student achievement levels at a school site do  
 268.22 not meet federal expectations and the site has not made adequate yearly progress for two  
 268.23 consecutive school years, beginning with the 2001-2002 school year, the district must  
 268.24 work with the school site to adopt a plan to raise student achievement levels to meet  
 268.25 federal expectations. The commissioner of education shall establish student academic  
 268.26 achievement levels to comply with this paragraph.

268.27 (b) School sites identified as not meeting federal expectations must develop  
 268.28 continuous improvement plans in order to meet federal expectations for student academic  
 268.29 achievement. The department, at a district's request, must assist the district and the school  
 268.30 ~~site~~ sites in developing a plan to improve student achievement. The plan must include  
 268.31 parental involvement components.

268.32 (c) The commissioner must:

- 268.33 (1) assist school sites and districts identified as not meeting federal expectations; and  
 268.34 (2) provide technical assistance to schools that integrate student achievement  
 268.35 measures into the school continuous improvement plan.

269.1 (d) The commissioner shall establish and maintain a continuous improvement Web  
 269.2 site designed to make aggregated and disaggregated student growth and, under section  
 269.3 120B.11, subdivision 2, clause (2), student learning and outcome data on every school  
 269.4 and district available to parents, teachers, administrators, community members, and the  
 269.5 general public, consistent with this section.

269.6 Subd. 3. **State growth target; other state measures.** (a) The state's educational  
 269.7 assessment system measuring individual students' educational growth is based on  
 269.8 indicators of achievement growth that show an individual student's prior achievement.  
 269.9 Indicators of achievement and prior achievement must be based on highly reliable  
 269.10 statewide or districtwide summative, interim, or formative assessments.

269.11 (b) The commissioner, in consultation with a stakeholder group that includes  
 269.12 assessment and evaluation directors, district staff, experts in culturally responsive teaching,  
 269.13 and researchers, must implement a model that uses a value-added growth indicator and  
 269.14 includes criteria for identifying schools and school districts that demonstrate medium and  
 269.15 high growth under section 120B.299, subdivisions 8 and 9, and may recommend other  
 269.16 value-added measures under section 120B.299, subdivision 3. The model may be used  
 269.17 to advance educators' professional development and replicate programs that succeed in  
 269.18 meeting students' diverse learning needs. Data on individual teachers generated under the  
 269.19 model are personnel data under section 13.43. The model must allow users to:

269.20 (1) report student growth consistent with this paragraph; and

269.21 (2) for all student categories, report and compare aggregated and disaggregated state  
 269.22 student growth and, under section 120B.11, subdivision 2, clause (2), student learning  
 269.23 and outcome data using the nine student categories identified under the federal 2001 No  
 269.24 Child Left Behind Act and two student gender categories of male and female, respectively,  
 269.25 following appropriate reporting practices to protect nonpublic student data Elementary  
 269.26 and Secondary Education Act, as most recently reauthorized, and, in addition to the Karen  
 269.27 community, other student categories as determined by the total Minnesota population  
 269.28 at or above the 1,000-person threshold based on the most recent decennial census,  
 269.29 including ethnicity; race; refugee status; English language learners under section 124D.59;  
 269.30 home language; free or reduced-price lunch; immigrant; and all students enrolled in a  
 269.31 Minnesota public school who are currently or were previously in foster care, except that  
 269.32 such disaggregation and cross tabulation is not required if the number of students in a  
 269.33 category is insufficient to yield statistically reliable information or the results would reveal  
 269.34 personally identifiable information about an individual student.

269.35 The commissioner must report measures of student growth and, under section  
 269.36 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with

270.1 this paragraph, including the English language development, academic progress, and oral  
270.2 academic development of English learners and their native language development if the  
270.3 native language is used as a language of instruction, and include data on all pupils enrolled  
270.4 in a Minnesota public school course or program who are currently or were previously  
270.5 counted as an English learner under section 124D.59.

270.6 (c) When reporting student performance under section 120B.36, subdivision 1, the  
270.7 commissioner annually, beginning July 1, 2011, must report two core measures indicating  
270.8 the extent to which current high school graduates are being prepared for postsecondary  
270.9 academic and career opportunities:

270.10 (1) a preparation measure indicating the number and percentage of high school  
270.11 graduates in the most recent school year who completed course work important to  
270.12 preparing them for postsecondary academic and career opportunities, consistent with  
270.13 the core academic subjects required for admission to Minnesota's public colleges and  
270.14 universities as determined by the Office of Higher Education under chapter 136A; and

270.15 (2) a rigorous coursework measure indicating the number and percentage of high  
270.16 school graduates in the most recent school year who successfully completed one or more  
270.17 college-level advanced placement, international baccalaureate, postsecondary enrollment  
270.18 options including concurrent enrollment, other rigorous courses of study under section  
270.19 120B.021, subdivision 1a, or industry certification courses or programs.

270.20 When reporting the core measures under clauses (1) and (2), the commissioner must also  
270.21 analyze and report separate categories of information using the ~~nine~~ student categories  
270.22 identified under the federal ~~2001 No Child Left Behind Act~~ and two student gender  
270.23 ~~categories of male and female, respectively, following appropriate reporting practices~~  
270.24 ~~to protect nonpublic student data.~~ Elementary and Secondary Education Act, as most  
270.25 recently reauthorized, and, in addition to the Karen community, other student categories  
270.26 as determined by the total Minnesota population at or above the 1,000-person threshold  
270.27 based on the most recent decennial census, including ethnicity; race; refugee status;  
270.28 English language learners under section 124D.59; home language; free or reduced-price  
270.29 lunch; immigrant; and all students enrolled in a Minnesota public school who are currently  
270.30 or were previously enrolled in foster care, except that such disaggregation and cross  
270.31 tabulation is not required if the number of students in a category is insufficient to yield  
270.32 statistically reliable information or the results would reveal personally identifiable  
270.33 information about an individual student.

270.34 (d) When reporting student performance under section 120B.36, subdivision 1, the  
270.35 commissioner annually, beginning July 1, 2014, must report summary data on school  
270.36 safety and students' engagement and connection at school. The commissioner must

271.1 also analyze and report separate categories of information using the student categories  
271.2 identified under the federal Elementary and Secondary Education Act, as most recently  
271.3 reauthorized, and, in addition to the Karen community, other student categories as  
271.4 determined by the total Minnesota population at or above the 1,000-person threshold based  
271.5 on the most recent decennial census, including ethnicity; race; English language learners  
271.6 under section 124D.59; home language; free or reduced-price lunch; immigrant; refugee  
271.7 status; and all students enrolled in a Minnesota public school who are currently or were  
271.8 previously enrolled in foster care, except that such disaggregation and cross tabulation  
271.9 is not required if the number of students in a category is insufficient to yield statistically  
271.10 reliable information or the results would reveal personally identifiable information about  
271.11 an individual student. The summary data under this paragraph are separate from and  
271.12 must not be used for any purpose related to measuring or evaluating the performance  
271.13 of classroom teachers. The commissioner, in consultation with qualified experts on  
271.14 student engagement and connection and classroom teachers, must identify highly reliable  
271.15 variables that generate summary data under this paragraph. The summary data may be  
271.16 used at school, district, and state levels only. Any data on individuals received, collected,  
271.17 or created that are used to generate the summary data under this paragraph are nonpublic  
271.18 data under section 13.02, subdivision 9.

271.19 (e) For purposes of statewide educational accountability, the commissioner must  
271.20 identify and report measures that demonstrate the success of learning year program  
271.21 providers under sections 123A.05 and 124D.68, among other such providers, in improving  
271.22 students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually  
271.23 report summary data on:

271.24 (1) the four- and six-year graduation rates of students under this paragraph;

271.25 (2) the percent of students under this paragraph whose progress and performance  
271.26 levels are meeting career and college readiness benchmarks under section 120B.30,  
271.27 subdivision 1; and

271.28 (3) the success that learning year program providers experience in:

271.29 (i) identifying at-risk and off-track student populations by grade;

271.30 (ii) providing successful prevention and intervention strategies for at-risk students;

271.31 (iii) providing successful recuperative and recovery or reenrollment strategies for  
271.32 off-track students; and

271.33 (iv) improving the graduation outcomes of at-risk and off-track students.

271.34 The commissioner may include in the annual report summary data on other education  
271.35 providers serving a majority of students eligible to participate in a learning year program.

272.1 (f) The commissioner, in consultation with recognized experts with knowledge and  
 272.2 experience in assessing the language proficiency and academic performance of all English  
 272.3 learners enrolled in a Minnesota public school course or program who are currently or were  
 272.4 previously counted as an English learner under section 124D.59, must identify and report  
 272.5 appropriate and effective measures to improve current categories of language difficulty and  
 272.6 assessments, and monitor and report data on students' English proficiency levels, program  
 272.7 placement, and academic language development, including oral academic language.

272.8 Subd. 4. **Improving schools.** Consistent with the requirements of this section,  
 272.9 beginning June 20, 2012, the commissioner of education must annually report to the  
 272.10 public and the legislature best practices implemented in those schools that demonstrate  
 272.11 high growth compared to the state growth target.

272.12 Subd. 5. **Improving graduation rates for students with emotional or behavioral**  
 272.13 **disorders.** (a) A district must develop strategies in conjunction with parents of students  
 272.14 with emotional or behavioral disorders and the county board responsible for implementing  
 272.15 sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in  
 272.16 school, when the district has a drop-out rate for students with an emotional or behavioral  
 272.17 disorder in grades 9 through 12 exceeding 25 percent.

272.18 (b) A district must develop a plan in conjunction with parents of students with  
 272.19 emotional or behavioral disorders and the local mental health authority to increase the  
 272.20 graduation rates of students with emotional or behavioral disorders. A district with a  
 272.21 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through  
 272.22 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight  
 272.23 to the commissioner.

272.24 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
 272.25 later.

272.26 Sec. 12. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First  
 272.27 Special Session chapter 3, article 2, section 8, is amended to read:

272.28 **120B.36 SCHOOL ACCOUNTABILITY; ~~APPEALS PROCESS.~~**

272.29 Subdivision 1. **School performance reports.** (a) The commissioner shall report  
 272.30 student academic performance data under section 120B.35, ~~subdivision~~ subdivisions  
 272.31 2, paragraph (b), and 3; the percentages of students showing low, medium, and high  
 272.32 growth under section 120B.35, subdivision 3, paragraph (b); school safety and student  
 272.33 engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous  
 272.34 coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of



273.1 students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress  
273.2 and performance levels are meeting career and college readiness benchmarks under  
273.3 sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal  
273.4 data on the progress of eligible districts in reducing disparities in students' academic  
273.5 achievement and realizing racial and economic integration under section 124D.861;  
273.6 the acquisition of English, and where practicable, native language academic literacy,  
273.7 including oral academic language, and the academic progress of all English learners  
273.8 under section 124D.59, subdivisions 2 and 2a enrolled in a Minnesota public school  
273.9 course or program who are currently or were previously counted as an English learner  
273.10 under section 124D.59; two separate student-to-teacher ratios that clearly indicate the  
273.11 definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of  
273.12 determining these ratios; staff characteristics excluding salaries; student enrollment  
273.13 demographics; all students enrolled in a Minnesota public school course or program who  
273.14 are currently or were previously in foster care, student homelessness, and district mobility;  
273.15 and extracurricular activities. The report also must indicate a school's adequate yearly  
273.16 progress status under applicable federal law, and must not set any designations applicable  
273.17 to high- and low-performing schools due solely to adequate yearly progress status.

273.18 (b) The commissioner shall develop, annually update, and post on the department  
273.19 Web site school performance reports.

273.20 (c) The commissioner must make available performance reports by the beginning  
273.21 of each school year.

273.22 (d) A school or district may appeal its adequate yearly progress status in writing to  
273.23 the commissioner within 30 days of receiving the notice of its status. The commissioner's  
273.24 decision to uphold or deny an appeal is final.

273.25 (e) School performance data are nonpublic data under section 13.02, subdivision 9,  
273.26 until the commissioner publicly releases the data. The commissioner shall annually post  
273.27 school performance reports to the department's public Web site no later than September 1,  
273.28 except that in years when the reports reflect new performance standards, the commissioner  
273.29 shall post the school performance reports no later than October 1.

273.30 Subd. 2. **Adequate yearly student progress and other data.** All data the  
273.31 department receives, collects, or creates to determine adequate yearly progress status  
273.32 under Public Law 107-110, section 1116, set state growth targets, and determine student  
273.33 growth, learning, and outcomes under section 120B.35 are nonpublic data under section  
273.34 13.02, subdivision 9, until the commissioner publicly releases the data. Districts must  
273.35 provide parents sufficiently detailed summary data to permit parents to appeal under  
273.36 Public Law 107-110, section 1116(b)(2). The commissioner shall annually post federal

274.1 adequate yearly progress data and state student growth, learning, and outcome data to the  
274.2 department's public Web site no later than September 1, except that in years when adequate  
274.3 yearly progress reflects new performance standards, the commissioner shall post federal  
274.4 adequate yearly progress data and state student growth data no later than October 1.

274.5 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
274.6 later.

274.7 Sec. 13. Minnesota Statutes 2015 Supplement, section 120B.36, subdivision 1, is  
274.8 amended to read:

274.9 Subdivision 1. **School performance reports.** (a) The commissioner shall report  
274.10 student academic performance under section 120B.35, subdivision 2; the percentages of  
274.11 students showing low, medium, and high growth under section 120B.35, subdivision  
274.12 3, paragraph (b); school safety and student engagement and connection under section  
274.13 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35,  
274.14 subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision  
274.15 3, paragraph (b), clause (2), whose progress and performance levels are meeting career  
274.16 and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35,  
274.17 subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in  
274.18 reducing disparities in students' academic achievement and realizing racial and economic  
274.19 integration under section 124D.861; the acquisition of English, and where practicable,  
274.20 native language academic literacy, including oral academic language, and the academic  
274.21 progress of English learners under section 124D.59, subdivisions 2 and 2a; the weekly  
274.22 amount of time students in kindergarten through grade 8 are scheduled to spend in physical  
274.23 education class, the percent of students in kindergarten through grade 12 who receive a  
274.24 passing grade in physical education, and the number of required physical education credits  
274.25 high school students must complete to graduate; two separate student-to-teacher ratios that  
274.26 clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15  
274.27 for purposes of determining these ratios; staff characteristics excluding salaries; student  
274.28 enrollment demographics; student homelessness and district mobility; and extracurricular  
274.29 activities. The report also must indicate a school's adequate yearly progress status  
274.30 under applicable federal law, and must not set any designations applicable to high- and  
274.31 low-performing schools due solely to adequate yearly progress status.

274.32 (b) The commissioner shall develop, annually update, and post on the department  
274.33 Web site school performance reports.

274.34 (c) The commissioner must make available performance reports by the beginning  
274.35 of each school year.

275.1 (d) A school or district may appeal its adequate yearly progress status in writing to  
275.2 the commissioner within 30 days of receiving the notice of its status. The commissioner's  
275.3 decision to uphold or deny an appeal is final.

275.4 (e) School performance data are nonpublic data under section 13.02, subdivision 9,  
275.5 until the commissioner publicly releases the data. The commissioner shall annually post  
275.6 school performance reports to the department's public Web site no later than September 1,  
275.7 except that in years when the reports reflect new performance standards, the commissioner  
275.8 shall post the school performance reports no later than October 1.

275.9 **EFFECTIVE DATE.** This section is effective the day following final enactment  
275.10 and applies to reports for the 2017-2018 school year and later.

275.11 Sec. 14. Minnesota Statutes 2015 Supplement, section 122A.21, subdivision 2, is  
275.12 amended to read:

275.13 Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via  
275.14 portfolio to obtain an initial licensure or to add a licensure field, consistent with applicable  
275.15 Board of Teaching licensure rules.

275.16 (b) A candidate for initial licensure must submit to the Educator Licensing Division  
275.17 at the department one portfolio demonstrating pedagogical competence and one portfolio  
275.18 demonstrating content competence.

275.19 (c) A candidate seeking to add a licensure field must submit to the Educator  
275.20 Licensing Division at the department one portfolio demonstrating content competence.

275.21 (d) The Board of Teaching must notify a candidate who submits a portfolio under  
275.22 paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not  
275.23 the portfolio was approved. If the portfolio was not approved, the board must immediately  
275.24 inform the candidate how to revise the portfolio to successfully demonstrate the requisite  
275.25 competence. The candidate may resubmit a revised portfolio at any time and the Educator  
275.26 Licensing Division at the department must approve or disapprove the portfolio within  
275.27 60 calendar days of receiving it.

275.28 (e) A candidate must pay to the executive secretary of the Board of Teaching a \$300  
275.29 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted  
275.30 subsequently. The fees must be paid to the executive secretary of the Board of Teaching.  
275.31 The revenue generated from the fee ~~must be~~ is deposited in an education licensure  
275.32 portfolio account in the special revenue fund and is appropriated to the commissioner of  
275.33 education for licensure via portfolio expenditures. The fees set by the Board of Teaching  
275.34 are nonrefundable for applicants not qualifying for a license. The Board of Teaching may  
275.35 waive or reduce fees for candidates based on financial need.

276.1 Sec. 15. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4,  
276.2 is amended to read:

276.3 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative  
276.4 teacher compensation aid for a school with a plan approved under section 122A.414,  
276.5 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under  
276.6 subdivision 1. The basic alternative teacher compensation aid for a charter school with a  
276.7 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the  
276.8 number of pupils enrolled in the school on October 1 of the previous year, or on October  
276.9 1 of the current year for a charter school in the first year of operation, times the ratio of  
276.10 the sum of the alternative teacher compensation aid and alternative teacher compensation  
276.11 levy for all participating school districts to the maximum alternative teacher compensation  
276.12 revenue for those districts under subdivision 1.

276.13 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative  
276.14 teacher compensation aid entitlement must not exceed ~~\$88,118,000 for fiscal year 2017~~  
276.15 ~~and later. The commissioner must limit the amount of alternative teacher compensation~~  
276.16 ~~aid approved under this section so as not to exceed these limits~~ \$75,840,000 for fiscal year  
276.17 2016. Basic alternative teacher compensation aid for an intermediate district or other  
276.18 cooperative unit equals \$3,000 times the number of licensed teachers employed by the  
276.19 intermediate district or cooperative unit on October 1 of the previous school year.

276.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

276.21 Sec. 16. Minnesota Statutes 2015 Supplement, section 122A.61, subdivision 1, is  
276.22 amended to read:

276.23 Subdivision 1. **Staff development revenue for school districts.** A district is  
276.24 required to reserve an amount equal to at least two percent of the basic revenue under  
276.25 section 126C.10, subdivision 2, for:

276.26 (1) teacher development and evaluation under section 122A.40, subdivision 8, or  
276.27 122A.41, subdivision 5;

276.28 (2) principal development and evaluation under section 123B.147, subdivision 3;

276.29 (3) professional development under section 122A.60; and

276.30 (4) in-service education for programs under section 120B.22, subdivision 2.

276.31 To the extent extra funds remain, staff development revenue may be used for  
276.32 staff development plans, including plans for challenging instructional activities and  
276.33 experiences under section 122A.60, and for curriculum development and programs, other  
276.34 in-service education, teachers' mentoring under section 122A.70 and evaluation, teachers'  
276.35 workshops, teacher conferences, the cost of substitute teachers for staff development

277.1 purposes, preservice and in-service education for special education professionals and  
 277.2 paraprofessionals, and other related costs for staff development efforts. A district may  
 277.3 annually waive the requirement to reserve their basic revenue under this section if a  
 277.4 majority vote of the licensed teachers in the district and a majority vote of the school board  
 277.5 agree to a resolution to waive the requirement. A district in statutory operating debt is  
 277.6 exempt from reserving basic revenue according to this section. Districts may expend an  
 277.7 additional amount of unreserved revenue for staff development based on their needs.

277.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
 277.9 and later.

277.10 Sec. 17. Minnesota Statutes 2014, section 122A.61, is amended by adding a  
 277.11 subdivision to read:

277.12 **Subd. 1a. Staff development aid for intermediate school districts and other**  
 277.13 **cooperative units.** (a) An intermediate school district or other cooperative unit providing  
 277.14 instruction to students in federal instructional settings of level 4 or higher qualifies for  
 277.15 staff development aid equal to \$675 times the full-time equivalent number of licensed  
 277.16 instructional staff, related services staff, and nonlicensed classroom aides employed by the  
 277.17 intermediate school district or other cooperative unit during the previous fiscal year.

277.18 (b) Staff development aid received under this subdivision must be used for activities  
 277.19 related to enhancing services to students who may have challenging behaviors or mental  
 277.20 health issues or be suffering from trauma. Specific qualifying staff development activities  
 277.21 include but are not limited to:

277.22 (1) proactive behavior management;

277.23 (2) personal safety training;

277.24 (3) de-escalation techniques;

277.25 (4) adaptation of published curriculum and pedagogy for students with complex  
 277.26 learning and behavioral needs; and

277.27 (5) other staff development activities specific to the population in this paragraph.

277.28 (c) The aid received under this subdivision must be reserved and spent only on  
 277.29 the activities specified in this subdivision.

277.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
 277.31 and later.

277.32 Sec. 18. Minnesota Statutes 2014, section 122A.63, subdivision 1, is amended to read:

278.1 Subdivision 1. **Establishment.** (a) A grant program is established to assist American  
278.2 Indian people to become teachers and to provide additional education for American Indian  
278.3 teachers. The commissioner may award a joint grant to each of the following:

278.4 (1) the Duluth campus of the University of Minnesota and Independent School  
278.5 District No. 709, Duluth;

278.6 (2) Bemidji State University and Independent School District No. 38, Red Lake;

278.7 (3) Moorhead State University and one of the school districts located within the  
278.8 White Earth Reservation; and

278.9 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special  
278.10 School District No. 1, Minneapolis.

278.11 (b) If additional funds are available, the commissioner may award additional joint  
278.12 grants to other postsecondary institutions and school districts.

278.13 Sec. 19. Minnesota Statutes 2014, section 123B.04, subdivision 2, is amended to read:

278.14 Subd. 2. **Agreement.** (a) The school board and a school site may enter into an  
278.15 agreement under this section solely to develop and implement an individualized learning  
278.16 and achievement contract under subdivision 4.

278.17 (b) Upon the request of 60 percent of the licensed employees of a site or a school  
278.18 site decision-making team, the school board shall enter into discussions to reach an  
278.19 agreement concerning the governance, management, or control of the school. A school  
278.20 site decision-making team may include the school principal, teachers in the school or their  
278.21 designee, other employees in the school, representatives of pupils in the school, or other  
278.22 members in the community. A school site decision-making team must include at least one  
278.23 parent of a pupil in the school. For purposes of formation of a new site, a school site  
278.24 decision-making team may be a team of teachers that is recognized by the board as a site.  
278.25 The school site decision-making team shall include the school principal or other person  
278.26 having general control and supervision of the school. The site decision-making team  
278.27 must reflect the diversity of the education site. At least one-half of the members shall be  
278.28 employees of the district, unless an employee is the parent of a student enrolled in the school  
278.29 site, in which case the employee may elect to serve as a parent member of the site team.

278.30 (c) School site decision-making agreements must delegate powers, duties, and  
278.31 broad management responsibilities to site teams and involve staff members, students as  
278.32 appropriate, and parents in decision making.

278.33 (d) An agreement shall include a statement of powers, duties, responsibilities, and  
278.34 authority to be delegated to and within the site.

278.35 (e) An agreement may include:

279.1 (1) an achievement contract according to subdivision 4;

279.2 (2) a mechanism to allow principals, a site leadership team, or other persons having  
 279.3 general control and supervision of the school, to make decisions regarding how financial  
 279.4 and personnel resources are best allocated at the site and from whom goods or services  
 279.5 are purchased;

279.6 (3) a mechanism to implement parental involvement programs under section  
 279.7 124D.895 and to provide for effective parental communication and feedback on this  
 279.8 involvement at the site level;

279.9 (4) a provision that would allow the team to determine who is hired into licensed  
 279.10 and nonlicensed positions;

279.11 (5) a provision that would allow teachers to choose the principal or other person  
 279.12 having general control;

279.13 (6) an amount of revenue allocated to the site under subdivision 3; and

279.14 (7) any other powers and duties determined appropriate by the board.

279.15 An agreement may assign such powers, duties, and management responsibilities to  
 279.16 the licensed teachers at a school site to create teacher-governed schools and qualify the  
 279.17 district and site for a grant under subdivision 2a.

279.18 The school board of the district remains the legal employer under clauses (4) and (5).

279.19 (f) Any powers or duties not delegated to the school site management team in the  
 279.20 school site management agreement shall remain with the school board.

279.21 (g) Approved agreements shall be filed with the commissioner. If a school board  
 279.22 denies a request or the school site and school board fail to reach an agreement to enter  
 279.23 into a school site management agreement, the school board shall provide a copy of the  
 279.24 request and the reasons for its denial to the commissioner.

279.25 (h) A site decision-making grant program is established, consistent with this  
 279.26 subdivision, to allow sites to implement an agreement that at least:

279.27 (1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable  
 279.28 to the students at that site;

279.29 (2) includes a provision, consistent with current law and the collective bargaining  
 279.30 agreement in effect, that allows the site team to decide who is selected from within the  
 279.31 district for licensed and nonlicensed positions at the site and to make staff assignments  
 279.32 in the site; and

279.33 (3) includes a completed performance agreement under subdivision 4.

279.34 The commissioner shall establish the form and manner of the application for a grant  
 279.35 and annually, at the end of each fiscal year, report to the house of representatives and  
 279.36 senate committees having jurisdiction over education on the progress of the program.

280.1 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

280.2 Sec. 20. Minnesota Statutes 2014, section 123B.04, is amended by adding a  
280.3 subdivision to read:

280.4 **Subd. 2a. Teacher-governed schools.** (a) Consistent with subdivision 2 allowing  
280.5 a school board to agree to assign powers, duties, and management responsibilities to a  
280.6 school site, and subject to an agreement between the interested school board and the  
280.7 exclusive representative of the teachers, a grant program is established to encourage  
280.8 licensed teachers employed at a school site to explore and develop organizational models  
280.9 for teaching and learning, provide curriculum and corresponding formative, interim, and  
280.10 summative assessments, measure and evaluate teacher performance, assign teaching  
280.11 positions and restructure instructional work, provide professional development to support  
280.12 teachers restructuring their work, allocate revenue, assert autonomy and leadership, and  
280.13 pursue other such policies, strategies, and activities for creating teacher-governed schools.

280.14 (b) The commissioner, after receiving the approved agreement filed by the  
280.15 parties under subdivision 2, paragraph (g), shall award planning and start-up grants  
280.16 on a first-come, first-served basis until appropriated funds are expended, distributing  
280.17 the grants throughout Minnesota to the extent practicable and consistent with this  
280.18 subdivision. Subject to the content and projected expenditures of the parties' agreement,  
280.19 the commissioner shall award grants to eligible districts as follows:

280.20 (1) a planning grant of up to \$20,000 during the first year of the parties' agreement; and

280.21 (2) an implementation grant of up to \$100,000 during each of the next two years  
280.22 of the parties' agreement.

280.23 A grant recipient that terminates an agreement before the end of a school year must return  
280.24 a pro rata portion of the grant to the commissioner, the amount of which the commissioner  
280.25 must determine based upon the number of school days remaining in the school year after  
280.26 the agreement is terminated. Grant recipients are encouraged to seek matching funds or  
280.27 in-kind contributions from nonstate sources to supplement the grant awards.

280.28 (c) A school district receiving a grant must transmit to the commissioner in an  
280.29 electronic format and post on its Web site by the end of the school year readily accessible  
280.30 information about recommended best practices based on its experience and progress under  
280.31 this section. The commissioner must make information about these recommended best  
280.32 practices readily available to interested districts and schools throughout Minnesota.

280.33 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.



281.1 Sec. 21. Minnesota Statutes 2014, section 124D.091, subdivision 2, is amended to read:

281.2 Subd. 2. **Eligibility.** A district that offers a concurrent enrollment course according  
281.3 to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the  
281.4 costs of providing postsecondary courses at the high school. ~~Beginning in fiscal year 2011,~~  
281.5 Districts only are eligible for aid if the college or university concurrent enrollment courses  
281.6 offered by the district are accredited by the National Alliance of Concurrent Enrollment  
281.7 Partnership, in the process of being accredited, or are shown by clear evidence to be of  
281.8 comparable standard to accredited courses, or are technical courses within a recognized  
281.9 career and technical education program of study approved by the commissioner of  
281.10 education and the chancellor of the Minnesota State Colleges and Universities.

281.11 Sec. 22. Minnesota Statutes 2014, section 124D.091, subdivision 3, is amended to read:

281.12 Subd. 3. **Aid; tuition reimbursement.** (a) An eligible district shall receive ~~\$150~~  
281.13 \$300 per pupil enrolled in a concurrent enrollment course. The money must be used  
281.14 to defray the cost of delivering the course at the high school. The commissioner shall  
281.15 establish application procedures and deadlines for receipt of aid payments.

281.16 (b) Notwithstanding paragraph (a), by mutual agreement of the school board and the  
281.17 exclusive representative of the teachers, up to 25 percent of the aid under this subdivision  
281.18 may be reserved to offset tuition paid to an accredited higher education institution for  
281.19 coursework necessary for secondary teachers to meet a postsecondary institution's  
281.20 accrediting body's requirements to teach concurrent enrollment courses.

281.21 (c) A teacher receiving tuition reimbursement under this subdivision must repay the  
281.22 school district if the teacher does not complete the training. If 50 percent or more of a  
281.23 teacher's tuition is reimbursed by the school district, the teacher must continue to teach in  
281.24 the school district for two years after receiving an endorsement under section 122A.09,  
281.25 subdivision 12, or repay the district for the tuition reimbursement.

281.26 Sec. 23. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,  
281.27 is amended to read:

281.28 Subd. 2. **Full-service community school program.** (a) The commissioner shall  
281.29 provide funding to eligible school sites to plan, implement, and improve full-service  
281.30 community schools. Eligible school sites must meet one of the following criteria:

281.31 (1) the school is on a development plan for continuous improvement under section  
281.32 120B.35, subdivision 2; or

281.33 (2) the school is in a district that has an achievement and integration plan approved  
281.34 by the commissioner of education under sections 124D.861 and 124D.862.

282.1 (b) An eligible school site may receive up to ~~\$100,000~~ \$150,000 annually. School  
282.2 sites receiving funding under this section shall hire or contract with a partner agency to  
282.3 hire a site coordinator to coordinate services at each covered school site.

282.4 (c) Of grants awarded, implementation funding of up to \$20,000 must be available  
282.5 for up to one year for planning for school sites. At the end of this period, the school must  
282.6 submit a full-service community school plan, pursuant to paragraph (g). If the site decides  
282.7 not to use planning funds, the plan must be submitted with the application.

282.8 (d) The commissioner shall ~~dispense the funds to~~ consider additional school factors  
282.9 when dispensing funds including: schools with significant populations of students  
282.10 receiving free or reduced-price lunches. ~~Schools with~~ significant homeless and highly  
282.11 mobile students shall also be a priority. ~~The commissioner must also dispense the funds in a~~  
282.12 ~~manner to ensure~~ rates; and equity among urban, suburban, and greater Minnesota schools.

282.13 (e) A school site must establish a school leadership team responsible for developing  
282.14 school-specific programming goals, assessing program needs, and overseeing the process  
282.15 of implementing expanded programming at each covered site. The school leadership team  
282.16 shall have between 12 to 15 members and shall meet the following requirements:

282.17 (1) at least 30 percent of the members are parents and 30 percent of the members  
282.18 are teachers at the school site and must include the school principal and representatives  
282.19 from partner agencies; and

282.20 (2) the school leadership team must be responsible for overseeing the baseline  
282.21 analyses under paragraph (f). A school leadership team must have ongoing responsibility  
282.22 for monitoring the development and implementation of full-service community school  
282.23 operations and programming at the school site and shall issue recommendations to schools  
282.24 on a regular basis and summarized in an annual report. These reports shall also be made  
282.25 available to the public at the school site and on school and district Web sites.

282.26 (f) School sites must complete a baseline analysis prior to beginning programming  
282.27 as a full-service community school. The analysis shall include:

282.28 (1) a baseline analysis of needs at the school site, led by the school leadership team,  
282.29 which shall include the following elements:

282.30 (i) identification of challenges facing the school;

282.31 (ii) analysis of the student body, including:

282.32 (A) number and percentage of students with disabilities and needs of these students;

282.33 (B) number and percentage of students who are English learners and the needs of  
282.34 these students;

282.35 (C) number of students who are homeless or highly mobile; and

283.1 (D) number and percentage of students receiving free or reduced-price lunch and the  
283.2 needs of these students;

283.3 (iii) analysis of enrollment and retention rates for students with disabilities,  
283.4 English learners, homeless and highly mobile students, and students receiving free or  
283.5 reduced-price lunch;

283.6 (iv) analysis of suspension and expulsion data, including the justification for such  
283.7 disciplinary actions and the degree to which particular populations, including, but not  
283.8 limited to, students of color, students with disabilities, students who are English learners,  
283.9 and students receiving free or reduced-price lunch are represented among students subject  
283.10 to such actions;

283.11 (v) analysis of school achievement data disaggregated by major demographic  
283.12 categories, including, but not limited to, race, ethnicity, English learner status, disability  
283.13 status, and free or reduced-price lunch status;

283.14 (vi) analysis of current parent engagement strategies and their success; and

283.15 (vii) evaluation of the need for and availability of wraparound services, including,  
283.16 but not limited to:

283.17 (A) mechanisms for meeting students' social, emotional, and physical health needs,  
283.18 which may include coordination of existing services as well as the development of new  
283.19 services based on student needs; and

283.20 (B) strategies to create a safe and secure school environment and improve school  
283.21 climate and discipline, such as implementing a system of positive behavioral supports, and  
283.22 taking additional steps to eliminate bullying;

283.23 (2) a baseline analysis of community assets and a strategic plan for utilizing  
283.24 and aligning identified assets. This analysis should include, but is not limited to, a  
283.25 documentation of individuals in the community, faith-based organizations, community and  
283.26 neighborhood associations, colleges, hospitals, libraries, businesses, and social service  
283.27 agencies who may be able to provide support and resources; and

283.28 (3) a baseline analysis of needs in the community surrounding the school, led by  
283.29 the school leadership team, including, but not limited to:

283.30 (i) the need for high-quality, full-day child care and early childhood education  
283.31 programs;

283.32 (ii) the need for physical and mental health care services for children and adults; and

283.33 (iii) the need for job training and other adult education programming.

283.34 (g) Each school site receiving funding under this section must establish at least two  
283.35 of the following types of programming:

283.36 (1) early childhood:

- 284.1 (i) early childhood education; and
- 284.2 (ii) child care services;
- 284.3 (2) academic:
- 284.4 (i) academic support and enrichment activities, including expanded learning time;
- 284.5 (ii) summer or after-school enrichment and learning experiences;
- 284.6 (iii) job training, internship opportunities, and career counseling services;
- 284.7 (iv) programs that provide assistance to students who have been truant, suspended,
- 284.8 or expelled; and
- 284.9 (v) specialized instructional support services;
- 284.10 (3) parental involvement:
- 284.11 (i) programs that promote parental involvement and family literacy, including the
- 284.12 Reading First and Early Reading First programs authorized under part B of title I of the
- 284.13 Elementary and Secondary Education Act of 1965, United States Code, title 20, section
- 284.14 6361, et seq.;
- 284.15 (ii) parent leadership development activities; and
- 284.16 (iii) parenting education activities;
- 284.17 (4) mental and physical health:
- 284.18 (i) mentoring and other youth development programs, including peer mentoring and
- 284.19 conflict mediation;
- 284.20 (ii) juvenile crime prevention and rehabilitation programs;
- 284.21 (iii) home visitation services by teachers and other professionals;
- 284.22 (iv) developmentally appropriate physical education;
- 284.23 (v) nutrition services;
- 284.24 (vi) primary health and dental care; and
- 284.25 (vii) mental health counseling services;
- 284.26 (5) community involvement:
- 284.27 (i) service and service-learning opportunities;
- 284.28 (ii) adult education, including instruction in English as a second language; and
- 284.29 (iii) homeless prevention services;
- 284.30 (6) positive discipline practices; and
- 284.31 (7) other programming designed to meet school and community needs identified in
- 284.32 the baseline analysis and reflected in the full-service community school plan.
- 284.33 (h) The school leadership team at each school site must develop a full-service
- 284.34 community school plan detailing the steps the school leadership team will take, including:
- 284.35 (1) timely establishment and consistent operation of the school leadership team;
- 284.36 (2) maintenance of attendance records in all programming components;

285.1 (3) maintenance of measurable data showing annual participation and the impact  
285.2 of programming on the participating children and adults;

285.3 (4) documentation of meaningful and sustained collaboration between the school  
285.4 and community stakeholders, including local governmental units, civic engagement  
285.5 organizations, businesses, and social service providers;

285.6 (5) establishment and maintenance of partnerships with institutions, such as  
285.7 universities, hospitals, museums, or not-for-profit community organizations to further the  
285.8 development and implementation of community school programming;

285.9 (6) ensuring compliance with the district nondiscrimination policy; and

285.10 (7) plan for school leadership team development.

285.11 Sec. 24. Minnesota Statutes 2014, section 124D.59, is amended by adding a  
285.12 subdivision to read:

285.13 Subd. 9. **English learner data.** When data on English learners are reported for  
285.14 purposes of educational accountability, English learner data must include all pupils  
285.15 enrolled in a Minnesota public school course or program who are currently or were  
285.16 previously counted as an English learner under this section. Reported data must be  
285.17 disaggregated by currently counted and previously counted English learners.

285.18 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and  
285.19 later.

285.20 Sec. 25. **[125B.27] STUDENT-USER PRIVACY IN EDUCATION RIGHTS.**

285.21 Subdivision 1. **Definitions.** (a) The definitions in this subdivision and section 13.32,  
285.22 subdivision 1, apply to this section.

285.23 (b) "Online educational service" means a Web site, online service or application, or  
285.24 mobile application that a student or the student's parent or legal guardian can access via  
285.25 the Internet for school purposes. Online educational service includes a cloud computing  
285.26 service.

285.27 (c) "Operator" means, to the extent it is operating in this capacity, a person who  
285.28 operates an online educational service with actual knowledge that it is used primarily for  
285.29 school purposes and was designed and marketed for these purposes. Operator includes  
285.30 a vendor.

285.31 (d) "Protected information" means personally identifiable information or materials  
285.32 or information that is linked to personally identifiable information or materials, in any  
285.33 media or format that is not publicly available, and:

286.1 (1) is created or provided by a student or the student's parent or legal guardian to an  
286.2 operator in the course of the use of the operator's site, service, or application for school  
286.3 purposes;

286.4 (2) is created or provided by an employee or agent of the school to an operator in the  
286.5 course of the use of the operator's site, service, or application for school purposes; or

286.6 (3) is gathered by an operator through the operation of an online educational service  
286.7 and personally identifies a student, including but not limited to information in the student's  
286.8 educational record or e-mail, first and last name, home address, telephone number, e-mail  
286.9 address, or other information that allows physical or online contact, discipline records,  
286.10 test results, special education data, juvenile records, grades, evaluations, criminal records,  
286.11 health records, Social Security number, biometric information, disabilities, socioeconomic  
286.12 information, food purchases, political affiliations, religious information, text messages,  
286.13 documents, student identifiers, search activity, photos, voice recordings, or geolocation  
286.14 information.

286.15 (e) "School purposes" means purposes that (1) are directed by or customarily take  
286.16 place at the direction of the school, teacher, or school district or aid in the administration  
286.17 of school activities, including instruction in the classroom or at home, administrative  
286.18 activities, and collaboration between students, school personnel, or parents or legal  
286.19 guardians, or (2) are for the use and benefit of the school.

286.20 (f) "Student" means a student in prekindergarten through grade 12.

286.21 (g) "Vendor" means a person who enters into a contract with a school to provide an  
286.22 online educational service.

286.23 (h) "Targeted advertising" means presenting advertisements to a student where  
286.24 the advertisement is selected based on information obtained or inferred over time from  
286.25 that student's online behavior, usage of applications, or covered information. It does not  
286.26 include advertising to a student at an online location based upon that student's current  
286.27 visit to that location, or in response to that student's request for information or feedback,  
286.28 without the retention of that student's online activities or requests over time for the  
286.29 purpose of targeting subsequent ads.

286.30 **Subd. 2. Prohibited activities; targeted advertising; creation of student profiles;**  
286.31 **sale or unauthorized disclosure of information.** (a) An operator must not engage in  
286.32 any of the following activities:

286.33 (1)(i) targeted advertising on the operator's online educational service; or

286.34 (ii) targeted advertising on any other site, service, or application when the targeting  
286.35 of the advertising is based upon information, including protected information and unique

287.1 identifiers, that the operator has acquired or created because of the use of that operator's  
287.2 online educational service;

287.3 (2) gather, use, or share information, including persistent unique identifiers, acquired  
287.4 or created by the operator's online educational service, to create a profile about a student,  
287.5 except in furtherance of school purposes. "Create a profile" does not include the collection  
287.6 and retention of account information that remains under the control of the student, the  
287.7 student's parent or guardian, or kindergarten through grade 12 school;

287.8 (3) sell a student's information, including protected information. This prohibition  
287.9 does not apply to the purchase, merger, or other type of acquisition of an operator by  
287.10 another person, provided that the operator or successor continues to be subject to this  
287.11 section with respect to previously acquired student information or to national assessment  
287.12 providers if the provider secures the express written consent of the parent or student, given  
287.13 in response to clear and conspicuous notice, solely to provide access to employment,  
287.14 educational scholarships or financial aid, or postsecondary educational opportunities; or

287.15 (4) disclose protected information, unless the disclosure:

287.16 (i) is made in furtherance of the educational purpose of the site, service, or  
287.17 application, provided the recipient of the protected information must not further disclose  
287.18 the information unless done to allow or improve operability and functionality of the  
287.19 operator's online educational service;

287.20 (ii) is legally required to comply with subdivision 3;

287.21 (iii) is made to ensure legal and regulatory compliance, to respond to or participate  
287.22 in judicial process, or to protect the safety of users or others or the security or integrity  
287.23 of the site;

287.24 (iv) is for a school, educational, or employment purpose requested by the student  
287.25 or the student's parent or guardian, provided that the information is not used or further  
287.26 disclosed for any other purposes; or

287.27 (v) is made pursuant to a contract between the operator and a service provider. A  
287.28 contract must prohibit the service provider from using protected information for any  
287.29 purpose other than providing the contracted service to, or on behalf of, the operator;  
287.30 prohibit the service provider from disclosing protected information provided by the  
287.31 operator to third parties; and require the service provider to implement and maintain  
287.32 reasonable security procedures and practices as provided in subdivision 3.

287.33 (b) This subdivision does not prohibit the operator's use of information for  
287.34 maintaining, developing, supporting, improving, or diagnosing the operator's site, service,  
287.35 or application.

287.36 Subd. 3. **Security procedures and practices.** An operator shall:

288.1 (1) implement and maintain reasonable security procedures and practices appropriate  
 288.2 to the nature of the protected information designed to protect that information from  
 288.3 unauthorized access, destruction, use, modification, or disclosure; and

288.4 (2) delete a student's protected information within a reasonable period of time  
 288.5 and in any case within 60 days if the school requests deletion of data under the control  
 288.6 of the school.

288.7 Subd. 4. **Permissible disclosures.** Notwithstanding subdivision 2, paragraph (a),  
 288.8 clause (4), an operator may use or disclose protected information of a student under the  
 288.9 following circumstances:

288.10 (1) if other provisions of federal or state law require the operator to disclose the  
 288.11 information and the operator complies with the requirements of federal or state law in  
 288.12 protecting and disclosing that information;

288.13 (2) as long as no covered information is used for advertising or to create a profile on  
 288.14 the student for purposes other than educational purposes, for legitimate research purposes:

288.15 (i) as required by state or federal law and subject to the restrictions under applicable  
 288.16 law; or

288.17 (ii) as allowed by state or federal law and in furtherance of educational purposes or  
 288.18 postsecondary educational purposes; and

288.19 (3) to a state or local educational agency, including schools and school districts, for  
 288.20 school purposes as permitted by state or federal law.

288.21 Subd. 5. **Use of information by operator.** This section does not prohibit an  
 288.22 operator from doing any of the following:

288.23 (1) using protected information within the operator's site, service, or application or  
 288.24 other sites, services, or applications owned by the operator to improve educational products;

288.25 (2) using protected information that is not associated with an identified student to  
 288.26 demonstrate the effectiveness of the operator's products or services, including marketing;

288.27 (3) sharing aggregate information that does not directly, indirectly, or in combination  
 288.28 with other information identify a student for the development and improvement of  
 288.29 educational sites, services, or applications;

288.30 (4) using recommendation engines to recommend to a student either of the following:

288.31 (i) additional content relating to an educational, other learning, or employment  
 288.32 opportunity purpose within an online site, service, or application if the recommendation is  
 288.33 not determined in whole or in part by payment or other consideration from a third party; or

288.34 (ii) additional services relating to an educational, other learning, or employment  
 288.35 opportunity purpose within an online site, service, or application if the recommendation is  
 288.36 not determined in whole or in part by payment or other consideration from a third party; or



289.1 (5) responding to a student's request for information or for feedback without the  
289.2 information or response being determined in whole or in part by payment or other  
289.3 consideration from a third party.

289.4 Subd. 6. **Certain activities not affected.** (a) This section does not limit the  
289.5 authority of a law enforcement agency to obtain information from an operator as  
289.6 authorized by law or pursuant to a court order.

289.7 (b) This section does not limit the ability of an operator to use student information,  
289.8 including protected information, for adaptive learning or customized student learning  
289.9 purposes.

289.10 (c) This section does not apply to general audience Web sites, general audience  
289.11 online services, general audience online applications, or general audience mobile  
289.12 applications, even if log-in credentials created for an operator's online educational service  
289.13 may be used to access those general audience Web sites, services, or applications.

289.14 (d) This section does not limit Internet service providers from providing Internet  
289.15 connectivity to schools or students and their families.

289.16 (e) This section does not prohibit an operator of a Web site, online service, online  
289.17 application, or mobile application from the general marketing of educational products to  
289.18 parents or legal guardians so long as the marketing is not based on the use of protected  
289.19 information obtained by the operator through the provision of services governed by this  
289.20 section.

289.21 (f) This section does not impose a duty upon a provider of an electronic store, gateway,  
289.22 marketplace, or other means of purchasing or downloading software or applications to  
289.23 review or enforce compliance with this section on those applications or software.

289.24 (g) This section does not impose a duty on a provider of an interactive computer  
289.25 service, as defined in United States Code, title 47, section 230, to review or enforce  
289.26 compliance with this section by third-party content providers.

289.27 (h) This section does not impede the ability of students to download, transfer, export,  
289.28 or otherwise save or maintain their own data or documents.

289.29 **Sec. 26. [136A.1275] GRANTS TO STUDENT TEACHERS IN SHORTAGE**  
289.30 **AREAS.**

289.31 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education  
289.32 must establish a grant program for student teachers.

289.33 Subd. 2. **Eligibility.** In order to receive a grant, the applicant must:

289.34 (1) be enrolled in a Minnesota teacher preparation program at an eligible institution  
289.35 that would enable the applicant, upon graduation, to teach in a Minnesota school district

290.1 in a shortage area. "Shortage area" has the same meaning given in section 122A.18,  
 290.2 subdivision 4a;

290.3 (2) be a teacher candidate completing a student-teacher requirement by teaching in a  
 290.4 shortage area; and

290.5 (3) demonstrate financial need in the form and manner prescribed by the  
 290.6 commissioner of the Office of Higher Education.

290.7 Subd. 3. **Administration.** The office must determine the time and manner of  
 290.8 applications. The office must determine the stipend amount based on the money available  
 290.9 and the number of eligible applicants each academic year.

290.10 Sec. 27. Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312,  
 290.11 article 15, section 24, is amended to read:

290.12 Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND**  
 290.13 **SHARING OF SCHOOL OR DISTRICT RESOURCES; PILOT PROJECT.**

290.14 Subdivision 1. **Establishment; requirements for participation.** (a) A pilot project  
 290.15 is established to improve student ~~and~~, career and college readiness, and school outcomes  
 290.16 by allowing ~~groups of one or more~~ school districts or charter schools to work together or  
 290.17 with postsecondary institutions or employers to:

290.18 (1) provide innovative education programs and activities that are consistent with  
 290.19 Minnesota Statutes, section 124D.52, subdivision 9, governing the standard adult high  
 290.20 school diploma, or with Minnesota Statutes, section 124D.085, governing experiential and  
 290.21 applied learning opportunities;

290.22 (2) conduct research with rigorous methodology on these innovative education  
 290.23 programs and activities that may include career and college readiness assessments and  
 290.24 interim assessments that comply with the federal Every Student Succeeds Act; and

290.25 (3) share district or school and other resources, with the goal of improving students'  
 290.26 career and college readiness as defined under Minnesota Statutes, section 120B.30,  
 290.27 subdivision 1, paragraph (p), and consistent with the requirements of the world's best  
 290.28 workforce under Minnesota Statutes, section 120B.11.

290.29 The pilot project may last until June 30, ~~2018~~ 2021, or for up to five years, whichever is ~~less~~  
 290.30 earlier, except that innovation partnerships formed during the period of the pilot project  
 290.31 may continue past June 30, ~~2018~~ 2021, with the agreement of the partnership members.

290.32 (b) To participate in this pilot project to improve student ~~and~~, school, and career and  
 290.33 college readiness outcomes, a group of two or more school districts or charter schools, one  
 290.34 or more school districts and charter schools, one or more school districts or charter schools  
 290.35 and postsecondary institutions, or one or more school districts or charter schools and

291.1 employers must collaborate with school staff and, postsecondary faculty, or employees,  
 291.2 as appropriate, to form a partnership, prepare a plan, and complete an application to  
 291.3 participate in a pilot project. A school district partner must receive formal school board  
 291.4 approval to form a partnership and a charter school partner must receive formal approval  
 291.5 from its board of directors to form a partnership. The partnership must develop a plan to  
 291.6 provide challenging programmatic options for students, create professional development  
 291.7 opportunities for educators, increase student engagement and connection and challenging  
 291.8 learning opportunities for students, or demonstrate efficiencies in delivering financial and  
 291.9 other services. The plan evaluations must provide for a rigorous evaluation premised on  
 291.10 returns on investment, program effectiveness, or beat-the-odds analysis and may offer  
 291.11 career and college readiness assessments or other interim assessments.

291.12 (c) An interested partnership may structure its application and plan to:

291.13 (1) reduce duplicative assessments that educators and psychometricians identify as  
 291.14 less useful for informing instruction or identifying and diagnosing areas where students  
 291.15 require targeted interventions under Minnesota Statutes, section 120B.30, subdivision 1,  
 291.16 paragraphs (c), clause (2), and (d);

291.17 (2) establish expectations for career and college readiness under Minnesota Statutes,  
 291.18 section 120B.30, subdivision 1, paragraphs (d) and (g);

291.19 (3) use fully adaptive, on and off-grade assessments under Minnesota Statutes,  
 291.20 section 120B.30, subdivision 1;

291.21 (4) provide students with predictive information to enable them to successfully  
 291.22 explore and realize their educational, career, and college interests, aptitudes, and  
 291.23 aspirations under Minnesota Statutes, section 120B.125;

291.24 (5) use career and college readiness assessments or other interim or formative  
 291.25 assessments highly correlated with the Minnesota comprehensive assessments in reading  
 291.26 and math;

291.27 (6) notwithstanding Minnesota Statutes, section 120B.024, allow a student to use a  
 291.28 course in applied mathematics or STEM as an equivalent to algebra II; or

291.29 (7) include student assessment data under this section in the district's annual world's  
 291.30 best workforce report, consistent with Minnesota Statutes, section 120B.11, subdivisions 5  
 291.31 and 9, paragraph (a).

291.32 Notwithstanding Minnesota Statutes, section 120B.30, or any other law to the  
 291.33 contrary, a participating school district or charter school may use alternative assessments  
 291.34 under this paragraph in place of the Minnesota comprehensive assessments administered  
 291.35 in high school. A participating school district or charter school, whose approved program  
 291.36 under this section lasts longer than four years for a high school student, may count those

292.1 students in the four-year graduation rate upon completion of all state and local graduation  
 292.2 requirements even though the student continues in an innovative postsecondary program.

292.3 Notwithstanding other law to the contrary, a participating school district or charter school

292.4 may take attendance only once per school day so long as the district or charter school

292.5 ensures that students in attendance are not otherwise identified as truant. The plan must

292.6 establish include:

292.7 (1) collaborative educational goals and objectives;

292.8 (2) strategies and processes to implement those goals and objectives, including a  
 292.9 budget process with periodic expenditure reviews;

292.10 (3) valid and reliable measures to evaluate progress in realizing the goals and  
 292.11 objectives;

292.12 (4) an implementation timeline; and

292.13 (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee  
 292.14 schedules, and legal considerations needed to fully implement the plan.

292.15 A partnership may invite additional ~~districts~~ eligible partners to join the partnership  
 292.16 during the pilot project term ~~after notifying~~ and must notify the commissioner when  
 292.17 additional partners intend to join the partnership. The commissioner may reject the  
 292.18 addition of an eligible partner if the addition causes the state to become out of compliance  
 292.19 with federal requirements.

292.20 ~~(e)~~ (d) A school district member or a charter school member of an interested  
 292.21 partnership of interested districts must apply by February 1 of any year submit an  
 292.22 application to the education commissioner in the form and manner the commissioner  
 292.23 determines, consistent with the requirements of this section. The application must contain  
 292.24 the formal approval adopted by the school board in each district or by the charter school  
 292.25 board of directors to participate in the plan.

292.26 ~~(d)~~ (e) Notwithstanding other law to the contrary, a participating school district  
 292.27 under this section continues to: receive revenue and maintain its taxation authority; be  
 292.28 organized and governed by an elected school board with general powers under Minnesota  
 292.29 Statutes, section 123B.02; and be subject to employment agreements under Minnesota  
 292.30 Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees  
 292.31 continue to remain employees of the employing school district.

292.32 (f) Participating school district and charter schools must submit a biennial evaluation  
 292.33 by February 1 in each odd-numbered year to the chairs and the ranking minority members  
 292.34 of the legislative committees with primary jurisdiction over kindergarten through grade  
 292.35 12 education and the education commissioner that includes longitudinal data under  
 292.36 Minnesota Statutes, section 127A.70, subdivision 2, paragraph (b), governing SLEDS,

293.1 and is premised on return on investment, program effectiveness, or beat-the-odds analysis  
 293.2 in the context of students' career and college readiness.

293.3 Subd. 2. **Commissioner's role.** Interested ~~groups of school districts~~ partnerships  
 293.4 must submit a completed application to the commissioner by March 1 of any year in the  
 293.5 form and manner determined by the commissioner, consistent with the requirements of this  
 293.6 section. For 2016 only, the school district member or charter school member must submit  
 293.7 an application by July 1. The education commissioner must convene an advisory panel  
 293.8 composed of a teacher appointed by Education Minnesota, a school principal appointed  
 293.9 by the Minnesota Association of Secondary School Principals, a school board member  
 293.10 appointed by the Minnesota School Boards Association, a researcher appointed by the  
 293.11 commissioner of the Office of Higher Education, a researcher appointed by the University  
 293.12 of Minnesota Educational Psychology Department, and a school superintendent appointed  
 293.13 by the Minnesota Association of School Administrators to advise the commissioner on  
 293.14 applicants' qualifications to participate in this pilot project. The commissioner may  
 293.15 select, for the period encompassing the 2016-2017 through 2020-2021 school years, must  
 293.16 authorize up to six eight qualified applicants under subdivision 1 by April 1 of any year to  
 293.17 participate in this pilot project, ensuring seeking an equitable geographical distribution of  
 293.18 project participants to the extent practicable. The commissioner may approve no more  
 293.19 than two partnerships applying to conduct research using alternative measures in place of  
 293.20 the Minnesota comprehensive assessments under subdivision 1, paragraph (c), clause (7),  
 293.21 and those partnerships may include up to three school districts or charter schools. The  
 293.22 commissioner must select authorize only those applicants that fully comply with the  
 293.23 requirements in subdivision 1. The commissioner must terminate a project participant that  
 293.24 fails to effectively implement the goals and objectives contained in its application and  
 293.25 according to its stated timeline.

293.26 Subd. 3. **Pilot project evaluation.** Participating school districts and charter  
 293.27 schools must submit pilot project data to the education commissioner in the form and  
 293.28 manner determined by the commissioner and the legislature, consistent with this section.  
 293.29 Consistent with Minnesota Statutes, section 13.05, on the duties of state agencies regarding  
 293.30 the use and dissemination of data on individuals, the education commissioner must analyze  
 293.31 the data on participating districts' progress and on participating charter schools' progress  
 293.32 in realizing their educational goals and objectives to work together in providing provide  
 293.33 innovative education programs and activities and sharing share resources to improve  
 293.34 students' career and college readiness. The commissioner must include the analysis of  
 293.35 best practices in a report to the legislative committees with jurisdiction over kindergarten  
 293.36 through grade 12 education finance and policy on the efficacy of this pilot project. The

294.1 commissioner shall submit an interim project report by ~~February 1, 2016~~ March 30, 2019,  
 294.2 and must submit a final report to the legislature by February 1, 2019, ~~recommending~~  
 294.3 ~~whether or not to continue or expand the pilot project~~ 2022.

294.4 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 294.5 and applies to those applications submitted to the commissioner after that date. Districts  
 294.6 already approved for an innovation zone pilot project may continue to operate under Laws  
 294.7 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24.

294.8 Sec. 28. Laws 2012, chapter 263, section 2, is amended to read:

294.9 Sec. 2. **APPROPRIATION.**

294.10 \$25,000 is appropriated in fiscal year 2013 from the general fund to the commissioner  
 294.11 of education for the review of applicants, selection of participants, and evaluation of  
 294.12 the pilot projects authorized in section 1. The base for the Department of Education is  
 294.13 increased by \$25,000 for fiscal year 2014 through fiscal year ~~2018~~ 2021.

294.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

294.15 Sec. 29. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 294.16 2, is amended to read:

294.17 Subd. 2. **Alternative compensation.** For alternative teacher compensation aid  
 294.18 under Minnesota Statutes, section 122A.415, subdivision 4:

294.19		<del>78,331,000</del>	
294.20	\$	<u>78,656,000</u>	..... 2016
294.21		<del>87,147,000</del>	
294.22	\$	<u>98,159,000</u>	..... 2017

294.23 The 2016 appropriation includes \$7,766,000 for 2015 and ~~\$70,565,000~~ \$70,890,000  
 294.24 for 2016.

294.25 The 2017 appropriation includes ~~\$7,840,000~~ \$7,876,000 for 2016 and ~~\$79,307,000~~  
 294.26 \$90,283,000 for 2017.

294.27 Sec. 30. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 294.28 3, is amended to read:

294.29 Subd. 3. **Achievement and integration aid.** For achievement and integration aid  
 294.30 under Minnesota Statutes, section 124D.862:

295.1 ~~65,539,000~~  
 295.2 \$ 65,439,000 ..... 2016  
 295.3 ~~68,745,000~~  
 295.4 \$ 69,372,000 ..... 2017

295.5 The 2016 appropriation includes \$6,382,000 for 2015 and ~~\$59,157,000~~ \$59,057,000  
 295.6 for 2016.

295.7 The 2017 appropriation includes ~~\$6,573,000~~ \$6,561,000 for 2016 and ~~\$62,172,000~~  
 295.8 \$62,811,000 for 2017.

295.9 Sec. 31. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 295.10 6, is amended to read:

295.11 Subd. 6. **Reading Corps.** For grants to ServeMinnesota for the Minnesota Reading  
 295.12 Corps under Minnesota Statutes, section 124D.42, subdivision 8:

295.13 \$ 6,125,000 ..... 2016  
 295.14 ~~6,125,000~~  
 295.15 \$ 9,125,000 ..... 2017

295.16 Any balance in the first year does not cancel but is available in the second year. The  
 295.17 base appropriation for fiscal year 2018 and later years is \$5,625,000.

295.18 Sec. 32. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 295.19 9, is amended to read:

295.20 Subd. 9. **Concurrent enrollment program.** For concurrent enrollment programs  
 295.21 under Minnesota Statutes, section 124D.091:

295.22 \$ \$4,000,000 ..... 2016  
 295.23 ~~\$4,000,000~~  
 295.24 \$ 6,250,000 ..... 2017

295.25 If the appropriation is insufficient, the commissioner must proportionately reduce  
 295.26 the aid payment to each district.

295.27 Any balance in the first year does not cancel but is available in the second year. The  
 295.28 base for this appropriation in fiscal year 2018 is \$5,000,000.

295.29 Sec. 33. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 295.30 12, is amended to read:

295.31 Subd. 12. **Collaborative urban educator.** For the collaborative urban educator  
 295.32 grant program:

296.1           \$        780,000   ..... 2016  
 296.2                        ~~780,000~~  
 296.3           \$        1,090,000   ..... 2017

296.4           Grants shall be awarded in equal amounts: ~~\$195,000~~ \$272,500 each year is for the  
 296.5 Southeast Asian teacher program at Concordia University, St. Paul; ~~\$195,000~~ \$272,500  
 296.6 each year is for the collaborative urban educator program at the University of St. Thomas;  
 296.7 ~~\$195,000~~ \$272,500 each year is for the Center for Excellence in Urban Teaching at  
 296.8 Hamline University; and ~~\$195,00~~ \$272,500 each year is for the East Africa Student to  
 296.9 Teacher program at Augsburg College.

296.10           Any balance in the first year does not cancel but is available in the second year.

296.11           Each institution shall prepare for the legislature, by January 15 of each year, a  
 296.12 detailed report regarding the funds used. The report must include the number of teachers  
 296.13 prepared as well as the diversity for each cohort of teachers produced. The report must  
 296.14 also include the graduation rate for each cohort of teacher candidates, the placement rate  
 296.15 for each graduating cohort of teacher candidates, and the retention rate for each graduating  
 296.16 cohort of teacher candidates, among other program outcomes.

296.17           Sec. 34. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 296.18 15, is amended to read:

296.19           Subd. 15. **Museums and Education Centers.** For grants to museums and education  
 296.20 centers:

296.21           \$        351,000   ..... 2016  
 296.22                        ~~351,000~~  
 296.23           \$        701,000   ..... 2017

296.24           (a) ~~\$260,000 each year is in fiscal year 2016 and \$560,000 in fiscal year 2017~~ are for  
 296.25 the Minnesota Children's Museum. The base amount in fiscal year 2018 is \$260,000.

296.26           (b) \$50,000 each year is for the Duluth Children's Museum.

296.27           (c) \$41,000 each year is for the Minnesota Academy of Science.

296.28           (d) \$50,000 in fiscal year 2017 and later is for the Headwaters Science Center for  
 296.29 hands-on science, technology, engineering, and math (STEM) education.

296.30           Any balance in the first year does not cancel but is available in the second year.

296.31           The base in fiscal year 2018 is \$401,000.

296.32           Sec. 35. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 296.33 19, is amended to read:

296.34           Subd. 19. **Full-service community schools.** For full-service community schools  
 296.35 under Minnesota Statutes, section 124D.231:



297.1 \$ 250,000 ..... 2016

297.2 ~~250,000~~

297.3 \$ 2,450,000 ..... 2017

297.4 This is a onetime appropriation. Up to \$100,000 each year is for administration of this  
 297.5 program. Any balance in the first year does not cancel but is available in the second year.

297.6 Sec. 36. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 297.7 21, is amended to read:

297.8 Subd. 21. **American Indian teacher preparation grants.** For joint grants to assist  
 297.9 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

297.10 \$ 190,000 ..... 2016

297.11 ~~190,000~~

297.12 \$ 1,250,000 ..... 2017

297.13 Sec. 37. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 297.14 24, is amended to read:

297.15 Subd. 24. **Race 2 Reduce.** For grants to support expanded Race 2 Reduce water  
 297.16 conservation programming in Minnesota schools:

297.17 \$ 81,000 ..... 2016

297.18 ~~69,000~~

297.19 \$ 219,000 ..... 2017

297.20 In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School  
 297.21 District No. 624, White Bear Lake; and \$15,000 is for Independent School District No.  
 297.22 832, Mahtomedi. In the second year, ~~\$32,000~~ \$102,000 is for H2O for Life; ~~\$22,000~~  
 297.23 \$70,000 is for Independent School District No. 624, White Bear Lake; and ~~\$15,000~~  
 297.24 \$47,000 is for Independent School District No. 832, Mahtomedi.

297.25 Any balance in the first year does not cancel but is available in the second year. ~~The~~  
 297.26 ~~base appropriation for fiscal year 2018 and later is \$0.~~

297.27 Sec. 38. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
 297.28 26, is amended to read:

297.29 Subd. 26. **Education partnership pilots.** (a) For education partnership pilot grants:

297.30 \$ 501,000 ..... 2016

297.31 ~~501,000~~

297.32 \$ 531,000 ..... 2017

297.33 (b) Of this amount, \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year  
 297.34 2017 is for the Northfield Healthy Community Initiative for a pilot site in Northfield;

298.1 \$167,000 in fiscal year 2016 and \$177,000 in ~~each~~ fiscal year 2017 is for the Jones Family  
 298.2 Foundation for a pilot site in Red Wing; and \$167,000 in fiscal year 2016 and \$177,000 in  
 298.3 ~~each~~ fiscal year 2017 is for Independent School District No. 742, St. Cloud, for a pilot  
 298.4 site in St. Cloud. Each partnership pilot program shall support community collaborations  
 298.5 focused on academic achievement and youth development, use a comprehensive and  
 298.6 data-driven approach to increase student success, and measure outcomes, such as  
 298.7 kindergarten readiness, reading proficiency at third grade, high school graduation, and  
 298.8 college and career readiness. By February 15, 2016, and by February 15 of every  
 298.9 subsequent even-numbered year, each partnership pilot grant recipient shall submit to  
 298.10 the chairs and ranking minority members of the legislative committees with primary  
 298.11 jurisdiction over kindergarten through grade 12 education a report describing the activities  
 298.12 funded by the grant, changes in outcome measures attributable to the grant-funded  
 298.13 activities, and the recipient's program plan for the following year.

298.14 ~~This is a onetime appropriation.~~

298.15 (c) The base for this program is \$501,000 for fiscal year 2018 and later. Annual  
 298.16 grants of \$167,000 shall be awarded to each grant recipient named in paragraph (b).

298.17 (d) Any balance from the first year may carry forward into the second year.

298.18 Sec. 39. Laws 2015, First Special Session chapter 3, article 3, section 15, subdivision  
 298.19 3, is amended to read:

298.20 Subd. 3. **ACT test College entrance examination reimbursement.** To reimburse  
 298.21 districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision  
 298.22 1, paragraph (e), for onetime payment of their ~~ACT~~ college entrance examination fee:

298.23 \$ 3,011,000 ..... 2016

298.24 \$ 3,011,000 ..... 2017

298.25 The Department of Education must reimburse districts for their onetime payments  
 298.26 on behalf of students. Any balance in the first year does not cancel but is available in the  
 298.27 second year. This appropriation is available until October 1, 2017. For examinations taken  
 298.28 before July 1, 2016, the department may reimburse districts only for ACT examination fees.

298.29 Sec. 40. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision  
 298.30 6, is amended to read:

298.31 Subd. 6. **Northside Achievement Zone.** For a grant to the Northside Achievement  
 298.32 Zone:

299.1           \$       1,200,000   ..... 2016  
 299.2                       ~~1,200,000~~  
 299.3           \$       1,210,000   ..... 2017

299.4           Funds appropriated in this section are to reduce multigenerational poverty and the  
 299.5 educational achievement gap through increased enrollment of families within the zone,  
 299.6 and may be used for Northside Achievement Zone programming and services consistent  
 299.7 with federal Promise Neighborhood program agreements and requirements.

299.8           The base for this program is \$1,200,000 for fiscal year 2018 and later.

299.9           Sec. 41. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision  
 299.10 7, is amended to read:

299.11           Subd. 7. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise  
 299.12 Neighborhood:

299.13           \$       1,200,000   ..... 2016  
 299.14                       ~~1,200,000~~  
 299.15           \$       1,210,000   ..... 2017

299.16           Funds appropriated in this section are to reduce multigenerational poverty and the  
 299.17 educational achievement gap through increased enrollment of families within the zone,  
 299.18 and may be used for St. Paul Promise Neighborhood programming and services consistent  
 299.19 with federal Promise Neighborhood program agreements and requirements.

299.20           The base for this program is \$1,200,000 for fiscal year 2018 and later.

299.21           Sec. 42. **AGRICULTURAL EDUCATOR GRANTS.**

299.22           Subdivision 1. **Grant program established.** A grant program is established to  
 299.23 support school districts in paying agricultural education teachers for work over the  
 299.24 summer with high school students in extended projects.

299.25           Subd. 2. **Application.** The commissioner of education shall develop the form and  
 299.26 method for applying for the grants. The commissioner shall develop criteria for determining  
 299.27 the allocation of the grants, including appropriate goals for the use of the grants.

299.28           Subd. 3. **Grant awards.** Grant funding under this section must be matched  
 299.29 by funding from the school district for the agricultural education teacher's summer  
 299.30 employment. Grant funding for each teacher is limited to the one-half share of 40 working  
 299.31 days.

299.32           Subd. 4. **Reports.** School districts that receive grant funds shall report to the  
 299.33 commissioner of education no later than December 31 of each year regarding the number  
 299.34 of teachers funded by the grant program and the outcomes compared to the goals

300.1 established in the grant application. The Department of Education shall develop the  
 300.2 criteria necessary for the reports.

300.3 **Sec. 43. EXCELLENCE IN TEACHING INCENTIVE GRANTS.**

300.4 The Board of Teaching shall award a onetime incentive grant of \$2,000 to any  
 300.5 Minnesota teacher who achieves National Board Certification after June 30, 2016, as long  
 300.6 as funds are available. A teacher may apply for a grant in the form and manner determined  
 300.7 by the Board of Teaching. The grants must be awarded on a first-come, first-served basis.

300.8 **Sec. 44. OUTDOOR PLACE-BASED EDUCATION ADVISORY GROUP.**

300.9 Subdivision 1. **Definitions.** For purposes of this section, "outdoor place-based  
 300.10 education" means the process of using the local community and outdoor environment as  
 300.11 a starting point to teach concepts in language arts, mathematics, social studies, science,  
 300.12 history, and other subjects across the curriculum.

300.13 Subd. 2. **Advisory group creation.** The outdoor place-based education advisory  
 300.14 group consists of the following 14 members:

300.15 (1) the commissioner or director of the following agencies or their designees:

300.16 (i) the Department of Education;

300.17 (ii) the Department of Natural Resources; and

300.18 (iii) the Minnesota Historical Society;

300.19 (2) 11 public members who have demonstrated an interest in outdoor skills and  
 300.20 education:

300.21 (i) one member appointed by Education Minnesota;

300.22 (ii) one member appointed by the Minnesota Rural Education Association;

300.23 (iii) one member appointed by the Minnesota School Boards Association;

300.24 (iv) one member appointed by the Minnesota Association of Charter Schools;

300.25 (v) one member appointed by the Parks and Trails Council of Minnesota;

300.26 (vi) one public member appointed by the majority leader of the senate;

300.27 (vii) one public member appointed by the minority leader of the senate;

300.28 (viii) one public member appointed by the speaker of the house;

300.29 (ix) one public member appointed by the minority leader of the house of  
 300.30 representatives; and

300.31 (x) two public members appointed by the governor.

300.32 Subd. 3. **Advisory group duties; report required.** (a) The advisory group must  
 300.33 develop recommendations for the design and implementation of a statewide outdoor  
 300.34 place-based education plan for students in prekindergarten through grade 12. The advisory

301.1 group must report proposed recommendations to the chairs and ranking minority members  
301.2 of the legislative committees with primary jurisdiction over kindergarten through grade 12  
301.3 education policy by February 15, 2017.

301.4 (b) The report required under this subdivision must, at a minimum:

301.5 (1) recommend strategies for the integration of outdoor place-based education in  
301.6 each of the subject areas required for statewide accountability under Minnesota Statutes,  
301.7 section 120B.021, subdivision 1, including any staff development required to support  
301.8 such integration;

301.9 (2) identify grades or grade ranges in which outdoor place-based education may  
301.10 have the greatest impact, given limited staff and financial resources;

301.11 (3) recommend an assessment instrument that districts may use in order to evaluate  
301.12 the impact of outdoor place-based education; and

301.13 (4) estimate the financial and human resources required to implement the  
301.14 recommendations on a statewide basis.

301.15 Subd. 4. **Administrative provisions.** (a) The commissioner of education or the  
301.16 commissioner's designee must convene the initial meeting of the advisory group by  
301.17 September 15, 2016. Upon request of the advisory group, the commissioner must provide  
301.18 meeting space and administrative services for the advisory group. The members of the  
301.19 advisory group must elect a chair or cochairs from the members of the advisory group at  
301.20 the initial meeting.

301.21 (b) Public members of the advisory group serve without compensation, but may be  
301.22 reimbursed for travel expenses.

301.23 (c) The advisory group expires February 15, 2017, or upon submission of the report  
301.24 required under this section, whichever is earlier.

301.25 Subd. 5. **Deadline for appointments and designations.** The appointments and  
301.26 designations authorized under this section must be completed by August 15, 2016.

301.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

301.28 Sec. 45. **PARAPROFESSIONAL PATHWAY TO TEACHER LICENSURE.**

301.29 The commissioner of education must establish a grant program for school districts  
301.30 to design, establish, and maintain a paraprofessional pathway to teacher licensure or  
301.31 a grow your own new teacher program. The programs must allow a current school  
301.32 district paraprofessional to pursue their teaching license while still being employed by  
301.33 the school district. A school district may apply in the form and manner prescribed by  
301.34 the commissioner.

302.1 Sec. 46. **SUPPORT OUR STUDENTS GRANT PROGRAM.**

302.2 **Subdivision 1. Definitions.** For the purposes of this section, the following terms  
302.3 have the meanings given them:

302.4 (1) "student support services personnel" includes individuals licensed to serve as a  
302.5 school counselor, school psychologist, school social worker, school nurse, or chemical  
302.6 dependency counselor in Minnesota; and

302.7 (2) "new position" means a student support services personnel full-time or part-time  
302.8 position not under contract by a school at the start of the 2015-2016 school year.

302.9 **Subd. 2. Purpose.** The purpose of the support our students grant program is to:

302.10 (1) address shortages of student support services personnel within Minnesota schools;

302.11 (2) decrease caseloads for existing student support services personnel to ensure  
302.12 effective services;

302.13 (3) ensure that students receive effective academic guidance and integrated and  
302.14 comprehensive services to improve kindergarten through grade 12 school outcomes and  
302.15 career and college readiness;

302.16 (4) ensure that student support services personnel serve within the scope and practice  
302.17 of their training and licensure;

302.18 (5) fully integrate learning supports, instruction, and school management within a  
302.19 comprehensive approach that facilitates interdisciplinary collaboration; and

302.20 (6) improve school safety and school climate to support academic success and  
302.21 career and college readiness.

302.22 **Subd. 3. Grant eligibility and application.** (a) A school district, charter school,  
302.23 intermediate school district, or other cooperative unit is eligible to apply for a six-year  
302.24 matching grant under this section.

302.25 (b) The commissioner of education shall specify the form and manner of the grant  
302.26 application. In awarding grants, the commissioner must give priority to schools in  
302.27 which student support services personnel positions do not currently exist. To the extent  
302.28 practicable, the commissioner must award grants equally between applicants in metro  
302.29 counties and nonmetro counties. Additional criteria must include at least the following:

302.30 (1) existing student support services personnel caseloads;

302.31 (2) school demographics;

302.32 (3) Title 1 revenue;

302.33 (4) Minnesota student survey data;

302.34 (5) graduation rates; and

302.35 (6) postsecondary completion rates.

303.1 Subd. 4. **Allowed uses; match requirements.** A grant under this section must be  
 303.2 used to hire a new position. A school that receives a grant must match the grant with local  
 303.3 funds in each year of the grant. In each of the first four years of the grant, the local match  
 303.4 equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the  
 303.5 local match equals \$3 for every \$1 awarded in the same year. The local match may not  
 303.6 include federal reimbursements attributable to the new position.

303.7 Subd. 5. **Report required.** By February 1 following any fiscal year in which it  
 303.8 received a grant, a school must submit a written report to the commissioner indicating  
 303.9 how the new positions affected two or more of the following measures:

- 303.10 (1) school climate;  
 303.11 (2) attendance rates;  
 303.12 (3) academic achievement;  
 303.13 (4) career and college readiness; and  
 303.14 (5) postsecondary completion rates.

303.15 Sec. 47. **TEACHER DEVELOPMENT AND EVALUATION AID.**

303.16 (a) For fiscal year 2017 only, teacher development and evaluation aid for a school  
 303.17 district, intermediate school district, educational cooperative, education district, or charter  
 303.18 school with any school site that does not have an alternative professional pay system  
 303.19 agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$400.68  
 303.20 times the number of full-time equivalent teachers employed on October 1 of the previous  
 303.21 school year in each school site without an alternative professional pay system under  
 303.22 Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, aid under  
 303.23 this section must be reserved for teacher development and evaluation activities consistent  
 303.24 with Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5.  
 303.25 For the purposes of this section, "teacher" has the meaning given in Minnesota Statutes,  
 303.26 section 122A.40, subdivision 1, or 122A.41, subdivision 1.

303.27 (b) Notwithstanding paragraph (a), the state total teacher development and evaluation  
 303.28 aid entitlement must not exceed \$10,000,000 for fiscal year 2017. The commissioner must  
 303.29 limit the amount of aid under this section so as not to exceed this limit.

303.30 (c) One hundred percent of the teacher development and evaluation aid must be  
 303.31 paid in fiscal year 2017.

303.32 Sec. 48. **APPROPRIATIONS.**

304.1 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 304.2 appropriated from the general fund to the Department of Education for the fiscal years  
 304.3 designated.

304.4 Subd. 2. **Teacher development and evaluation.** For teacher development and  
 304.5 evaluation aid:

304.6 \$ 10,000,000 ..... 2017

304.7 This is a onetime appropriation.

304.8 Subd. 3. **Support our students grants.** For support our students grants:

304.9 \$ 13,100,000 ..... 2017

304.10 This is a onetime appropriation.

304.11 Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available  
 304.12 until June 30, 2023. The commissioner may not allot more than \$2,600,000 of this  
 304.13 appropriation before July 1, 2019. Up to \$100,000 of this appropriation may be retained  
 304.14 by the commissioner for administration of the grant program. Any balance remaining after  
 304.15 June 30, 2023, shall cancel to the general fund.

304.16 Subd. 4. **Paraprofessional pathway to teacher licensure.** For grants to school  
 304.17 districts for grow your own new teacher programs:

304.18 \$ 2,250,000 ..... 2017

304.19 The base in fiscal year 2018 is \$2,250,000.

304.20 Subd. 5. **Minnesota Council on Economic Education.** For a grant to the  
 304.21 Minnesota Council on Economic Education to provide staff development to teachers  
 304.22 for the implementation of the state graduation standards in learning areas relating to  
 304.23 economic education:

304.24 \$ 250,000 ..... 2017

304.25 The commissioner, in consultation with the council, shall develop expected results  
 304.26 of staff development, eligibility criteria for participants, an evaluation procedure, and  
 304.27 guidelines for direct and in-kind contributions by the council.

304.28 This is a onetime appropriation.

304.29 Subd. 6. **Education Innovation Partners Cooperative Center.** For a matching  
 304.30 grant to Education Innovation Partners Cooperative Center, No. 6091-50, to provide  
 304.31 research-based professional development services, on-site training, and leadership  
 304.32 coaching to teachers and other school staff:



305.1           \$           500,000     .....   2017

305.2           A grant under this subdivision must be matched with money or in-kind contributions  
 305.3 from nonstate sources. This is a onetime appropriation.

305.4           Subd. 7. **Teacher-governed school grants.** For grants to teacher-governed schools  
 305.5 under Minnesota Statutes, section 123B.04, subdivision 2a:

305.6           \$           500,000     .....   2017

305.7           This is a onetime appropriation.

305.8           Subd. 8. **Outdoor place-based education program.** For an outdoor place-based  
 305.9 education literature review:

305.10          \$           35,000     .....   2017

305.11          The commissioner, in collaboration with outdoor place-based education providers,  
 305.12 shall provide for a literature review of the existing evidence of the effect of outdoor  
 305.13 place-based education on educational outcomes and development of core competencies  
 305.14 that lead to career and college success and deliver the literature review to the outdoor  
 305.15 place-based education advisory group no later than November 15, 2016. This is a onetime  
 305.16 appropriation. For purposes of this subdivision, "outdoor place-based education" means  
 305.17 the process of using the local community and outdoor environment as a starting point to  
 305.18 teach concepts in language arts, mathematics, social studies, science, history, and other  
 305.19 subjects across the curriculum.

305.20          Subd. 9. **Outdoor place-based education advisory group.** For the outdoor  
 305.21 place-based education advisory group:

305.22          \$           50,000     .....   2017

305.23          This is a onetime appropriation.

305.24          Subd. 10. **Staff development aid for cooperative units.** For payment of staff  
 305.25 development aid to intermediate school districts and other cooperative units under  
 305.26 Minnesota Statutes, section 122A.61, subdivision 1a:

305.27          \$           1,493,000     .....   2017

305.28          Subd. 11. **Student teachers in shortage areas.** For transfer to the commissioner of  
 305.29 the Office of Higher Education for the purpose of providing grants to student teachers in  
 305.30 shortage areas under Minnesota Statutes, section 136A.1275:

305.31          \$           2,000,000     .....   2017

306.1 Any balance in the first year does not cancel but is available in the second year.

306.2 Subd. 12. **Singing-based pilot program to improve student reading.** (a) For a  
 306.3 grant to pilot a research-supported, computer-based educational program that uses singing  
 306.4 to improve the reading ability of students in grades three to five:

306.5 § 300,000 ..... 2017

306.6 (b) The commissioner of education shall award a grant to a 501(c)(3) nonprofit  
 306.7 organization to implement in at least three Minnesota school districts, charter schools,  
 306.8 or school sites, a research-supported, computer-based educational program that uses  
 306.9 singing to improve the reading ability of students in grades three to five. The grantee shall  
 306.10 be responsible for selecting participating school sites; providing any required hardware  
 306.11 and software, including software licenses, for the duration of the grant period; providing  
 306.12 technical support, training, and staff to install required project hardware and software;  
 306.13 providing on-site professional development and instructional monitoring and support for  
 306.14 school staff and students; administering pre- and post-intervention reading assessments;  
 306.15 evaluating the impact of the intervention; and other project management services as  
 306.16 required. To the extent practicable, the grantee must select participating schools in urban,  
 306.17 suburban, and greater Minnesota, and give priority to schools in which a high proportion  
 306.18 of students do not read proficiently at grade level and are eligible for free or reduced-price  
 306.19 lunch.

306.20 (c) By February 15, 2017, the grantee must submit a report detailing expenditures  
 306.21 and outcomes of the grant to the commissioner of education and the chairs and  
 306.22 ranking minority members of the legislative committees with primary jurisdiction over  
 306.23 kindergarten through grade 12 education policy and finance.

306.24 (d) This is a onetime appropriation.

306.25 Subd. 13. **Agricultural educator grants.** For agricultural educator grants:

306.26 § 250,000 ..... 2017

306.27 This is a onetime appropriation.

306.28 Subd. 14. **Grants for vision therapy pilot project.** (a) For a grant to Independent  
 306.29 School District No. 12, Centennial, to implement a neuro-optometric vision therapy  
 306.30 pilot project:

306.31 § 200,000 ..... 2017

306.32 This is a onetime appropriation and is available until June 30, 2019.

306.33 (b) In each year of the pilot project, second and third grade students identified by  
 306.34 a set of criteria created by the district shall be admitted into the pilot study. Identified

307.1 students shall have a comprehensive eye examination with written standard requirements  
307.2 of testing. Students identified with a diagnosis of convergence insufficiency must undergo  
307.3 a vision efficiency evaluation by a licensed optometrist or ophthalmologist trained in the  
307.4 evaluation of learning-related vision problems. The results of this examination shall  
307.5 determine whether a student will qualify for neuro-optometric vision therapy funded by  
307.6 the grant. The parent or guardian of a student who qualifies for the pilot program under  
307.7 this paragraph may submit a written notification to the school opting the student out  
307.8 of the program. The district must establish guidelines to provide quality standards and  
307.9 measures to ensure an appropriate diagnosis and treatment plan that is consistent with the  
307.10 convergence insufficiency treatment trial study.

307.11 (c) The commissioner of education must provide for an evaluation of the pilot  
307.12 project and make a report to the legislative committees with jurisdiction over kindergarten  
307.13 through grade 12 education policy and finance by January 15, 2020.

#### 307.14 **ARTICLE 14**

#### 307.15 **CHARTER SCHOOLS**

307.16 Section 1. Minnesota Statutes 2015 Supplement, section 124E.10, is amended by  
307.17 adding a subdivision to read:

307.18 Subd. 7. **School closures.** (a) Upon the final decision to close a charter school,  
307.19 whether by voluntary action of the charter school's board of directors, nonrenewal  
307.20 or termination of the charter contract by the authorizer, or termination of the charter  
307.21 contract by the commissioner, the board of directors shall appoint a school closure trustee,  
307.22 approved by the authorizer, within 15 business days of the final decision. The board of  
307.23 directors or the authorizer may require the trustee to post a bond, in a sum and nature  
307.24 reflective of the school's current condition and situation.

307.25 (b) The trustee must be a resident of Minnesota, possess a bachelor's or postgraduate  
307.26 degree in accounting, law, nonprofit management, educational administration, or other  
307.27 appropriate field, and have at least five years of work experience in their degree area. The  
307.28 trustee must submit to a state and federal criminal background check, must not have  
307.29 been convicted of a felony or other crime involving moral turpitude, and must not have  
307.30 been found liable in a civil court for fraud, breach of fiduciary duty, civil theft, or similar  
307.31 misconduct. The trustee must not be under investigation or pending criminal prosecution  
307.32 for a felony or other crime. The trustee must not have a history of wage garnishment by  
307.33 the Internal Revenue Service or the state and must not have filed for bankruptcy.

307.34 (c) The trustee must not have been an employee or contractor of the charter school  
307.35 during the previous five years and must not have an immediate family member who is

308.1 an employee or contractor of the charter school or who serves on the charter school's  
308.2 board of directors. The trustee must be independent and have no material interest adverse  
308.3 to the school.

308.4 (d) The trustee shall have the responsibility to activate and execute the closure plan  
308.5 for the charter school outlined in the school's charter contract, including the transfer  
308.6 of student records required by subdivision 6, and the reporting of financial and student  
308.7 data to the department necessary for the release of final aid payments under section  
308.8 124E.25, subdivision 1, paragraph (b). Upon the appointment of the trustee, the trustee  
308.9 must approve all school expenditures before payment and shall be a required signatory  
308.10 on all school accounts and payments made by the school. The trustee has the authority  
308.11 to void and seek reimbursement of any and all extraordinary payments of the school  
308.12 to individuals, contractors, or corporations made within 90 business days of the final  
308.13 decision to close. If during the closure process it is determined by the charter school's  
308.14 board of directors or the authorizer that the trustee is not performing the closure duties in  
308.15 an efficient and effective manner, the authorizer may appoint a new trustee.

308.16 (e) The trustee shall be entitled to immunity provided by common law for acts or  
308.17 omissions within the scope of the trustee's appointment. The trustee is not exempt from an  
308.18 illegal or criminal act, nor any act that is a result of malfeasance or misfeasance.

308.19 (f) A charter school closure fund shall be established and managed by the Department  
308.20 of Education. The Department of Education may charge the fund a management fee  
308.21 commensurate with the annual activity in the fund. The Department of Education must  
308.22 issue an annual report on the income and expenditures of the fund by September 30 to all  
308.23 charter schools. The fund shall be financed by a per capita pupil fee paid by all charter  
308.24 schools. Until the fund reaches a cap of \$200,000, the per capita pupil fee shall be \$1 per  
308.25 pupil annually. Upon the fund reaching the \$200,000 cap, the annual per capita pupil fee  
308.26 shall equal the per pupil amount needed to maintain the fund at \$200,000. The Department  
308.27 of Education shall have the power to deduct the annual fee from a charter school aid  
308.28 payment in the month of February based on the number of pupils enrolled in charter  
308.29 schools on October 1 of the previous year, and transfer the funding to the charter school  
308.30 closure fund. When an authorizer ceases to authorize schools, the authorizer shall transfer  
308.31 any remaining balance from authorizer fees to the fund.

308.32 (g) Funds from the charter school closure fund may only be authorized and used for  
308.33 the following expenses: the cost of the external audits necessary for the school closure  
308.34 process; the cost of liability insurance for the school corporation during the closure  
308.35 process; legal costs for the dissolution of the school corporation; and the trustee's fee,  
308.36 negotiated upon appointment. The charter school closure fund shall not be used for any

309.1 other expenses related to the closed school and may only be requested after all other  
 309.2 school funds and assets of the closed school have been expended. No more than \$70,000  
 309.3 may be expended from the fund for an individual school closure process. The trustee may  
 309.4 request funding to cover the authorized expenditures, except for the trustee's fee, which  
 309.5 must be requested by the charter school's board of directors or the authorizer if the board  
 309.6 of directors is nonoperative.

309.7 (h) If a charter school board of directors files for bankruptcy upon the final decision  
 309.8 to close the school, the bankruptcy trustee appointed by the bankruptcy court shall have  
 309.9 the authority to activate and execute the closure plan in the charter school contract.

309.10 Sec. 2. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

309.11 Subd. 6a. **Cash flow adjustment.** The board of directors of any ~~charter school~~  
 309.12 ~~servicing fewer than 200 students where the percent of students eligible for special~~  
 309.13 ~~education services equals at least 90 percent of the charter school's total enrollment~~  
 309.14 eligible special education charter school under section 124E.21, subdivision 2, may  
 309.15 request that the commissioner of education accelerate the school's cash flow under this  
 309.16 section. The commissioner must approve a properly submitted request within 30 days of  
 309.17 its receipt. The commissioner must accelerate the school's regular special education aid  
 309.18 payments according to the schedule in the school's request and modify the payments to the  
 309.19 school under subdivision 3 accordingly. A school must not receive current payments of  
 309.20 regular special education aid exceeding 90 percent of its estimated aid entitlement for the  
 309.21 fiscal year. The commissioner must delay the special education aid payments to all other  
 309.22 school districts and charter schools in proportion to each district or charter school's total  
 309.23 share of regular special education aid such that the overall aid payment savings from the  
 309.24 aid payment shift remains unchanged for any fiscal year.

309.25 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 309.26 later.

309.27 Sec. 3. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective  
 309.28 date, is amended to read:

309.29 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 309.30 except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing  
 309.31 pupils to enroll in a charter school is effective only if the commissioner of education  
 309.32 determines there is no added cost attributable to the pupil for the 2016-2017 school year  
 309.33 and later.

310.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

310.2 Sec. 4. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2,  
310.3 is amended to read:

310.4 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
310.5 Statutes, section ~~124D.11~~, subdivision 4 124E.22:

310.6		<del>66,787,000</del>		
310.7	\$	<u>63,540,000</u>	.....	2016
310.8		<del>73,603,000</del>		
310.9	\$	<u>70,132,000</u>	.....	2017

310.10 The 2016 appropriation includes \$6,032,000 for 2015 and ~~\$60,755,000~~ \$57,508,000  
310.11 for 2016.

310.12 The 2017 appropriation includes ~~\$6,750,000~~ \$6,389,000 for 2016 and ~~\$66,853,000~~  
310.13 \$63,743,000 for 2017.

## 310.14 **ARTICLE 15**

### 310.15 **SPECIAL EDUCATION**

310.16 Section 1. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

#### 310.17 **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

310.18 (a) At the beginning of each school year, each school district shall have in effect, for  
310.19 each child with a disability, an individualized education program.

310.20 (b) As defined in this section, every district must ensure the following:

310.21 (1) all students with disabilities are provided the special instruction and services  
310.22 which are appropriate to their needs. Where the individualized education program team  
310.23 has determined appropriate goals and objectives based on the student's needs, including the  
310.24 extent to which the student can be included in the least restrictive environment, and where  
310.25 there are essentially equivalent and effective instruction, related services, or assistive  
310.26 technology devices available to meet the student's needs, cost to the district may be among  
310.27 the factors considered by the team in choosing how to provide the appropriate services,  
310.28 instruction, or devices that are to be made part of the student's individualized education  
310.29 program. The individualized education program team shall consider and may authorize  
310.30 services covered by medical assistance according to section 256B.0625, subdivision 26.  
310.31 When a school district makes a determination of other health disability under Minnesota  
310.32 Rules, part 3525.1335, subparts 1, and 2, item A, subitem (1), the student's individualized  
310.33 education program team must seek written and signed documentation by a licensed health  
310.34 provider within the scope of the provider's practice of a medically diagnosed chronic or

311.1 acute health condition. The student's needs and the special education instruction and  
 311.2 services to be provided must be agreed upon through the development of an individualized  
 311.3 education program. The program must address the student's need to develop skills to  
 311.4 live and work as independently as possible within the community. The individualized  
 311.5 education program team must consider positive behavioral interventions, strategies,  
 311.6 and supports that address behavior needs for children. During grade 9, the program  
 311.7 must address the student's needs for transition from secondary services to postsecondary  
 311.8 education and training, employment, community participation, recreation, and leisure  
 311.9 and home living. In developing the program, districts must inform parents of the full  
 311.10 range of transitional goals and related services that should be considered. The program  
 311.11 must include a statement of the needed transition services, including a statement of the  
 311.12 interagency responsibilities or linkages or both before secondary services are concluded;

311.13 (2) children with a disability under age five and their families are provided special  
 311.14 instruction and services appropriate to the child's level of functioning and needs;

311.15 (3) children with a disability and their parents or guardians are guaranteed procedural  
 311.16 safeguards and the right to participate in decisions involving identification, assessment  
 311.17 including assistive technology assessment, and educational placement of children with a  
 311.18 disability;

311.19 (4) eligibility and needs of children with a disability are determined by an initial  
 311.20 evaluation or reevaluation, which may be completed using existing data under United  
 311.21 States Code, title 20, section 33, et seq.;

311.22 (5) to the maximum extent appropriate, children with a disability, including those  
 311.23 in public or private institutions or other care facilities, are educated with children who  
 311.24 are not disabled, and that special classes, separate schooling, or other removal of children  
 311.25 with a disability from the regular educational environment occurs only when and to the  
 311.26 extent that the nature or severity of the disability is such that education in regular classes  
 311.27 with the use of supplementary services cannot be achieved satisfactorily;

311.28 (6) in accordance with recognized professional standards, testing and evaluation  
 311.29 materials, and procedures used for the purposes of classification and placement of children  
 311.30 with a disability are selected and administered so as not to be racially or culturally  
 311.31 discriminatory; and

311.32 (7) the rights of the child are protected when the parents or guardians are not known  
 311.33 or not available, or the child is a ward of the state.

311.34 (c) For all paraprofessionals employed to work in programs whose role in part is  
 311.35 to provide direct support to students with disabilities, the school board in each district  
 311.36 shall ensure that:

312.1 (1) before or beginning at the time of employment, each paraprofessional must  
 312.2 develop sufficient knowledge and skills in emergency procedures, building orientation,  
 312.3 roles and responsibilities, confidentiality, vulnerability, and reportability, among other  
 312.4 things, to begin meeting the needs, especially disability-specific and behavioral needs, of  
 312.5 the students with whom the paraprofessional works;

312.6 (2) annual training opportunities are required to enable the paraprofessional to  
 312.7 continue to further develop the knowledge and skills that are specific to the students with  
 312.8 whom the paraprofessional works, including understanding disabilities, the unique and  
 312.9 individual needs of each student according to the student's disability and how the disability  
 312.10 affects the student's education and behavior, following lesson plans, and implementing  
 312.11 follow-up instructional procedures and activities; and

312.12 (3) a districtwide process obligates each paraprofessional to work under the ongoing  
 312.13 direction of a licensed teacher and, where appropriate and possible, the supervision of a  
 312.14 school nurse.

312.15 Sec. 2. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is  
 312.16 amended to read:

312.17 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and  
 312.18 later, when a school district provides special instruction and services for a pupil with  
 312.19 a disability as defined in section 125A.02 outside the district of residence, excluding  
 312.20 a pupil for whom an adjustment to special education aid is calculated according to  
 312.21 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the  
 312.22 resident district must be reduced by an amount equal to (1) the actual cost of providing  
 312.23 special instruction and services to the pupil, including a proportionate amount for special  
 312.24 transportation and ~~unreimbursed building lease and debt service costs for facilities~~  
 312.25 ~~used primarily for special education~~, plus (2) the amount of general education revenue,<sub>2</sub>  
 312.26 excluding local optional revenue, plus local optional aid and referendum equalization aid  
 312.27 attributable to that pupil, calculated using the resident district's average general education  
 312.28 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills  
 312.29 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the  
 312.30 amount of special education aid for children with a disability under section 125A.76  
 312.31 received on behalf of that child, minus (4) if the pupil receives special instruction and  
 312.32 services outside the regular classroom for more than 60 percent of the school day, the  
 312.33 amount of general education revenue and referendum equalization aid, excluding portions  
 312.34 attributable to district and school administration, district support services, operations and  
 312.35 maintenance, capital expenditures, and pupil transportation, attributable to that pupil



313.1 for the portion of time the pupil receives special instruction and services outside of the  
 313.2 regular classroom, calculated using the resident district's average general education  
 313.3 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills  
 313.4 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving  
 313.5 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue  
 313.6 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a  
 313.7 cooperative unit without a fiscal agent school district, the general education revenue and  
 313.8 referendum equalization aid attributable to a pupil must be calculated using the resident  
 313.9 district's average general education revenue and referendum equalization aid excluding  
 313.10 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.  
 313.11 Special education aid paid to the district or cooperative providing special instruction and  
 313.12 services for the pupil must be increased by the amount of the reduction in the aid paid  
 313.13 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~  
 313.14 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~  
 313.15 ~~the resident school district's books of account under sections 123B.75 and 123B.76.~~ If  
 313.16 the resident district's special education aid is insufficient to make the full adjustment, the  
 313.17 remaining adjustment shall be made to other state aid due to the district.

313.18 (b) Notwithstanding paragraph (a), when a charter school receiving special education  
 313.19 aid under section 124E.21, subdivision 3, provides special instruction and services for  
 313.20 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an  
 313.21 adjustment to special education aid is calculated according to section 127A.46, subdivision  
 313.22 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced  
 313.23 by an amount equal to that calculated under paragraph (a) as if the charter school received  
 313.24 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education  
 313.25 aid paid to the charter school providing special instruction and services for the pupil must  
 313.26 not be increased by the amount of the reduction in the aid paid to the resident district.

313.27 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs  
 313.28 (b) to (d);

313.29 (1) an intermediate district or a special education cooperative may recover  
 313.30 unreimbursed costs of serving pupils with a disability, including building lease, debt  
 313.31 service, and indirect costs necessary for the general operation of the organization, by  
 313.32 billing membership fees and nonmember access fees to the resident district;

313.33 (2) a charter school where more than 30 percent of enrolled students receive special  
 313.34 education and related services, a site approved under section 125A.515, an intermediate  
 313.35 district, or a special education cooperative, or a school district that served as the applicant  
 313.36 agency for a group of school districts for federal special education aids for fiscal year 2006

314.1 may apply to the commissioner for authority to charge the resident district an additional  
 314.2 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

314.3 (3) the billing under clause (1) or application under clause (2) must include a  
 314.4 description of the costs and the calculations used to determine the unreimbursed portion to  
 314.5 be charged to the resident district. Amounts approved by the commissioner under ~~this~~  
 314.6 ~~paragraph~~ clause (2) must be included in the tuition billings or aid adjustments under  
 314.7 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

314.8 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph  
 314.9 (b), "general education revenue and referendum equalization aid" means the sum of the  
 314.10 general education revenue according to section 126C.10, subdivision 1, excluding the  
 314.11 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the  
 314.12 referendum equalization aid according to section 126C.17, subdivision 7.

314.13 Sec. 3. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is  
 314.14 amended to read:

314.15 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~  
 314.16 School districts must reserve third-party revenue and must spend the reimbursements  
 314.17 received only to:

314.18 (1) retain an amount sufficient to compensate the district for its administrative costs  
 314.19 of obtaining reimbursements;

314.20 (2) regularly obtain from education- and health-related entities training and other  
 314.21 appropriate technical assistance designed to improve the district's ability to access  
 314.22 third-party payments for individualized education program or individualized family  
 314.23 service plan health-related services; or

314.24 (3) reallocate reimbursements for the benefit of students with individualized  
 314.25 education programs or individualized family service plans in the district.

314.26 Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c, is  
 314.27 amended to read:

314.28 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a  
 314.29 district's special education aid equals the sum of the district's special education aid under  
 314.30 subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the  
 314.31 district's excess cost aid under section 125A.79, subdivision 7.

314.32 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of  
 314.33 the district's special education initial aid under subdivision 2a and the district's excess cost  
 314.34 aid under section 125A.79, subdivision 5.

315.1 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for  
315.2 a school district must not exceed the sum of the special education aid the district would  
315.3 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76  
315.4 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and  
315.5 127A.47, subdivision 7, and the product of the district's average daily membership served  
315.6 and the special education aid increase limit.

315.7 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education  
315.8 aid for a school district must not exceed the sum of: (i) the product of the district's average  
315.9 daily membership served and the special education aid increase limit and (ii) the product  
315.10 of the sum of the special education aid the district would have received for fiscal year 2016  
315.11 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according  
315.12 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of  
315.13 the district's average daily membership served for the current fiscal year to the district's  
315.14 average daily membership served for fiscal year 2016, and the program growth factor.

315.15 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special  
315.16 education aid for a school district, not including a charter school or cooperative unit as  
315.17 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal  
315.18 special education expenditures for that fiscal year or (2) the product of the sum of the  
315.19 special education aid the district would have received for fiscal year 2016 under Minnesota  
315.20 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes  
315.21 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted  
315.22 daily membership for the current fiscal year to the district's average daily membership for  
315.23 fiscal year 2016, and the program growth factor.

315.24 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first  
315.25 year of operation shall generate special education aid based on current year data. A newly  
315.26 formed cooperative unit as defined in section 123A.24 may apply to the commissioner  
315.27 for approval to generate special education aid for its first year of operation based on  
315.28 current year data, with an offsetting adjustment to the prior year data used to calculate aid  
315.29 for programs at participating school districts or previous cooperatives that were replaced  
315.30 by the new cooperative.

315.31 (g) The department shall establish procedures through the uniform financial  
315.32 accounting and reporting system to identify and track all revenues generated from  
315.33 third-party billings as special education revenue at the school district level; include revenue  
315.34 generated from third-party billings as special education revenue in the annual cross-subsidy  
315.35 report; and exclude third-party revenue from calculation of excess cost aid to the districts.

316.1 Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is  
316.2 amended to read:

316.3 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
316.4 subdivision apply.

316.5 (a) "Unreimbursed old formula special education expenditures" means:

316.6 (1) old formula special education expenditures for the prior fiscal year; minus

316.7 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section  
316.8 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under  
316.9 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education  
316.10 initial aid under section 125A.76, subdivision 2a; minus

316.11 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding  
316.12 local optional revenue, plus local optional aid and referendum equalization aid for the  
316.13 prior fiscal year attributable to pupils receiving special instruction and services outside the  
316.14 regular classroom for more than 60 percent of the school day for the portion of time the  
316.15 pupils receive special instruction and services outside the regular classroom, excluding  
316.16 portions attributable to district and school administration, district support services,  
316.17 operations and maintenance, capital expenditures, and pupil transportation.

316.18 (b) "Unreimbursed nonfederal special education expenditures" means:

316.19 (1) nonfederal special education expenditures for the prior fiscal year; minus

316.20 (2) special education initial aid under section 125A.76, subdivision 2a; minus

316.21 (3) the amount of general education revenue, excluding local optional revenue, plus  
316.22 local optional aid, and referendum equalization aid for the prior fiscal year attributable  
316.23 to pupils receiving special instruction and services outside the regular classroom for  
316.24 more than 60 percent of the school day for the portion of time the pupils receive special  
316.25 instruction and services outside of the regular classroom, excluding portions attributable to  
316.26 district and school administration, district support services, operations and maintenance,  
316.27 capital expenditures, and pupil transportation.

316.28 (c) "General revenue" for a school district means the sum of the general education  
316.29 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity  
316.30 revenue, local optional revenue, and total operating capital revenue. "General revenue"  
316.31 for a charter school means the sum of the general education revenue according to section  
316.32 124E.20, subdivision 1, and transportation revenue according to section 124E.23,  
316.33 excluding referendum equalization aid, transportation sparsity revenue, and operating  
316.34 capital revenue.

317.1 Sec. 6. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is  
317.2 amended to read:

317.3 Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
317.4 special education aid for districts must be adjusted for each pupil attending a nonresident  
317.5 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
317.6 adjustments must be made according to this subdivision.

317.7 (b) For purposes of this subdivision, the "unreimbursed cost of providing special  
317.8 education and services" means the difference between: (1) the actual cost of providing  
317.9 special instruction and services, including special transportation and unreimbursed  
317.10 building lease and debt service costs for facilities used primarily for special education, for  
317.11 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section  
317.12 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil  
317.13 receives special instruction and services outside the regular classroom for more than  
317.14 60 percent of the school day, the amount of general education revenue, excluding local  
317.15 optional revenue, plus local optional aid and referendum equalization aid as defined in  
317.16 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of  
317.17 time the pupil receives special instruction and services outside of the regular classroom,  
317.18 excluding portions attributable to district and school administration, district support  
317.19 services, operations and maintenance, capital expenditures, and pupil transportation,  
317.20 minus (3) special education aid under section 125A.76 attributable to that pupil, that is  
317.21 received by the district providing special instruction and services. For purposes of this  
317.22 paragraph, general education revenue and referendum equalization aid attributable to a  
317.23 pupil must be calculated using the serving district's average general education revenue  
317.24 and referendum equalization aid per adjusted pupil unit.

317.25 (c) For fiscal year 2015 and later, special education aid paid to a resident district  
317.26 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing  
317.27 special education and services.

317.28 (d) Notwithstanding paragraph (c), special education aid paid to a resident district  
317.29 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special  
317.30 education and services provided to students at an intermediate district, cooperative, or  
317.31 charter school where the percent of students eligible for special education services is at  
317.32 least 70 percent of the charter school's total enrollment.

317.33 (e) Notwithstanding paragraph (c), special education aid paid to a resident district  
317.34 must be reduced under paragraph (d) for students at a charter school receiving special  
317.35 education aid under section 124E.21, subdivision 3, calculated as if the charter school  
317.36 received special education aid under section 124E.21, subdivision 1.

318.1 (f) Special education aid paid to the district or cooperative providing special  
 318.2 instruction and services for the pupil, or to the fiscal agent district for a cooperative, must  
 318.3 be increased by the amount of the reduction in the aid paid to the resident district under  
 318.4 paragraphs (c) and (d). If the resident district's special education aid is insufficient to make  
 318.5 the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be  
 318.6 made to other state aids due to the district.

318.7 (g) Notwithstanding paragraph (a), general education aid paid to the resident district  
 318.8 of a nonspecial education student for whom an eligible special education charter school  
 318.9 receives general education aid under section 124E.20, subdivision 1, paragraph (c), must  
 318.10 be reduced by an amount equal to the difference between the general education aid  
 318.11 attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the  
 318.12 general education aid that the student would have generated for the charter school under  
 318.13 section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial  
 318.14 education student" means a student who does not meet the definition of pupil with a  
 318.15 disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

318.16 (h) An area learning center operated by a service cooperative, intermediate district,  
 318.17 education district, or a joint powers cooperative may elect through the action of the  
 318.18 constituent boards to charge the resident district tuition for pupils rather than to have the  
 318.19 general education revenue paid to a fiscal agent school district. Except as provided in  
 318.20 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more  
 318.21 than 100 percent of the district average general education revenue per pupil unit minus  
 318.22 an amount equal to the product of the formula allowance according to section 126C.10,  
 318.23 subdivision 2, times .0466, calculated without compensatory revenue, local optional  
 318.24 revenue, and transportation sparsity revenue, times the number of pupil units for pupils  
 318.25 attending the area learning center.

318.26 Sec. 7. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 2,  
 318.27 is amended to read:

318.28 Subd. 2. **Special education; regular.** For special education aid under Minnesota  
 318.29 Statutes, section 125A.75:

318.30	<del>1,170,929,000</del>		
318.31	\$ <u>1,183,619,000</u>	.....	2016
318.32	<del>1,229,706,000</del>		
318.33	\$ <u>1,247,108,000</u>	.....	2017

318.34 The 2016 appropriation includes \$137,932,000 for 2015 and ~~\$1,032,997,000~~  
 318.35 \$1,045,687,000 for 2016.

319.1 The 2017 appropriation includes ~~\$145,355,000~~ \$147,202,000 for 2016 and  
 319.2 ~~\$1,084,351,000~~ \$1,099,906,000 for 2017.

319.3 Sec. 8. **APPROPRIATIONS.**

319.4 Subdivision 1. Department of Education. The sums indicated in this section are  
 319.5 appropriated from the general fund to the Department of Education for the fiscal years  
 319.6 designated.

319.7 Subd. 2. Restrictive procedures work group. To implement the recommendations  
 319.8 from the restrictive procedures work group under Minnesota Statutes, section 125A.0942:

319.9 \$ 500,000 ..... 2017

319.10 **ARTICLE 16**

319.11 **FACILITIES AND TECHNOLOGY**

319.12 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

319.13 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a  
 319.14 district equals the sum of the first tier equalized debt service levy and the second tier  
 319.15 equalized debt service levy.

319.16 (b) A district's first tier equalized debt service levy equals the district's first tier debt  
 319.17 service equalization revenue times the lesser of one or the ratio of:

319.18 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
 319.19 the year before the year the levy is certified by the adjusted pupil units in the district for  
 319.20 the school year ending in the year prior to the year the levy is certified; to

319.21 (2) \$3,400 in fiscal year 2016 and, \$4,430 in fiscal year 2017, and the greater of  
 319.22 \$4,430 or 55.33 percent of the initial equalizing factor in fiscal year 2018 and later.

319.23 (c) A district's second tier equalized debt service levy equals the district's second tier  
 319.24 debt service equalization revenue times the lesser of one or the ratio of:

319.25 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
 319.26 the year before the year the levy is certified by the adjusted pupil units in the district for  
 319.27 the school year ending in the year prior to the year the levy is certified; to

319.28 (2) \$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 99.91 percent  
 319.29 of the initial equalizing factor in fiscal year 2018 and later.

319.30 (d) For the purposes of this subdivision, the initial equalizing factor equals the  
 319.31 quotient derived by dividing the total adjusted net tax capacity of all school districts in the  
 319.32 state for the year before the year the levy is certified by the total number of adjusted pupil  
 319.33 units in all school districts in the state in the year before the year the levy is certified.

320.1 Sec. 2. Minnesota Statutes 2014, section 123B.535, is amended to read:

320.2 **123B.535 ~~NATURAL DISASTER~~ ENHANCED DEBT SERVICE**  
 320.3 **EQUALIZATION.**

320.4 Subdivision 1. **Definitions; eligibility.** (a) For purposes of this section, the eligible  
 320.5 ~~natural-disaster enhanced~~ debt service revenue of a district is defined as the amount  
 320.6 needed to produce between five and six percent in excess of the amount needed to meet  
 320.7 when due the principal and interest payments on the obligations of the district eligible  
 320.8 under paragraphs (b) and (c) that would otherwise qualify under section 123B.53 ~~under~~  
 320.9 ~~the following conditions:~~

320.10 (b) A district that has been negatively affected by a natural disaster qualifies for  
 320.11 enhanced debt service equalization under this section if:

320.12 (1) the district was impacted by a natural disaster event or area occurring January  
 320.13 1, 2005, or later, as declared by the President of the United States of America, which is  
 320.14 eligible for Federal Emergency Management Agency payments;

320.15 (2) the natural disaster caused \$500,000 or more in damages to school district  
 320.16 buildings; and

320.17 (3) the repair and replacement costs are not covered by insurance payments or  
 320.18 Federal Emergency Management Agency payments.

320.19 (c) A district that consolidated on or after July 1, 2016, with an approved  
 320.20 consolidation plat and plan under section 123A.48 that included building or remodeling  
 320.21 school facilities is eligible for enhanced debt service equalization under this section.

320.22 ~~(b)~~ (d) For purposes of this section, the adjusted net tax capacity equalizing factor  
 320.23 equals the quotient derived by dividing the total adjusted net tax capacity of all school  
 320.24 districts in the state for the year before the year the levy is certified by the total number of  
 320.25 adjusted pupil units in the state for the year prior to the year the levy is certified.

320.26 ~~(e)~~ (e) For purposes of this section, the adjusted net tax capacity determined  
 320.27 according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of  
 320.28 property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

320.29 Subd. 2. **Notification.** A district eligible for ~~natural-disaster enhanced~~ debt service  
 320.30 ~~equalization~~ revenue under subdivision 1 must notify the commissioner of the amount of  
 320.31 its intended ~~natural-disaster enhanced~~ debt service revenue calculated under subdivision 1  
 320.32 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

320.33 Subd. 3. **~~Natural-disaster Enhanced~~ debt service equalization revenue.** The  
 320.34 enhanced debt service equalization revenue of a district that qualifies under subdivision 1,  
 320.35 paragraph (b) or (c), equals the greater of zero or the eligible debt service revenue, minus  
 320.36 ~~the greater of zero or the difference between:~~



321.1 ~~(1) the amount raised by a levy of ten percent times the adjusted net tax capacity~~  
 321.2 ~~of the district; and~~

321.3 ~~(2) the district's eligible debt service revenue under section 123B.53.~~

321.4 Subd. 4. **Equalized natural disaster enhanced debt service levy.** A district's  
 321.5 equalized ~~natural disaster~~ enhanced debt service levy equals the district's ~~natural disaster~~  
 321.6 enhanced debt service equalization revenue times the lesser of one or the ratio of:

321.7 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
 321.8 the year before the year the levy is certified by the adjusted pupil units in the district for  
 321.9 the school year ending in the year prior to the year the levy is certified; to

321.10 (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

321.11 Subd. 5. **Natural disaster Enhanced debt service equalization aid.** A district's  
 321.12 ~~natural disaster~~ enhanced debt service equalization aid equals the difference between the  
 321.13 district's ~~natural disaster~~ enhanced debt service equalization revenue and the district's  
 321.14 equalized ~~natural disaster~~ enhanced debt service levy.

321.15 Subd. 6. **Natural disaster Enhanced debt service equalization aid payment**  
 321.16 **schedule.** Enhanced debt service equalization aid must be paid according to section  
 321.17 127A.45, subdivision 10.

321.18 **EFFECTIVE DATE.** This section is effective for taxes payable in 2017 and later.

321.19 Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is  
 321.20 amended to read:

321.21 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year  
 321.22 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of  
 321.23 (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the  
 321.24 district's average building age to 35 years, plus the cost approved by the commissioner  
 321.25 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under  
 321.26 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site,  
 321.27 plus (ii) for a school district with an approved voluntary prekindergarten program under  
 321.28 section 124D.151, the cost approved by the commissioner for remodeling existing  
 321.29 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the  
 321.30 amount the district would have qualified for under Minnesota Statutes 2014, section  
 321.31 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section  
 321.32 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten  
 321.33 program under section 124D.151, the cost approved by the commissioner for remodeling  
 321.34 existing instructional space to accommodate prekindergarten instruction.

322.1 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the  
 322.2 greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser  
 322.3 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost  
 322.4 approved by the commissioner for indoor air quality, fire alarm and suppression, and  
 322.5 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost  
 322.6 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary  
 322.7 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 322.8 for remodeling existing instructional space to accommodate prekindergarten instruction,  
 322.9 or (2) the sum of (i) the amount the district would have qualified for under Minnesota  
 322.10 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota  
 322.11 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary  
 322.12 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 322.13 for remodeling existing instructional space to accommodate prekindergarten instruction.

322.14 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals  
 322.15 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the  
 322.16 lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost  
 322.17 approved by the commissioner for indoor air quality, fire alarm and suppression, and  
 322.18 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost  
 322.19 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary  
 322.20 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 322.21 for remodeling existing instructional space to accommodate prekindergarten instruction,  
 322.22 or (2) the sum of (i) the amount the district would have qualified for under Minnesota  
 322.23 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota  
 322.24 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary  
 322.25 prekindergarten program under section 124D.151, the cost approved by the commissioner  
 322.26 for remodeling existing instructional space to accommodate prekindergarten instruction.

322.27 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
 322.28 later.

322.29 Sec. 4. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 2,  
 322.30 is amended to read:

322.31 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance  
 322.32 equalization aid under Minnesota Statutes, section 123B.595:

322.33	\$	0	.....	2016
322.34		<del>52,088,000</del>		
322.35	\$	<u>52,844,000</u>	.....	2017

323.1 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,844,000 for 2017.

323.2 Sec. 5. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 9,  
323.3 is amended to read:

323.4 Subd. 9. **Quality Rating System.** For transfer to the commissioner of human  
323.5 services for the purposes of expanding the Quality Rating and Improvement System under  
323.6 Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for  
323.7 providers participating in the Quality Rating and Improvement System:

323.8 \$ 1,200,000 ..... 2016

323.9 ~~2,300,000~~

323.10 \$ 2,800,000 ..... 2017

323.11 Any balance in the first year does not cancel but is available in the second year. The  
323.12 base for this program in fiscal year 2018 and later is \$1,750,000.

323.13 Sec. 6. **GENERATION CONNECT AID.**

323.14 (a) For fiscal year 2017 only, generation connect aid for a school district or charter  
323.15 school equals \$10.88 times the adjusted pupil units for the school year. Aid under this  
323.16 section may be used for any allowable purpose under Minnesota Statutes, section 126C.10,  
323.17 subdivision 14, or Minnesota Statutes, section 124E.20, subdivision 2.

323.18 (b) One hundred percent of the aid in this section must be paid in fiscal year 2017.

323.19 Sec. 7. **APPROPRIATION.**

323.20 Subdivision 1. **Department of Education.** The sum indicated in this section is  
323.21 appropriated from the general fund to the Department of Education for the fiscal year  
323.22 designated.

323.23 Subd. 2. **Generation connect aid.** For generation connect aid:

323.24 \$ 10,104,000 ..... 2017

323.25 This is a onetime appropriation.

323.26 Subd. 3. **Regional office of career and technical education.** For a grant to  
323.27 the SW/WC Service Cooperative to establish a regional office of career and technical  
323.28 education:

323.29 \$ 70,000 ..... 2017

323.30 The regional office of career and technical education must:

324.1 (1) facilitate the development of highly trained and knowledgeable students who  
 324.2 are equipped with technical and workplace skills needed by regional employers, in  
 324.3 collaborative participation with three or more school districts;

324.4 (2) improve access to career and technical education programs for students who  
 324.5 attend sparsely populated rural school districts by developing public/private partnerships  
 324.6 with business and industry leaders and by increasing coordination of high school and  
 324.7 postsecondary program options; and

324.8 (3) increase family and student awareness of the availability and benefit of career  
 324.9 and technical education courses and training opportunities.

324.10 This is a onetime appropriation.

324.11 Subd. 4. **Regional career and technical education advisory committee.** For a  
 324.12 grant to the SW/WC Service Cooperative for a regional career and technical education  
 324.13 advisory committee:

324.14 \$ 280,000 ..... 2017

324.15 Eligible uses of this grant are:

324.16 (1) capital start-up costs for such items as determined by the committee including,  
 324.17 but not limited to, a mobile welding lab, medical equipment and lab, and industrial  
 324.18 kitchen equipment;

324.19 (2) informational materials for students, families, and residents of the region that  
 324.20 communicate the relationship between career and technical education programs, labor  
 324.21 market needs, and well-paying employment;

324.22 (3) incentive and training grants to develop career and technical education  
 324.23 instructors; and

324.24 (4) transportation reimbursement grants to provide equitable opportunities  
 324.25 throughout the region for students to participate in career and technical education.

324.26 This is a onetime appropriation.

## 324.27 **ARTICLE 17**

### 324.28 **EARLY CHILDHOOD EDUCATION**

324.29 Section 1. Minnesota Statutes 2014, section 124D.135, subdivision 6, is amended to  
 324.30 read:

324.31 **Subd. 6. Home visiting levy revenue.** (a) A district that is eligible to levy for  
 324.32 early childhood family education under subdivision 3 and that enters into a collaborative  
 324.33 agreement to provide education services and social services to families with young  
 324.34 children ~~may levy an amount equal to \$1.60~~ is eligible for home visiting revenue.

325.1 (b) Total home visiting revenue for a district equals \$3 times the number of people  
 325.2 under five years of age residing in the district on September 1 of the last school year. ~~Levy~~  
 325.3 Revenue under this subdivision must not be included as revenue under subdivision 1. The  
 325.4 revenue must be used for home visiting programs under section 124D.13, subdivision 4.

325.5 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
 325.6 later.

325.7 Sec. 2. Minnesota Statutes 2014, section 124D.135, is amended by adding a  
 325.8 subdivision to read:

325.9 Subd. 6a. **Home visiting levy.** To obtain home visiting revenue, a district may levy  
 325.10 an amount not more than the product of its home visiting revenue for the fiscal year times  
 325.11 the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the  
 325.12 home visiting equalizing factor. The home visiting equalizing factor equals \$17,250 for  
 325.13 fiscal year 2018 and later.

325.14 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
 325.15 later.

325.16 Sec. 3. Minnesota Statutes 2014, section 124D.135, is amended by adding a  
 325.17 subdivision to read:

325.18 Subd. 6b. **Home visiting aid.** A district's home visiting aid equals its home visiting  
 325.19 revenue minus its home visiting levy times the ratio of the actual amount levied to the  
 325.20 permitted levy.

325.21 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and  
 325.22 later.

325.23 Sec. 4. **[124D.173] HELP ME GROW SYSTEM.**

325.24 Subdivision 1. **Purpose.** The purpose of this section is to develop and implement  
 325.25 a comprehensive, statewide, coordinated system of early identification, referral, and  
 325.26 follow-up for children, prenatal through age eight, and their families.

325.27 Subd. 2. **Establishment and administration.** The commissioner of education shall  
 325.28 provide funding and shall work collaboratively through interagency agreements with the  
 325.29 commissioners of human services and health to implement this section and maintain  
 325.30 annual affiliate status with the Help Me Grow National Center.

325.31 Subd. 3. **Duties.** (a) The Help Me Grow system shall coordinate sectors, including  
 325.32 child health, early learning and education, and family supports by:

- 326.1 (1) providing child health care provider outreach to support early detection,  
 326.2 intervention, and knowledge about local resources;
- 326.3 (2) identifying and providing access to detection tools used to identify young  
 326.4 children at risk for developmental and behavioral problems; and
- 326.5 (3) linking children and families to appropriate community-based services.
- 326.6 (b) The Help Me Grow system shall provide community outreach that includes  
 326.7 support for, and participation in, the Help Me Grow system, including disseminating  
 326.8 information on the system and compiling and maintaining a resource directory that  
 326.9 includes, but is not limited to:
- 326.10 (1) primary and specialty medical care providers;  
 326.11 (2) early childhood education and child care programs;  
 326.12 (3) developmental disabilities assessment and intervention programs;  
 326.13 (4) mental health services;  
 326.14 (5) family and social support programs;  
 326.15 (6) child advocacy and legal services;  
 326.16 (7) public health services and resources; and  
 326.17 (8) other appropriate early childhood information.
- 326.18 (c) The Help Me Grow system shall develop a centralized access point for parents  
 326.19 and professionals to obtain information, resources, and other support services.
- 326.20 (d) The Help Me Grow system shall collect data to increase understanding of all  
 326.21 aspects of the current and ongoing system under this section, including identification of  
 326.22 gaps in service, barriers to finding and receiving appropriate service, and lack of resources.
- 326.23 Subd. 4. **Review.** The Department of Education shall annually review and by  
 326.24 February 1 report to the chairs and the ranking minority members of the legislative  
 326.25 committees with jurisdiction over early childhood education the following:
- 326.26 (1) outcomes achieved by this system;  
 326.27 (2) alignment with overall early childhood goals and objectives; and  
 326.28 (3) impacts on young children.

326.29 Sec. 5. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,  
 326.30 is amended to read:

326.31 Subd. 7. **Parent-child home program.** For a grant to the parent-child home  
 326.32 program:

326.33	\$	350,000	.....	2016
326.34		<del>350,000</del>		
326.35	\$	<u>1,350,000</u>	.....	2017

327.1 The grant must be used for an evidence-based and research-validated early  
 327.2 childhood literacy and school readiness program for children ages 16 months to four  
 327.3 years at its existing suburban program location. The program must include urban and  
 327.4 rural program locations for fiscal years 2016 and 2017. The base for fiscal year 2018  
 327.5 and later is \$1,000,000.

327.6 Sec. 6. **APPROPRIATIONS.**

327.7 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 327.8 appropriated from the general fund to the Department of Education for the fiscal years  
 327.9 designated.

327.10 Subd. 2. **Help Me Grow.** For implementation of the Help Me Grow system under  
 327.11 Minnesota Statutes, section 124D.173:

327.12 \$ 1,000,000 ..... 2017

327.13 This is a onetime appropriation.

327.14 Subd. 3. **Minnesota Learning Resource Center.** For a grant to A Chance to  
 327.15 Grow for the Minnesota Learning Resource Center's comprehensive training program  
 327.16 for education professionals charged with helping children in prekindergarten programs  
 327.17 through grade 3 acquire basic reading and math skills:

327.18 \$ 300,000 ..... 2017

327.19 This is a onetime appropriation.

327.20 **ARTICLE 18**

327.21 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

327.22 Section 1. **AFTER-SCHOOL COMMUNITY LEARNING GRANTS.**

327.23 Subdivision 1. **Grant program established.** A competitive grant program is  
 327.24 established to support community-based organizations, schools, political subdivisions, or  
 327.25 child care centers that service young people in kindergarten through grade 12 after school  
 327.26 or during nonschool hours. Grants must be used to offer a broad array of enrichment  
 327.27 activities that promote positive youth development, including art, music, community  
 327.28 engagement, literacy, technology education, health, agriculture, and recreation programs.

327.29 Subd. 2. **Application.** The commissioner of education shall develop the form  
 327.30 and method for applying for the grants. The application must include information on  
 327.31 the applicant's outreach to children and youth that qualify for free or reduced-price  
 327.32 lunch and two-year measurable goals and activities linked to research or best practices.

328.1 The commissioner shall develop criteria for determining the allocation of the grants and  
 328.2 appropriate goals for the use of the grants including:

328.3 (1) increasing access to protective factors that build young people's capacity to  
 328.4 become productive adults, such as connections to a caring adult;

328.5 (2) developing children's skills and behaviors necessary to succeed in postsecondary  
 328.6 education and career opportunities; and

328.7 (3) encouraging attendance and improving performance in school.

328.8 Subd. 3. **Grant awards.** To the extent practicable, the selection of applicants  
 328.9 shall result in an equitable distribution of grant awards among geographic areas within  
 328.10 Minnesota, including rural, suburban, and urban communities. The commissioner shall  
 328.11 also give priority to programs that collaborate with and leverage existing community  
 328.12 resources that have demonstrated effectiveness.

328.13 Sec. 2. **APPROPRIATIONS.**

328.14 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 328.15 appropriated from the general fund to the Department of Education for the fiscal years  
 328.16 designated.

328.17 Subd. 2. **After-school community learning grants.** For after-school community  
 328.18 learning grants:

328.19 §           500,000   ..... 2017

328.20 Up to seven percent of the appropriation in each fiscal year may be used for  
 328.21 administration, evaluation, and technical assistance, including partnering with the  
 328.22 Minnesota Afterschool Network, Ignite Afterschool, and other appropriate entities to  
 328.23 ensure implementation of strategies statewide to ensure the provision of high quality,  
 328.24 research-driven learning opportunities.

328.25 This is a onetime appropriation.

328.26 **ARTICLE 19**

328.27 **STATE AGENCIES**

328.28 Section 1. Minnesota Statutes 2014, section 120B.115, is amended to read:

328.29 **120B.115 REGIONAL CENTERS OF EXCELLENCE.**

328.30 (a) Regional centers of excellence are established to assist and support school  
 328.31 boards, school districts, school sites, and charter schools in implementing research-based  
 328.32 interventions and practices to increase the students' achievement within a region.



329.1 The centers must develop partnerships with local and regional service cooperatives,  
329.2 postsecondary institutions, integrated school districts, the department, children's mental  
329.3 health providers, or other local or regional entities interested in providing a cohesive  
329.4 and consistent regional delivery system that serves all schools equitably. Centers must  
329.5 assist school districts, school sites, and charter schools in developing similar partnerships.  
329.6 Center support may include assisting school districts, school sites, and charter schools  
329.7 with common principles of effective practice, including:

329.8 (1) defining measurable education goals under sections 120B.022, subdivisions 1a  
329.9 and 1b, and 120B.11, subdivision 2;

329.10 (2) implementing evidence-based practices, including applied and experiential  
329.11 learning, contextualized learning, competency-based curricula and assessments, and other  
329.12 nontraditional learning opportunities, among other practices;

329.13 (3) engaging in data-driven decision-making;

329.14 (4) providing multilayered levels of support;

329.15 (5) supporting culturally responsive teaching and learning aligning the development  
329.16 of academic English proficiency, state and local academic standards, and career and  
329.17 college readiness benchmarks;

329.18 (6) engaging parents, families, youth, and local community members in programs  
329.19 and activities at the school district, school site, or charter school that foster collaboration  
329.20 and shared accountability for the achievement of all students; and

329.21 (7) translating district forms and other information such as a multilingual glossary of  
329.22 commonly used education terms and phrases.

329.23 Centers must work with school site leadership teams to build the expertise and experience  
329.24 to implement programs that close the achievement gap, provide effective and differentiated  
329.25 programs and instruction for different types of English learners, including English learners  
329.26 with limited or interrupted formal schooling and long-term English learners under section  
329.27 124D.59, subdivisions 2 and 2a, increase students' progress and growth toward career and  
329.28 college readiness, and increase student graduation rates.

329.29 (b) The department must assist the regional centers of excellence to meet staff,  
329.30 facilities, and technical needs, provide the centers with programmatic support, and work  
329.31 with the centers to establish a coherent statewide system of regional support, including  
329.32 consulting, training, and technical support, to help school boards, school districts, school  
329.33 sites, and charter schools effectively and efficiently implement the world's best workforce  
329.34 goals under section 120B.11 and other state and federal education initiatives, including  
329.35 secondary and postsecondary career pathways and technical education.

330.1 (c) The department must employ a literacy/dyslexia specialist at one regional  
330.2 center to be determined by the commissioner, and a literacy/dyslexia specialist at the  
330.3 department, to provide technical assistance for dyslexia and related disorders and to  
330.4 serve as the primary source of information and support for schools in addressing the  
330.5 needs of students with dyslexia and related disorders. The literacy/dyslexia specialist  
330.6 shall also act to increase professional awareness and instructional competencies. For  
330.7 purposes of this paragraph, a literacy/dyslexia specialist is a dyslexia therapist, licensed  
330.8 psychologist, certified psychometrist, licensed speech-language pathologist, or certified  
330.9 dyslexia training specialist who has a minimum of three years of field experience in  
330.10 screening, identifying, and treating dyslexia and related disorders. A literacy/dyslexia  
330.11 specialist shall be highly trained in dyslexia and related disorders, and in using scientific,  
330.12 evidence-based interventions and treatment, which incorporate multisensory, systematic,  
330.13 sequential teaching strategies in the areas of phonics, phonemic awareness, vocabulary,  
330.14 fluency, and comprehension.

330.15 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and  
330.16 later.

330.17 **Sec. 2. [122A.34] CERTIFICATE OF ADVANCED PROFESSIONAL STUDY.**

330.18 (a) The Board of Teaching shall adopt rules for a process for approving certificates  
330.19 of advanced professional study. A certificate of advanced professional study is a credential  
330.20 available only to a teacher with a full license in at least one discipline that allows for  
330.21 teaching without further waiver or variance when a licensure program in the discipline  
330.22 does not exist in Minnesota, or when a teacher with a full license in the discipline cannot  
330.23 be found. The certificate of advanced professional study must:

330.24 (1) have fewer requirements than the full license in the discipline;

330.25 (2) set the specific qualifications required to attain it; and

330.26 (3) maintain professional standards for teaching in that discipline.

330.27 (b) The rules adopted under paragraph (a) must limit certificates of advanced  
330.28 professional study to:

330.29 (1) disciplines in which at least one geographic area of the state has a demonstrated  
330.30 shortage of fully licensed teachers; and

330.31 (2) emerging disciplines where full licenses or licensure programs do not exist  
330.32 in Minnesota.

330.33 **Sec. 3. Laws 2015, First Special Session chapter 3, article 12, section 4, subdivision 2,**  
330.34 **is amended to read:**

331.1 Subd. 2. **Department.** (a) For the Department of Education:

331.2                   ~~21,246,000~~  
 331.3           \$     21,276,000     ..... 2016  
 331.4                   ~~21,973,000~~  
 331.5           \$     28,584,000     ..... 2017

331.6           Of these amounts:

331.7           (1) ~~\$718,000 each year~~ \$748,000 in fiscal year 2016 and zero in fiscal year 2017 is  
 331.8 for the Board of Teaching. Any balance in the first year does not cancel, but is available  
 331.9 in the second year;

331.10           (2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board  
 331.11 of School Administrators;

331.12           (3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota  
 331.13 Statutes, section 120B.115;

331.14           (4) \$500,000 each year is for the School Safety Technical Assistance Center under  
 331.15 Minnesota Statutes, section 127A.052;

331.16           (5) \$250,000 each year is for the School Finance Division to enhance financial  
 331.17 data analysis; ~~and~~

331.18           (6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing  
 331.19 Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency  
 331.20 and Success Act, as amended;

331.21           (7) \$2,750,000 in fiscal year 2017 only is for implementation of schoolwide  
 331.22 Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout  
 331.23 Minnesota to reduce the use of restrictive procedures and increase use of positive  
 331.24 practices. This is a onetime appropriation;

331.25           (8) \$2,750,000 in fiscal year 2017 only is for Department of Education information  
 331.26 technology enhancements and security. This is a onetime appropriation;

331.27           (9) \$250,000 in fiscal year 2017 and later is for employing literacy/dyslexia  
 331.28 specialists under Minnesota Statutes, section 120B.115, paragraph (c). The commissioner  
 331.29 must employ a literacy/dyslexia specialist at the department as soon as practicable, but  
 331.30 no later than September 1, 2016. The commissioner must employ the literacy/dyslexia  
 331.31 specialist at one or more regional centers no later than January 1, 2017; and

331.32           (10) \$200,000 in fiscal year 2017 only is for the Children's Cabinet system redesign  
 331.33 report to the legislature. This is a onetime appropriation.

331.34           (b) Any balance in the first year does not cancel but is available in the second year.

331.35           (c) None of the amounts appropriated under this subdivision may be used for  
 331.36 Minnesota's Washington, D.C. office.

332.1 (d) The expenditures of federal grants and aids as shown in the biennial budget  
 332.2 document and its supplements are approved and appropriated and shall be spent as  
 332.3 indicated.

332.4 (e) This appropriation includes funds for information technology project services and  
 332.5 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing  
 332.6 information technology costs will be incorporated into the service level agreement and  
 332.7 will be paid to the Office of MN.IT Services by the Department of Education under the  
 332.8 rates and mechanism specified in that agreement.

332.9 (f) The agency's base budget in fiscal year 2018 is ~~\$21,973,000~~ \$22,371,000. The  
 332.10 ~~agency's base budget in fiscal year 2019 is \$21,948,000.~~

332.11 **Sec. 4. SYSTEM REDESIGN; HOMELESS CHILDREN SUPPORTS.**

332.12 (a) The Children's Cabinet must create a plan for a cross-agency system that provides  
 332.13 support for a family that is homeless, especially with children up to four years of age, to  
 332.14 access available services. The Children's Cabinet shall create the plan in consultation  
 332.15 with the Department of Education, the Department of Human Services, the Department  
 332.16 of Health, the Minnesota Housing Finance Agency, and stakeholders including counties,  
 332.17 school districts, and nonprofits. The redesigned system must address issues including:

332.18 (1) implementation methodology that addresses differences in service delivery in  
 332.19 rural versus urban settings;

332.20 (2) a training pipeline to increase qualified staff for service providers, including  
 332.21 staff of color;

332.22 (3) statewide entry and intake forms to assess and identify the educational and  
 332.23 developmental needs of the child;

332.24 (4) a support plan that follows the child even after the child is no longer homeless;

332.25 (5) a common data system that allows for easier sharing of data and the plan  
 332.26 components for each child between local entities;

332.27 (6) identifying and supporting a community outreach system;

332.28 (7) personalizing assistance for a child who is homeless and the child's family to  
 332.29 help the child and the family navigate systems and resources;

332.30 (8) transportation options to access services; and

332.31 (9) methods to ensure that all state-funded programs and services for a child who is  
 332.32 homeless are adequately staffed with personnel who are trained on the specifics of the  
 332.33 program and receive professional development to handle complex, intergenerational  
 332.34 trauma.

333.1 (b) The Children's Cabinet must report findings and recommendations regarding  
 333.2 the plan, along with draft legislation, to the chairs and ranking minority members of  
 333.3 the legislative committees having jurisdiction over early childhood through grade 12  
 333.4 education, housing, and human services policy by January 23, 2017.

333.5 **Sec. 5. APPROPRIATIONS; BOARD OF TEACHING.**

333.6 (a) The sums indicated in this section are appropriated from the general fund to the  
 333.7 Board of Teaching for the fiscal years designated:

333.8 \$ 1,500,000 ..... 2017

333.9 Of these amounts:

333.10 (1) \$302,000 in fiscal year 2017 is for implementation of certificates of advanced  
 333.11 professional study. The base appropriation in fiscal year 2018 and thereafter is \$50,000  
 333.12 each year;

333.13 (2) \$150,000 in fiscal year 2017 only is for Excellence in Teaching incentive grants.  
 333.14 This is a onetime appropriation and is available until expended; and

333.15 (3) \$80,000 in fiscal year 2017 and later is for a contract for an electronic statewide  
 333.16 school teacher and administrator job board. The job board must allow school districts  
 333.17 to post job openings for prekindergarten through grade 12 teaching and administrative  
 333.18 positions. Notwithstanding Minnesota Statutes, section 16E.0466, the board is not  
 333.19 required to consult with the Office of MN.IT Services nor transfer any of this appropriation  
 333.20 to the Office of MN.IT Services.

333.21 (b) This appropriation includes funds for information technology project services  
 333.22 and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information  
 333.23 technology costs will be incorporated into an interagency agreement and will be paid to  
 333.24 the Office of MN.IT Services by the Board of Teaching under the mechanism specified  
 333.25 in that agreement.

333.26 (c) The board's base budget for fiscal year 2018 and later is \$1,098,000.

333.27 **ARTICLE 20**

333.28 **FORECAST ADJUSTMENTS**

333.29 **A. GENERAL EDUCATION**

333.30 Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision  
 333.31 4, is amended to read:

333.32 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
 333.33 127A.49:

334.1                    ~~2,740,000~~  
 334.2            \$        3,051,000        ..... 2016  
 334.3                    ~~2,932,000~~  
 334.4            \$        3,425,000        ..... 2017

334.5            The 2016 appropriation includes \$278,000 for 2015 and ~~\$2,462,000~~ \$2,773,000  
 334.6 for 2016.

334.7            The 2017 appropriation includes ~~\$273,000~~ \$308,000 for 2016 and ~~\$2,659,000~~  
 334.8 \$3,117,000 for 2017.

334.9            Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5,  
 334.10 is amended to read:

334.11            Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
 334.12 Statutes, section 123A.485:

334.13                    ~~292,000~~  
 334.14            \$        22,000        ..... 2016  
 334.15                    ~~165,000~~  
 334.16            \$            0        ..... 2017

334.17            The 2016 appropriation includes \$22,000 for 2015 and ~~\$270,000~~ \$0 for 2016.

334.18            The 2017 appropriation includes ~~\$30,000~~ \$0 for 2016 and ~~\$135,000~~ \$0 for 2017.

334.19            Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6,  
 334.20 is amended to read:

334.21            Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
 334.22 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

334.23                    ~~16,881,000~~  
 334.24            \$        16,759,000        ..... 2016  
 334.25                    ~~17,460,000~~  
 334.26            \$        17,235,000        ..... 2017

334.27            The 2016 appropriation includes \$1,575,000 for 2015 and ~~\$15,306,000~~ \$15,184,000  
 334.28 for 2016.

334.29            The 2017 appropriation includes ~~\$1,700,000~~ \$1,687,000 for 2016 and ~~\$15,760,000~~  
 334.30 \$15,548,000 for 2017.

334.31            Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7,  
 334.32 is amended to read:

334.33            Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid  
 334.34 under Minnesota Statutes, section 123B.92, subdivision 9:

335.1 ~~17,654,000~~  
 335.2 \$ 17,673,000 ..... 2016  
 335.3 ~~17,792,000~~  
 335.4 \$ 18,103,000 ..... 2017

335.5 The 2016 appropriation includes \$1,816,000 for 2015 and ~~\$15,838,000~~ \$15,857,000  
 335.6 for 2016.

335.7 The 2017 appropriation includes ~~\$1,759,000~~ \$1,761,000 for 2016 and ~~\$16,033,000~~  
 335.8 \$16,342,000 for 2017.

335.9 Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9,  
 335.10 is amended to read:

335.11 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota  
 335.12 Statutes, section 124D.4531, subdivision 1b:

335.13 ~~5,420,000~~  
 335.14 \$ 5,922,000 ..... 2016  
 335.15 ~~4,405,000~~  
 335.16 \$ 4,262,000 ..... 2017

335.17 The 2016 appropriation includes \$574,000 for 2015 and ~~\$4,846,000~~ \$5,348,000  
 335.18 for 2016.

335.19 The 2017 appropriation includes ~~\$538,000~~ \$517,000 for 2016 and ~~\$3,867,000~~  
 335.20 \$3,745,000 for 2017.

## 335.21 **B. EDUCATION EXCELLENCE**

335.22 Sec. 6. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4,  
 335.23 is amended to read:

335.24 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota  
 335.25 Statutes, section 124D.98:

335.26 ~~44,552,000~~  
 335.27 \$ 44,538,000 ..... 2016  
 335.28 ~~45,508,000~~  
 335.29 \$ 45,855,000 ..... 2017

335.30 The 2016 appropriation includes \$4,683,000 for 2015 and ~~\$39,869,000~~ \$39,855,000  
 335.31 for 2016.

335.32 The 2017 appropriation includes ~~\$4,429,000~~ \$4,428,000 for 2016 and ~~\$41,079,000~~  
 335.33 \$41,427,000 for 2017.

336.1 Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5,  
336.2 is amended to read:

336.3 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For  
336.4 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
336.5 section 124D.87:

336.6		<del>15,023,000</del>		
336.7	\$	<u>14,423,000</u>	.....	2016
336.8		<del>15,825,000</del>		
336.9	\$	<u>15,193,000</u>	.....	2017

336.10 Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7,  
336.11 is amended to read:

336.12 Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota  
336.13 Statutes, section 124D.83:

336.14		<del>4,340,000</del>		
336.15	\$	<u>3,539,000</u>	.....	2016
336.16		<del>5,090,000</del>		
336.17	\$	<u>3,715,000</u>	.....	2017

336.18 The 2016 appropriation includes \$204,000 for 2015 and ~~\$4,136,000~~ \$3,335,000  
336.19 for 2016.

336.20 The 2017 appropriation includes ~~\$459,000~~ \$370,000 for 2016 and ~~\$4,631,000~~  
336.21 \$3,345,000 for 2017.

336.22 Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision  
336.23 11, is amended to read:

336.24 Subd. 11. **American Indian education aid.** For American Indian education aid  
336.25 under Minnesota Statutes, section 124D.81, subdivision 2a:

336.26		<del>7,868,000</del>		
336.27	\$	<u>7,740,000</u>	.....	2016
336.28		<del>8,875,000</del>		
336.29	\$	<u>8,878,000</u>	.....	2017

336.30 The 2016 appropriation includes \$0 for 2015 and ~~\$7,868,000~~ \$7,740,000 for 2016.

336.31 The 2017 appropriation includes ~~\$874,000~~ \$860,000 for 2016 and ~~\$8,001,000~~  
336.32 \$8,018,000 for 2017.

### 336.33 C. SPECIAL PROGRAMS

336.34 Sec. 10. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision  
336.35 3, is amended to read:



337.1 Subd. 3. **Travel for home-based services.** For aid for teacher travel for home-based  
337.2 services under Minnesota Statutes, section 125A.75, subdivision 1:

337.3		<del>361,000</del>		
337.4	\$	<u>416,000</u>	.....	2016
337.5		<del>371,000</del>		
337.6	\$	<u>435,000</u>	.....	2017

337.7 The 2016 appropriation includes \$35,000 for 2015 and ~~\$326,000~~ \$381,000 for 2016.

337.8 The 2017 appropriation includes ~~\$36,000~~ \$42,000 for 2016 and ~~\$335,000~~ \$393,000  
337.9 for 2017.

337.10 Sec. 11. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision  
337.11 5, is amended to read:

337.12 Subd. 5. **Aid for children with disabilities.** For aid under Minnesota Statutes,  
337.13 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities  
337.14 within the district boundaries for whom no district of residence can be determined:

337.15		<del>1,406,000</del>		
337.16	\$	<u>1,307,000</u>	.....	2016
337.17		<del>1,629,000</del>		
337.18	\$	<u>1,516,000</u>	.....	2017

337.19 If the appropriation for either year is insufficient, the appropriation for the other  
337.20 year is available.

#### 337.21 D. FACILITIES AND TECHNOLOGY

337.22 Sec. 12. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
337.23 3, is amended to read:

337.24 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota  
337.25 Statutes, section 123B.53, subdivision 6:

337.26	\$	20,349,000	.....	2016
337.27		<del>22,171,000</del>		
337.28	\$	<u>22,926,000</u>	.....	2017

337.29 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

337.30 The 2017 appropriation includes \$2,005,000 for 2016 and ~~\$20,166,000~~ \$20,921,000  
337.31 for 2017.

337.32 Sec. 13. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
337.33 6, is amended to read:

338.1 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to  
 338.2 Minnesota Statutes, section 123B.591, subdivision 4:

338.3		<del>3,520,000</del>		
338.4	\$	<u>3,523,000</u>	.....	2016
338.5	\$	345,000	.....	2017

338.6 The 2016 appropriation includes \$409,000 for 2015 and ~~\$3,111,000~~ \$3,114,000  
 338.7 for 2016.

338.8 The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

338.9 Sec. 14. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision  
 338.10 7, is amended to read:

338.11 Subd. 7. **Health and safety revenue.** For health and safety aid according to  
 338.12 Minnesota Statutes, section 123B.57, subdivision 5:

338.13		<del>501,000</del>		
338.14	\$	<u>588,000</u>	.....	2016
338.15		<del>48,000</del>		
338.16	\$	<u>57,000</u>	.....	2017

338.17 The 2016 appropriation includes \$66,000 for 2015 and ~~\$435,000~~ \$522,000 for 2016.

338.18 The 2017 appropriation includes ~~\$48,000~~ \$57,000 for 2016 and \$0 for 2017.

#### 338.19 E. NUTRITION

338.20 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 4,  
 338.21 is amended to read:

338.22 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,  
 338.23 section 124D.118:

338.24		<del>942,000</del>		
338.25	\$	<u>788,000</u>	.....	2016
338.26		<del>942,000</del>		
338.27	\$	<u>788,000</u>	.....	2017

#### 338.28 F. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, 338.29 AND LIFELONG LEARNING

338.30 Sec. 16. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 5,  
 338.31 is amended to read:

338.32 Subd. 5. **Early childhood family education aid.** For early childhood family  
 338.33 education aid under Minnesota Statutes, section 124D.135:

339.1                    ~~28,444,000~~  
 339.2            \$        27,948,000        ..... 2016  
 339.3                    ~~29,939,000~~  
 339.4            \$        29,336,000        ..... 2017

339.5            The 2016 appropriation includes \$2,713,000 for 2015 and ~~\$25,731,000~~ \$25,235,000  
 339.6 for 2016.

339.7            The 2017 appropriation includes ~~\$2,858,000~~ \$2,803,000 for 2016 and ~~\$27,081,000~~  
 339.8 \$26,533,000 for 2017.

339.9            Sec. 17. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 6,  
 339.10 is amended to read:

339.11            Subd. 6. **Developmental screening aid.** For developmental screening aid under  
 339.12 Minnesota Statutes, sections 121A.17 and 121A.19:

339.13                    ~~3,363,000~~  
 339.14            \$        3,477,000        ..... 2016  
 339.15                    ~~3,369,000~~  
 339.16            \$        3,488,000        ..... 2017

339.17            The 2016 appropriation includes \$338,000 for 2015 and ~~\$3,025,000~~ \$3,139,000  
 339.18 for 2016.

339.19            The 2017 appropriation includes ~~\$336,000~~ \$348,000 for 2016 and ~~\$3,033,000~~  
 339.20 \$3,140,000 for 2017.

339.21            Sec. 18. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision  
 339.22 2, is amended to read:

339.23            Subd. 2. **Community education aid.** For community education aid under  
 339.24 Minnesota Statutes, section 124D.20:

339.25                    ~~788,000~~  
 339.26            \$        790,000        ..... 2016  
 339.27                    ~~554,000~~  
 339.28            \$        553,000        ..... 2017

339.29            The 2016 appropriation includes \$107,000 for 2015 and ~~\$681,000~~ \$683,000 for 2016.

339.30            The 2017 appropriation includes \$75,000 for 2016 and ~~\$479,000~~ \$478,000 for 2017.

339.31            Sec. 19. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision  
 339.32 2, is amended to read:

339.33            Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
 339.34 Statutes, section 124D.531:

340.1                    ~~49,118,000~~  
 340.2                 \$     48,231,000     ..... 2016  
 340.3                    ~~50,592,000~~  
 340.4                 \$     49,683,000     ..... 2017

340.5                 The 2016 appropriation includes \$4,782,000 for 2015 and ~~\$44,336,000~~ \$43,449,000  
 340.6                 for 2016.

340.7                 The 2017 appropriation includes ~~\$4,926,000~~ \$4,827,000 for 2016 and ~~\$45,666,000~~  
 340.8                 \$44,856,000 for 2017.

## 340.9                    ARTICLE 21

### 340.10                  CHILDREN AND FAMILIES

340.11                Section 1. Minnesota Statutes 2014, section 119B.13, subdivision 1, is amended to read:

340.12                Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~February 3, 2014~~ January 2,  
 340.13                2017, the maximum rate paid for child care assistance in any county or county price  
 340.14                cluster under the child care fund shall be the ~~greater of the 25th percentile of the 2011~~  
 340.15                ~~child care provider rate survey or the maximum rate effective November 28, 2011~~ rate  
 340.16                for like-care arrangements effective February 3, 2014, increased by seven percent. The  
 340.17                commissioner may: (1) assign a county with no reported provider prices to a similar price  
 340.18                cluster; and (2) consider county level access when determining final price clusters.

340.19                (b) A rate which includes a special needs rate paid under subdivision 3 may be in  
 340.20                excess of the maximum rate allowed under this subdivision.

340.21                (c) The department shall monitor the effect of this paragraph on provider rates. The  
 340.22                county shall pay the provider's full charges for every child in care up to the maximum  
 340.23                established. The commissioner shall determine the maximum rate for each type of care  
 340.24                on an hourly, full-day, and weekly basis, including special needs and disability care. The  
 340.25                maximum payment to a provider for one day of care must not exceed the daily rate. The  
 340.26                maximum payment to a provider for one week of care must not exceed the weekly rate.

340.27                (d) Child care providers receiving reimbursement under this chapter must not be  
 340.28                paid activity fees or an additional amount above the maximum rates for care provided  
 340.29                during nonstandard hours for families receiving assistance.

340.30                (e) When the provider charge is greater than the maximum provider rate allowed,  
 340.31                the parent is responsible for payment of the difference in the rates in addition to any  
 340.32                family co-payment fee.

340.33                (f) All maximum provider rates changes shall be implemented on the Monday  
 340.34                following the effective date of the maximum provider rate.

341.1 (g) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum  
341.2 registration fees in effect on January 1, 2013, shall remain in effect.

341.3 Sec. 2. Minnesota Statutes 2014, section 145.4716, subdivision 2, is amended to read:

341.4 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is  
341.5 responsible for the following:

341.6 (1) developing and providing comprehensive training on sexual exploitation of  
341.7 youth for social service professionals, medical professionals, public health workers, and  
341.8 criminal justice professionals;

341.9 (2) collecting, organizing, maintaining, and disseminating information on sexual  
341.10 exploitation and services across the state, including maintaining a list of resources on the  
341.11 Department of Health Web site;

341.12 (3) monitoring and applying for federal funding for antitrafficking efforts that may  
341.13 benefit victims in the state;

341.14 (4) managing grant programs established under sections 145.4716 to 145.4718,  
341.15 and 609.3241, paragraph (c), clause (3);

341.16 (5) managing the request for proposals for grants for comprehensive services,  
341.17 including trauma-informed, culturally specific services;

341.18 (6) identifying best practices in serving sexually exploited youth, as defined in  
341.19 section 260C.007, subdivision 31;

341.20 (7) providing oversight of and technical support to regional navigators pursuant to  
341.21 section 145.4717;

341.22 (8) conducting a comprehensive evaluation of the statewide program for safe harbor  
341.23 of sexually exploited youth; and

341.24 (9) developing a policy consistent with the requirements of chapter 13 for sharing  
341.25 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,  
341.26 among regional navigators and community-based advocates.

341.27 Sec. 3. Minnesota Statutes 2014, section 145.4716, is amended by adding a subdivision  
341.28 to read:

341.29 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be  
341.30 eligible for all services, support, and programs provided under this section and section  
341.31 145.4717, and all shelter, housing beds, and services provided by the commissioner of  
341.32 human services to sexually exploited youth and youth at risk of sexual exploitation.

341.33 Sec. 4. Minnesota Statutes 2014, section 245A.10, subdivision 2, is amended to read:

342.1 Subd. 2. **County fees for background studies and licensing inspections.** (a)  
342.2 Before the implementation of NETStudy 2.0, for purposes of family and group family  
342.3 child care licensing under this chapter, a county agency may charge a fee to an applicant  
342.4 or license holder to recover the actual cost of background studies, but in any case not to  
342.5 exceed \$100 annually. A county agency may also charge a license fee to an applicant or  
342.6 license holder not to exceed \$50 for a one-year license or \$100 for a two-year license.

342.7 (b) Before the implementation of NETStudy 2.0, a county agency may charge a fee  
342.8 to a legal nonlicensed child care provider or applicant for authorization to recover the  
342.9 actual cost of background studies completed under section 119B.125, but in any case not  
342.10 to exceed \$100 annually.

342.11 (c) Counties may elect to reduce or waive the fees in paragraph (a) or (b):

342.12 (1) in cases of financial hardship;

342.13 (2) if the county has a shortage of providers in the county's area;

342.14 (3) for new providers; or

342.15 (4) for providers who have attained at least 16 hours of training before seeking  
342.16 initial licensure.

342.17 (d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on  
342.18 an installment basis for up to one year. If the provider is receiving child care assistance  
342.19 payments from the state, the provider may have the fees under paragraph (a) or (b)  
342.20 deducted from the child care assistance payments for up to one year and the state shall  
342.21 reimburse the county for the county fees collected in this manner.

342.22 (e) For purposes of adult foster care and child foster care licensing, and licensing  
342.23 the physical plant of a community residential setting, under this chapter, a county agency  
342.24 may charge a fee to a corporate applicant or corporate license holder to recover the actual  
342.25 cost of licensing inspections, not to exceed \$500 annually.

342.26 (f) Counties may elect to reduce or waive the fees in paragraph (e) under the  
342.27 following circumstances:

342.28 (1) in cases of financial hardship;

342.29 (2) if the county has a shortage of providers in the county's area; or

342.30 (3) for new providers.

342.31 Sec. 5. Minnesota Statutes 2014, section 245C.03, is amended by adding a subdivision  
342.32 to read:

342.33 Subd. 6a. **Nonlicensed child care programs.** Beginning October 1, 2017, the  
342.34 commissioner shall conduct background studies on any individual required under section  
342.35 119B.125 to have a background study completed under this chapter.

343.1 Sec. 6. Minnesota Statutes 2014, section 245C.04, subdivision 1, is amended to read:

343.2 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a  
343.3 background study of an individual required to be studied under section 245C.03,  
343.4 subdivision 1, at least upon application for initial license for all license types.

343.5 (b) Effective October 1, 2017, the commissioner shall conduct a background study  
343.6 of an individual required to be studied specified under section 245C.03, subdivision 1,  
343.7 who is newly affiliated with the license holder. at reapplication for a license for family  
343.8 child care. From October 1, 2017, to September 30, 2019, the commissioner shall conduct  
343.9 a background study of individuals required to be studied under section 245C.03, at the  
343.10 time of reapplication for a family child care license.

343.11 (1) The individual shall provide information required under section 245C.05,  
343.12 subdivision 1, paragraphs (a), (b), and (d), to the county agency.

343.13 (2) The county agency shall provide the commissioner with the information received  
343.14 under clause (1) to complete the background study.

343.15 (3) The background study conducted by the commissioner under this paragraph must  
343.16 include a review of the information required under section 245C.08.

343.17 (c) The commissioner is not required to conduct a study of an individual at the time  
343.18 of reapplication for a license if the individual's background study was completed by the  
343.19 commissioner of human services and the following conditions are met:

343.20 (1) a study of the individual was conducted either at the time of initial licensure or  
343.21 when the individual became affiliated with the license holder;

343.22 (2) the individual has been continuously affiliated with the license holder since  
343.23 the last study was conducted; and

343.24 (3) the last study of the individual was conducted on or after October 1, 1995.

343.25 (d) The commissioner of human services shall conduct a background study of an  
343.26 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)  
343.27 to (6), who is newly affiliated with a child foster care license holder. The county or  
343.28 private agency shall collect and forward to the commissioner the information required  
343.29 under section 245C.05, subdivisions 1 and 5. The background study conducted by the  
343.30 commissioner of human services under this paragraph must include a review of the  
343.31 information required under section 245C.08, subdivisions 1, 3, and 4.

343.32 (e) The commissioner shall conduct a background study of an individual specified  
343.33 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly  
343.34 affiliated with an adult foster care or family adult day services and effective October 1,  
343.35 2017, with a family child care license holder or a legal nonlicensed child care provider  
343.36 authorized under chapter 119B: (1) the county shall collect and forward to the commissioner

344.1 the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and  
344.2 subdivision 5, paragraphs (a) ~~and~~, (b), and (d), for background studies conducted by the  
344.3 commissioner for all family adult day services ~~and~~, for adult foster care when the adult  
344.4 foster care license holder resides in the adult foster care residence, and for family child care  
344.5 and legal nonlicensed child care authorized under chapter 119B; (2) the license holder shall  
344.6 collect and forward to the commissioner the information required under section 245C.05,  
344.7 subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background  
344.8 studies conducted by the commissioner for adult foster care when the license holder does  
344.9 not reside in the adult foster care residence; and (3) the background study conducted by  
344.10 the commissioner under this paragraph must include a review of the information required  
344.11 under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

344.12 (f) Applicants for licensure, license holders, and other entities as provided in this  
344.13 chapter must submit completed background study requests to the commissioner using the  
344.14 electronic system known as NETStudy before individuals specified in section 245C.03,  
344.15 subdivision 1, begin positions allowing direct contact in any licensed program.

344.16 (g) For an individual who is not on the entity's active roster, the entity must initiate a  
344.17 new background study through NETStudy when:

344.18 (1) an individual returns to a position requiring a background study following an  
344.19 absence of 120 or more consecutive days; or

344.20 (2) a program that discontinued providing licensed direct contact services for 120 or  
344.21 more consecutive days begins to provide direct contact licensed services again.

344.22 The license holder shall maintain a copy of the notification provided to  
344.23 the commissioner under this paragraph in the program's files. If the individual's  
344.24 disqualification was previously set aside for the license holder's program and the new  
344.25 background study results in no new information that indicates the individual may pose a  
344.26 risk of harm to persons receiving services from the license holder, the previous set-aside  
344.27 shall remain in effect.

344.28 (h) For purposes of this section, a physician licensed under chapter 147 is considered  
344.29 to be continuously affiliated upon the license holder's receipt from the commissioner of  
344.30 health or human services of the physician's background study results.

344.31 (i) For purposes of family child care, a substitute caregiver must receive repeat  
344.32 background studies at the time of each license renewal.

344.33 (j) A repeat background study at the time of license renewal is not required if the  
344.34 substitute caregiver's background study was completed by the commissioner on or after  
344.35 October 1, 2017, and the substitute caregiver is on the license holder's active roster  
344.36 in NETStudy 2.0.



345.1 Sec. 7. Minnesota Statutes 2014, section 245C.05, subdivision 2b, is amended to read:

345.2 Subd. 2b. **County agency to collect and forward information to commissioner.**

345.3 (a) For background studies related to all family adult day services and to adult foster care  
345.4 when the adult foster care license holder resides in the adult foster care residence, the  
345.5 county agency must collect the information required under subdivision 1 and forward it to  
345.6 the commissioner.

345.7 (b) Effective October 1, 2017, for background studies related to family child care  
345.8 and legal nonlicensed child care authorized under chapter 119B, the county agency must  
345.9 collect the information required under subdivision 1 and provide it to the commissioner.

345.10 Sec. 8. Minnesota Statutes 2014, section 245C.05, subdivision 4, is amended to read:

345.11 Subd. 4. **Electronic transmission.** (a) For background studies conducted by the  
345.12 Department of Human Services, the commissioner shall implement a secure system for the  
345.13 electronic transmission of:

345.14 (1) background study information to the commissioner;

345.15 (2) background study results to the license holder;

345.16 (3) background study results to county and private agencies for background studies  
345.17 conducted by the commissioner for child foster care; and

345.18 (4) background study results to county agencies for background studies conducted by  
345.19 the commissioner for adult foster care and family adult day services and, effective October  
345.20 1, 2017, family child care and legal nonlicensed child care authorized under chapter 119B.

345.21 (b) Unless the commissioner has granted a hardship variance under paragraph (c),  
345.22 a license holder or an applicant must use the electronic transmission system known  
345.23 as NETStudy or NETStudy 2.0 to submit all requests for background studies to the  
345.24 commissioner as required by this chapter.

345.25 (c) A license holder or applicant whose program is located in an area in which  
345.26 high-speed Internet is inaccessible may request the commissioner to grant a variance to  
345.27 the electronic transmission requirement.

345.28 Sec. 9. Minnesota Statutes 2014, section 245C.05, subdivision 7, is amended to read:

345.29 Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or  
345.30 corrections agent shall notify the commissioner of an individual's conviction if the  
345.31 individual:

345.32 (1) has been affiliated with a program or facility regulated by the Department of  
345.33 Human Services or Department of Health, a facility serving children or youth licensed by

346.1 the Department of Corrections, or any type of home care agency or provider of personal  
346.2 care assistance services within the preceding year; and

346.3 (2) has been convicted of a crime constituting a disqualification under section  
346.4 245C.14.

346.5 (b) For the purpose of this subdivision, "conviction" has the meaning given it  
346.6 in section 609.02, subdivision 5.

346.7 (c) The commissioner, in consultation with the commissioner of corrections, shall  
346.8 develop forms and information necessary to implement this subdivision and shall provide  
346.9 the forms and information to the commissioner of corrections for distribution to local  
346.10 probation officers and corrections agents.

346.11 (d) The commissioner shall inform individuals subject to a background study that  
346.12 criminal convictions for disqualifying crimes ~~will~~ shall be reported to the commissioner  
346.13 by the corrections system.

346.14 (e) A probation officer, corrections agent, or corrections agency is not civilly or  
346.15 criminally liable for disclosing or failing to disclose the information required by this  
346.16 subdivision.

346.17 (f) Upon receipt of disqualifying information, the commissioner shall provide the  
346.18 notice required under section 245C.17, as appropriate, to agencies on record as having  
346.19 initiated a background study or making a request for documentation of the background  
346.20 study status of the individual.

346.21 (g) This subdivision does not apply to family child care programs for individuals  
346.22 whose background study was completed in NETStudy 2.0.

346.23 Sec. 10. Minnesota Statutes 2015 Supplement, section 245C.08, subdivision 1, is  
346.24 amended to read:

346.25 Subdivision 1. **Background studies conducted by Department of Human**  
346.26 **Services.** (a) For a background study conducted by the Department of Human Services,  
346.27 including background studies conducted effective October 1, 2017, on legal nonlicensed  
346.28 child care providers authorized under chapter 119B, the commissioner shall review:

346.29 (1) information related to names of substantiated perpetrators of maltreatment of  
346.30 vulnerable adults that has been received by the commissioner as required under section  
346.31 626.557, subdivision 9c, paragraph (j);

346.32 (2) the commissioner's records relating to the maltreatment of minors in licensed  
346.33 programs, and from findings of maltreatment of minors as indicated through the social  
346.34 service information system;

347.1 (3) information from juvenile courts as required in subdivision 4 for individuals  
347.2 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

347.3 (4) information from the Bureau of Criminal Apprehension, including information  
347.4 regarding a background study subject's registration in Minnesota as a predatory offender  
347.5 under section 243.166;

347.6 (5) except as provided in clause (6), information from the national crime information  
347.7 system when the commissioner has reasonable cause as defined under section 245C.05,  
347.8 subdivision 5, or as required under section 144.057, subdivision 1, clause (2); and

347.9 (6) for a background study related to a child foster care application for licensure, a  
347.10 transfer of permanent legal and physical custody of a child under sections 260C.503 to  
347.11 260C.515, or adoptions, the commissioner shall also review:

347.12 (i) information from the child abuse and neglect registry for any state in which the  
347.13 background study subject has resided for the past five years; and

347.14 (ii) information from national crime information databases, when the background  
347.15 study subject is 18 years of age or older.

347.16 (b) Notwithstanding expungement by a court, the commissioner may consider  
347.17 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner  
347.18 received notice of the petition for expungement and the court order for expungement is  
347.19 directed specifically to the commissioner.

347.20 (c) The commissioner shall also review criminal case information received according  
347.21 to section 245C.04, subdivision 4a, from the Minnesota court information system that  
347.22 relates to individuals who have already been studied under this chapter and who remain  
347.23 affiliated with the agency that initiated the background study.

347.24 (d) When the commissioner has reasonable cause to believe that the identity of  
347.25 a background study subject is uncertain, the commissioner may require the subject to  
347.26 provide a set of classifiable fingerprints for purposes of completing a fingerprint-based  
347.27 record check with the Bureau of Criminal Apprehension. Fingerprints collected under this  
347.28 paragraph shall not be saved by the commissioner after they have been used to verify the  
347.29 identity of the background study subject against the particular criminal record in question.

347.30 (e) The commissioner may inform the entity that initiated a background study under  
347.31 NETStudy 2.0 of the status of processing of the subject's fingerprints.

347.32 Sec. 11. Minnesota Statutes 2014, section 245C.08, subdivision 2, is amended to read:

347.33 Subd. 2. **Background studies conducted by a county agency for family child**  
347.34 **care.** (a) Prior to the implementation of NETStudy 2.0, for a background study studies  
347.35 conducted by a county agency for family child care services, including background studies

348.1 conducted in connection with legal nonlicensed child care authorized under chapter 119B,  
348.2 the commissioner shall review:

348.3 (1) information from the county agency's record of substantiated maltreatment  
348.4 of adults and the maltreatment of minors;

348.5 (2) information from juvenile courts as required in subdivision 4 for:

348.6 (i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages  
348.7 13 through 23 living in the household where the licensed services will be provided; and  
348.8 (ii) any other individual listed under section 245C.03, subdivision 1, when there  
348.9 is reasonable cause; and

348.10 (3) information from the Bureau of Criminal Apprehension.

348.11 (b) If the individual has resided in the county for less than five years, the study shall  
348.12 include the records specified under paragraph (a) for the previous county or counties of  
348.13 residence for the past five years.

348.14 (c) Notwithstanding expungement by a court, the county agency may consider  
348.15 information obtained under paragraph (a), clause (3), unless the commissioner received  
348.16 notice of the petition for expungement and the court order for expungement is directed  
348.17 specifically to the commissioner.

348.18 Sec. 12. Minnesota Statutes 2014, section 245C.08, subdivision 4, is amended to read:

348.19 Subd. 4. **Juvenile court records.** (a) For a background study conducted by the  
348.20 Department of Human Services, the commissioner shall review records from the juvenile  
348.21 courts for an individual studied under section 245C.03, subdivision 1, paragraph (a), when  
348.22 the commissioner has reasonable cause.

348.23 (b) For a background study conducted by a county agency for family child care prior  
348.24 to the implementation of NETStudy 2.0, the commissioner shall review records from the  
348.25 juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13  
348.26 through 23 living in the household where the licensed services will be provided. The  
348.27 commissioner shall also review records from juvenile courts for any other individual listed  
348.28 under section 245C.03, subdivision 1, when the commissioner has reasonable cause.

348.29 (c) The juvenile courts shall help with the study by giving the commissioner existing  
348.30 juvenile court records relating to delinquency proceedings held on individuals described in  
348.31 section 245C.03, subdivision 1, paragraph (a), when requested pursuant to this subdivision.

348.32 (d) For purposes of this chapter, a finding that a delinquency petition is proven in  
348.33 juvenile court shall be considered a conviction in state district court.

349.1 (e) Juvenile courts shall provide orders of involuntary and voluntary termination of  
349.2 parental rights under section 260C.301 to the commissioner upon request for purposes of  
349.3 conducting a background study under this chapter.

349.4 Sec. 13. Minnesota Statutes 2014, section 245C.11, subdivision 3, is amended to read:

349.5 Subd. 3. **Criminal history data.** County agencies shall have access to the criminal  
349.6 history data in the same manner as county licensing agencies under this chapter for  
349.7 purposes of background studies completed prior to the implementation of NETStudy 2.0  
349.8 by county agencies on legal nonlicensed child care providers to determine eligibility  
349.9 for child care funds under chapter 119B.

349.10 Sec. 14. Minnesota Statutes 2014, section 245C.17, subdivision 6, is amended to read:

349.11 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to  
349.12 provide adult foster care and family adult day services and, effective October 1, 2017,  
349.13 family child care and legal nonlicensed child care authorized under chapter 119B, the  
349.14 commissioner shall also provide a notice of the background study results to the county  
349.15 agency that initiated the background study.

349.16 Sec. 15. Minnesota Statutes 2014, section 245C.23, subdivision 2, is amended to read:

349.17 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The  
349.18 commissioner shall notify the license holder of the disqualification and order the license  
349.19 holder to immediately remove the individual from any position allowing direct contact  
349.20 with persons receiving services from the license holder if:

349.21 (1) the individual studied does not submit a timely request for reconsideration  
349.22 under section 245C.21;

349.23 (2) the individual submits a timely request for reconsideration, but the commissioner  
349.24 does not set aside the disqualification for that license holder under section 245C.22, unless  
349.25 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

349.26 (3) an individual who has a right to request a hearing under sections 245C.27 and  
349.27 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does  
349.28 not request a hearing within the specified time; or

349.29 (4) an individual submitted a timely request for a hearing under sections 245C.27  
349.30 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the  
349.31 disqualification under section 245A.08, subdivision 5, or 256.045.

349.32 (b) If the commissioner does not set aside the disqualification under section 245C.22,  
349.33 and the license holder was previously ordered under section 245C.17 to immediately

350.1 remove the disqualified individual from direct contact with persons receiving services or  
 350.2 to ensure that the individual is under continuous, direct supervision when providing direct  
 350.3 contact services, the order remains in effect pending the outcome of a hearing under  
 350.4 sections 245C.27 and 256.045, or 245C.28 and chapter 14.

350.5 (c) If the commissioner does not set aside the disqualification under section 245C.22,  
 350.6 and the license holder was not previously ordered under section 245C.17 to immediately  
 350.7 remove the disqualified individual from direct contact with persons receiving services or  
 350.8 to ensure that the individual is under continuous direct supervision when providing direct  
 350.9 contact services, the commissioner shall order the individual to remain under continuous  
 350.10 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,  
 350.11 or 245C.28 and chapter 14.

350.12 (d) For background studies related to child foster care, the commissioner shall  
 350.13 also notify the county or private agency that initiated the study of the results of the  
 350.14 reconsideration.

350.15 (e) For background studies related to family child care, adult foster care, and family  
 350.16 adult day services, the commissioner shall also notify the county that initiated the study of  
 350.17 the results of the reconsideration.

350.18 Sec. 16. Minnesota Statutes 2015 Supplement, section 256M.41, subdivision 3,  
 350.19 is amended to read:

350.20 Subd. 3. **Payments based on performance.** (a) The commissioner shall make  
 350.21 payments under this section to each county board on a calendar year basis in an amount  
 350.22 determined under paragraph (b).

350.23 (b) Calendar year allocations under subdivision 1 shall be paid to counties in the  
 350.24 following manner:

350.25 (1) 80 percent of the allocation as determined in subdivision 1 must be paid to  
 350.26 counties on or before July 10 of each year;

350.27 (2) ten percent of the allocation shall be withheld until the commissioner determines  
 350.28 if the county has met the performance outcome threshold of 90 percent based on  
 350.29 face-to-face contact with alleged child victims. In order to receive the performance  
 350.30 allocation, the county child protection workers must have a timely face-to-face contact  
 350.31 with at least 90 percent of all alleged child victims of screened-in maltreatment reports.  
 350.32 The standard requires that each initial face-to-face contact occur consistent with timelines  
 350.33 defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make  
 350.34 threshold determinations in ~~January~~ February of each year and payments to counties  
 350.35 meeting the performance outcome threshold shall occur in ~~February~~ March of each year.

351.1 Any withheld funds from this appropriation for counties that do not meet this requirement  
 351.2 shall be reallocated by the commissioner to those counties meeting the requirement; and

351.3 (3) ten percent of the allocation shall be withheld until the commissioner determines  
 351.4 that the county has met the performance outcome threshold of 90 percent based on  
 351.5 face-to-face visits by the case manager. In order to receive the performance allocation, the  
 351.6 total number of visits made by caseworkers on a monthly basis to children in foster care  
 351.7 ~~and children receiving child protection services while residing in their home~~ must be at  
 351.8 least 90 percent of the total number of such visits that would occur if every child were  
 351.9 visited once per month. The commissioner shall make such determinations in ~~January~~  
 351.10 February of each year and payments to counties meeting the performance outcome  
 351.11 threshold shall occur in ~~February~~ March of each year. Any withheld funds from this  
 351.12 appropriation for counties that do not meet this requirement shall be reallocated by the  
 351.13 commissioner to those counties meeting the requirement. ~~For 2015, the commissioner~~  
 351.14 ~~shall only apply the standard for monthly foster care visits.~~

351.15 (c) The commissioner shall work with stakeholders and the Human Services  
 351.16 Performance Council under section 402A.16 to develop recommendations for specific  
 351.17 outcome measures that counties should meet in order to receive funds withheld under  
 351.18 paragraph (b), and include in those recommendations a determination as to whether  
 351.19 the performance measures under paragraph (b) should be modified or phased out. The  
 351.20 commissioner shall report the recommendations to the legislative committees having  
 351.21 jurisdiction over child protection issues by January 1, 2018.

351.22 **EFFECTIVE DATE.** This section is effective July 1, 2016, for allocations made in  
 351.23 fiscal year 2017 using calendar year 2016 data.

351.24 Sec. 17. Minnesota Statutes 2014, section 256N.26, subdivision 3, is amended to read:

351.25 Subd. 3. **Basic monthly rate.** From ~~January 1, 2015~~ July 1, 2016, to June 30, ~~2016~~  
 351.26 2017, the basic monthly rate must be according to the following schedule:

351.27	Ages 0-5	<del>\$565</del> <u>\$650</u> per month
351.28	Ages 6-12	<del>\$670</del> <u>\$770</u> per month
351.29	Ages 13 and older	<del>\$790</del> <u>\$910</u> per month

351.30 Sec. 18. Minnesota Statutes 2015 Supplement, section 256P.06, subdivision 3, is  
 351.31 amended to read:

351.32 Subd. 3. **Income inclusions.** The following must be included in determining the  
 351.33 income of an assistance unit:

351.34 (1) earned income; and

- 352.1 (2) unearned income, which includes:
- 352.2 (i) interest and dividends from investments and savings;
- 352.3 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
- 352.4 property;
- 352.5 (iii) proceeds from rent and contract for deed payments in excess of the principal
- 352.6 and interest portion owed on property;
- 352.7 (iv) income from trusts, excluding special needs and supplemental needs trusts;
- 352.8 (v) interest income from loans made by the participant or household;
- 352.9 (vi) cash prizes and winnings;
- 352.10 (vii) unemployment insurance income;
- 352.11 (viii) retirement, survivors, and disability insurance payments;
- 352.12 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
- 352.13 purpose for which it is intended. Income and use of this income is subject to verification
- 352.14 requirements under section 256P.04;
- 352.15 (x) retirement benefits;
- 352.16 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
- 352.17 256I, and 256J;
- 352.18 (xii) tribal per capita payments unless excluded by federal and state law;
- 352.19 (xiii) income and payments from service and rehabilitation programs that meet
- 352.20 or exceed the state's minimum wage rate;
- 352.21 (xiv) income from members of the United States armed forces unless excluded from
- 352.22 income taxes according to federal or state law;
- 352.23 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;
- 352.24 (xvi) the amount of ~~current~~ child support received that exceeds \$100 for assistance
- 352.25 units with one child and \$200 for assistance units with two or more children for programs
- 352.26 under chapter 256J; and
- 352.27 (xvii) spousal support.

352.28 Sec. 19. **[260C.125] CASE TRANSFER PROCESS.**

352.29 **Subdivision 1. Purpose.** This section pertains to the transfer of responsibility for

352.30 the placement and care of an Indian child in out-of-home placement from the responsible

352.31 social services agency to a tribal title IV-E agency or an Indian tribe in and outside of

352.32 Minnesota with a title IV-E agreement.

352.33 **Subd. 2. Establishment of transfer procedures.** The responsible social services

352.34 agency shall establish and maintain procedures, in consultation with Indian tribes, for the



353.1 transfer of responsibility for placement and care of a child to a tribal agency. Transfer of a  
 353.2 child's case under this section shall not affect the child's title IV-E and Medicaid eligibility.

353.3 Subd. 3. **Title IV-E eligibility.** If a child's title IV-E eligibility has not been  
 353.4 determined by the responsible social services agency by the time of transfer, it shall be  
 353.5 established at the time of the transfer by the responsible social services agency.

353.6 Subd. 4. **Documentation and information.** Essential documents and information  
 353.7 shall be transferred to a tribal agency, including but not limited to:

353.8 (1) district court judicial determinations to the effect that continuation in the home  
 353.9 from which the child was removed would be contrary to the welfare of the child and that  
 353.10 reasonable efforts were made to ensure placement prevention and family reunification  
 353.11 pursuant to section 260.012;

353.12 (2) documentation related to the child's permanency proceeding under sections  
 353.13 260C.503 to 260C.521;

353.14 (3) documentation from the responsible social services agency related to the child's  
 353.15 title IV-E eligibility;

353.16 (4) documentation regarding the child's eligibility or potential eligibility for other  
 353.17 federal benefits;

353.18 (5) the child's case plan, developed pursuant to the Social Security Act, United  
 353.19 States Code, title 42, sections 675(1) and 675a, including health and education records  
 353.20 of the child pursuant to the Social Security Act, United States Code, title 42, section  
 353.21 675(1)(c); and section 260C.212, subdivision 1, and information; and

353.22 (6) documentation of the child's placement setting, including a copy of the most  
 353.23 recent provider's license.

353.24 Sec. 20. Minnesota Statutes 2015 Supplement, section 260C.203, is amended to read:

353.25 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

353.26 (a) Unless the court is conducting the reviews required under section 260C.202,  
 353.27 there shall be an administrative review of the out-of-home placement plan of each child  
 353.28 placed in foster care no later than 180 days after the initial placement of the child in foster  
 353.29 care and at least every six months thereafter if the child is not returned to the home of the  
 353.30 parent or parents within that time. The out-of-home placement plan must be monitored and  
 353.31 updated at each administrative review. The administrative review shall be conducted by  
 353.32 the responsible social services agency using a panel of appropriate persons at least one of  
 353.33 whom is not responsible for the case management of, or the delivery of services to, either  
 353.34 the child or the parents who are the subject of the review. The administrative review shall  
 353.35 be open to participation by the parent or guardian of the child and the child, as appropriate.

354.1 (b) As an alternative to the administrative review required in paragraph (a), the court  
 354.2 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection  
 354.3 Procedure, conduct a hearing to monitor and update the out-of-home placement plan  
 354.4 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph  
 354.5 (d). The party requesting review of the out-of-home placement plan shall give parties to  
 354.6 the proceeding notice of the request to review and update the out-of-home placement  
 354.7 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;  
 354.8 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the  
 354.9 requirement for the review so long as the other requirements of this section are met.

354.10 (c) As appropriate to the stage of the proceedings and relevant court orders, the  
 354.11 responsible social services agency or the court shall review:

- 354.12 (1) the safety, permanency needs, and well-being of the child;
- 354.13 (2) the continuing necessity for and appropriateness of the placement;
- 354.14 (3) the extent of compliance with the out-of-home placement plan;
- 354.15 (4) the extent of progress that has been made toward alleviating or mitigating the  
 354.16 causes necessitating placement in foster care;
- 354.17 (5) the projected date by which the child may be returned to and safely maintained in  
 354.18 the home or placed permanently away from the care of the parent or parents or guardian; and  
 354.19 (6) the appropriateness of the services provided to the child.

354.20 (d) When a child is age 14 or older;

- 354.21 (1) in addition to any administrative review conducted by the responsible social  
 354.22 services agency, at the in-court review required under section 260C.317, subdivision  
 354.23 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent  
 354.24 living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12),  
 354.25 and the provision of services to the child related to the well-being of the child as the  
 354.26 child prepares to leave foster care. The review shall include the actual plans related to  
 354.27 each item in the plan necessary to the child's future safety and well-being when the child  
 354.28 is no longer in foster care; and

354.29 ~~(e) At the court review required under paragraph (d) for a child age 14 or older,~~  
 354.30 ~~the following procedures apply:~~

- 354.31 ~~(1) six months before the child is expected to be discharged from foster care, the~~  
 354.32 ~~responsible social services agency shall give the written notice required under section~~  
 354.33 ~~260C.451, subdivision 1, regarding the right to continued access to services for certain~~  
 354.34 ~~children in foster care past age 18 and of the right to appeal a denial of social services~~  
 354.35 ~~under section 256.045. The agency shall file a copy of the notice, including the right to~~

355.1 ~~appeal a denial of social services, with the court. If the agency does not file the notice by~~  
355.2 ~~the time the child is age 17-1/2, the court shall require the agency to give it;~~

355.3 (2) consistent with the requirements of the independent living plan, the court shall  
355.4 review progress toward or accomplishment of the following goals:

355.5 (i) the child has obtained a high school diploma or its equivalent;

355.6 (ii) the child has completed a driver's education course or has demonstrated the  
355.7 ability to use public transportation in the child's community;

355.8 (iii) the child is employed or enrolled in postsecondary education;

355.9 (iv) the child has applied for and obtained postsecondary education financial aid for  
355.10 which the child is eligible;

355.11 (v) the child has health care coverage and health care providers to meet the child's  
355.12 physical and mental health needs;

355.13 (vi) the child has applied for and obtained disability income assistance for which  
355.14 the child is eligible;

355.15 (vii) the child has obtained affordable housing with necessary supports, which does  
355.16 not include a homeless shelter;

355.17 (viii) the child has saved sufficient funds to pay for the first month's rent and a  
355.18 damage deposit;

355.19 (ix) the child has an alternative affordable housing plan, which does not include a  
355.20 homeless shelter, if the original housing plan is unworkable;

355.21 (x) the child, if male, has registered for the Selective Service; and

355.22 (xi) the child has a permanent connection to a caring adult; ~~and.~~

355.23 ~~(3) the court shall ensure that the responsible agency in conjunction with the~~  
355.24 ~~placement provider assists the child in obtaining the following documents prior to the~~  
355.25 ~~child's leaving foster care: a Social Security card; the child's birth certificate; a state~~  
355.26 ~~identification card or driver's license, tribal enrollment identification card, green card, or~~  
355.27 ~~school visa; the child's school, medical, and dental records; a contact list of the child's~~  
355.28 ~~medical, dental, and mental health providers; and contact information for the child's~~  
355.29 ~~siblings, if the siblings are in foster care.~~

355.30 ~~(f) For a child who will be discharged from foster care at age 18 or older, the~~  
355.31 ~~responsible social services agency is required to develop a personalized transition plan as~~  
355.32 ~~directed by the youth. The transition plan must be developed during the 90-day period~~  
355.33 ~~immediately prior to the expected date of discharge. The transition plan must be as~~  
355.34 ~~detailed as the child may elect and include specific options on housing, health insurance,~~  
355.35 ~~education, local opportunities for mentors and continuing support services, and work force~~  
355.36 ~~supports and employment services. The agency shall ensure that the youth receives, at~~

356.1 ~~no cost to the youth, a copy of the youth's consumer credit report as defined in section~~  
356.2 ~~13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The~~  
356.3 ~~plan must include information on the importance of designating another individual to~~  
356.4 ~~make health care treatment decisions on behalf of the child if the child becomes unable~~  
356.5 ~~to participate in these decisions and the child does not have, or does not want, a relative~~  
356.6 ~~who would otherwise be authorized to make these decisions. The plan must provide the~~  
356.7 ~~child with the option to execute a health care directive as provided under chapter 145C.~~  
356.8 ~~The agency shall also provide the youth with appropriate contact information if the youth~~  
356.9 ~~needs more information or needs help dealing with a crisis situation through age 21.~~

356.10 Sec. 21. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 1,  
356.11 is amended to read:

356.12 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan  
356.13 shall be prepared within 30 days after any child is placed in foster care by court order or a  
356.14 voluntary placement agreement between the responsible social services agency and the  
356.15 child's parent pursuant to section 260C.227 or chapter 260D.

356.16 (b) An out-of-home placement plan means a written document which is prepared  
356.17 by the responsible social services agency jointly with the parent or parents or guardian  
356.18 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the  
356.19 child is an Indian child, the child's foster parent or representative of the foster care facility,  
356.20 and, where appropriate, the child. When a child is age 14 or older, the child may include  
356.21 two other individuals on the team preparing the child's out-of-home placement plan. The  
356.22 child may select one member of the case planning team to be designated as the child's  
356.23 advisor and to advocate with respect to the application of the reasonable and prudent  
356.24 parenting standards. The responsible social services agency may reject an individual  
356.25 selected by the child if the agency has good cause to believe that the individual would  
356.26 not act in the best interest of the child. For a child in voluntary foster care for treatment  
356.27 under chapter 260D, preparation of the out-of-home placement plan shall additionally  
356.28 include the child's mental health treatment provider. For a child 18 years of age or older,  
356.29 the responsible social services agency shall involve the child and the child's parents as  
356.30 appropriate. As appropriate, the plan shall be:

356.31 (1) submitted to the court for approval under section 260C.178, subdivision 7;

356.32 (2) ordered by the court, either as presented or modified after hearing, under section  
356.33 260C.178, subdivision 7, or 260C.201, subdivision 6; and

357.1 (3) signed by the parent or parents or guardian of the child, the child's guardian ad  
357.2 litem, a representative of the child's tribe, the responsible social services agency, and, if  
357.3 possible, the child.

357.4 (c) The out-of-home placement plan shall be explained to all persons involved in its  
357.5 implementation, including the child who has signed the plan, and shall set forth:

357.6 (1) a description of the foster care home or facility selected, including how the  
357.7 out-of-home placement plan is designed to achieve a safe placement for the child in the  
357.8 least restrictive, most family-like, setting available which is in close proximity to the home  
357.9 of the parent or parents or guardian of the child when the case plan goal is reunification,  
357.10 and how the placement is consistent with the best interests and special needs of the child  
357.11 according to the factors under subdivision 2, paragraph (b);

357.12 (2) the specific reasons for the placement of the child in foster care, and when  
357.13 reunification is the plan, a description of the problems or conditions in the home of the  
357.14 parent or parents which necessitated removal of the child from home and the changes the  
357.15 parent or parents must make ~~in order~~ for the child to safely return home;

357.16 (3) a description of the services offered and provided to prevent removal of the child  
357.17 from the home and to reunify the family including:

357.18 (i) the specific actions to be taken by the parent or parents of the child to eliminate  
357.19 or correct the problems or conditions identified in clause (2), and the time period during  
357.20 which the actions are to be taken; and

357.21 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made  
357.22 to achieve a safe and stable home for the child including social and other supportive  
357.23 services to be provided or offered to the parent or parents or guardian of the child, the  
357.24 child, and the residential facility during the period the child is in the residential facility;

357.25 (4) a description of any services or resources that were requested by the child or the  
357.26 child's parent, guardian, foster parent, or custodian since the date of the child's placement  
357.27 in the residential facility, and whether those services or resources were provided and if  
357.28 not, the basis for the denial of the services or resources;

357.29 (5) the visitation plan for the parent or parents or guardian, other relatives as defined  
357.30 in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not  
357.31 placed together in foster care, and whether visitation is consistent with the best interest  
357.32 of the child, during the period the child is in foster care;

357.33 (6) when a child cannot return to or be in the care of either parent, documentation  
357.34 of steps to finalize adoption as the permanency plan for the child through reasonable  
357.35 efforts to place the child for adoption. At a minimum, the documentation must include  
357.36 consideration of whether adoption is in the best interests of the child, child-specific

358.1 recruitment efforts such as relative search and the use of state, regional, and national  
358.2 adoption exchanges to facilitate orderly and timely placements in and outside of the state.  
358.3 A copy of this documentation shall be provided to the court in the review required under  
358.4 section 260C.317, subdivision 3, paragraph (b);

358.5 (7) when a child cannot return to or be in the care of either parent, documentation  
358.6 of steps to finalize the transfer of permanent legal and physical custody to a relative as  
358.7 the permanency plan for the child. This documentation must support the requirements of  
358.8 the kinship placement agreement under section 256N.22 and must include the reasonable  
358.9 efforts used to determine that it is not appropriate for the child to return home or be  
358.10 adopted, and reasons why permanent placement with a relative through a Northstar kinship  
358.11 assistance arrangement is in the child's best interest; how the child meets the eligibility  
358.12 requirements for Northstar kinship assistance payments; agency efforts to discuss adoption  
358.13 with the child's relative foster parent and reasons why the relative foster parent chose not  
358.14 to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or  
358.15 parents the permanent transfer of permanent legal and physical custody or the reasons  
358.16 why these efforts were not made;

358.17 (8) efforts to ensure the child's educational stability while in foster care, ~~including~~  
358.18 for a child who attained the minimum age for compulsory school attendance under state  
358.19 law and is enrolled full time in elementary or secondary school, or instructed in elementary  
358.20 or secondary education at home, or instructed in an independent study elementary or  
358.21 secondary program, or incapable of attending school on a full-time basis due to a medical  
358.22 condition that is documented and supported by regularly updated information in the child's  
358.23 case plan. Educational stability efforts include:

358.24 (i) efforts to ensure that the child remains in the same school in which the child was  
358.25 enrolled prior to placement or upon the child's move from one placement to another,  
358.26 including efforts to work with the local education authorities to ensure the child's  
358.27 educational stability and attendance; or

358.28 (ii) if it is not in the child's best interest to remain in the same school that the child  
358.29 was enrolled in prior to placement or move from one placement to another, efforts to  
358.30 ensure immediate and appropriate enrollment for the child in a new school;

358.31 (9) the educational records of the child including the most recent information  
358.32 available regarding:

358.33 (i) the names and addresses of the child's educational providers;

358.34 (ii) the child's grade level performance;

358.35 (iii) the child's school record;

- 359.1 (iv) a statement about how the child's placement in foster care takes into account  
 359.2 proximity to the school in which the child is enrolled at the time of placement; and  
 359.3 (v) any other relevant educational information;
- 359.4 (10) the efforts by the ~~local~~ responsible social services agency to ensure the oversight  
 359.5 and continuity of health care services for the foster child, including:  
 359.6 (i) the plan to schedule the child's initial health screens;  
 359.7 (ii) how the child's known medical problems and identified needs from the screens,  
 359.8 including any known communicable diseases, as defined in section 144.4172, subdivision  
 359.9 2, ~~will~~ shall be monitored and treated while the child is in foster care;  
 359.10 (iii) how the child's medical information ~~will~~ shall be updated and shared, including  
 359.11 the child's immunizations;  
 359.12 (iv) who is responsible to coordinate and respond to the child's health care needs,  
 359.13 including the role of the parent, the agency, and the foster parent;  
 359.14 (v) who is responsible for oversight of the child's prescription medications;  
 359.15 (vi) how physicians or other appropriate medical and nonmedical professionals ~~will~~  
 359.16 shall be consulted and involved in assessing the health and well-being of the child and  
 359.17 determine the appropriate medical treatment for the child; and  
 359.18 (vii) the responsibility to ensure that the child has access to medical care through  
 359.19 either medical insurance or medical assistance;
- 359.20 (11) the health records of the child including information available regarding:  
 359.21 (i) the names and addresses of the child's health care and dental care providers;  
 359.22 (ii) a record of the child's immunizations;  
 359.23 (iii) the child's known medical problems, including any known communicable  
 359.24 diseases as defined in section 144.4172, subdivision 2;  
 359.25 (iv) the child's medications; and  
 359.26 (v) any other relevant health care information such as the child's eligibility for  
 359.27 medical insurance or medical assistance;
- 359.28 (12) an independent living plan for a child ~~age 14~~ years of age or older, developed in  
 359.29 consultation with the child. The child may select one member of the case planning team to  
 359.30 be designated as the child's advisor and to advocate with respect to the application of the  
 359.31 reasonable and prudent parenting standards in subdivision 14. The plan should include,  
 359.32 but not be limited to, the following objectives:  
 359.33 (i) educational, vocational, or employment planning;  
 359.34 (ii) health care planning and medical coverage;  
 359.35 (iii) transportation including, where appropriate, assisting the child in obtaining a  
 359.36 driver's license;

360.1 (iv) money management, including the responsibility of the responsible social  
 360.2 services agency to ensure that the ~~youth~~ child annually receives, at no cost to the ~~youth~~  
 360.3 child, a consumer report as defined under section 13C.001 and assistance in interpreting  
 360.4 and resolving any inaccuracies in the report;

360.5 (v) planning for housing;

360.6 (vi) social and recreational skills;

360.7 (vii) establishing and maintaining connections with the child's family and  
 360.8 community; and

360.9 (viii) regular opportunities to engage in age-appropriate or developmentally  
 360.10 appropriate activities typical for the child's age group, taking into consideration the  
 360.11 capacities of the individual child; ~~and~~

360.12 (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic  
 360.13 and assessment information, specific services relating to meeting the mental health care  
 360.14 needs of the child, and treatment outcomes; and

360.15 (14) for a child 14 years of age or older, a signed acknowledgment that describes  
 360.16 the child's rights regarding education, health care, visitation, safety and protection from  
 360.17 exploitation, and court participation; receipt of the documents identified in section  
 360.18 260C.451; and receipt of an annual credit report. The acknowledgment shall state that the  
 360.19 rights were explained in an age-appropriate manner to the child.

360.20 (d) The parent or parents or guardian and the child each shall have the right to legal  
 360.21 counsel in the preparation of the case plan and shall be informed of the right at the time  
 360.22 of placement of the child. The child shall also have the right to a guardian ad litem.  
 360.23 If unable to employ counsel from their own resources, the court shall appoint counsel  
 360.24 upon the request of the parent or parents or the child or the child's legal guardian. The  
 360.25 parent or parents may also receive assistance from any person or social services agency  
 360.26 in preparation of the case plan.

360.27 After the plan has been agreed upon by the parties involved or approved or ordered  
 360.28 by the court, the foster parents shall be fully informed of the provisions of the case plan  
 360.29 and shall be provided a copy of the plan.

360.30 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and  
 360.31 physical custodian, as appropriate, and the child, if appropriate, must be provided with  
 360.32 a current copy of the child's health and education record.

360.33 Sec. 22. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 14,  
 360.34 is amended to read:



361.1 Subd. 14. **Support age-appropriate and developmentally appropriate activities**  
361.2 **for foster children.** (a) Responsible social services agencies and licensed child-placing  
361.3 agencies shall support a foster child's emotional and developmental growth by permitting  
361.4 the child to participate in activities or events that are generally accepted as suitable  
361.5 for children of the same chronological age or are developmentally appropriate for the  
361.6 child. "Developmentally appropriate" means based on a child's cognitive, emotional,  
361.7 physical, and behavioral capacities that are typical for an age or age group. Foster  
361.8 parents and residential facility staff are permitted to allow foster children to participate in  
361.9 extracurricular, social, or cultural activities that are typical for the child's age by applying  
361.10 reasonable and prudent parenting standards.

361.11 (b) "Reasonable and prudent parenting" means the standards are characterized  
361.12 by careful and sensible parenting decisions that maintain the child's health and safety,  
361.13 cultural, religious, and are made in the child's tribal values, and best interest interests  
361.14 while encouraging the child's emotional and developmental growth.

361.15 (c) The commissioner shall provide guidance about the childhood activities and  
361.16 factors a foster parent and authorized residential facility staff must consider when applying  
361.17 the reasonable and prudent parenting standards. The factors must include the:

- 361.18 (1) child's age, maturity, and developmental level;  
361.19 (2) risk of activity;  
361.20 (3) best interests of the child;  
361.21 (4) importance of the experience in the child's emotional and developmental growth;  
361.22 (5) importance of a family-like experience;  
361.23 (6) behavioral history of the child; and  
361.24 (7) wishes of the child's parent or legal guardian, as appropriate.

361.25 (d) A residential facility licensed under Minnesota Rules, chapter 2960, must have  
361.26 at least one onsite staff person who is trained on the standards according to section  
361.27 260C.215, subdivision 4, and authorized to apply the reasonable and prudent parenting  
361.28 standards to decisions involving the approval of a foster child's participation in age and  
361.29 developmentally appropriate extracurricular, social, or cultural activities. The onsite staff  
361.30 person referenced in this paragraph is not required to be available 24 hours per day.

361.31 (e) The foster parent or designated staff at residential facilities demonstrating  
361.32 compliance with the reasonable and prudent parenting standards shall not incur civil  
361.33 liability if a foster child is harmed or injured because of participating in approved  
361.34 extracurricular, enrichment, cultural, and social activities.

362.1 Sec. 23. Minnesota Statutes 2015 Supplement, section 260C.215, subdivision 4,  
362.2 is amended to read:

362.3 Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

362.4 (1) provide practice guidance to responsible social services agencies and licensed  
362.5 child-placing agencies that reflect federal and state laws and policy direction on placement  
362.6 of children;

362.7 (2) develop criteria for determining whether a prospective adoptive or foster family  
362.8 has the ability to understand and validate the child's cultural background;

362.9 (3) provide a standardized training curriculum for adoption and foster care workers  
362.10 and administrators who work with children. Training must address the following objectives:

362.11 (i) developing and maintaining sensitivity to all cultures;

362.12 (ii) assessing values and their cultural implications;

362.13 (iii) making individualized placement decisions that advance the best interests of a  
362.14 particular child under section 260C.212, subdivision 2; and

362.15 (iv) issues related to cross-cultural placement;

362.16 (4) provide a training curriculum for all prospective adoptive and foster families  
362.17 that prepares them to care for the needs of adoptive and foster children taking into  
362.18 consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph  
362.19 (b), and, as necessary, preparation is continued after placement of the child and includes  
362.20 the knowledge and skills related to reasonable and prudent parenting standards for the  
362.21 participation of the child in age or developmentally appropriate activities, according to  
362.22 section 260C.212, subdivision 14;

362.23 (5) develop and provide to responsible social services agencies and licensed  
362.24 child-placing agencies a home study format to assess the capacities and needs of  
362.25 prospective adoptive and foster families. The format must address problem-solving skills;  
362.26 parenting skills; evaluate the degree to which the prospective family has the ability  
362.27 to understand and validate the child's cultural background, and other issues needed to  
362.28 provide sufficient information for agencies to make an individualized placement decision  
362.29 consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent,  
362.30 the format must also address the capacity of the prospective foster parent to provide a  
362.31 safe, healthy, smoke-free home environment. If a prospective adoptive parent has also  
362.32 been a foster parent, any update necessary to a home study for the purpose of adoption  
362.33 may be completed by the licensing authority responsible for the foster parent's license.  
362.34 If a prospective adoptive parent with an approved adoptive home study also applies for  
362.35 a foster care license, the license application may be made with the same agency which  
362.36 provided the adoptive home study; and

363.1 (6) consult with representatives reflecting diverse populations from the councils  
363.2 established under sections 3.922 and 15.0145, and other state, local, and community  
363.3 organizations.

363.4 Sec. 24. Minnesota Statutes 2015 Supplement, section 260C.451, subdivision 6,  
363.5 is amended to read:

363.6 Subd. 6. **Reentering foster care and accessing services after age 18 years of**  
363.7 **age and up to 21 years of age.** (a) Upon request of an individual ~~between the ages of~~  
363.8 ~~18 and 21~~ who had been under the guardianship of the commissioner and who has left  
363.9 foster care without being adopted, the responsible social services agency which had  
363.10 been the commissioner's agent for purposes of the guardianship shall develop with the  
363.11 individual a plan to increase the individual's ability to live safely and independently using  
363.12 the plan requirements of section 260C.212, subdivision 1, paragraph (c), clause (12), and  
363.13 to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if  
363.14 the individual wants to reenter foster care. The responsible social services agency shall  
363.15 provide foster care as required to implement the plan. The responsible social services  
363.16 agency shall enter into a voluntary placement agreement under section 260C.229 with the  
363.17 individual if the plan includes foster care.

363.18 (b) Individuals who had not been under the guardianship of the commissioner of  
363.19 human services prior to 18 years of age ~~18 and are between the ages of 18 and 21~~ may ask  
363.20 to reenter foster care after age 18 and, to the extent funds are available, the responsible  
363.21 social services agency that had responsibility for planning for the individual before  
363.22 discharge from foster care may provide foster care or other services to the individual for  
363.23 the purpose of increasing the individual's ability to live safely and independently and to  
363.24 meet the eligibility criteria in subdivision 3a, if the individual:

363.25 (1) was in foster care for the six consecutive months prior to the person's 18th  
363.26 birthday and was not discharged home, adopted, or received into a relative's home under a  
363.27 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

363.28 (2) was discharged from foster care while on runaway status after age 15.

363.29 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and  
363.30 other appropriate persons, the responsible social services agency shall develop a specific  
363.31 plan related to that individual's vocational, educational, social, or maturational needs and,  
363.32 to the extent funds are available, provide foster care as required to implement the plan.  
363.33 The responsible social services agency shall enter into a voluntary placement agreement  
363.34 with the individual if the plan includes foster care.

364.1 (d) ~~Youth~~ A child who left foster care while under guardianship of the commissioner  
 364.2 of human services ~~retain~~ retains eligibility for foster care for placement at any time  
 364.3 ~~between the ages of 18 and~~ prior to 21 years of age.

364.4 Sec. 25. Minnesota Statutes 2014, section 260C.451, is amended by adding a  
 364.5 subdivision to read:

364.6 Subd. 9. **Administrative or court review of placements.** (a) The court shall  
 364.7 conduct reviews at least annually to ensure the responsible social services agency is  
 364.8 making reasonable efforts to finalize the permanency plan for the child.

364.9 (b) The court shall find that the responsible social services agency is making  
 364.10 reasonable efforts to finalize the permanency plan for the child when the responsible  
 364.11 social services agency:

364.12 (1) provides appropriate support to the child and foster care provider to ensure  
 364.13 continuing stability and success in placement;

364.14 (2) works with the child to plan for transition to adulthood and assists the child in  
 364.15 demonstrating progress in achieving related goals;

364.16 (3) works with the child to plan for independent living skills and assists the child in  
 364.17 demonstrating progress in achieving independent living goals; and

364.18 (4) prepares the child for independence according to sections 260C.203, paragraph  
 364.19 (d), and 260C.452, subdivision 4.

364.20 (c) The responsible social services agency must ensure that an administrative review  
 364.21 that meets the requirements of this section and section 260C.203 is completed at least six  
 364.22 months after each of the court's annual reviews.

364.23 Sec. 26. [260C.452] **SUCCESSFUL TRANSITION TO ADULTHOOD.**

364.24 Subdivision 1. **Scope.** This section pertains to a child who is under the guardianship  
 364.25 of the commissioner of human services, or who has a permanency disposition of  
 364.26 permanent custody to the agency, or who will leave foster care at 18 to 21 years of age.

364.27 Subd. 2. **Independent living plan.** When the child is 14 years of age or older,  
 364.28 the responsible social services agency, in consultation with the child, shall complete  
 364.29 the independent living plan according to section 260C.212, subdivision 1, paragraph  
 364.30 (c), clause (12).

364.31 Subd. 3. **Notification.** Six months before the child is expected to be discharged from  
 364.32 foster care, the responsible social services agency shall provide written notice to the child  
 364.33 regarding the right to continued access to services for certain children in foster care past  
 364.34 18 years of age and of the right to appeal a denial of social services under section 256.045.

365.1 Subd. 4. **Administrative or court review of placements.** (a) When the child is 14  
365.2 years of age or older, the court, in consultation with the child, shall review the independent  
365.3 living plan according to section 260C.203, paragraph (d).

365.4 (b) The responsible social services agency shall file a copy of the notification  
365.5 required in subdivision 3 with the court. If the responsible social services agency does  
365.6 not file the notice by the time the child is 17-1/2 years of age, the court shall require the  
365.7 responsible social services agency to file the notice.

365.8 (c) The court shall ensure that the responsible social services agency assists the child  
365.9 in obtaining the following documents before the child leaves foster care: a Social Security  
365.10 card; an official or certified copy of the child's birth certificate; a state identification card  
365.11 or driver's license, tribal enrollment identification card, green card, or school visa; health  
365.12 insurance information; the child's school, medical, and dental records; a contact list of  
365.13 the child's medical, dental, and mental health providers; and contact information for the  
365.14 child's siblings, if the siblings are in foster care.

365.15 (d) For a child who will be discharged from foster care at 18 years of age or older,  
365.16 the responsible social services agency must develop a personalized transition plan as  
365.17 directed by the child during the 90-day period immediately prior to the expected date of  
365.18 discharge. The transition plan must be as detailed as the child elects and include specific  
365.19 options, including but not limited to:

365.20 (1) affordable housing with necessary supports that does not include a homeless  
365.21 shelter;

365.22 (2) health insurance, including eligibility for medical assistance as defined in section  
365.23 256B.055, subdivision 17;

365.24 (3) education, including application to the Education and Training Voucher Program;

365.25 (4) local opportunities for mentors and continuing support services, including the  
365.26 Healthy Transitions and Homeless Prevention program, if available;

365.27 (5) workforce supports and employment services;

365.28 (6) a copy of the child's consumer credit report as defined in section 13C.001 and  
365.29 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;

365.30 (7) information on executing a health care directive under chapter 145C and on the  
365.31 importance of designating another individual to make health care decisions on behalf of  
365.32 the child if the child becomes unable to participate in decisions; and

365.33 (8) appropriate contact information through 21 years of age if the child needs  
365.34 information or help dealing with a crisis situation.

366.1 Subd. 5. Notice of termination of foster care. (a) When a child leaves foster care  
 366.2 at 18 years of age or older, the responsible social services agency shall give the child  
 366.3 written notice that foster care shall terminate 30 days from the date the notice is sent.

366.4 (b) The child or the child's guardian ad litem may file a motion asking the court to  
 366.5 review the responsible social services agency's determination within 15 days of receiving  
 366.6 the notice. The child shall not be discharged from foster care until the motion is heard. The  
 366.7 responsible social services agency shall work with the child to transition out of foster care.

366.8 (c) The written notice of termination of benefits shall be on a form prescribed by  
 366.9 the commissioner and shall give notice of the right to have the responsible social services  
 366.10 agency's determination reviewed by the court under this section or sections 260C.203,  
 366.11 260C.317, and 260C.515, subdivision 5 or 6. A copy of the termination notice shall  
 366.12 be sent to the child and the child's attorney, if any, the foster care provider, the child's  
 366.13 guardian ad litem, and the court. The responsible social services agency is not responsible  
 366.14 for paying foster care benefits for any period of time after the child leaves foster care.

366.15 Sec. 27. Minnesota Statutes 2015 Supplement, section 260C.521, subdivision 1,  
 366.16 is amended to read:

366.17 Subdivision 1. **Child in permanent custody of responsible social services agency.**

366.18 (a) Court reviews of an order for permanent custody to the responsible social services  
 366.19 agency for placement of the child in foster care must be conducted at least yearly at an  
 366.20 in-court appearance hearing.

366.21 (b) The purpose of the review hearing is to ensure:

366.22 (1) the responsible social services agency made intensive, ongoing, and, as of the  
 366.23 date of the hearing, unsuccessful efforts to return the child home or secure a placement for  
 366.24 the child with a fit and willing relative, custodian, or adoptive parent, and an order for  
 366.25 permanent custody to the responsible social services agency for placement of the child in  
 366.26 foster care continues to be in the best interests of the child and that no other permanency  
 366.27 disposition order is in the best interests of the child;

366.28 (2) that the responsible social services agency is assisting the child to build  
 366.29 connections to the child's family and community; and

366.30 (3) that the responsible social services agency is appropriately planning with the  
 366.31 child for development of independent living skills for the child and, as appropriate, for the  
 366.32 orderly and successful transition to independent living adulthood that may occur if the  
 366.33 child continues in foster care without another permanency disposition order;

366.34 (4) the child's foster family home or child care institution is following the reasonable  
 366.35 and prudent parenting standards; and

367.1 (5) the child has regular, ongoing opportunities to engage in age or developmentally  
 367.2 appropriate activities by consulting with the child in an age-appropriate manner about the  
 367.3 opportunities.

367.4 (c) The court must review the child's out-of-home placement plan and the reasonable  
 367.5 efforts of the responsible social services agency to finalize an alternative permanent plan  
 367.6 for the child including the responsible social services agency's efforts to:

367.7 (1) ensure that permanent custody to the responsible social services agency with  
 367.8 placement of the child in foster care continues to be the most appropriate legal arrangement  
 367.9 for meeting the child's need for permanency and stability ~~or, if not, to identify and attempt~~  
 367.10 ~~to finalize another permanency disposition order under this chapter that would better serve~~  
 367.11 ~~the child's needs and best interests;~~ by reviewing the compelling reasons it continues not  
 367.12 to be in the best interest of the child to:

367.13 (i) return home;

367.14 (ii) be placed for adoption; or

367.15 (iii) be placed with a fit and willing relative through an order for permanent legal  
 367.16 and physical custody under section 260C.515, subdivision 4;

367.17 (2) identify a specific foster home for the child, if one has not already been identified;

367.18 (3) support continued placement of the child in the identified home, if one has been  
 367.19 identified;

367.20 (4) ensure appropriate services are provided to address the physical health, mental  
 367.21 health, and educational needs of the child during the period of foster care and also ensure  
 367.22 appropriate services or assistance to maintain relationships with appropriate family  
 367.23 members and the child's community; and

367.24 (5) plan for the child's independence upon the child's leaving foster care living as  
 367.25 required under section 260C.212, subdivision 1.

367.26 (d) The court may find that the responsible social services agency has made  
 367.27 reasonable efforts to finalize the permanent plan for the child when:

367.28 (1) the responsible social services agency has made reasonable efforts to identify a  
 367.29 more legally permanent home for the child than is provided by an order for permanent  
 367.30 custody to the agency for placement in foster care;

367.31 (2) the child has been asked about the child's desired permanency outcome; and

367.32 (3) the responsible social services agency's engagement of the child in planning for  
 367.33 independent living a successful transition to adulthood is reasonable and appropriate.

367.34 Sec. 28. **[260D.14] SUCCESSFUL TRANSITION TO ADULTHOOD FOR**  
 367.35 **CHILDREN IN VOLUNTARY PLACEMENT.**

368.1 Subdivision 1. **Case planning.** When the child is 14 years of age or older, the  
368.2 responsible social services agency shall ensure a child in foster care under this chapter is  
368.3 provided with the case plan requirements in section 260C.212, subdivisions 1 and 14.

368.4 Subd. 2. **Notification.** The responsible social services agency shall provide written  
368.5 notice of the right to continued access to services for certain children in foster care past 18  
368.6 years of age under section 260C.452, subdivision 3, and of the right to appeal a denial  
368.7 of social services under section 256.045. The notice must be provided to the child six  
368.8 months before the child's 18th birthday.

368.9 Subd. 3. **Administrative or court reviews.** When the child is 17 years of age or  
368.10 older, the administrative review or court hearing must include a review of the responsible  
368.11 social services agency's support for the child's successful transition to adulthood as  
368.12 required in section 260C.452, subdivision 4.

368.13 Sec. 29. Minnesota Statutes 2014, section 518.175, subdivision 5, is amended to read:

368.14 Subd. 5. **Modification of parenting plan or order for parenting time.** (a) If a  
368.15 parenting plan or an order granting parenting time cannot be used to determine the number  
368.16 of overnights or overnight equivalents the child has with each parent, the court shall modify  
368.17 the parenting plan or order granting parenting time so that the number of overnights or  
368.18 overnight equivalents the child has with each parent can be determined. For purposes of this  
368.19 section, "overnight equivalents" has the meaning given in section 518A.36, subdivision 1.

368.20 (b) If modification would serve the best interests of the child, the court shall modify  
368.21 the decision-making provisions of a parenting plan or an order granting or denying  
368.22 parenting time, if the modification would not change the child's primary residence.  
368.23 Consideration of a child's best interest includes a child's changing developmental needs.

368.24 ~~(b)~~ (c) Except as provided in section 631.52, the court may not restrict parenting  
368.25 time unless it finds that:

368.26 (1) parenting time is likely to endanger the child's physical or emotional health or  
368.27 impair the child's emotional development; or

368.28 (2) the parent has chronically and unreasonably failed to comply with court-ordered  
368.29 parenting time.

368.30 A modification of parenting time which increases a parent's percentage of parenting time  
368.31 to an amount that is between 45.1 to 54.9 percent parenting time is not a restriction of  
368.32 the other parent's parenting time.

368.33 ~~(e)~~ (d) If a parent makes specific allegations that parenting time by the other  
368.34 parent places the parent or child in danger of harm, the court shall hold a hearing at  
368.35 the earliest possible time to determine the need to modify the order granting parenting



369.1 time. Consistent with subdivision 1a, the court may require a third party, including the  
369.2 local social services agency, to supervise the parenting time or may restrict a parent's  
369.3 parenting time if necessary to protect the other parent or child from harm. If there is an  
369.4 existing order for protection governing the parties, the court shall consider the use of an  
369.5 independent, neutral exchange location for parenting time.

369.6 **EFFECTIVE DATE.** This section is effective August 1, 2018.

369.7 Sec. 30. Minnesota Statutes 2015 Supplement, section 518A.26, subdivision 14,  
369.8 is amended to read:

369.9 Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or  
369.10 support. For purposes of ordering medical support under section 518A.41, a parent who  
369.11 has primary physical custody of a child may be an obligor subject to a payment agreement  
369.12 under section 518A.69. If a parent has more than 55 percent court-ordered parenting  
369.13 time, there is a rebuttable presumption that the parent has a zero dollar basic support  
369.14 obligation. A party seeking to overcome this presumption must show, and the court must  
369.15 consider, the following:

369.16 (1) a significant income disparity, which may include potential income determined  
369.17 under section 518A.32;

369.18 (2) the benefit and detriment to the child and the ability of each parent to meet  
369.19 the needs of the child; and

369.20 (3) whether the application of the presumption would have an unjust or inappropriate  
369.21 result.

369.22 The presumption of a zero dollar basic support obligation does not eliminate a parent's  
369.23 obligation to pay child support arrears under section 518A.60. The presumption of a  
369.24 zero dollar basic support obligation does not apply to an action under section 256.87,  
369.25 subdivision 1 or 1a.

369.26 **EFFECTIVE DATE.** This section is effective August 1, 2018.

369.27 Sec. 31. Minnesota Statutes 2014, section 518A.34, is amended to read:

369.28 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

369.29 (a) To determine the presumptive child support obligation of a parent, the court shall  
369.30 follow the procedure set forth in this section.

369.31 (b) To determine the obligor's basic support obligation, the court shall:

369.32 (1) determine the gross income of each parent under section 518A.29;

370.1 (2) calculate the parental income for determining child support (PICS) of each  
370.2 parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint  
370.3 children under section 518A.33;

370.4 (3) determine the percentage contribution of each parent to the combined PICS by  
370.5 dividing the combined PICS into each parent's PICS;

370.6 (4) determine the combined basic support obligation by application of the guidelines  
370.7 in section 518A.35;

370.8 (5) determine ~~the obligor's~~ each parent's share of the combined basic support  
370.9 obligation by multiplying the percentage figure from clause (3) by the combined basic  
370.10 support obligation in clause (4); and

370.11 (6) ~~determine the parenting expense adjustment, if any, as apply the parenting~~  
370.12 ~~expense adjustment formula provided in section 518A.36, and adjust the obligor's basic~~  
370.13 ~~support obligation accordingly to determine the obligor's basic support obligation. If the~~  
370.14 ~~parenting time of the parties is presumed equal, section 518A.36, subdivision 3, applies~~  
370.15 ~~to the calculation of the basic support obligation and a determination of which parent~~  
370.16 ~~is the obligor.~~

370.17 (c) If the parents have split custody of joint children, child support must be  
370.18 calculated for each joint child as follows:

370.19 (1) the court shall determine each parent's basic support obligation under paragraph  
370.20 (b) and include the amount of each parent's obligation in the court order. If the basic  
370.21 support calculation results in each parent owing support to the other, the court shall offset  
370.22 the higher basic support obligation with the lower basic support obligation to determine  
370.23 the amount to be paid by the parent with the higher obligation to the parent with the  
370.24 lower obligation. For the purpose of the cost-of-living adjustment required under section  
370.25 518A.75, the adjustment must be based on each parent's basic support obligation prior to  
370.26 offset. For the purposes of this paragraph, "split custody" means that there are two or more  
370.27 joint children and each parent has at least one joint child more than 50 percent of the time;

370.28 (2) if each parent pays all child care expenses for at least one joint child, the court  
370.29 shall calculate child care support for each joint child as provided in section 518A.40. The  
370.30 court shall determine each parent's child care support obligation and include the amount of  
370.31 each parent's obligation in the court order. If the child care support calculation results in  
370.32 each parent owing support to the other, the court shall offset the higher child care support  
370.33 obligation with the lower child care support obligation to determine the amount to be paid  
370.34 by the parent with the higher obligation to the parent with the lower obligation; and

370.35 (3) if each parent pays all medical or dental insurance expenses for at least one  
370.36 joint child, medical support shall be calculated for each joint child as provided in section

371.1 518A.41. The court shall determine each parent's medical support obligation and include  
 371.2 the amount of each parent's obligation in the court order. If the medical support calculation  
 371.3 results in each parent owing support to the other, the court shall offset the higher medical  
 371.4 support obligation with the lower medical support obligation to determine the amount to  
 371.5 be paid by the parent with the higher obligation to the parent with the lower obligation.  
 371.6 Unreimbursed and uninsured medical expenses are not included in the presumptive amount  
 371.7 of support owed by a parent and are calculated and collected as provided in section 518A.41.

371.8 (d) The court shall determine the child care support obligation for the obligor  
 371.9 as provided in section 518A.40.

371.10 (d) (e) The court shall determine the medical support obligation for each parent as  
 371.11 provided in section 518A.41. Unreimbursed and uninsured medical expenses are not  
 371.12 included in the presumptive amount of support owed by a parent and are calculated and  
 371.13 collected as described in section 518A.41.

371.14 (e) (f) The court shall determine each parent's total child support obligation by  
 371.15 adding together each parent's basic support, child care support, and health care coverage  
 371.16 obligations as provided in this section.

371.17 (f) (g) If Social Security benefits or veterans' benefits are received by one parent as a  
 371.18 representative payee for a joint child based on the other parent's eligibility, the court shall  
 371.19 subtract the amount of benefits from the other parent's net child support obligation, if any.

371.20 (g) (h) The final child support order shall separately designate the amount owed for  
 371.21 basic support, child care support, and medical support. If applicable, the court shall use  
 371.22 the self-support adjustment and minimum support adjustment under section 518A.42 to  
 371.23 determine the obligor's child support obligation.

371.24 **EFFECTIVE DATE.** This section is effective August 1, 2018.

371.25 Sec. 32. Minnesota Statutes 2014, section 518A.35, subdivision 1, is amended to read:

371.26 Subdivision 1. **Determination of support obligation.** (a) The guideline in this  
 371.27 section is a rebuttable presumption and shall be used in any judicial or administrative  
 371.28 proceeding to establish or modify a support obligation under this chapter.

371.29 (b) The basic child support obligation shall be determined by referencing the  
 371.30 guideline for the appropriate number of joint children and the combined parental income  
 371.31 for determining child support of the parents.

371.32 (c) If a child is not in the custody of either parent and a support order is sought against  
 371.33 one or both parents, the basic child support obligation shall be determined by referencing  
 371.34 the guideline for the appropriate number of joint children, and the parent's individual  
 371.35 parental income for determining child support, not the combined parental incomes for

372.1 determining child support of the parents. Unless a parent has court-ordered parenting time,  
372.2 the parenting expense adjustment formula under section 518A.34 must not be applied.

372.3 (d) If a child is in custody of either parent and a support order is sought by the public  
372.4 authority under section 256.87, unless the parent against whom the support order is sought  
372.5 has court-ordered parenting time, the support obligation must be determined by referencing  
372.6 the guideline for the appropriate number of joint children and the parent's individual income  
372.7 without application of the parenting expense adjustment formula under section 518A.34.

372.8 (e) For combined parental incomes for determining child support exceeding \$15,000  
372.9 per month, the presumed basic child support obligations shall be as for parents with  
372.10 combined parental income for determining child support of \$15,000 per month. A basic  
372.11 child support obligation in excess of this level may be demonstrated for those reasons set  
372.12 forth in section 518A.43.

372.13 **EFFECTIVE DATE.** This section is effective August 1, 2018.

372.14 Sec. 33. Minnesota Statutes 2014, section 518A.36, is amended to read:

372.15 **518A.36 PARENTING EXPENSE ADJUSTMENT.**

372.16 Subdivision 1. **General.** (a) The parenting expense adjustment under this section  
372.17 reflects the presumption that while exercising parenting time, a parent is responsible  
372.18 for and incurs costs of caring for the child, including, but not limited to, food, clothing,  
372.19 transportation, recreation, and household expenses. Every child support order shall specify  
372.20 the percentage of parenting time granted to or presumed for each parent. For purposes  
372.21 of this section, the percentage of parenting time means the percentage of time a child is  
372.22 scheduled to spend with the parent during a calendar year according to a court order  
372.23 averaged over a two-year period. Parenting time includes time with the child whether it is  
372.24 designated as visitation, physical custody, or parenting time. The percentage of parenting  
372.25 time may be determined by calculating the number of overnights or overnight equivalents  
372.26 that a child parent spends with a parent, or child pursuant to a court order. For purposes of  
372.27 this section, overnight equivalents are calculated by using a method other than overnights  
372.28 if the parent has significant time periods on separate days where the child is in the parent's  
372.29 physical custody and under the direct care of the parent but does not stay overnight. The  
372.30 court may consider the age of the child in determining whether a child is with a parent  
372.31 for a significant period of time.

372.32 (b) If there is not a court order awarding parenting time, the court shall determine  
372.33 the child support award without consideration of the parenting expense adjustment. If a

373.1 parenting time order is subsequently issued or is issued in the same proceeding, then the  
 373.2 child support order shall include application of the parenting expense adjustment.

373.3 **Subd. 2. Calculation of parenting expense adjustment.** (a) For the purposes of  
 373.4 this section, the following terms have the meanings given:

373.5 (1) "parent A" means the parent with whom the child or children will spend the least  
 373.6 number of overnights under the court order; and

373.7 (2) "parent B" means the parent with whom the child or children will spend the  
 373.8 greatest number of overnights under the court order.

373.9 ~~The obligor is entitled to a parenting expense adjustment calculated as provided in~~  
 373.10 ~~this subdivision.~~ (b) The court shall apply the following formula to determine which  
 373.11 parent is the obligor and calculate the basic support obligation:

373.12 ~~(1) find the adjustment percentage corresponding to the percentage of parenting~~  
 373.13 ~~time allowed to the obligor below:~~

	<del>Percentage Range of Parenting Time</del>	<del>Adjustment Percentage</del>
373.14	<del>less than 10 percent</del>	<del>no adjustment</del>
373.15	<del>10 percent to 45 percent</del>	<del>12 percent</del>
373.16	<del>45.1 percent to 50 percent</del>	<del>presume parenting time is equal</del>
373.17		
373.18		

373.19 ~~(2) multiply the adjustment percentage by the obligor's basic child support obligation~~  
 373.20 ~~to arrive at the parenting expense adjustment; and~~

373.21 ~~(3) subtract the parenting expense adjustment from the obligor's basic child support~~  
 373.22 ~~obligation. The result is the obligor's basic support obligation after parenting expense~~  
 373.23 ~~adjustment.~~

373.24 (1) raise to the power of three the approximate number of annual overnights the child  
 373.25 or children will likely spend with parent A;

373.26 (2) raise to the power of three the approximate number of annual overnights the child  
 373.27 or children will likely spend with parent B;

373.28 (3) multiply the result of clause (1) times parent B's share of the combined basic  
 373.29 support obligation as determined in section 518A.34, paragraph (b), clause (5);

373.30 (4) multiply the result of clause (2) times parent A's share of the combined basic  
 373.31 support obligation as determined in section 518A.34, paragraph (b), clause (5);

373.32 (5) subtract the result of clause (4) from the result of clause (3); and

373.33 (6) divide the result of clause (5) by the sum of clauses (1) and (2).

373.34 (c) If the result is a negative number, parent A is the obligor, the negative number  
 373.35 becomes its positive equivalent, and the result is the basic support obligation. If the result  
 373.36 is a positive number, parent B is the obligor and the result is the basic support obligation.

374.1 Subd. 3. **Calculation of basic support when parenting time presumed is equal.**

374.2 (a) If the parenting time is equal and the parental incomes for determining child support of  
 374.3 the parents also are equal, no basic support shall be paid unless the court determines that  
 374.4 the expenses for the child are not equally shared.

374.5 ~~(b) If the parenting time is equal but the parents' parental incomes for determining~~  
 374.6 ~~child support are not equal, the parent having the greater parental income for determining~~  
 374.7 ~~child support shall be obligated for basic child support, calculated as follows:~~

374.8 ~~(1) multiply the combined basic support calculated under section 518A.34 by 0.75;~~

374.9 ~~(2) prorate the amount under clause (1) between the parents based on each parent's~~  
 374.10 ~~proportionate share of the combined PICS; and~~

374.11 ~~(3) subtract the lower amount from the higher amount.~~

374.12 ~~The resulting figure is the obligation after parenting expense adjustment for the~~  
 374.13 ~~parent with the greater parental income for determining child support.~~

374.14 **EFFECTIVE DATE.** This section is effective August 1, 2018.

374.15 Sec. 34. Minnesota Statutes 2015 Supplement, section 518A.39, subdivision 2, is  
 374.16 amended to read:

374.17 Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support  
 374.18 may be modified upon a showing of one or more of the following, any of which makes  
 374.19 the terms unreasonable and unfair: (1) substantially increased or decreased gross income  
 374.20 of an obligor or obligee; (2) substantially increased or decreased need of an obligor or  
 374.21 obligee or the child or children that are the subject of these proceedings; (3) receipt of  
 374.22 assistance under the AFDC program formerly codified under sections 256.72 to 256.87  
 374.23 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for  
 374.24 either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary  
 374.25 medical expenses of the child not provided for under section 518A.41; (6) a change in  
 374.26 the availability of appropriate health care coverage or a substantial increase or decrease  
 374.27 in health care coverage costs; (7) the addition of work-related or education-related child  
 374.28 care expenses of the obligee or a substantial increase or decrease in existing work-related  
 374.29 or education-related child care expenses; or (8) upon the emancipation of the child, as  
 374.30 provided in subdivision 5.

374.31 (b) It is presumed that there has been a substantial change in circumstances under  
 374.32 paragraph (a) and the terms of a current support order shall be rebuttably presumed to be  
 374.33 unreasonable and unfair if:

374.34 (1) the application of the child support guidelines in section 518A.35, to the current  
 374.35 circumstances of the parties results in a calculated court order that is at least 20 percent

375.1 and at least \$75 per month higher or lower than the current support order or, if the current  
375.2 support order is less than \$75, it results in a calculated court order that is at least 20  
375.3 percent per month higher or lower;

375.4 (2) the medical support provisions of the order established under section 518A.41  
375.5 are not enforceable by the public authority or the obligee;

375.6 (3) health coverage ordered under section 518A.41 is not available to the child for  
375.7 whom the order is established by the parent ordered to provide;

375.8 (4) the existing support obligation is in the form of a statement of percentage and not  
375.9 a specific dollar amount;

375.10 (5) the gross income of an obligor or obligee has decreased by at least 20 percent  
375.11 through no fault or choice of the party; or

375.12 (6) a deviation was granted based on the factor in section 518A.43, subdivision 1,  
375.13 clause (4), and the child no longer resides in a foreign country or the factor is otherwise no  
375.14 longer applicable.

375.15 (c) A child support order is not presumptively modifiable solely because an obligor  
375.16 or obligee becomes responsible for the support of an additional nonjoint child, which is  
375.17 born after an existing order. Section 518A.33 shall be considered if other grounds are  
375.18 alleged which allow a modification of support.

375.19 (d) If child support was established by applying a parenting expense adjustment  
375.20 or presumed equal parenting time calculation under previously existing child support  
375.21 guidelines and there is no parenting plan or order from which overnights or overnight  
375.22 equivalents can be determined, there is a rebuttable presumption that the established  
375.23 adjustment or calculation will continue after modification so long as the modification is  
375.24 not based on a change in parenting time. In determining an obligation under previously  
375.25 existing child support guidelines, it is presumed that the court shall:

375.26 (1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's  
375.27 share of the combined basic support obligation calculated under section 518A.34,  
375.28 paragraph (b), clause (5), by .88; or

375.29 (2) if the parenting time was presumed equal but the parents' parental incomes for  
375.30 determining child support were not equal:

375.31 (i) multiply the combined basic support obligation under section 518A.34, paragraph  
375.32 (b), clause (5), by .075;

375.33 (ii) prorate the amount under item (i) between the parents based on each parent's  
375.34 proportionate share of the combined PICS; and

375.35 (iii) subtract the lower amount from the higher amount.

376.1 (e) On a motion for modification of maintenance, including a motion for the  
376.2 extension of the duration of a maintenance award, the court shall apply, in addition to all  
376.3 other relevant factors, the factors for an award of maintenance under section 518.552 that  
376.4 exist at the time of the motion. On a motion for modification of support, the court:

376.5 (1) shall apply section 518A.35, and shall not consider the financial circumstances of  
376.6 each party's spouse, if any; and

376.7 (2) shall not consider compensation received by a party for employment in excess of  
376.8 a 40-hour work week, provided that the party demonstrates, and the court finds, that:

376.9 (i) the excess employment began after entry of the existing support order;

376.10 (ii) the excess employment is voluntary and not a condition of employment;

376.11 (iii) the excess employment is in the nature of additional, part-time employment, or  
376.12 overtime employment compensable by the hour or fractions of an hour;

376.13 (iv) the party's compensation structure has not been changed for the purpose of  
376.14 affecting a support or maintenance obligation;

376.15 (v) in the case of an obligor, current child support payments are at least equal to the  
376.16 guidelines amount based on income not excluded under this clause; and

376.17 (vi) in the case of an obligor who is in arrears in child support payments to the  
376.18 obligee, any net income from excess employment must be used to pay the arrearages  
376.19 until the arrearages are paid in full.

376.20 ~~(e)~~ (f) A modification of support or maintenance, including interest that accrued  
376.21 pursuant to section 548.091, may be made retroactive only with respect to any period  
376.22 during which the petitioning party has pending a motion for modification but only from  
376.23 the date of service of notice of the motion on the responding party and on the public  
376.24 authority if public assistance is being furnished or the county attorney is the attorney of  
376.25 record, unless the court adopts an alternative effective date under paragraph (l). The  
376.26 court's adoption of an alternative effective date under paragraph (l) shall not be considered  
376.27 a retroactive modification of maintenance or support.

376.28 ~~(f)~~ (g) Except for an award of the right of occupancy of the homestead, provided  
376.29 in section 518.63, all divisions of real and personal property provided by section 518.58  
376.30 shall be final, and may be revoked or modified only where the court finds the existence  
376.31 of conditions that justify reopening a judgment under the laws of this state, including  
376.32 motions under section 518.145, subdivision 2. The court may impose a lien or charge on  
376.33 the divided property at any time while the property, or subsequently acquired property, is  
376.34 owned by the parties or either of them, for the payment of maintenance or support money,  
376.35 or may sequester the property as is provided by section 518A.71.



377.1           ~~(g)~~ (h) The court need not hold an evidentiary hearing on a motion for modification  
377.2 of maintenance or support.

377.3           ~~(h)~~ (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for  
377.4 motions brought under this subdivision.

377.5           ~~(i)~~ (j) Except as expressly provided, an enactment, amendment, or repeal of law does  
377.6 not constitute a substantial change in the circumstances for purposes of modifying a  
377.7 child support order.

377.8           ~~(j)~~ MS-2006 [Expired]

377.9           ~~(k)~~ On the first modification ~~under the income shares method of calculation~~  
377.10 following implementation of amended child support guidelines, the modification of  
377.11 basic support may be limited if the amount of the full variance would create hardship  
377.12 for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility  
377.13 for assistance under chapter 256J.

377.14           (l) The court may select an alternative effective date for a maintenance or support  
377.15 order if the parties enter into a binding agreement for an alternative effective date.

377.16           **EFFECTIVE DATE.** This section is effective August 1, 2018.

377.17           Sec. 35. Minnesota Statutes 2014, section 609.3241, is amended to read:

377.18           **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

377.19           (a) When a court sentences an adult convicted of violating section 609.322 or  
377.20 609.324, while acting other than as a prostitute, the court shall impose an assessment of  
377.21 not less than \$500 and not more than \$750 for a violation of section 609.324, subdivision  
377.22 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall  
377.23 impose an assessment of not less than \$750 and not more than \$1,000. The assessment  
377.24 shall be distributed as provided in paragraph (c) and is in addition to the surcharge  
377.25 required by section 357.021, subdivision 6.

377.26           (b) The court may not waive payment of the minimum assessment required by  
377.27 this section. If the defendant qualifies for the services of a public defender or the court  
377.28 finds on the record that the convicted person is indigent or that immediate payment of  
377.29 the assessment would create undue hardship for the convicted person or that person's  
377.30 immediate family, the court may reduce the amount of the minimum assessment to not  
377.31 less than \$100. The court also may authorize payment of the assessment in installments.

377.32           (c) The assessment collected under paragraph (a) must be distributed as follows:

377.33           (1) 40 percent of the assessment shall be forwarded to the political subdivision that  
377.34 employs the arresting officer for use in enforcement, training, and education activities

378.1 related to combating sexual exploitation of youth, or if the arresting officer is an employee  
 378.2 of the state, this portion shall be forwarded to the commissioner of public safety for those  
 378.3 purposes identified in clause (3);

378.4 (2) 20 percent of the assessment shall be forwarded to the prosecuting agency that  
 378.5 handled the case for use in training and education activities relating to combating sexual  
 378.6 exploitation activities of youth; and

378.7 (3) 40 percent of the assessment must be forwarded to the commissioner of ~~public~~  
 378.8 ~~safety~~ health to be deposited in the safe harbor for youth account in the special revenue  
 378.9 fund and are appropriated to the commissioner for distribution to crime victims services  
 378.10 organizations that provide services to sexually exploited youth, as defined in section  
 378.11 260C.007, subdivision 31.

378.12 (d) A safe harbor for youth account is established as a special account in the state  
 378.13 treasury.

378.14 Sec. 36. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 2, is  
 378.15 amended to read:

378.16 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings  
 378.17 given them unless the specific content indicates otherwise:

378.18 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected  
 378.19 occurrence or event which:

378.20 (1) is not likely to occur and could not have been prevented by exercise of due  
 378.21 care; and

378.22 (2) if occurring while a child is receiving services from a facility, happens when the  
 378.23 facility and the employee or person providing services in the facility are in compliance  
 378.24 with the laws and rules relevant to the occurrence or event.

378.25 (b) "Commissioner" means the commissioner of human services.

378.26 (c) "Facility" means:

378.27 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,  
 378.28 sanitarium, or other facility or institution required to be licensed under sections 144.50 to  
 378.29 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

378.30 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter  
 378.31 124E; or

378.32 (3) a nonlicensed personal care provider organization as defined in section  
 378.33 256B.0625, subdivision 19a.

378.34 (d) "Family assessment" means a comprehensive assessment of child safety, risk of  
 378.35 subsequent child maltreatment, and family strengths and needs that is applied to a child

379.1 maltreatment report that does not allege sexual abuse or substantial child endangerment.  
379.2 Family assessment does not include a determination as to whether child maltreatment  
379.3 occurred but does determine the need for services to address the safety of family members  
379.4 and the risk of subsequent maltreatment.

379.5 (e) "Investigation" means fact gathering related to the current safety of a child  
379.6 and the risk of subsequent maltreatment that determines whether child maltreatment  
379.7 occurred and whether child protective services are needed. An investigation must be used  
379.8 when reports involve sexual abuse or substantial child endangerment, and for reports of  
379.9 maltreatment in facilities required to be licensed under chapter 245A or 245D; under  
379.10 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,  
379.11 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider  
379.12 association as defined in section 256B.0625, subdivision 19a.

379.13 (f) "Mental injury" means an injury to the psychological capacity or emotional  
379.14 stability of a child as evidenced by an observable or substantial impairment in the child's  
379.15 ability to function within a normal range of performance and behavior with due regard to  
379.16 the child's culture.

379.17 (g) "Neglect" means the commission or omission of any of the acts specified under  
379.18 clauses (1) to (9), other than by accidental means:

379.19 (1) failure by a person responsible for a child's care to supply a child with necessary  
379.20 food, clothing, shelter, health, medical, or other care required for the child's physical or  
379.21 mental health when reasonably able to do so;

379.22 (2) failure to protect a child from conditions or actions that seriously endanger the  
379.23 child's physical or mental health when reasonably able to do so, including a growth delay,  
379.24 which may be referred to as a failure to thrive, that has been diagnosed by a physician and  
379.25 is due to parental neglect;

379.26 (3) failure to provide for necessary supervision or child care arrangements  
379.27 appropriate for a child after considering factors as the child's age, mental ability, physical  
379.28 condition, length of absence, or environment, when the child is unable to care for the  
379.29 child's own basic needs or safety, or the basic needs or safety of another child in their care;

379.30 (4) failure to ensure that the child is educated as defined in sections 120A.22 and  
379.31 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's  
379.32 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

379.33 (5) nothing in this section shall be construed to mean that a child is neglected solely  
379.34 because the child's parent, guardian, or other person responsible for the child's care in  
379.35 good faith selects and depends upon spiritual means or prayer for treatment or care of  
379.36 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,

380.1 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report  
380.2 if a lack of medical care may cause serious danger to the child's health. This section does  
380.3 not impose upon persons, not otherwise legally responsible for providing a child with  
380.4 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

380.5 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,  
380.6 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal  
380.7 symptoms in the child at birth, results of a toxicology test performed on the mother at  
380.8 delivery or the child at birth, medical effects or developmental delays during the child's  
380.9 first year of life that medically indicate prenatal exposure to a controlled substance, or the  
380.10 presence of a fetal alcohol spectrum disorder;

380.11 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

380.12 (8) chronic and severe use of alcohol or a controlled substance by a parent or  
380.13 person responsible for the care of the child that adversely affects the child's basic needs  
380.14 and safety; or

380.15 (9) emotional harm from a pattern of behavior which contributes to impaired  
380.16 emotional functioning of the child which may be demonstrated by a substantial and  
380.17 observable effect in the child's behavior, emotional response, or cognition that is not  
380.18 within the normal range for the child's age and stage of development, with due regard to  
380.19 the child's culture.

380.20 (h) "Nonmaltreatment mistake" means:

380.21 (1) at the time of the incident, the individual was performing duties identified in the  
380.22 center's child care program plan required under Minnesota Rules, part 9503.0045;

380.23 (2) the individual has not been determined responsible for a similar incident that  
380.24 resulted in a finding of maltreatment for at least seven years;

380.25 (3) the individual has not been determined to have committed a similar  
380.26 nonmaltreatment mistake under this paragraph for at least four years;

380.27 (4) any injury to a child resulting from the incident, if treated, is treated only with  
380.28 remedies that are available over the counter, whether ordered by a medical professional or  
380.29 not; and

380.30 (5) except for the period when the incident occurred, the facility and the individual  
380.31 providing services were both in compliance with all licensing requirements relevant to the  
380.32 incident.

380.33 This definition only applies to child care centers licensed under Minnesota  
380.34 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of  
380.35 substantiated maltreatment by the individual, the commissioner of human services shall  
380.36 determine that a nonmaltreatment mistake was made by the individual.

381.1 (i) "Operator" means an operator or agency as defined in section 245A.02.

381.2 (j) "Person responsible for the child's care" means (1) an individual functioning  
381.3 within the family unit and having responsibilities for the care of the child such as a  
381.4 parent, guardian, or other person having similar care responsibilities, or (2) an individual  
381.5 functioning outside the family unit and having responsibilities for the care of the child  
381.6 such as a teacher, school administrator, other school employees or agents, or other lawful  
381.7 custodian of a child having either full-time or short-term care responsibilities including,  
381.8 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,  
381.9 and coaching.

381.10 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,  
381.11 inflicted by a person responsible for the child's care on a child other than by accidental  
381.12 means, or any physical or mental injury that cannot reasonably be explained by the child's  
381.13 history of injuries, or any aversive or deprivation procedures, or regulated interventions,  
381.14 that have not been authorized under section 125A.0942 or 245.825.

381.15 Abuse does not include reasonable and moderate physical discipline of a child  
381.16 administered by a parent or legal guardian which does not result in an injury. Abuse does  
381.17 not include the use of reasonable force by a teacher, principal, or school employee as  
381.18 allowed by section 121A.582. Actions which are not reasonable and moderate include, but  
381.19 are not limited to, any of the following:

381.20 (1) throwing, kicking, burning, biting, or cutting a child;

381.21 (2) striking a child with a closed fist;

381.22 (3) shaking a child under age three;

381.23 (4) striking or other actions which result in any nonaccidental injury to a child  
381.24 under 18 months of age;

381.25 (5) unreasonable interference with a child's breathing;

381.26 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

381.27 (7) striking a child under age one on the face or head;

381.28 (8) striking a child who is at least age one but under age four on the face or head,  
381.29 which results in an injury;

381.30 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled  
381.31 substances which were not prescribed for the child by a practitioner, in order to control or  
381.32 punish the child; or other substances that substantially affect the child's behavior, motor  
381.33 coordination, or judgment or that results in sickness or internal injury, or subjects the  
381.34 child to medical procedures that would be unnecessary if the child were not exposed  
381.35 to the substances;

382.1 (10) unreasonable physical confinement or restraint not permitted under section  
382.2 609.379, including but not limited to tying, caging, or chaining; or

382.3 (11) in a school facility or school zone, an act by a person responsible for the child's  
382.4 care that is a violation under section 121A.58.

382.5 (l) "Practice of social services," for the purposes of subdivision 3, includes but is  
382.6 not limited to employee assistance counseling and the provision of guardian ad litem and  
382.7 parenting time expeditor services.

382.8 (m) "Report" means any communication received by the local welfare agency,  
382.9 police department, county sheriff, or agency responsible for child protection pursuant to  
382.10 this section that describes neglect or physical or sexual abuse of a child and contains  
382.11 sufficient content to identify the child and any person believed to be responsible for the  
382.12 neglect or abuse, if known.

382.13 (n) "Sexual abuse" means the subjection of a child by a person responsible for the  
382.14 child's care, by a person who has a significant relationship to the child, as defined in section  
382.15 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision  
382.16 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in  
382.17 the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal  
382.18 sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree),  
382.19 or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any  
382.20 act which involves a minor which constitutes a violation of prostitution offenses under  
382.21 sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all  
382.22 reports of known or suspected child sex trafficking involving a child who is identified as a  
382.23 victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section  
382.24 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which  
382.25 includes the status of a parent or household member who has committed a violation which  
382.26 requires registration as an offender under section 243.166, subdivision 1b, paragraph (a)  
382.27 or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

382.28 (o) "Substantial child endangerment" means a person responsible for a child's care,  
382.29 by act or omission, commits or attempts to commit an act against a child under their  
382.30 care that constitutes any of the following:

382.31 (1) egregious harm as defined in section 260C.007, subdivision 14;

382.32 (2) abandonment under section 260C.301, subdivision 2;

382.33 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the  
382.34 child's physical or mental health, including a growth delay, which may be referred to as  
382.35 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

383.1 (4) murder in the first, second, or third degree under section 609.185, 609.19, or  
383.2 609.195;

383.3 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

383.4 (6) assault in the first, second, or third degree under section 609.221, 609.222, or  
383.5 609.223;

383.6 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

383.7 (8) criminal sexual conduct under sections 609.342 to 609.3451;

383.8 (9) solicitation of children to engage in sexual conduct under section 609.352;

383.9 (10) malicious punishment or neglect or endangerment of a child under section  
383.10 609.377 or 609.378;

383.11 (11) use of a minor in sexual performance under section 617.246; or

383.12 (12) parental behavior, status, or condition which mandates that the county attorney  
383.13 file a termination of parental rights petition under section 260C.503, subdivision 2.

383.14 (p) "Threatened injury" means a statement, overt act, condition, or status that  
383.15 represents a substantial risk of physical or sexual abuse or mental injury. Threatened  
383.16 injury includes, but is not limited to, exposing a child to a person responsible for the  
383.17 child's care, as defined in paragraph (j), clause (1), who has:

383.18 (1) subjected a child to, or failed to protect a child from, an overt act or condition  
383.19 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a  
383.20 similar law of another jurisdiction;

383.21 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph  
383.22 (b), clause (4), or a similar law of another jurisdiction;

383.23 (3) committed an act that has resulted in an involuntary termination of parental rights  
383.24 under section 260C.301, or a similar law of another jurisdiction; or

383.25 (4) committed an act that has resulted in the involuntary transfer of permanent  
383.26 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section  
383.27 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a  
383.28 similar law of another jurisdiction.

383.29 A child is the subject of a report of threatened injury when the responsible social  
383.30 services agency receives birth match data under paragraph (q) from the Department of  
383.31 Human Services.

383.32 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a  
383.33 birth record or recognition of parentage identifying a child who is subject to threatened  
383.34 injury under paragraph (p), the Department of Human Services shall send the data to the  
383.35 responsible social services agency. The data is known as "birth match" data. Unless the  
383.36 responsible social services agency has already begun an investigation or assessment of the

384.1 report due to the birth of the child or execution of the recognition of parentage and the  
 384.2 parent's previous history with child protection, the agency shall accept the birth match  
 384.3 data as a report under this section. The agency may use either a family assessment or  
 384.4 investigation to determine whether the child is safe. All of the provisions of this section  
 384.5 apply. If the child is determined to be safe, the agency shall consult with the county  
 384.6 attorney to determine the appropriateness of filing a petition alleging the child is in need  
 384.7 of protection or services under section 260C.007, subdivision 6, clause (16), in order to  
 384.8 deliver needed services. If the child is determined not to be safe, the agency and the county  
 384.9 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

384.10 (r) Persons who conduct assessments or investigations under this section shall take  
 384.11 into account accepted child-rearing practices of the culture in which a child participates  
 384.12 and accepted teacher discipline practices, which are not injurious to the child's health,  
 384.13 welfare, and safety.

384.14 Sec. 37. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 3c,  
 384.15 is amended to read:

384.16 Subd. 3c. **Local welfare agency, Department of Human Services or Department**  
 384.17 **of Health responsible for assessing or investigating reports of maltreatment or death.**

384.18 (a) Except as provided in paragraph (b), the county local welfare agency is the agency  
 384.19 responsible for assessing or investigating allegations of maltreatment in child foster care  
 384.20 that do not involve the death of a foster child, family child care, legally unlicensed  
 384.21 child care, juvenile correctional facilities licensed under section 241.021 located in the  
 384.22 local welfare agency's county, and reports involving children served by an unlicensed  
 384.23 personal care provider organization under section 256B.0659. Copies of findings related  
 384.24 to personal care provider organizations under section 256B.0659 must be forwarded to  
 384.25 the Department of Human Services provider enrollment.

384.26 (b) The Department of Human Services is the agency responsible for assessing or  
 384.27 investigating allegations of maltreatment in:

384.28 (1) facilities licensed under chapters 245A and 245D, except for in child foster care  
 384.29 and family child care homes that are monitored by county agencies according to section  
 384.30 245A.16, subdivision 1;

384.31 (2) child foster care homes that are monitored by private agencies that have been  
 384.32 licensed by the commissioner to perform licensing functions and activities according to  
 384.33 section 245A.16, subdivision 1; and



385.1 (3) child foster care and family child care homes that are monitored by county  
385.2 agencies according to section 245A.16, subdivision 1, upon agreement by the county and  
385.3 Department of Human Services for a specific case.

385.4 (c) The Department of Human Services is responsible for investigating the death  
385.5 of a child placed in a foster care program.

385.6 (d) The Department of Health is the agency responsible for assessing or investigating  
385.7 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58  
385.8 and 144A.46.

385.9 Sec. 38. Minnesota Statutes 2014, section 626.556, subdivision 3e, is amended to read:

385.10 Subd. 3e. **Agency responsible for assessing or investigating reports of sexual**  
385.11 **abuse.** The local welfare agency is the agency responsible for investigating allegations  
385.12 of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual  
385.13 functioning within the family unit as a person responsible for the child's care, or a person  
385.14 with a significant relationship to the child if that person resides in the child's household.  
385.15 Effective May 29, 2017, the local welfare agency is also responsible for investigating  
385.16 when a child is identified as a victim of sex trafficking.

385.17 Sec. 39. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 10b,  
385.18 is amended to read:

385.19 Subd. 10b. **Duties of commissioner; neglect ~~or~~, abuse, or death in a facility.** (a)  
385.20 This section applies to the commissioners of human services, health, and education. The  
385.21 commissioner of the agency responsible for assessing or investigating the report shall  
385.22 immediately assess or investigate if the report alleges that:

385.23 (1) a child who is in the care of a facility as defined in subdivision 2 is neglected,  
385.24 physically abused, sexually abused, or is the victim of maltreatment in a facility by an  
385.25 individual in that facility, or has been so neglected or abused, or been the victim of  
385.26 maltreatment in a facility by an individual in that facility within the three years preceding  
385.27 the report; or

385.28 (2) a child was neglected, physically abused, sexually abused, or is the victim of  
385.29 maltreatment in a facility by an individual in a facility defined in subdivision 2, while in  
385.30 the care of that facility within the three years preceding the report.

385.31 The commissioner of the agency responsible for assessing or investigating the  
385.32 report shall arrange for the transmittal to the commissioner of reports received by local  
385.33 agencies and may delegate to a local welfare agency the duty to investigate reports. In  
385.34 conducting an investigation under this section, the commissioner has the powers and

386.1 duties specified for local welfare agencies under this section. The commissioner of the  
386.2 agency responsible for assessing or investigating the report or local welfare agency may  
386.3 interview any children who are or have been in the care of a facility under investigation  
386.4 and their parents, guardians, or legal custodians.

386.5 (b) Prior to any interview, the commissioner of the agency responsible for assessing  
386.6 or investigating the report or local welfare agency shall notify the parent, guardian, or legal  
386.7 custodian of a child who will be interviewed in the manner provided for in subdivision  
386.8 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian  
386.9 of a child in an out-of-home placement have failed, the child may be interviewed if there  
386.10 is reason to believe the interview is necessary to protect the child or other children in the  
386.11 facility. The commissioner of the agency responsible for assessing or investigating the  
386.12 report or local agency must provide the information required in this subdivision to the  
386.13 parent, guardian, or legal custodian of a child interviewed without parental notification  
386.14 as soon as possible after the interview. When the investigation is completed, any parent,  
386.15 guardian, or legal custodian notified under this subdivision shall receive the written  
386.16 memorandum provided for in subdivision 10d, paragraph (c).

386.17 (c) In conducting investigations under this subdivision the commissioner or local  
386.18 welfare agency shall obtain access to information consistent with subdivision 10,  
386.19 paragraphs (h), (i), and (j). In conducting assessments or investigations under this  
386.20 subdivision, the commissioner of education shall obtain access to reports and investigative  
386.21 data that are relevant to a report of maltreatment and are in the possession of a school  
386.22 facility as defined in subdivision 2, paragraph (c), notwithstanding the classification of the  
386.23 data as educational or personnel data under chapter 13. This includes, but is not limited  
386.24 to, school investigative reports, information concerning the conduct of school personnel  
386.25 alleged to have committed maltreatment of students, information about witnesses, and any  
386.26 protective or corrective action taken by the school facility regarding the school personnel  
386.27 alleged to have committed maltreatment.

386.28 (d) The commissioner may request assistance from the local social services agency.

386.29 (e) The commissioner of human services shall investigate every incident involving  
386.30 the death of a child during placement in a child foster care home licensed under chapter  
386.31 245A and Minnesota Rules, chapter 2960. The investigation, notifications, and data  
386.32 classifications are governed by this section, even if abuse or neglect is not alleged or  
386.33 determined in the report.

386.34 Sec. 40. Minnesota Statutes 2014, section 626.556, subdivision 10f, is amended to read:

387.1 Subd. 10f. **Notice of determinations.** Within ten working days of the conclusion  
387.2 of a family assessment, the local welfare agency shall notify the parent or guardian of  
387.3 the child of the need for services to address child safety concerns or significant risk of  
387.4 subsequent child maltreatment. The local welfare agency and the family may also jointly  
387.5 agree that family support and family preservation services are needed. Within ten working  
387.6 days of the conclusion of an investigation, the local welfare agency or agency responsible  
387.7 for investigating the report shall notify the parent or guardian of the child, the person  
387.8 determined to be maltreating the child, and, if applicable, the director of the facility, of  
387.9 the determination and a summary of the specific reasons for the determination. When the  
387.10 investigation involves a child foster care setting that is monitored by a private licensing  
387.11 agency under section 245A.16, the local welfare agency responsible for investigating the  
387.12 report ~~Department of Human Services~~ shall notify the private licensing agency of the  
387.13 determination and shall provide a summary of the specific reasons for the determination.  
387.14 The notice to the private licensing agency must include identifying private data, but not the  
387.15 identity of the reporter of maltreatment. The notice must also include a certification that the  
387.16 information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were  
387.17 followed and a notice of the right of a data subject to obtain access to other private data  
387.18 on the subject collected, created, or maintained under this section. In addition, the notice  
387.19 shall include the length of time that the records will be kept under subdivision 11c. The  
387.20 investigating agency shall notify the parent or guardian of the child who is the subject of  
387.21 the report, and any person or facility determined to have maltreated a child, of their appeal  
387.22 or review rights under this section. The notice must also state that a finding of maltreatment  
387.23 may result in denial of a license application or background study disqualification under  
387.24 chapter 245C related to employment or services that are licensed by the Department of  
387.25 Human Services under chapter 245A, the Department of Health under chapter 144 or  
387.26 144A, the Department of Corrections under section 241.021, and from providing services  
387.27 related to an unlicensed personal care provider organization under chapter 256B.

387.28 Sec. 41. **CHILD CARE IS AN ALLOWABLE SERVICE FOR PURPOSES OF**  
387.29 **CHILD PROTECTION.**

387.30 The commissioner shall change the brass code related to allowable child protection  
387.31 services to include child care.

387.32 Sec. 42. **DIRECTION TO COMMISSIONERS; INCOME AND ASSET**  
387.33 **EXCLUSION.**

388.1 (a) The commissioner of human services shall not count payments made to families  
388.2 by the income and child development in the first three years of life demonstration  
388.3 project as income or assets for purposes of determining or redetermining eligibility for  
388.4 child care assistance programs under Minnesota Statutes, chapter 119B; the Minnesota  
388.5 family investment program, work benefit program, or diversionary work program under  
388.6 Minnesota Statutes, chapter 256J, during the duration of the demonstration.

388.7 (b) The commissioner of human services shall not count payments made to families  
388.8 by the income and child development in the first three years of life demonstration project  
388.9 as income for purposes of determining or redetermining eligibility for medical assistance  
388.10 under Minnesota Statutes, chapter 256B, and MinnesotaCare under Minnesota Statutes,  
388.11 chapter 256L.

388.12 (c) For the purposes of this section, "income and child development in the first  
388.13 three years of life demonstration project" means a demonstration project funded by the  
388.14 United States Department of Health and Human Services National Institutes of Health to  
388.15 evaluate whether the unconditional cash payments have a causal effect on the cognitive,  
388.16 socioemotional, and brain development of infants and toddlers.

388.17 (d) This section shall only be implemented if Minnesota is chosen as a site for the child  
388.18 development in the first three years of life demonstration site, and expires January 1, 2022.

388.19 (e) The commissioner of human services shall provide a report to the legislative  
388.20 committees having jurisdiction over human services issues by January 1, 2023, informing  
388.21 the legislature on the progress and outcomes of the demonstration under this section.

388.22 **EFFECTIVE DATE.** Paragraph (b) is effective August 16, 2016, or upon federal  
388.23 approval, whichever is later.

388.24 **Sec. 43. REVIEW OF CHILD FOSTER CARE PRIVATE AGENCIES.**

388.25 The commissioner of human services shall convene a working group to review the  
388.26 impact of removing the licensing responsibilities from private agencies (previously "Rule  
388.27 4"), and replacing those duties with responsibilities to provide technical assistance for  
388.28 prospective foster care providers, care coordination for children in foster care, and training  
388.29 support for foster parents. The commissioner shall submit a report to the 2017 legislative  
388.30 committees with jurisdiction over foster care issues by January 15, 2017, with language  
388.31 and an analysis of costs associated with these changes.

388.32 **Sec. 44. CHILD CARE LIABILITY INSURANCE REPORT.**

388.33 The commissioner of human services shall conduct a survey and report on existing  
388.34 liability insurance and the availability of coverage for family child care license holders.

389.1 The survey shall be conducted from a representative sample of county licensors or current  
 389.2 license holders. At a minimum, the report must address the following:

389.3 (1) the number of currently licensed family child care providers surveyed who  
 389.4 have liability insurance;

389.5 (2) the availability, accessibility, and levels and cost of coverage provided for  
 389.6 personal injury, death, or property damage resulting from the negligent acts or omissions  
 389.7 related to the provision of services under a family child care license under Minnesota  
 389.8 Rules, chapter 9502; and

389.9 (3) the regulatory or legislative actions necessary to require that insurance coverage  
 389.10 is maintained throughout the term of the license.

389.11 The report must be submitted to the chairs and ranking minority members of the  
 389.12 senate and house of representatives committees with jurisdiction over child care licensing  
 389.13 policy and finance no later than January 16, 2017.

389.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

## 389.15 **ARTICLE 22**

### 389.16 **MENTAL HEALTH**

389.17 Section 1. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 3,  
 389.18 is amended to read:

389.19 Subd. 3. ~~Reform projects~~ Certified community behavioral health clinics. (a) The  
 389.20 commissioner shall establish ~~standards for a state certification of clinics as~~ process for  
 389.21 certified community behavioral health clinics, in accordance (CCBHCs) to be eligible for  
 389.22 the prospective payment system in paragraph (f). Entities that choose to be CCBHCs must:

389.23 (1) comply with the CCBHC criteria published on or before September 1, 2015, by  
 389.24 the United States Department of Health and Human Services. ~~Certification standards~~  
 389.25 established by the commissioner shall require that;

389.26 ~~(1)~~ (2) employ or contract for clinic staff who have backgrounds in diverse  
 389.27 disciplines, include including licensed mental health professionals, and staff who are  
 389.28 culturally and linguistically trained to serve the needs of the clinic's patient population;

389.29 ~~(2)~~ (3) ensure that clinic services are available and accessible to patients of all ages  
 389.30 and genders and that crisis management services are available 24 hours per day;

389.31 ~~(3)~~ (4) establish fees for clinic services are established for non-medical assistance  
 389.32 patients using a sliding fee scale and that ensures that services to patients are not denied  
 389.33 or limited due to a patient's inability to pay for services;

390.1 ~~(4) clinics provide coordination of care across settings and providers to ensure~~  
 390.2 ~~seamless transitions for patients across the full spectrum of health services, including~~  
 390.3 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~  
 390.4 ~~partnerships or formal contracts with federally qualified health centers, inpatient~~  
 390.5 ~~psychiatric facilities, substance use and detoxification facilities, community-based mental~~  
 390.6 ~~health providers, and other community services, supports, and providers including~~  
 390.7 ~~schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health~~  
 390.8 ~~Services clinics, tribally licensed health care and mental health facilities, urban Indian~~  
 390.9 ~~health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in~~  
 390.10 ~~centers, acute care hospitals, and hospital outpatient clinics; (5) comply with quality~~  
 390.11 ~~assurance reporting requirements and other reporting requirements, including any required~~  
 390.12 ~~reporting of encounter data, clinical outcomes data, and quality data;~~

390.13 ~~(5) services provided by clinics include (6) provide~~ crisis mental health services,  
 390.14 ~~withdrawal management services,~~ emergency crisis intervention services, and stabilization  
 390.15 services; screening, assessment, and diagnosis services, including risk assessments and  
 390.16 level of care determinations; patient-centered treatment planning; outpatient mental  
 390.17 health and substance use services; targeted case management; psychiatric rehabilitation  
 390.18 services; peer support and counselor services and family support services; and intensive  
 390.19 community-based mental health services, including mental health services for members of  
 390.20 the armed forces and veterans; ~~and~~

390.21 ~~(6) clinics comply with quality assurance reporting requirements and other reporting~~  
 390.22 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~  
 390.23 ~~and quality data. (7) provide coordination of care across settings and providers to ensure~~  
 390.24 ~~seamless transitions for patients across the full spectrum of health services, including~~  
 390.25 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~  
 390.26 ~~partnerships or formal contracts with:~~

390.27 ~~(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally~~  
 390.28 ~~qualified health centers, inpatient psychiatric facilities, substance use and detoxification~~  
 390.29 ~~facilities, community-based mental health providers; and~~

390.30 ~~(ii) other community services, supports, and providers, including schools, child~~  
 390.31 ~~welfare agencies, juvenile and criminal justice agencies, Indian health services clinics,~~  
 390.32 ~~tribally licensed health care and mental health facilities, urban Indian health clinics,~~  
 390.33 ~~Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute~~  
 390.34 ~~care hospitals, and hospital outpatient clinics;~~

390.35 ~~(8) be certified as mental health clinics under section 245.69, subdivision 2;~~

391.1 (9) comply with standards relating to integrated treatment for co-occurring mental  
391.2 illness and substance use disorders in adults or children under Minnesota Rules, chapter  
391.3 9533;

391.4 (10) comply with standards relating to mental health services in Minnesota Rules,  
391.5 parts 9505.0370 to 9505.0372;

391.6 (11) be licensed to provide chemical dependency treatment under Minnesota Rules,  
391.7 parts 9530.6405 to 9530.6505;

391.8 (12) be certified to provide children's therapeutic services and supports under  
391.9 section 256B.0943;

391.10 (13) be certified to provide adult rehabilitative mental health services under section  
391.11 256B.0623;

391.12 (14) be enrolled to provide mental health crisis response services under section  
391.13 256B.0624;

391.14 (15) be enrolled to provide mental health targeted case management under section  
391.15 256B.0625, subdivision 20;

391.16 (16) comply with standards relating to mental health case management in Minnesota  
391.17 Rules, parts 9520.0900 to 9520.0926; and

391.18 (17) provide services that comply with the evidence-based practices described in  
391.19 paragraph (e).

391.20 (b) If an entity is unable to provide one or more of the services listed in paragraph  
391.21 (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC if it has a  
391.22 current contract with another entity that has the required authority to provide that service  
391.23 and that meets federal CCBHC criteria as a designated collaborating organization; or, to  
391.24 the extent allowed by the federal CCBHC criteria, the commissioner may approve a  
391.25 referral arrangement. The CCBHC must meet federal requirements regarding the type and  
391.26 scope of services to be provided directly by the CCBHC.

391.27 (c) Notwithstanding other law that requires a county contract or other form of county  
391.28 approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise  
391.29 meets CCBHC requirements may receive the prospective payment under paragraph (f)  
391.30 for those services without a county contract or county approval. There is no county  
391.31 share when medical assistance pays the CCBHC prospective payment. As part of the  
391.32 certification process in paragraph (a), the commissioner shall require a letter of support  
391.33 from the CCBHC's host county confirming that the CCBHC and the county or counties it  
391.34 serves have an ongoing relationship to facilitate access and continuity of care, especially  
391.35 for individuals who are uninsured or who may go on and off medical assistance.

392.1 (d) When the standards listed in paragraph (a) or other applicable standards  
392.2 conflict or address similar issues in duplicative or incompatible ways, the commissioner  
392.3 may grant variances to state requirements if the variances do not conflict with federal  
392.4 requirements. If standards overlap, the commissioner may substitute all or a part of a  
392.5 licensure or certification that is substantially the same as another licensure or certification.  
392.6 The commissioner shall consult with stakeholders, as described in subdivision 4, before  
392.7 granting variances under this provision.

392.8 (e) The commissioner shall issue a list of required evidence-based practices to be  
392.9 delivered by certified community behavioral health clinics, and may also provide a list  
392.10 of recommended evidence-based practices. The commissioner may update the list to  
392.11 reflect advances in outcomes research and medical services for persons living with mental  
392.12 illnesses or substance use disorders. The commissioner shall take into consideration the  
392.13 adequacy of evidence to support the efficacy of the practice, the quality of workforce  
392.14 available, and the current availability of the practice in the state. At least 30 days before  
392.15 issuing the initial list and any revisions, the commissioner shall provide stakeholders  
392.16 with an opportunity to comment.

392.17 ~~(b)~~ (f) The commissioner shall establish standards and methodologies for a  
392.18 prospective payment system for medical assistance payments for mental health services  
392.19 delivered by certified community behavioral health clinics, in accordance with guidance  
392.20 issued on or before September 1, 2015, by the Centers for Medicare and Medicaid  
392.21 Services. During the operation of the demonstration project, payments shall comply with  
392.22 federal requirements for a 90 percent an enhanced federal medical assistance percentage.  
392.23 The commissioner may include quality bonus payments in the prospective payment  
392.24 system based on federal criteria and on a clinic's provision of the evidence-based practices  
392.25 in paragraph (e). The prospective payments system does not apply to MinnesotaCare.  
392.26 Implementation of the prospective payment system is effective July 1, 2017, or upon  
392.27 federal approval, whichever is later.

392.28 (g) The commissioner shall seek federal approval to continue federal financial  
392.29 participation in payment for CCBHC services after the federal demonstration period  
392.30 ends for clinics that were certified as CCBHCs during the demonstration period and  
392.31 that continue to meet the CCBHC certification standards in paragraph (a). Payment  
392.32 for CCBHC services shall cease effective July 1, 2019, if continued federal financial  
392.33 participation for the payment of CCBHC services cannot be obtained.

392.34 (h) To the extent allowed by federal law, the commissioner may limit the number of  
392.35 certified clinics so that the projected claims for certified clinics will not exceed the funds  
392.36 budgeted for this purpose. The commissioner shall give preference to clinics that:



393.1 (1) are located in both rural and urban areas, with at least one in each area, as  
 393.2 defined by federal criteria;

393.3 (2) provide a comprehensive range of services and evidence-based practices for all  
 393.4 age groups, with services being fully coordinated and integrated; and

393.5 (3) enhance the state's ability to meet the federal priorities to be selected as a  
 393.6 CCBHC demonstration state.

393.7 (i) The commissioner shall recertify CCBHCs at least every three years. The  
 393.8 commissioner shall establish a process for decertification and shall require corrective  
 393.9 action, medical assistance repayment, or decertification of a CCBHC that no longer  
 393.10 meets the requirements in this section or that fails to meet the standards provided by the  
 393.11 commissioner in the application and certification process.

393.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

393.13 Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is  
 393.14 amended to read:

393.15 Subd. 4. **Public participation.** In developing ~~the projects~~ and implementing  
 393.16 certified community behavioral health clinics under subdivision 3, the commissioner shall  
 393.17 consult, collaborate, and partner with stakeholders, including but not limited to mental  
 393.18 health providers, substance use disorder treatment providers, advocacy organizations,  
 393.19 licensed mental health professionals, counties, tribes, hospitals, other health care  
 393.20 providers, and Minnesota public health care program enrollees who receive mental health  
 393.21 services and their families.

393.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

393.23 Sec. 3. Minnesota Statutes 2014, section 245.99, subdivision 2, is amended to read:

393.24 Subd. 2. **Rental assistance.** The program shall pay up to 90 days of housing  
 393.25 assistance for persons with a serious ~~and persistent~~ mental illness who require inpatient or  
 393.26 residential care for stabilization. The commissioner of human services may extend the  
 393.27 length of assistance on a case-by-case basis.

393.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

393.29 Sec. 4. Minnesota Statutes 2014, section 254B.01, subdivision 4a, is amended to read:

393.30 Subd. 4a. **Culturally specific program.** (a) "Culturally specific program" means a  
 393.31 substance use disorder treatment service program or subprogram that is recovery-focused  
 393.32 and culturally specific when the program:

394.1 (1) improves service quality to and outcomes of a specific population by advancing  
394.2 health equity to help eliminate health disparities; and

394.3 (2) ensures effective, equitable, comprehensive, and respectful quality care services  
394.4 that are responsive to an individual within a specific population's values, beliefs and  
394.5 practices, health literacy, preferred language, and other communication needs.

394.6 (b) A tribally licensed substance use disorder program that is designated as serving  
394.7 a culturally specific population by the applicable tribal government is deemed to satisfy  
394.8 this subdivision.

394.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

394.10 Sec. 5. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

394.11 Subd. 4. **Division of costs.** (a) Except for services provided by a county under  
394.12 section 254B.09, subdivision 1, or services provided under section 256B.69 ~~or 256D.03,~~  
394.13 ~~subdivision 4, paragraph (b),~~ the county shall, out of local money, pay the state for 22.95  
394.14 percent of the cost of chemical dependency services, including those services provided to  
394.15 persons eligible for medical assistance under chapter 256B and general assistance medical  
394.16 care under chapter 256D. Counties may use the indigent hospitalization levy for treatment  
394.17 and hospital payments made under this section.

394.18 (b) 22.95 percent of any state collections from private or third-party pay, less 15  
394.19 percent for the cost of payment and collections, must be distributed to the county that paid  
394.20 for a portion of the treatment under this section.

394.21 (c) For fiscal year 2017 only, the 22.95 percentages under paragraphs (a) and (b)  
394.22 are equal to 15 percent.

394.23 Sec. 6. Minnesota Statutes 2014, section 254B.04, subdivision 2a, is amended to read:

394.24 Subd. 2a. **Eligibility for treatment in residential settings.** Notwithstanding  
394.25 provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's  
394.26 discretion in making placements to residential treatment settings, a person eligible for  
394.27 services under this section must score at level 4 on assessment dimensions related to  
394.28 relapse, continued use, or recovery environment in order to be assigned to services with a  
394.29 room and board component reimbursed under this section. Whether a treatment facility  
394.30 has been designated an institution for mental diseases under United States Code, title 42,  
394.31 section 1396d, shall not be a factor in making placements.

394.32 Sec. 7. Minnesota Statutes 2015 Supplement, section 254B.05, subdivision 5, is  
394.33 amended to read:

395.1 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for  
395.2 chemical dependency services and service enhancements funded under this chapter.

395.3 (b) Eligible chemical dependency treatment services include:

395.4 (1) outpatient treatment services that are licensed according to Minnesota Rules,  
395.5 parts 9530.6405 to 9530.6480, or applicable tribal license;

395.6 (2) medication-assisted therapy services that are licensed according to Minnesota  
395.7 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

395.8 (3) medication-assisted therapy plus enhanced treatment services that meet the  
395.9 requirements of clause (2) and provide nine hours of clinical services each week;

395.10 (4) high, medium, and low intensity residential treatment services that are licensed  
395.11 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable  
395.12 tribal license which provide, respectively, 30, 15, and five hours of clinical services each  
395.13 week;

395.14 (5) hospital-based treatment services that are licensed according to Minnesota Rules,  
395.15 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under  
395.16 sections 144.50 to 144.56;

395.17 (6) adolescent treatment programs that are licensed as outpatient treatment programs  
395.18 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment  
395.19 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430  
395.20 to 2960.0490, or applicable tribal license;

395.21 (7) high-intensity residential treatment services that are licensed according to  
395.22 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal  
395.23 license, which provide 30 hours of clinical services each week provided by a state-operated  
395.24 vendor or to clients who have been civilly committed to the commissioner, present the  
395.25 most complex and difficult care needs, and are a potential threat to the community; and

395.26 (8) room and board facilities that meet the requirements of subdivision 1a.

395.27 (c) The commissioner shall establish higher rates for programs that meet the  
395.28 requirements of paragraph (b) and one of the following additional requirements:

395.29 (1) programs that serve parents with their children if the program:

395.30 (i) provides on-site child care during the hours of treatment activity that:

395.31 (A) is licensed under chapter 245A as a child care center under Minnesota Rules,  
395.32 chapter 9503; or

395.33 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2,  
395.34 paragraph (a), clause (6), and meets the requirements under Minnesota Rules, part  
395.35 9530.6490, subpart 4; or

396.1 (ii) arranges for off-site child care during hours of treatment activity at a facility that  
396.2 is licensed under chapter 245A as:

396.3 (A) a child care center under Minnesota Rules, chapter 9503; or

396.4 (B) a family child care home under Minnesota Rules, chapter 9502;

396.5 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or  
396.6 programs or subprograms serving special populations, if the program or subprogram meets  
396.7 the following requirements in Minnesota Rules, part 9530.6605, subpart 13;

396.8 (i) is designed to address the unique needs of individuals who share a common  
396.9 language, racial, ethnic, or social background;

396.10 (ii) is governed with significant input from individuals of that specific background;  
396.11 and

396.12 (iii) employs individuals to provide individual or group therapy, at least 50 percent  
396.13 of whom are of that specific background, except when the common social background of  
396.14 the individuals served is a traumatic brain injury or cognitive disability and the program  
396.15 employs treatment staff who have the necessary professional training, as approved by the  
396.16 commissioner, to serve clients with the specific disabilities that the program is designed  
396.17 to serve;

396.18 (3) programs that offer medical services delivered by appropriately credentialed  
396.19 health care staff in an amount equal to two hours per client per week if the medical  
396.20 needs of the client and the nature and provision of any medical services provided are  
396.21 documented in the client file; and

396.22 (4) programs that offer services to individuals with co-occurring mental health and  
396.23 chemical dependency problems if:

396.24 (i) the program meets the co-occurring requirements in Minnesota Rules, part  
396.25 9530.6495;

396.26 (ii) 25 percent of the counseling staff are licensed mental health professionals, as  
396.27 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing  
396.28 candidates under the supervision of a licensed alcohol and drug counselor supervisor and  
396.29 licensed mental health professional, except that no more than 50 percent of the mental  
396.30 health staff may be students or licensing candidates with time documented to be directly  
396.31 related to provisions of co-occurring services;

396.32 (iii) clients scoring positive on a standardized mental health screen receive a mental  
396.33 health diagnostic assessment within ten days of admission;

396.34 (iv) the program has standards for multidisciplinary case review that include a  
396.35 monthly review for each client that, at a minimum, includes a licensed mental health

397.1 professional and licensed alcohol and drug counselor, and their involvement in the review  
397.2 is documented;

397.3 (v) family education is offered that addresses mental health and substance abuse  
397.4 disorders and the interaction between the two; and

397.5 (vi) co-occurring counseling staff ~~will~~ shall receive eight hours of co-occurring  
397.6 disorder training annually.

397.7 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program  
397.8 that provides arrangements for off-site child care must maintain current documentation at  
397.9 the chemical dependency facility of the child care provider's current licensure to provide  
397.10 child care services. Programs that provide child care according to paragraph (c), clause  
397.11 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,  
397.12 part 9530.6490.

397.13 (e) Adolescent residential programs that meet the requirements of Minnesota  
397.14 Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the  
397.15 requirements in paragraph (c), clause (4), items (i) to (iv).

397.16 (f) Subject to federal approval, chemical dependency services that are otherwise  
397.17 covered as direct face-to-face services may be provided via two-way interactive video.  
397.18 The use of two-way interactive video must be medically appropriate to the condition and  
397.19 needs of the person being served. Reimbursement shall be at the same rates and under the  
397.20 same conditions that would otherwise apply to direct face-to-face services. The interactive  
397.21 video equipment and connection must comply with Medicare standards in effect at the  
397.22 time the service is provided.

397.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

397.24 Sec. 8. Minnesota Statutes 2014, section 254B.06, subdivision 2, is amended to read:

397.25 Subd. 2. **Allocation of collections.** (a) The commissioner shall allocate all federal  
397.26 financial participation collections to a special revenue account. The commissioner shall  
397.27 allocate 77.05 percent of patient payments and third-party payments to the special revenue  
397.28 account and 22.95 percent to the county financially responsible for the patient.

397.29 (b) For fiscal year 2017 only, the percentage under paragraph (a) that the  
397.30 commissioner shall pay is 85 percent, and the percentage the county shall pay is 15 percent.

397.31 Sec. 9. Minnesota Statutes 2014, section 254B.06, is amended by adding a subdivision  
397.32 to read:

397.33 Subd. 4. **Reimbursement for institutions for mental diseases.** The commissioner  
397.34 shall not deny reimbursement to a program designated as an institution for mental diseases

398.1 under United States Code, title 42, section 1396d, due to a reduction in federal financial  
398.2 participation and the addition of new residential beds.

398.3 Sec. 10. Minnesota Statutes 2014, section 256B.0621, subdivision 10, is amended to  
398.4 read:

398.5 Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted  
398.6 case management under this subdivision. Case managers may bill according to the  
398.7 following criteria:

398.8 (1) for relocation targeted case management, case managers may bill for direct case  
398.9 management activities, including face-to-face ~~and~~ telephone contacts, and interactive  
398.10 video contact in accordance with section 256B.0924, subdivision 4a, in the lesser of:

398.11 (i) 180 days preceding an eligible recipient's discharge from an institution; or

398.12 (ii) the limits and conditions which apply to federal Medicaid funding for this service;

398.13 (2) for home care targeted case management, case managers may bill for direct case  
398.14 management activities, including face-to-face and telephone contacts; and

398.15 (3) billings for targeted case management services under this subdivision shall not  
398.16 duplicate payments made under other program authorities for the same purpose.

398.17 Sec. 11. Minnesota Statutes 2014, section 256B.0622, is amended by adding a  
398.18 subdivision to read:

398.19 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,  
398.20 disburse grant funding to counties, Indian tribes, or mental health service providers to  
398.21 establish additional assertive community treatment teams, intensive residential treatment  
398.22 services, or crisis residential services.

398.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

398.24 Sec. 12. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 20,  
398.25 is amended to read:

398.26 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule  
398.27 of the state agency, medical assistance covers case management services to persons with  
398.28 serious and persistent mental illness and children with severe emotional disturbance.

398.29 Services provided under this section must meet the relevant standards in sections 245.461  
398.30 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota  
398.31 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

398.32 (b) Entities meeting program standards set out in rules governing family community  
398.33 support services as defined in section 245.4871, subdivision 17, are eligible for medical

399.1 assistance reimbursement for case management services for children with severe  
399.2 emotional disturbance when these services meet the program standards in Minnesota  
399.3 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

399.4 (c) Medical assistance and MinnesotaCare payment for mental health case  
399.5 management shall be made on a monthly basis. In order to receive payment for an eligible  
399.6 child, the provider must document at least a face-to-face contact with the child, the child's  
399.7 parents, or the child's legal representative. To receive payment for an eligible adult, the  
399.8 provider must document:

399.9 (1) at least a face-to-face contact with the adult or the adult's legal representative or a  
399.10 contact by interactive video that meets the requirements of subdivision 20b; or

399.11 (2) at least a telephone contact with the adult or the adult's legal representative  
399.12 and document a face-to-face contact or a contact by interactive video that meets the  
399.13 requirements of subdivision 20b with the adult or the adult's legal representative within  
399.14 the preceding two months.

399.15 (d) Payment for mental health case management provided by county or state staff  
399.16 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,  
399.17 paragraph (b), with separate rates calculated for child welfare and mental health, and  
399.18 within mental health, separate rates for children and adults.

399.19 (e) Payment for mental health case management provided by Indian health services  
399.20 or by agencies operated by Indian tribes may be made according to this section or other  
399.21 relevant federally approved rate setting methodology.

399.22 (f) Payment for mental health case management provided by vendors who contract  
399.23 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county  
399.24 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same  
399.25 service to other payers. If the service is provided by a team of contracted vendors, the  
399.26 county or tribe may negotiate a team rate with a vendor who is a member of the team. The  
399.27 team shall determine how to distribute the rate among its members. No reimbursement  
399.28 received by contracted vendors shall be returned to the county or tribe, except to reimburse  
399.29 the county or tribe for advance funding provided by the county or tribe to the vendor.

399.30 (g) If the service is provided by a team which includes contracted vendors, tribal  
399.31 staff, and county or state staff, the costs for county or state staff participation in the team  
399.32 shall be included in the rate for county-provided services. In this case, the contracted  
399.33 vendor, the tribal agency, and the county may each receive separate payment for services  
399.34 provided by each entity in the same month. In order to prevent duplication of services,  
399.35 each entity must document, in the recipient's file, the need for team case management and  
399.36 a description of the roles of the team members.

400.1 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs  
400.2 for mental health case management shall be provided by the recipient's county of  
400.3 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal  
400.4 funds or funds used to match other federal funds. If the service is provided by a tribal  
400.5 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this  
400.6 service is paid by the state without a federal share through fee-for-service, 50 percent of  
400.7 the cost shall be provided by the recipient's county of responsibility.

400.8 (i) Notwithstanding any administrative rule to the contrary, prepaid medical  
400.9 assistance, general assistance medical care, and MinnesotaCare include mental health case  
400.10 management. When the service is provided through prepaid capitation, the nonfederal  
400.11 share is paid by the state and the county pays no share.

400.12 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a  
400.13 provider that does not meet the reporting or other requirements of this section. The county  
400.14 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal  
400.15 agency, is responsible for any federal disallowances. The county or tribe may share this  
400.16 responsibility with its contracted vendors.

400.17 (k) The commissioner shall set aside a portion of the federal funds earned for county  
400.18 expenditures under this section to repay the special revenue maximization account under  
400.19 section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

400.20 (1) the costs of developing and implementing this section; and

400.21 (2) programming the information systems.

400.22 (l) Payments to counties and tribal agencies for case management expenditures  
400.23 under this section shall only be made from federal earnings from services provided  
400.24 under this section. When this service is paid by the state without a federal share through  
400.25 fee-for-service, 50 percent of the cost shall be provided by the state. Payments to  
400.26 county-contracted vendors shall include the federal earnings, the state share, and the  
400.27 county share.

400.28 (m) Case management services under this subdivision do not include therapy,  
400.29 treatment, legal, or outreach services.

400.30 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or  
400.31 hospital, and the recipient's institutional care is paid by medical assistance, payment for  
400.32 case management services under this subdivision is limited to the lesser of:

400.33 (1) the last 180 days of the recipient's residency in that facility and may not exceed  
400.34 more than six months in a calendar year; or

400.35 (2) the limits and conditions which apply to federal Medicaid funding for this service.



401.1 (o) Payment for case management services under this subdivision shall not duplicate  
401.2 payments made under other program authorities for the same purpose.

401.3 (p) If the recipient is receiving care in a hospital, nursing facility, or residential  
401.4 setting licensed under chapter 245A or 245D that is staffed 24 hours per day, seven days  
401.5 per week, mental health targeted case management services are expected to actively  
401.6 support identification of community alternatives for the recipient and discharge planning.

401.7 Sec. 13. Minnesota Statutes 2014, section 256B.0625, is amended by adding a  
401.8 subdivision to read:

401.9 Subd. 20b. **Mental health targeted case management through interactive video.**

401.10 (a) Subject to federal approval, contact made for targeted case management by interactive  
401.11 video shall be eligible for payment if:

401.12 (1) the person receiving targeted case management services is residing in:

401.13 (i) a hospital;

401.14 (ii) a nursing facility; or

401.15 (iii) a residential setting licensed under chapter 245A or 245D, or a boarding and  
401.16 lodging establishment or lodging establishment that provides supportive services or health  
401.17 supervision services according to section 157.17, which is staffed 24 hours per day, seven  
401.18 days per week;

401.19 (2) interactive video is in the best interests of the person and is deemed appropriate  
401.20 by the person receiving targeted case management or their legal guardian, the case  
401.21 management provider, and the provider operating the setting where the person is residing;

401.22 (3) the use of interactive video is approved as part of the person's written personal  
401.23 service or case plan taking into consideration the person's vulnerability and active personal  
401.24 relationships; and

401.25 (4) interactive video is used for up to, but not more than, 50 percent of the minimum  
401.26 required face-to-face contacts.

401.27 (b) The person receiving targeted case management or their legal guardian has the  
401.28 right to choose and consent to the use of interactive video under this subdivision, and has  
401.29 the right to refuse the use of interactive video at any time.

401.30 (c) The commissioner shall establish criteria that a targeted case management  
401.31 provider must attest to in order to demonstrate the safety or efficacy of delivering the service  
401.32 via interactive video. The attestation may include that the case management provider:

401.33 (1) has written policies and procedures specific to interactive video services that are  
401.34 regularly reviewed and updated;

- 402.1 (2) has polices and procedures that adequately address client safety before, during,  
402.2 and after the interactive video service is rendered;
- 402.3 (3) has established protocols addressing how and when to discontinue interactive  
402.4 video services; and
- 402.5 (4) has an established quality assurance process related to interactive video services.
- 402.6 (d) As a condition of payment, the targeted case management provider must  
402.7 document each occurrence of targeted case management provided by interactive video  
402.8 and must document:
- 402.9 (1) the time the service began and the time the service ended, including an a.m. and  
402.10 p.m. designation;
- 402.11 (2) the basis for determining that interactive video is an appropriate and effective  
402.12 means for delivering the service to the enrollees;
- 402.13 (3) the mode of transmission of the interactive video service and records evidencing  
402.14 that a particular mode of transmission was utilized;
- 402.15 (4) the location of the originating site and the distant site; and
- 402.16 (5) compliance with the criteria attested to by the health care provider in accordance  
402.17 with paragraph (c).

402.18 Sec. 14. Minnesota Statutes 2014, section 256B.0924, is amended by adding a  
402.19 subdivision to read:

- 402.20 Subd. 4a. **Targeted case management through interactive video.** (a) Subject to  
402.21 federal approval, contact made for targeted case management by interactive video shall be  
402.22 eligible for payment if:
- 402.23 (1) the person receiving targeted case management services is residing in:
- 402.24 (i) a hospital;
- 402.25 (ii) a nursing facility; or
- 402.26 (iii) a residential setting licensed under chapter 245A or 245D, or a boarding and  
402.27 lodging establishment or lodging establishment that provides supportive services or  
402.28 health supervision services according to section 157.17, and that is staffed 24 hours per  
402.29 day, seven days per week;
- 402.30 (2) interactive video is in the best interests of the person and is deemed appropriate  
402.31 by the person receiving targeted case management or their legal guardian, the case  
402.32 management provider, and the provider operating the setting where the person is residing;
- 402.33 (3) the use of interactive video is approved as part of the person's written personal  
402.34 service or case plan; and

403.1 (4) interactive video is used for up to, but not more than, 50 percent of the minimum  
 403.2 required face-to-face contacts.

403.3 (b) The person receiving targeted case management or their legal guardian has the  
 403.4 right to choose and consent to the use of interactive video under this subdivision, and has  
 403.5 the right to refuse the use of interactive video at any time.

403.6 (c) The commissioner shall establish criteria that a targeted case management  
 403.7 provider must attest to in order to demonstrate the safety or efficacy of delivering the service  
 403.8 via interactive video. The attestation may include that the case management provider:

403.9 (1) has written policies and procedures specific to interactive video services that are  
 403.10 regularly reviewed and updated;

403.11 (2) has polices and procedures that adequately address client safety before, during,  
 403.12 and after the interactive video service is rendered;

403.13 (3) has established protocols addressing how and when to discontinue interactive  
 403.14 video services; and

403.15 (4) has an established quality assurance process related to interactive video services.

403.16 (d) As a condition of payment, the targeted case management provider must  
 403.17 document each occurrence of targeted case management provided by interactive video  
 403.18 and must document:

403.19 (1) the time the service began and the time the service ended, including an a.m. and  
 403.20 p.m. designation;

403.21 (2) the basis for determining that interactive video is an appropriate and effective  
 403.22 means for delivering the service to the enrollees;

403.23 (3) the mode of transmission of the interactive video service and records evidencing  
 403.24 that a particular mode of transmission was utilized;

403.25 (4) the location of the originating site and the distant site; and

403.26 (5) compliance with the criteria attested to by the health care provider in accordance  
 403.27 with paragraph (c).

403.28 **Sec. 15. CHILDREN'S MENTAL HEALTH COLLABORATIVE; YOUTH AND**  
 403.29 **YOUNG ADULT MENTAL HEALTH DEMONSTRATION PROJECT.**

403.30 (a) The commissioner of human services shall grant funds to a children's mental  
 403.31 health collaborative for a rural demonstration project to assist transition-aged youth and  
 403.32 young adults with emotional behavioral disturbance (EBD) or mental illnesses in making  
 403.33 a successful transition into adulthood.

403.34 (b) The demonstration project must:

- 404.1 (1) build on and streamline transition services by identifying rural youth ages 15 to  
 404.2 25 currently in the mental health system or with emerging mental health conditions;  
 404.3 (2) support youth to achieve, within their potential, their personal goals in  
 404.4 employment, education, housing, and community life functioning;  
 404.5 (3) provide individualized motivational coaching;  
 404.6 (4) build on needed social supports;  
 404.7 (5) demonstrate how services can be enhanced for youth to successfully navigate the  
 404.8 complexities associated with their unique needs;  
 404.9 (6) utilize all available funding streams;  
 404.10 (7) demonstrate collaboration with the local children's mental health collaborative in  
 404.11 designing and implementing the demonstration project;  
 404.12 (8) evaluate the effectiveness of the project by specifying and measuring outcomes  
 404.13 showing the level of progress for involved youth; and  
 404.14 (9) compare differences in outcomes and costs to youth without previous access  
 404.15 to this project.
- 404.16 (c) The commissioner shall report to the committee members of the senate and house  
 404.17 of representatives committees with jurisdiction over mental health issues on the status and  
 404.18 outcomes of the demonstration project by January 15, 2019. The children's mental health  
 404.19 collaborative administering the demonstration project shall collect and report outcome  
 404.20 data, as outlined by the commissioner, to support the development of this report.

404.21 Sec. 16. **COMMISSIONER DUTY TO SEEK FEDERAL APPROVAL FOR**  
 404.22 **INTERACTIVE VIDEO CONTACT.**

404.23 The commissioner of human services shall seek federal approval that is necessary to  
 404.24 implement the sections of this article related to reimbursement for interactive video contact.

404.25 **ARTICLE 23**

404.26 **DIRECT CARE AND TREATMENT**

404.27 Section 1. Minnesota Statutes 2015 Supplement, section 245.4889, subdivision 1,  
 404.28 is amended to read:

404.29 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized  
 404.30 to make grants from available appropriations to assist:

- 404.31 (1) counties;  
 404.32 (2) Indian tribes;  
 404.33 (3) children's collaboratives under section 124D.23 or 245.493; or  
 404.34 (4) mental health service providers.

405.1 (b) The following services are eligible for grants under this section:

405.2 (1) services to children with emotional disturbances as defined in section 245.4871,  
405.3 subdivision 15, and their families;

405.4 (2) transition services under section 245.4875, subdivision 8, for young adults under  
405.5 age 21 and their families;

405.6 (3) respite care services for children with severe emotional disturbances who are at  
405.7 risk of out-of-home placement;

405.8 (4) children's mental health crisis services;

405.9 (5) mental health services for people from cultural and ethnic minorities;

405.10 (6) children's mental health screening and follow-up diagnostic assessment and  
405.11 treatment;

405.12 (7) services to promote and develop the capacity of providers to use evidence-based  
405.13 practices in providing children's mental health services;

405.14 (8) school-linked mental health services;

405.15 (9) building evidence-based mental health intervention capacity for children birth to  
405.16 age five;

405.17 (10) suicide prevention and counseling services that use text messaging statewide;

405.18 (11) mental health first aid training;

405.19 (12) training for parents, collaborative partners, and mental health providers on the  
405.20 impact of adverse childhood experiences and trauma and development of an interactive  
405.21 Web site to share information and strategies to promote resilience and prevent trauma;

405.22 (13) transition age services to develop or expand mental health treatment and  
405.23 supports for adolescents and young adults 26 years of age or younger;

405.24 (14) early childhood mental health consultation;

405.25 (15) evidence-based interventions for youth at risk of developing or experiencing a  
405.26 first episode of psychosis, and a public awareness campaign on the signs and symptoms of  
405.27 psychosis; ~~and~~

405.28 (16) psychiatric consultation for primary care practitioners; and

405.29 (17) sustaining extended-stay inpatient psychiatric hospital services for children  
405.30 and adolescents.

405.31 (c) Services under paragraph (b) must be designed to help each child to function and  
405.32 remain with the child's family in the community and delivered consistent with the child's  
405.33 treatment plan. Transition services to eligible young adults under paragraph (b) must be  
405.34 designed to foster independent living in the community.

405.35 Sec. 2. Minnesota Statutes 2014, section 246.50, subdivision 7, is amended to read:

406.1 Subd. 7. **Client's county.** "Client's county" means the county of the client's legal  
 406.2 settlement for poor relief purposes at the time of commitment or voluntary admission to a  
 406.3 state facility, or if the client has no such legal settlement in this state, it means the county  
 406.4 of commitment financial responsibility under chapter 256G, except that where a client  
 406.5 with no such legal settlement residence in this state is committed while serving a sentence  
 406.6 at a penal institution, it means the county from which the client was sentenced.

406.7 Sec. 3. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter  
 406.8 71, article 4, section 2, is amended to read:

406.9 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

406.10 Subdivision 1. **County portion for cost of care Generally.** (a) Except for chemical  
 406.11 dependency services provided under sections 254B.01 to 254B.09, the client's county  
 406.12 shall pay to the state of Minnesota a portion of the cost of care provided in a regional  
 406.13 treatment center or a state nursing facility to a client legally settled in that county. A  
 406.14 county's payment shall be made from the county's own sources of revenue and payments  
 406.15 shall equal a percentage of the cost of care, as determined by the commissioner, for each  
 406.16 day, or the portion thereof, that the client spends at a regional treatment center or a state  
 406.17 nursing facility ~~according to the following schedule:~~

406.18 Subd. 1a. **Anoka Metro Regional Treatment Center.** (a) A county's payment of  
 406.19 the cost of care provided at Anoka Metro Regional Treatment Center shall be according to  
 406.20 the following schedule:

406.21 (1) zero percent for the first 30 days;

406.22 (2) 20 percent for days 31 and over if the stay is determined to be clinically  
 406.23 appropriate for the client; and

406.24 (3) 100 percent for each day during the stay, including the day of admission, when  
 406.25 the facility determines that it is clinically appropriate for the client to be discharged.

406.26 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80  
 406.27 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph  
 406.28 (a), clause (2), the county shall be responsible for paying the state only the remaining  
 406.29 amount. The county shall not be entitled to reimbursement from the client, the client's  
 406.30 estate, or from the client's relatives, except as provided in section 246.53.

406.31 Subd. 1b. **Community behavioral health hospitals.** A county's payment of the  
 406.32 cost of care provided at state-operated community-based behavioral health hospitals shall  
 406.33 be according to the following schedule:

406.34 (1) 100 percent for each day during the stay, including the day of admission, when  
 406.35 the facility determines that it is clinically appropriate for the client to be discharged; and

407.1 (2) the county shall not be entitled to reimbursement from the client, the client's  
407.2 estate, or from the client's relatives, except as provided in section 246.53.

407.3 Subd. 1c. **State-operated forensic services.** A county's payment of the cost of care  
407.4 provided at state-operated forensic services shall be according to the following schedule:

407.5 (1) Minnesota Security Hospital: ten percent for each day, or portion thereof, that the  
407.6 client spends in a Minnesota Security Hospital program. If payments received by the state  
407.7 under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital  
407.8 exceed 90 percent of the cost of care, the county shall be responsible for paying the state  
407.9 only the remaining amount. The county shall not be entitled to reimbursement from the  
407.10 client, the client's estate, or the client's relatives except as provided in section 246.53;

407.11 (2) forensic nursing home: ten percent for each day, or portion thereof, that the client  
407.12 spends in a forensic nursing home program. If payments received by the state under  
407.13 sections 246.50 to 246.53 for services provided at the forensic nursing home exceed 90  
407.14 percent of the cost of care, the county shall be responsible for paying the state only the  
407.15 remaining amount. The county shall not be entitled to reimbursement from the client, the  
407.16 client's estate, or the client's relatives except as provided in section 246.53;

407.17 (3) forensic transition services: 50 percent for each day, or portion thereof, that the  
407.18 client spends in the forensic transition services program. If payments received by the state  
407.19 under sections 246.50 to 246.53 for services provided in the forensic transition services  
407.20 exceed 50 percent of the cost of care, the county shall be responsible for paying the state  
407.21 only the remaining amount. The county shall not be entitled to reimbursement from the  
407.22 client, the client's estate, or the client's relatives except as provided in section 246.53; and

407.23 (4) residential competency restoration program:

407.24 (i) 20 percent for each day, or portion thereof, that the client spends in a residential  
407.25 competency restoration program while the client is in need of restoration services;

407.26 (ii) 50 percent for each day, or portion thereof, that the client spends in a residential  
407.27 competency restoration program once the examiner opines that the client no longer needs  
407.28 restoration services; and

407.29 (iii) 100 percent for each day, or portion thereof, once charges against a client have  
407.30 been resolved or dropped.

407.31 Subd. 2. **Exceptions.** (a) ~~Subdivision 1 does not apply to services provided at the~~  
407.32 Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's  
407.33 payment shall be made from the county's own sources of revenue and payments. Excluding  
407.34 the state-operated forensic transition service, payments to the state from the county shall  
407.35 equal ten percent of the cost of care, as determined by the commissioner, for each day, or  
407.36 the portion thereof, that the client spends at the facility. For the state-operated forensic

408.1 ~~transition service, payments to the state from the county shall equal 50 percent of the cost of~~  
 408.2 ~~care, as determined by the commissioner, for each day, or the portion thereof, that the client~~  
 408.3 ~~spends in the program. If payments received by the state under sections 246.50 to 246.53~~  
 408.4 ~~for services provided at the Minnesota Security Hospital, excluding the state-operated~~  
 408.5 ~~forensic transition service, exceed 90 percent of the cost of care, the county shall be~~  
 408.6 ~~responsible for paying the state only the remaining amount. If payments received by the~~  
 408.7 ~~state under sections 246.50 to 246.53 for the state-operated forensic transition service~~  
 408.8 ~~exceed 50 percent of the cost of care, the county shall be responsible for paying the state~~  
 408.9 ~~only the remaining amount. The county shall not be entitled to reimbursement from the~~  
 408.10 ~~client, the client's estate, or from the client's relatives, except as provided in section 246.53.~~

408.11 (b) Regardless of the facility to which the client is committed, ~~subdivision 1 does~~  
 408.12 subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:

408.13 (1) clients who are committed as sexual psychopathic personalities under section  
 408.14 253D.02, subdivision 15; and

408.15 (2) clients who are committed as sexually dangerous persons under section 253D.02,  
 408.16 subdivision 16.

408.17 Sec. 4. Minnesota Statutes 2014, section 246B.01, subdivision 1b, is amended to read:

408.18 Subd. 1b. **Civilly committed sex offender's county.** "Civilly committed sex  
 408.19 offender's county" means the county of ~~the civilly committed sex offender's legal~~  
 408.20 ~~settlement for poor relief purposes at the time of commitment. If the civilly committed~~  
 408.21 ~~sex offender has no legal settlement for poor relief in this state, it means the county of~~  
 408.22 ~~commitment~~ financial responsibility under chapter 256G, except that when a civilly  
 408.23 committed sex offender with no legal settlement for poor relief residence in this state is  
 408.24 committed while serving a sentence at a penal institution, it means the county from which  
 408.25 the civilly committed sex offender was sentenced.

408.26 Sec. 5. Minnesota Statutes 2014, section 246B.01, subdivision 2b, is amended to read:

408.27 Subd. 2b. **Cost of care.** "Cost of care" means the commissioner's charge for housing  
 408.28 ~~and~~ treatment, aftercare services, and supervision provided to any person admitted to or  
 408.29 on provisional discharge from the Minnesota sex offender program.

408.30 For purposes of this subdivision, "charge for housing ~~and~~ treatment, aftercare  
 408.31 services, and supervision" means the cost of services, treatment, maintenance, bonds issued  
 408.32 for capital improvements, depreciation of buildings and equipment, and indirect costs  
 408.33 related to the operation of state facilities. The commissioner may determine the charge for  
 408.34 services on an anticipated average per diem basis as an all-inclusive charge per facility.



409.1 Sec. 6. Minnesota Statutes 2014, section 246B.035, is amended to read:

409.2 **246B.035 ANNUAL PERFORMANCE REPORT REQUIRED.**

409.3 The executive director of the Minnesota sex offender program shall submit  
409.4 electronically a performance report to the chairs and ranking minority members of the  
409.5 legislative committees and divisions with jurisdiction over funding for the program by  
409.6 ~~January~~ February 15 of each year beginning in ~~2010~~ 2017. The report must include the  
409.7 following:

409.8 (1) a description of the program, including the strategic mission, goals, objectives,  
409.9 and outcomes;

409.10 (2) the programwide per diem reported in a standard calculated method as outlined  
409.11 in the program policies and procedures;

409.12 (3) program annual statistics as outlined in the departmental policies and procedures;  
409.13 and

409.14 (4) the sex offender program evaluation report required under section 246B.03. The  
409.15 executive director shall submit a printed copy upon request.

409.16 Sec. 7. Minnesota Statutes 2014, section 246B.10, is amended to read:

409.17 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

409.18 (a) The civilly committed sex offender's county shall pay to the state a portion of the  
409.19 cost of care provided ~~in~~ by the Minnesota sex offender program to a civilly committed sex  
409.20 offender who has legally settled in that county. A county's payment must be made from  
409.21 the county's own sources of revenue and payments must equal 25 percent of the cost of  
409.22 care, as determined by the commissioner, for each day or portion of a day, that the civilly  
409.23 committed sex offender ~~spends at the facility~~ receives services, either within a Department  
409.24 of Human Services operated facility or while on provisional discharge.

409.25 (b) If payments received by the state under this chapter exceed 75 percent of the cost  
409.26 of care, the county is responsible for paying the state the remaining amount.

409.27 (c) The county is not entitled to reimbursement from the civilly committed sex  
409.28 offender, the civilly committed sex offender's estate, or from the civilly committed sex  
409.29 offender's relatives, except as provided in section 246B.07.

409.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

409.31 Sec. 8. **REPORT ON ANOKA-METRO REGIONAL TREATMENT CENTER**  
409.32 **(AMRTC), MINNESOTA SECURITY HOSPITAL (MSH), AND COMMUNITY**  
409.33 **BEHAVIORAL HEALTH HOSPITALS (CBHH).**

410.1 The commissioner of human services shall issue a public quarterly report to the  
 410.2 chairs and minority leaders on the senate and house of representatives committees having  
 410.3 jurisdiction over health and human services issues on the AMRTC, MSH, and the CBHH.  
 410.4 The report shall contain information on the number of licensed beds, budgeted capacity,  
 410.5 occupancy rate, number of OSHA recordable injuries and the number of OSHA recordable  
 410.6 injuries due to patient aggression or restraint, number of clinical positions budgeted, the  
 410.7 percentage of those positions that are filled, the number of direct care positions budgeted,  
 410.8 and the percentage of those positions that are filled.

## 410.9 **ARTICLE 24**

### 410.10 **CONTINUING CARE**

410.11 Section 1. Minnesota Statutes 2014, section 245A.10, subdivision 4, is amended to read:

410.12 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers  
 410.13 shall pay an annual nonrefundable license fee based on the following schedule:

410.14		Child Care Center
410.15	Licensed Capacity	License Fee
410.16	1 to 24 persons	\$200
410.17	25 to 49 persons	\$300
410.18	50 to 74 persons	\$400
410.19	75 to 99 persons	\$500
410.20	100 to 124 persons	\$600
410.21	125 to 149 persons	\$700
410.22	150 to 174 persons	\$800
410.23	175 to 199 persons	\$900
410.24	200 to 224 persons	\$1,000
410.25	225 or more persons	\$1,100

410.26 (b)(1) A program licensed to provide one or more of the home and community-based  
 410.27 services and supports identified under chapter 245D to persons with disabilities or age  
 410.28 65 and older, shall pay an annual nonrefundable license fee based on revenues derived  
 410.29 from the provision of services that would require licensure under chapter 245D during the  
 410.30 calendar year immediately preceding the year in which the license fee is paid, according to  
 410.31 the following schedule:

410.32	License Holder Annual Revenue	License Fee
410.33	less than or equal to \$10,000	\$200
410.34	greater than \$10,000 but less than or	
410.35	equal to \$25,000	\$300
410.36	greater than \$25,000 but less than or	
410.37	equal to \$50,000	\$400

411.1	greater than \$50,000 but less than or	
411.2	equal to \$100,000	\$500
411.3	greater than \$100,000 but less than or	
411.4	equal to \$150,000	\$600
411.5	greater than \$150,000 but less than or	
411.6	equal to \$200,000	\$800
411.7	greater than \$200,000 but less than or	
411.8	equal to \$250,000	\$1,000
411.9	greater than \$250,000 but less than or	
411.10	equal to \$300,000	\$1,200
411.11	greater than \$300,000 but less than or	
411.12	equal to \$350,000	\$1,400
411.13	greater than \$350,000 but less than or	
411.14	equal to \$400,000	\$1,600
411.15	greater than \$400,000 but less than or	
411.16	equal to \$450,000	\$1,800
411.17	greater than \$450,000 but less than or	
411.18	equal to \$500,000	\$2,000
411.19	greater than \$500,000 but less than or	
411.20	equal to \$600,000	\$2,250
411.21	greater than \$600,000 but less than or	
411.22	equal to \$700,000	\$2,500
411.23	greater than \$700,000 but less than or	
411.24	equal to \$800,000	\$2,750
411.25	greater than \$800,000 but less than or	
411.26	equal to \$900,000	\$3,000
411.27	greater than \$900,000 but less than or	
411.28	equal to \$1,000,000	\$3,250
411.29	greater than \$1,000,000 but less than or	
411.30	equal to \$1,250,000	\$3,500
411.31	greater than \$1,250,000 but less than or	
411.32	equal to \$1,500,000	\$3,750
411.33	greater than \$1,500,000 but less than or	
411.34	equal to \$1,750,000	\$4,000
411.35	greater than \$1,750,000 but less than or	
411.36	equal to \$2,000,000	\$4,250
411.37	greater than \$2,000,000 but less than or	
411.38	equal to \$2,500,000	\$4,500
411.39	greater than \$2,500,000 but less than or	
411.40	equal to \$3,000,000	\$4,750
411.41	greater than \$3,000,000 but less than or	
411.42	equal to \$3,500,000	\$5,000
411.43	greater than \$3,500,000 but less than or	
411.44	equal to \$4,000,000	\$5,500
411.45	greater than \$4,000,000 but less than or	
411.46	equal to \$4,500,000	\$6,000
411.47	greater than \$4,500,000 but less than or	
411.48	equal to \$5,000,000	\$6,500

412.1	greater than \$5,000,000 but less than or	
412.2	equal to \$7,500,000	\$7,000
412.3	greater than \$7,500,000 but less than or	
412.4	equal to \$10,000,000	\$8,500
412.5	greater than \$10,000,000 but less than	
412.6	or equal to \$12,500,000	\$10,000
412.7	greater than \$12,500,000 but less than	
412.8	or equal to \$15,000,000	\$14,000
412.9	greater than \$15,000,000	\$18,000

412.10 (2) If requested, the license holder shall provide the commissioner information to  
 412.11 verify the license holder's annual revenues or other information as needed, including  
 412.12 copies of documents submitted to the Department of Revenue.

412.13 (3) At each annual renewal, a license holder may elect to pay the highest renewal  
 412.14 fee, and not provide annual revenue information to the commissioner.

412.15 (4) A license holder that knowingly provides the commissioner incorrect revenue  
 412.16 amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in  
 412.17 the amount of double the fee the provider should have paid.

412.18 (5) Notwithstanding clause (1), a license holder providing services under one or  
 412.19 more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual  
 412.20 license fee for calendar years 2014, 2015, ~~and 2016~~, and 2017, equal to the total license  
 412.21 fees paid by the license holder for all licenses held under chapter 245B for calendar year  
 412.22 2013. For calendar year ~~2017~~ 2018 and thereafter, the license holder shall pay an annual  
 412.23 license fee according to ~~clause (1)~~ paragraph (m).

412.24 (c) A chemical dependency treatment program licensed under Minnesota Rules,  
 412.25 parts 9530.6405 to 9530.6505, to provide chemical dependency treatment shall pay an  
 412.26 annual nonrefundable license fee based on the following schedule:

412.27	Licensed Capacity	License Fee
412.28	1 to 24 persons	\$600
412.29	25 to 49 persons	\$800
412.30	50 to 74 persons	\$1,000
412.31	75 to 99 persons	\$1,200
412.32	100 or more persons	\$1,400

412.33 (d) A chemical dependency program licensed under Minnesota Rules, parts  
 412.34 9530.6510 to 9530.6590, to provide detoxification services shall pay an annual  
 412.35 nonrefundable license fee based on the following schedule:

412.36	Licensed Capacity	License Fee
412.37	1 to 24 persons	\$760
412.38	25 to 49 persons	\$960
412.39	50 or more persons	\$1,160

413.1 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,  
 413.2 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on  
 413.3 the following schedule:

413.4	Licensed Capacity	License Fee
413.5	1 to 24 persons	\$1,000
413.6	25 to 49 persons	\$1,100
413.7	50 to 74 persons	\$1,200
413.8	75 to 99 persons	\$1,300
413.9	100 or more persons	\$1,400

413.10 (f) A residential facility licensed under Minnesota Rules, parts 9520.0500 to  
 413.11 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license  
 413.12 fee based on the following schedule:

413.13	Licensed Capacity	License Fee
413.14	1 to 24 persons	\$2,525
413.15	25 or more persons	\$2,725

413.16 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to  
 413.17 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable  
 413.18 license fee based on the following schedule:

413.19	Licensed Capacity	License Fee
413.20	1 to 24 persons	\$450
413.21	25 to 49 persons	\$650
413.22	50 to 74 persons	\$850
413.23	75 to 99 persons	\$1,050
413.24	100 or more persons	\$1,250

413.25 (h) A program licensed to provide independent living assistance for youth under  
 413.26 section 245A.22 shall pay an annual nonrefundable license fee of \$1,500.

413.27 (i) A private agency licensed to provide foster care and adoption services under  
 413.28 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable  
 413.29 license fee of \$875.

413.30 (j) A program licensed as an adult day care center licensed under Minnesota Rules,  
 413.31 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on  
 413.32 the following schedule:

413.33	Licensed Capacity	License Fee
413.34	1 to 24 persons	\$500
413.35	25 to 49 persons	\$700
413.36	50 to 74 persons	\$900
413.37	75 to 99 persons	\$1,100
413.38	100 or more persons	\$1,300

414.1 (k) A program licensed to provide treatment services to persons with sexual  
 414.2 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts  
 414.3 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

414.4 (l) A mental health center or mental health clinic requesting certification for  
 414.5 purposes of insurance and subscriber contract reimbursement under Minnesota Rules,  
 414.6 parts 9520.0750 to 9520.0870, shall pay a certification fee of \$1,550 per year. If the  
 414.7 mental health center or mental health clinic provides services at a primary location with  
 414.8 satellite facilities, the satellite facilities shall be certified with the primary location without  
 414.9 an additional charge.

414.10 (m)(1) Effective for fees paid after July 1, 2017, a program licensed to provide one  
 414.11 or more of the home and community-based services and supports identified under chapter  
 414.12 245D to persons with disabilities or age 65 and older, shall pay an annual nonrefundable  
 414.13 license fee of 0.27 percent of revenues derived from the provision of services that  
 414.14 would require licensure under this chapter and that are specified under section 245D.03,  
 414.15 subdivision 1, during the calendar year immediately preceding the year in which the  
 414.16 license fee is paid. If the calculated fee is less than \$450, the fee shall be \$450.

414.17 (2) The commissioner shall calculate the licensing fee for providers of home and  
 414.18 community-based services and supports under this paragraph and invoice the license  
 414.19 holder annually. Upon challenge of the invoiced fee amount by the license holder, the  
 414.20 commissioner shall provide the license holder with a report identifying the medical  
 414.21 assistance claims paid by the commissioner to the license holder that formed the basis  
 414.22 for the licensing fee calculation.

414.23 Sec. 2. Minnesota Statutes 2014, section 245A.10, subdivision 8, is amended to read:

414.24 Subd. 8. **Deposit of license fees.** A human services licensing account is created in  
 414.25 the ~~state government~~ special revenue fund. Fees collected under subdivisions 3 and 4 must  
 414.26 be deposited in the human services licensing account and are ~~annually~~ appropriated to the  
 414.27 commissioner for licensing activities authorized under this chapter.

414.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

414.29 Sec. 3. Minnesota Statutes 2015 Supplement, section 245D.03, subdivision 1, is  
 414.30 amended to read:

414.31 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of  
 414.32 home and community-based services to persons with disabilities and persons age 65 and  
 414.33 older pursuant to this chapter. The licensing standards in this chapter govern the provision  
 414.34 of basic support services and intensive support services.

415.1 (b) Basic support services provide the level of assistance, supervision, and care that  
 415.2 is necessary to ensure the health and welfare of the person and do not include services that  
 415.3 are specifically directed toward the training, treatment, habilitation, or rehabilitation of  
 415.4 the person. Basic support services include:

415.5 (1) in-home and out-of-home respite care services as defined in section 245A.02,  
 415.6 subdivision 15, and under the brain injury, community alternative care, community access  
 415.7 for disability inclusion, developmental disability, and elderly waiver plans, excluding  
 415.8 out-of-home respite care provided to children in a family child foster care home licensed  
 415.9 under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license  
 415.10 holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and  
 415.11 8, or successor provisions; and section 245D.061 or successor provisions, which must  
 415.12 be stipulated in the statement of intended use required under Minnesota Rules, part  
 415.13 2960.3000, subpart 4;

415.14 (2) adult companion services as defined under the brain injury, community access  
 415.15 for disability inclusion, and elderly waiver plans, excluding adult companion services  
 415.16 provided under the Corporation for National and Community Services Service, Senior  
 415.17 Companion Program established under the ~~Domestic Volunteer Service Act of 1973, Public~~  
 415.18 ~~Law 98-288~~ Code of Federal Regulations, title 45, subpart B, chapter 25, part 2551 et seq.;

415.19 (3) personal support as defined under the developmental disability waiver plan;

415.20 (4) 24-hour emergency assistance, personal emergency response as defined under  
 415.21 the community access for disability inclusion and developmental disability waiver plans;

415.22 (5) night supervision services as defined under the brain injury waiver plan; ~~and~~

415.23 (6) homemaker services as defined under the community access for disability  
 415.24 inclusion, brain injury, community alternative care, developmental disability, and elderly  
 415.25 waiver plans, excluding providers licensed by the Department of Health under chapter  
 415.26 144A and those providers providing cleaning services only; and

415.27 (7) individual community living support under section 256B.0915, subdivision 3j.

415.28 (c) Intensive support services provide assistance, supervision, and care that is  
 415.29 necessary to ensure the health and welfare of the person and services specifically directed  
 415.30 toward the training, habilitation, or rehabilitation of the person. Intensive support services  
 415.31 include:

415.32 (1) intervention services, including:

415.33 (i) behavioral support services as defined under the brain injury and community  
 415.34 access for disability inclusion waiver plans;

415.35 (ii) in-home or out-of-home crisis respite services as defined under the developmental  
 415.36 disability waiver plan; and

416.1 (iii) specialist services as defined under the current developmental disability waiver  
416.2 plan;

416.3 (2) in-home support services, including:

416.4 (i) in-home family support and supported living services as defined under the  
416.5 developmental disability waiver plan;

416.6 (ii) independent living services training as defined under the brain injury and  
416.7 community access for disability inclusion waiver plans; and

416.8 (iii) semi-independent living services;

416.9 (3) residential supports and services, including:

416.10 (i) supported living services as defined under the developmental disability waiver  
416.11 plan provided in a family or corporate child foster care residence, a family adult foster  
416.12 care residence, a community residential setting, or a supervised living facility;

416.13 (ii) foster care services as defined in the brain injury, community alternative care,  
416.14 and community access for disability inclusion waiver plans provided in a family or  
416.15 corporate child foster care residence, a family adult foster care residence, or a community  
416.16 residential setting; and

416.17 (iii) residential services provided to more than four persons with developmental  
416.18 disabilities in a supervised living facility, including ICFs/DD;

416.19 (4) day services, including:

416.20 (i) structured day services as defined under the brain injury waiver plan;

416.21 (ii) day training and habilitation services under sections 252.41 to 252.46, and as  
416.22 defined under the developmental disability waiver plan; and

416.23 (iii) prevocational services as defined under the brain injury and community access  
416.24 for disability inclusion waiver plans; and

416.25 (5) supported employment as defined under the brain injury, developmental  
416.26 disability, and community access for disability inclusion waiver plans.

416.27 **EFFECTIVE DATE.** Paragraph (b), clause (2), of this section is effective the day  
416.28 **following final enactment. Paragraph (b), clause (7), of this section is effective July 1, 2017.**

416.29 Sec. 4. Minnesota Statutes 2014, section 256B.0949, is amended to read:

416.30 **256B.0949 AUTISM EARLY INTENSIVE DEVELOPMENTAL AND**  
416.31 **BEHAVIORAL INTERVENTION BENEFIT.**

416.32 Subdivision 1. **Purpose.** This section creates ~~a new~~ the early intensive  
416.33 developmental and behavioral intervention (EIDBI) benefit to provide early intensive  
416.34 intervention to a child with an autism spectrum disorder diagnosis or related condition.



417.1 This benefit must provide coverage for ~~diagnosis~~ a comprehensive, multidisciplinary  
 417.2 assessment, ongoing progress evaluation, and medically necessary early intensive  
 417.3 treatment of autism spectrum disorder or related conditions.

417.4 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in  
 417.5 this subdivision have the meanings given.

417.6 (b) "Agency" means the legal entity that is enrolled with Minnesota health care  
 417.7 programs as a medical assistance provider according to Minnesota Rules, part 9505.0195,  
 417.8 to provide EIDBI and that has the legal responsibility to ensure that its employees or  
 417.9 contractors carry out the responsibilities defined in this section. The definition of "agency"  
 417.10 includes licensed individual professionals who practice independently and act as an agency.

417.11 ~~(b) (c) "Autism spectrum disorder diagnosis" is defined by diagnostic code 299 or~~  
 417.12 "ASD" has the meaning given in the current version of the Diagnostic and Statistical  
 417.13 Manual of Mental Disorders (DSM).

417.14 (d) "ASD and related conditions" means a condition that is found to be closely  
 417.15 related to autism spectrum disorder and may include but is not limited to autism,  
 417.16 Asperger's syndrome, pervasive developmental disorder-not otherwise specified, fetal  
 417.17 alcohol spectrum disorder, Rhetts's syndrome, and autism-related diagnosis as identified  
 417.18 under the current version of the DSM and meets all of the following criteria:

417.19 (1) is severe and chronic;

417.20 (2) results in impairment of adaptive behavior and function similar to that of persons  
 417.21 with ASD;

417.22 (3) requires treatment or services similar to those required for persons with ASD; and

417.23 (4) results in substantial functional limitations in three core developmental deficits  
 417.24 of ASD: social interaction; nonverbal or social communication; and restrictive, repetitive  
 417.25 behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits  
 417.26 in one or more of the following related developmental domains:

417.27 (i) self-regulation;

417.28 (ii) self-care;

417.29 (iii) behavioral challenges;

417.30 (iv) expressive communication;

417.31 (v) receptive communication;

417.32 (vi) cognitive functioning;

417.33 (vii) safety; and

417.34 (viii) level of support needed.

417.35 ~~(e) (e) "Child" means a person under the age of 18~~ 21.

418.1 (f) "Clinical supervision" means the overall responsibility for the control and direction  
418.2 of EIDBI service delivery, including individual treatment planning, staff supervision,  
418.3 progress monitoring, and treatment review for each client. Clinical supervision is provided  
418.4 by a qualified supervising professional who takes full professional responsibility for the  
418.5 services provided by each of the supervisees. All EIDBI services must be billed by and  
418.6 either provided by or under the clinical supervision of a qualified supervising professional.

418.7 (d) (g) "Commissioner" means the commissioner of human services, unless  
418.8 otherwise specified.

418.9 (h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a  
418.10 comprehensive evaluation of a child's developmental status to determine medical necessity  
418.11 for EIDBI based on the requirements in subdivision 5.

418.12 (e) (i) "Early intensive developmental and behavioral intervention benefit" or  
418.13 "EIDBI" means ~~autism treatment options~~ intensive treatment interventions based in  
418.14 behavioral and developmental science, ~~which may include modalities such as applied~~  
418.15 behavior analysis, developmental treatment approaches, and naturalistic and parent  
418.16 training models that include the services covered under subdivision 13.

418.17 (f) (j) "Generalizable goals" means results or gains that are observed during a variety  
418.18 of activities over time with different people, such as providers, family members, other  
418.19 adults, and children, and in different environments including, but not limited to, clinics,  
418.20 homes, schools, and the community.

418.21 (k) "Individual treatment plan" or "ITP" means the person-centered, individualized  
418.22 written plan of care that integrates and coordinates child and family information from the  
418.23 comprehensive multidisciplinary evaluation for a child who meets medical necessity for  
418.24 the early intensive developmental and behavioral intervention benefit. An individual  
418.25 treatment plan must meet the standards in subdivision 6.

418.26 (l) "Legal representative" means the parent of a person who is under 18 years of age,  
418.27 a court-appointed guardian, or other representative with legal authority to make decisions  
418.28 about services for a person. Other representatives with legal authority to make decisions  
418.29 include but are not limited to a health care agent or an attorney-in-fact authorized through  
418.30 a health care directive or power of attorney.

418.31 (m) "Level I treatment provider" means a person who meets the EIDBI provider  
418.32 qualifications under subdivision 15, paragraph (a).

418.33 (n) "Level II treatment provider" means a person who meets the EIDBI provider  
418.34 qualifications under subdivision 15, paragraph (b).

418.35 (o) "Level III treatment provider" means a person who meets the EIDBI provider  
418.36 qualifications under subdivision 15, paragraph (c).

419.1 ~~(g)~~ (p) "Mental health professional" has the meaning given in section 245.4871,  
419.2 subdivision 27, clauses (1) to (6).

419.3 (q) "Person-centered" means services that respond to the identified needs, interests,  
419.4 values, preferences, and desired outcomes of the child and the child's legal representative.  
419.5 Person-centered planning identifies what is important to the child and the child's legal  
419.6 representative, respects each child's history, dignity, and cultural background, and allows  
419.7 inclusion and participation in the child's community.

419.8 (r) "Qualified CMDE provider" means a person meeting the CMDE provider  
419.9 qualification requirements under subdivision 5a.

419.10 (s) "Qualified EIDBI professional" means a person who is a QSP or a level I, level  
419.11 II, or level III treatment provider.

419.12 (t) "Qualified supervising professional" or "QSP" means a person who meets the  
419.13 EIDBI provider qualifications under subdivision 15, paragraph (d).

419.14 Subd. 3. **Initial EIDBI eligibility.** This benefit is available to a child enrolled in  
419.15 medical assistance who:

419.16 ~~(1) has an autism spectrum disorder~~ a diagnosis of ASD or a related condition that  
419.17 meets the criteria of subdivision 4; and

419.18 ~~(2) has had a diagnostic assessment described in subdivision 5, which recommends~~  
419.19 ~~early intensive intervention services; and~~

419.20 ~~(3)~~ meets the criteria for medically necessary autism early intensive intervention  
419.21 services.

419.22 Subd. 3a. **Culturally and linguistically appropriate requirement.** The child's and  
419.23 family's primary spoken language, culture, preferences, goals, and values must be reflected  
419.24 throughout the process of diagnosis, CMDE, ITP development, ITP progress evaluation  
419.25 monitoring, family or caregiver training and counseling services, and coordination of care.  
419.26 The qualified CMDE provider and QSP must determine how to adapt the evaluation,  
419.27 treatment recommendations, and ITP to the culture, language, and values of the child and  
419.28 family. A language interpreter must be provided consistent with section 256B.0625,  
419.29 subdivision 18a. Providers must have a limited English proficiency (LEP) plan in  
419.30 compliance with title VI of the Civil Rights Act of 1964, United States Code, title 42,  
419.31 section 2000d et seq. Communication and language assistance must comply with national  
419.32 standards for culturally and linguistically appropriate services (CLAS), as published by  
419.33 the United States Department of Health and Human Services.

419.34 Subd. 4. **Diagnosis.** (a) A diagnosis of ASD or a related condition must:

419.35 (1) be based upon current DSM criteria including direct observations of the child and  
419.36 reports information from parents the child's legal representative or primary caregivers; ~~and~~

420.1 (2) be completed by either (i) a licensed physician or advanced practice registered  
420.2 nurse or (ii) a mental health professional; and

420.3 (3) meet the requirements of Minnesota Rules, part 9505.0372, subpart 1, items  
420.4 B and C.

420.5 (b) Additional ~~diagnostic~~ assessment information may be considered to complete  
420.6 a diagnostic assessment including from specialized tests administered through special  
420.7 education evaluations and licensed school personnel, and from professionals licensed  
420.8 in the fields of medicine, speech and language, psychology, occupational therapy, and  
420.9 physical therapy. A diagnostic assessment may include treatment recommendations.

420.10 Subd. 5. ~~Diagnostic assessment~~ **Comprehensive multidisciplinary evaluation**  
420.11 **(CMDE).** (a) The following information and assessments must be performed, reviewed,  
420.12 and relied upon for the eligibility determination, treatment and services recommendations,  
420.13 and treatment plan development for the child:

420.14 (1) an assessment of the child's developmental skills, functional behavior, needs,  
420.15 and capacities based on direct observation of the child, which must be administered by  
420.16 a licensed mental health professional, must include medical or assessment information  
420.17 from the child's physician or advanced practice registered nurse, and may also include  
420.18 observations from family members, school personnel, child care providers, or other  
420.19 caregivers, as well as any medical or assessment information from other licensed  
420.20 professionals such as rehabilitation therapists, licensed school personnel, or mental health  
420.21 professionals; ~~and~~

420.22 (2) ~~an assessment of parental or caregiver capacity to participate in therapy including~~  
420.23 ~~the type and level of parental or caregiver involvement and training recommended.~~

420.24 A CMDE must be completed to determine the medical necessity of EIDBI services.

420.25 (b) The CMDE must include and document the child's legal representative's or  
420.26 caregiver's preferences for involvement in the child's treatment that is culturally and  
420.27 linguistically appropriate as required under subdivision 3a.

420.28 Subd. 5a. **CMDE provider qualification requirements.** A qualified CMDE  
420.29 provider must:

420.30 (1) be a licensed physician or advanced practice registered nurse or a mental health  
420.31 professional or a mental health practitioner who meets the requirements of a clinical  
420.32 trainee as defined in Minnesota Rules, part 9505.0371, subpart 5, item C;

420.33 (2) have at least 2,000 hours of clinical experience in the evaluation and treatment  
420.34 of children with ASD or equivalent documented coursework at the graduate level by an  
420.35 accredited university in the following content areas: ASD diagnosis, ASD treatment  
420.36 strategies, and child development;

421.1 (3) be able to diagnose, evaluate, or provide treatment within the provider's scope  
 421.2 of practice and professional license; and

421.3 (4) have knowledge and provide information about the range of current EIDBI  
 421.4 treatment modalities recognized by the commissioner.

421.5 Subd. 6. **Individual treatment plan (ITP).** (a) The qualified EIDBI professional  
 421.6 who integrates and coordinates child and family information from the CMDE and ITP  
 421.7 progress evaluation monitoring process to develop the ITP must develop and monitor  
 421.8 the ITP.

421.9 (b) The ITP must be individualized, person-centered, and culturally and linguistically  
 421.10 appropriate, as required under subdivision 3a. The ITP must specify the medically  
 421.11 necessary treatment and services, including baseline data, primary goals and target  
 421.12 objectives, ITP progress evaluation results and goal mastery data, and any significant  
 421.13 changes in the child's condition or family circumstances. Each child's treatment plan  
 421.14 ITP must be:

421.15 (1) based on the diagnostic assessment and CMDE summary information specified  
 421.16 in subdivisions 4 and 5;

421.17 (2) coordinated with medically necessary occupational, physical, and speech and  
 421.18 language therapies, special education, and other services the child and family are receiving;

421.19 (3) family-centered;

421.20 (4) culturally sensitive; and

421.21 (5) individualized based on the child's developmental status and the child's and  
 421.22 family's identified needs.

421.23 (b) (c) The treatment plan ITP must specify the primary treatment goals and target  
 421.24 objectives, including baseline measures and projected dates of accomplishment. The  
 421.25 ITP must include:

421.26 (1) child's goals which are developmentally appropriate, functional, and  
 421.27 generalizable;

421.28 (2) treatment modality;

421.29 (3) treatment intensity;

421.30 (4) setting; and

421.31 (5) level and type of parental or caregiver involvement.

421.32 (1) the treatment method that shall be used to meet the goals and objectives, including:

421.33 (i) the frequency, intensity, location, and duration of each service provided;

421.34 (ii) the level of parent or caregiver training and counseling;

421.35 (iii) any changes or modifications to the physical and social environments necessary  
 421.36 when the services are provided;

- 422.1 (iv) any specialized equipment and materials required;
- 422.2 (v) techniques that support and are consistent with the child's communication mode
- 422.3 and learning style; and
- 422.4 (vi) the name of the QSP; and
- 422.5 (2) the discharge criteria that shall be used and a defined transition plan to assist
- 422.6 the child and the child's legal representative to transition to other services. The transition
- 422.7 plan shall include:
- 422.8 (i) protocols for changing service when medically necessary;
- 422.9 (ii) how the transition will occur;
- 422.10 (iii) the time allowed to make the transition. Up to 30 days of continued service
- 422.11 is allowed while the transition plan is being developed. Services during this plan
- 422.12 development period shall be consistent with the ITP. The plan development period begins
- 422.13 when the child or the child's legal representative receives notice of termination of EIDBI
- 422.14 and ends when EIDBI is terminated; and
- 422.15 (iv) a description of how the parent or guardian will be informed of and involved in
- 422.16 the transition.
- 422.17 ~~(e) (d) Implementation of the treatment ITP must be supervised by a QSP~~
- 422.18 ~~professional with expertise and training in autism and child development who is a licensed~~
- 422.19 ~~physician, advanced practice registered nurse, or mental health professional.~~
- 422.20 ~~(d) (e) The treatment plan ITP must be submitted to the commissioner for approval~~
- 422.21 ~~in a manner determined by the commissioner for this purpose.~~
- 422.22 ~~(e) Services authorized must be consistent with the child's approved treatment plan.~~
- 422.23 ~~(f) Services included in the treatment plan ITP must meet all applicable requirements~~
- 422.24 ~~for medical necessity and coverage.~~
- 422.25 Subd. 6a. **Coordination with other benefits.** (a) Services provided under this
- 422.26 section are not intended to replace services provided in school or other settings. Each
- 422.27 child's CMDE must document that EIDBI services coordinate with, but do not include
- 422.28 or replace, special education and related services defined in the child's individualized
- 422.29 education plan (IEP), or individualized family service plan (IFSP), when the service is
- 422.30 available under the Individuals with Disabilities Education Improvement Act of 2004
- 422.31 (IDEA), United States Code, title 20, chapter 33, through a local education agency. This
- 422.32 provision does not preclude EIDBI treatment during school hours.
- 422.33 (b) The commissioner shall integrate medical authorization procedures for this
- 422.34 benefit with authorization procedures for other health and mental health services and home
- 422.35 and community-based services to ensure that the child receives services that are the most
- 422.36 appropriate and effective in meeting the child's needs. Programs for birth to three years of

423.1 age and additional resources shall also coordinate with EIDBI services. Resources for  
 423.2 individuals over 18 years of age must also be coordinated with the services in this section.

423.3 Subd. 7. **Ongoing eligibility ITP progress evaluation monitoring.** (a) An  
 423.4 ~~independent ITP progress evaluation conducted by a licensed mental health professional~~  
 423.5 ~~with expertise and training in autism spectrum disorder and child development~~ must  
 423.6 be completed after each six months of treatment, or more frequently as determined by  
 423.7 the ~~commissioner-qualified CMDE provider~~, to determine if progress is being made  
 423.8 toward ~~achieving targeted functional and generalizable goals and meeting functional~~  
 423.9 ~~goals contained specified in the treatment plan ITP.~~ Based on the results of ITP progress  
 423.10 evaluation, the ITP must be adjusted as needed and must document that the child continues  
 423.11 to meet medical necessity for EIDBI or is referred to other services.

423.12 (b) The ITP progress evaluation must include:

423.13 (1) ~~the treating provider's report;~~

423.14 (2) ~~parental or caregiver input~~ from the child's caregiver or the child's legal  
 423.15 representative;

423.16 (3) ~~(2) an independent observation of the child which can be that is performed by~~  
 423.17 ~~the child's~~ a QSP or a level I or level II treatment provider and may include observation  
 423.18 information from licensed special education staff or other licensed health care providers;

423.19 (3) documentation of current level of performance on primary treatment goal  
 423.20 domains including when goals and objectives are achieved, changed, or discontinued;

423.21 (4) any significant changes in the child's condition or family circumstances;

423.22 (4) (5) any treatment plan modifications and the rationale for any changes made  
 423.23 including treatment modality, intensity, frequency, and duration; and

423.24 (5) (6) recommendations for continued treatment services.

423.25 (c) ITP progress evaluations evaluation must be submitted to the commissioner and  
 423.26 the child or legal representative in a manner determined by the commissioner for this  
 423.27 purpose the reauthorization of EIDBI services.

423.28 (d) A child who continues to ~~achieve generalizable goals and~~ make reasonable  
 423.29 progress toward treatment goals as specified in the treatment plan ITP is eligible to  
 423.30 continue receiving ~~this benefit~~ EIDBI services.

423.31 (e) A child's treatment shall continue during the ITP progress evaluation using  
 423.32 the process determined under ~~subdivision 8, clause (8)~~ this subdivision. Treatment may  
 423.33 continue during an appeal pursuant to section 256.045.

423.34 Subd. 8. **Refining the benefit with stakeholders.** The commissioner must ~~develop~~  
 423.35 ~~the implementation~~ refine the details of the benefit in consultation with stakeholders and  
 423.36 consider recommendations from ~~the Health Services Advisory Council, the Department~~

424.1 of Human Services ~~Autism Spectrum Disorder~~ Early Intensive Developmental and  
 424.2 Behavioral Intervention Benefit Advisory Council, the Legislative Autism Spectrum  
 424.3 ~~Disorder Task Force,~~ the EIDBI learning collaborative, and the ASD Interagency Task  
 424.4 Force of the Departments of Health, Education, Employment and Economic Development,  
 424.5 and Human Services. The commissioner must release these details for a 30-day public  
 424.6 comment period prior to submission to the federal government for approval. The  
 424.7 implementation details must include, but are not limited to, the following components:  
 424.8 (1) a definition of the qualifications, standards, and roles of the treatment team,  
 424.9 including recommendations after stakeholder consultation on whether board-certified  
 424.10 behavior analysts and other types of professionals certified in other treatment approaches  
 424.11 recognized by the Department of Human Services or trained in autism spectrum disorder  
 424.12 and child development should be added as mental health or other professionals for qualified  
 424.13 to provide EIDBI treatment supervision or other functions under medical assistance;  
 424.14 (2) ~~development of initial,~~ refinement of uniform parameters for comprehensive  
 424.15 multidisciplinary ~~diagnostic assessment information~~ evaluation and ~~progress evaluation~~  
 424.16 ongoing ITP progress evaluation monitoring standards;  
 424.17 (3) the design of an effective and consistent process for assessing ~~parent~~ the child's  
 424.18 legal representative's and caregiver capacity caregiver's preferences and options to  
 424.19 participate in the child's early intervention treatment and efficacy of methods of involving  
 424.20 the parents to involve and educate the child's legal representative and caregivers in the  
 424.21 treatment of the child;  
 424.22 (4) formulation of a collaborative process in which professionals have  
 424.23 opportunities to collectively inform provider standards and qualifications; standards for a  
 424.24 comprehensive, multidisciplinary diagnostic assessment evaluation; medical necessity  
 424.25 determination; efficacy of treatment apparatus, including modality, intensity, frequency,  
 424.26 and duration; and progress evaluation progress-monitoring processes and standards to  
 424.27 support quality improvement of early intensive intervention EIDBI services;  
 424.28 (5) coordination of this benefit and its interaction with other services provided by  
 424.29 the Departments of Human Services, Health, Employment and Economic Development,  
 424.30 and Education;  
 424.31 (6) evaluation, on an ongoing basis, of ~~research regarding the program~~ EIDBI  
 424.32 outcomes and efficacy of treatment modalities methods provided to children under this  
 424.33 benefit; and  
 424.34 (7) as provided under subdivision 18, determination of the availability of ~~licensed~~  
 424.35 physicians, nurse practitioners, and mental health professionals qualified EIDBI  
 424.36 professionals with necessary expertise and training in autism spectrum disorder and



425.1 related conditions throughout the state to assess whether there are sufficient professionals  
 425.2 ~~to require involvement of both a physician or nurse practitioner and a mental health~~  
 425.3 ~~professional to provide~~ timely access and prevent delay in the ~~diagnosis and~~ CMDE and  
 425.4 ~~treatment of young children, so as to implement subdivision 4, and to ensure treatment is~~  
 425.5 ~~effective, timely, and accessible; and~~ ASD and related conditions.

425.6 ~~(8) development of the process for the progress evaluation that will be used to~~  
 425.7 ~~determine the ongoing eligibility, including necessary documentation, timelines, and~~  
 425.8 ~~responsibilities of all parties.~~

425.9 Subd. 9. **Revision of treatment options.** (a) The commissioner may revise covered  
 425.10 treatment options as needed based on outcome data and other evidence. EIDBI treatment  
 425.11 methods approved by the Department of Human Services must:

425.12 (1) cause no harm to the individual child or family;

425.13 (2) be provided in an individualized manner to meet the varied needs of each child  
 425.14 and family;

425.15 (3) be developmentally appropriate and highly structured, with well-defined goals  
 425.16 and objectives that provide a strategic direction for treatment;

425.17 (4) be regularly evaluated and adjusted as needed;

425.18 (5) be based in recognized principles of developmental and behavioral science;

425.19 (6) utilize sound practices that are replicable across providers and maintain the  
 425.20 fidelity of the specific approach;

425.21 (7) demonstrate an evidentiary basis;

425.22 (8) have goals and objectives that are measurable, achievable, and regularly  
 425.23 evaluated to ensure that adequate progress is being made;

425.24 (9) be provided intensively with a high adult-to-child ratio; and

425.25 (10) include active child and legal representative participation in decision-making,  
 425.26 knowledge- and capacity-building, and developing and implementing the child's ITP.

425.27 (b) Before ~~the changes~~ revisions in Department of Human Services recognized  
 425.28 treatment modalities become effective, the commissioner must provide public notice of  
 425.29 the changes, the reasons for the change, and a 30-day public comment period to those  
 425.30 who request notice through an electronic list accessible to the public on the department's  
 425.31 Web site.

425.32 Subd. 10. **Coordination between agencies.** The commissioners of human services  
 425.33 and education must develop the capacity to coordinate services and information including  
 425.34 diagnostic, functional, developmental, medical, and educational assessments; service  
 425.35 delivery; and progress evaluations across health and education sectors.

426.1 Subd. 11. **Federal approval of the autism benefit.** (a) This section shall apply  
426.2 to state plan services under title XIX of the Social Security Act when federal approval  
426.3 is granted under a 1915(i) waiver or other authority which allows children eligible for  
426.4 medical assistance through the TEFRA option under section 256B.055, subdivision 12, to  
426.5 qualify and includes children eligible for medical assistance in families over 150 percent  
426.6 of the federal poverty guidelines.

426.7 (b) The commissioner may use the federal authority for a Medicaid state plan  
426.8 amendment under Early and Periodic Screening Diagnosis and Treatment (EPSDT),  
426.9 United States Code, title 42, section 1396D(R)(5), or other Medicaid provision for any  
426.10 aspect or type of treatment covered in this section if new federal guidance is helpful  
426.11 in achieving one or more of the purposes of this section in a cost-effective manner.  
426.12 Notwithstanding subdivisions 2 and 3, any treatment services submitted for federal  
426.13 approval under EPSDT shall include appropriate medical criteria to qualify for the service  
426.14 and shall cover children through age 20.

426.15 Subd. 12. **Autism benefit; training provided.** After approval of the autism early  
426.16 intensive intervention benefit under this section by the Centers for Medicare and Medicaid  
426.17 Services, the commissioner shall provide statewide training on the benefit for culturally  
426.18 and linguistically diverse communities. Training for autism service providers on culturally  
426.19 appropriate practices must be online, accessible, and available in multiple languages. The  
426.20 training for families, lead agencies, advocates, and other interested parties must provide  
426.21 information about the benefit and how to access it.

426.22 Subd. 13. **Covered services.** (a) The services described in paragraphs (b) to (i) are  
426.23 eligible for reimbursement by medical assistance under this section.

426.24 (b) EIDBI interventions are a variety of individualized, intensive treatment methods  
426.25 approved by the department that are based in behavioral and developmental science  
426.26 consistent with best practices on effectiveness. Services must address the participant's  
426.27 medically necessary treatment goals and be provided by a qualified supervising  
426.28 professional or a level I, level II, or level III treatment provider. Services are targeted to  
426.29 develop, enhance, or maintain the individual developmental skills of a child with ASD and  
426.30 related conditions to improve functional communication, social or interpersonal interaction,  
426.31 behavioral challenges and self-regulation, cognition, learning and play, self-care, safety,  
426.32 and level of support needed. EIDBI interventions include, but are not limited to:

426.33 (1) applied behavioral analysis (ABA);

426.34 (2) developmental individual-difference relationship-based model (DIR/Floortime);

426.35 (3) early start Denver model (ESDM);

426.36 (4) PLAY project; or

427.1 (5) relationship development intervention (RDI).

427.2 A provider may use one or more of the treatment interventions in clauses (1) to (5) as the  
427.3 primary modality for treatment as a covered service, or several treatment interventions  
427.4 in combination as the primary modality of treatment, as approved by the commissioner.

427.5 Additional treatment interventions may be used upon approval by the commissioner.

427.6 A provider that identifies and provides assurance of qualifications for a single specific  
427.7 treatment modality must document the required qualifications to meet fidelity to the  
427.8 specific model.

427.9 (c) EIDBI intervention observation and direction is the clinical direction and oversight  
427.10 by a QSP or a level I or level II treatment provider regarding provision of EIDBI services  
427.11 to a child, including developmental and behavioral techniques, progress measurement, data  
427.12 collection, function of behaviors, and generalization of acquired skills for the direct benefit  
427.13 of a child. EIDBI intervention observation and direction informs any modifications of the  
427.14 methods to support the accomplishment of outcomes in the ITP. Observation and direction  
427.15 provides a real-time response to EIDBI interventions to maximize the benefit to the child.

427.16 (d) CMDE is a comprehensive evaluation of the child's developmental status to  
427.17 determine medical necessity for EIDBI services and meets the requirements of subdivision  
427.18 5. The services must be provided by a qualified CMDE provider.

427.19 (e) ITP development and monitoring is development of the initial, annual, and  
427.20 progress monitoring of ITPs. This service documents, provides oversight and on-going  
427.21 evaluation of child treatment and progress on targeted goals and objectives, and integrates  
427.22 and coordinates child and family information from the CMDE and progress monitoring  
427.23 evaluations. The ITP must meet the requirements of subdivision 6. ITP progress evaluation  
427.24 monitoring must meet the requirements of subdivision 7. This service must be reviewed  
427.25 and completed by a QSP, and may include input from a level I or level II treatment provider.

427.26 (f) Family caregiver training and counseling is specialized training and education a  
427.27 family or primary caregiver receives to understand the child's developmental status and  
427.28 help with the child's needs and development. This service must be provided by a QSP  
427.29 or a level I or level II treatment provider.

427.30 (g) A coordinated care conference is a voluntary face-to-face meeting with the  
427.31 child and family to review the CMDE or progress monitoring results and to coordinate  
427.32 and integrate services across providers and service-delivery systems to develop the ITP.  
427.33 This service must be provided by a QSP and may include the CMDE provider or the level  
427.34 I or level II treatment provider.

427.35 (h) Travel time is allowable billing for traveling to and from the recipient's home,  
427.36 school, a community setting, or place of service outside of an EIDBI center, clinic, or

428.1 office from a specified location to provide face-to-face EIDBI intervention, observation  
 428.2 and direction, or family caregiver training and counseling. EIDBI recipients must have an  
 428.3 ITP specifying the reasons the provider must travel to the recipient's home, a community  
 428.4 setting, or place of service outside of an EIDBI center, clinic, or office.

428.5 (i) Medical assistance covers medically necessary EIDBI services and consultations  
 428.6 delivered by a licensed health care provider via telemedicine in the same manner as if the  
 428.7 service or consultation was delivered in person. Coverage is limited to three telemedicine  
 428.8 services per enrollee per calendar week.

428.9 Subd. 14. **Service recipient rights.** A child or the child's legal representative  
 428.10 has the right to:

428.11 (1) protection as defined under the health care bill of rights under section 144.651;

428.12 (2) designate an advocate of the child's or the child's legal representative's choice to  
 428.13 be present in all aspects of the child's and family's services at the request of the child or  
 428.14 the child's legal representative;

428.15 (3) be informed of the agency policy on assigning staff to a child;

428.16 (4) receive the opportunity to observe the child while receiving services;

428.17 (5) receive services in a manner that respects and takes into consideration the child's  
 428.18 and the legal representative's culture, values, religion, and preferences in accordance  
 428.19 with subdivision 3a;

428.20 (6) be free from mechanical restraint or seclusion using locked doors except in  
 428.21 emergencies as defined in section 245D.02, subdivision 8a;

428.22 (7) be under the supervision of a responsible adult at all times;

428.23 (8) receive notification from the agency within 24 hours if the child is injured while  
 428.24 receiving services, including what occurred and how agency staff responded to the injury;

428.25 (9) request a voluntary coordinated care conference; and

428.26 (10) request an independent CMDE provider of the child's or legal representative's  
 428.27 choice.

428.28 Subd. 15. **EIDBI provider qualifications.** (a) A level I treatment provider must be  
 428.29 employed by an EIDBI agency and:

428.30 (1) have at least 2,000 hours of supervised clinical experience or training in  
 428.31 examining or treating children with ASD or equivalent documented coursework at the  
 428.32 graduate level by an accredited university in ASD diagnostics, ASD developmental  
 428.33 and behavioral treatment strategies, and typical child development or an equivalent  
 428.34 combination of documented coursework or hours of experience; and

428.35 (2) have or be at least one of the following:

429.1 (i) a master's degree in behavioral health or child development or allied fields,  
429.2 including but not limited to mental health, special education, social work, psychology,  
429.3 speech pathology, or occupational therapy from an accredited college or university;

429.4 (ii) a bachelor's degree in a behavioral health or child development field from  
429.5 an accredited college or university and advanced certification in a treatment method  
429.6 recognized by the Department of Human Services; or

429.7 (iii) a board-certified assistant behavior analyst with 4,000 hours of supervised  
429.8 clinical experience including meeting all registration, supervision, and continuing  
429.9 education requirements of the certification.

429.10 (b) A level II treatment provider must be employed by an EIDBI provider agency  
429.11 and be either:

429.12 (1) a person who has a bachelor's degree from an accredited college or university  
429.13 in a behavioral or child development science or allied field including but not limited  
429.14 to mental health, special education, social work, psychology, speech pathology, or  
429.15 occupational therapy; and

429.16 (i) has at least 1,000 hours of clinical experience or training in examining or  
429.17 treating children with ASD or equivalent documented coursework at the graduate level  
429.18 by an accredited university in ASD diagnostics, ASD developmental and behavioral  
429.19 treatment strategies, and typical child development or a combination of coursework or  
429.20 hours of experience;

429.21 (ii) certification as a board-certified assistant behavior analyst from the Behavior  
429.22 Analyst Certification Board; or

429.23 (iii) is a registered behavior technician as defined by the Behavior Analyst  
429.24 Certification Board or is certified in one of the other treatment modalities recognized by  
429.25 the Department of Human Services;

429.26 (2) a person who:

429.27 (i) has an associate's degree in a behavioral or child development science or allied  
429.28 field including but not limited to mental health, special education, social work, psychology,  
429.29 speech pathology, or occupational therapy from an accredited college or university; and

429.30 (ii) has at least 2,000 hours of supervised clinical experience in delivering treatment  
429.31 to children with ASD. Hours worked as a behavioral aide or level III treatment provider  
429.32 may be included in the required hours of experience;

429.33 (3) a person who has at least 4,000 hours of supervised clinical experience in  
429.34 delivering treatment to children with ASD. Hours worked as a mental health behavioral  
429.35 aide or developmental or level III treatment provider may be included in the required  
429.36 hours of experience;

- 430.1 (4) a person who is a graduate student in a behavioral science, child development  
430.2 science, or allied field and is receiving clinical supervision by a qualified supervising  
430.3 professional affiliated with an agency to meet the clinical training requirements for  
430.4 experience and training with children with ASD; or
- 430.5 (5) a person who is at least 18 years old and who:
- 430.6 (i) is fluent in the non-English language spoken in the child's home or works with a  
430.7 tribal entity that represents the child's culture;
- 430.8 (ii) meets level III EIDBI training requirements; and
- 430.9 (iii) receives observation and direction from a QSP or qualified level I treatment  
430.10 provider at least once a week until 1,000 hours of supervised clinical experience are met.
- 430.11 (c) A level III treatment provider must be employed by an EIDBI provider agency,  
430.12 have completed the level III training requirement, be at least 18 years old, and have at  
430.13 least one of the following:
- 430.14 (1) a high school diploma or general equivalency diploma (GED);
- 430.15 (2) fluency in the non-English language spoken in the child's home or works with a  
430.16 tribal entity that represents the child's culture; or
- 430.17 (3) one year of experience as a primary PCA, community health worker, waiver  
430.18 service provider, or special education assistant to a child with ASD within the previous  
430.19 five years.
- 430.20 (d) A qualified supervising professional must be employed by an EIDBI agency  
430.21 and be:
- 430.22 (1) a licensed mental health professional who has at least 2,000 hours of supervised  
430.23 clinical experience or training in examining or treating children with ASD or equivalent  
430.24 documented coursework at the graduate level by an accredited university in ASD  
430.25 diagnostics, ASD developmental and behavioral treatment strategies, and typical child  
430.26 development; or
- 430.27 (2) a developmental or behavioral pediatrician who has at least 2,000 hours of  
430.28 supervised clinical experience or training in the examining or treating of children with  
430.29 ASD or related conditions or equivalent documented coursework at the graduate level  
430.30 by an accredited university in the areas of ASD diagnostics, ASD developmental and  
430.31 behavioral treatment strategies, and typical child development.
- 430.32 **Subd. 16. Agency responsibilities. (a) The agency must:**
- 430.33 (1) exercise and protect the service recipient's rights;
- 430.34 (2) offer services that are person-centered and culturally and linguistically  
430.35 appropriate as required under subdivision 3a;

- 431.1 (3) allow people to make informed decisions concerning CMDE, treatment  
 431.2 recommendations, alternatives considered, and possible risks of services;
- 431.3 (4) have a written policy that identifies steps to resolve issues collaboratively when  
 431.4 possible;
- 431.5 (5) except for emergency situations, provide adequate notice of transition, subject  
 431.6 to staff availability, of transition from EIDBI services prior to implementing a transition  
 431.7 plan with the family;
- 431.8 (6) provide notice as soon as possible when issues arise about provision of EIDBI  
 431.9 services;
- 431.10 (7) provide the legal representative with prompt notification if the child is injured  
 431.11 while being served by the agency. An incident report must be completed by the agency  
 431.12 staff member in charge of the child. Copies of all incident and injury reports must remain  
 431.13 on file at the agency for at least one year. An incident is when any of the following occur:
- 431.14 (i) an illness, accident, or injury which requires first aid treatment;  
 431.15 (ii) a bump or blow to the head; or  
 431.16 (iii) an unusual or unexpected event that jeopardizes the safety of children or staff,  
 431.17 including a child leaving the agency unattended; and
- 431.18 (8) prior to starting services, provide the child or the child's legal representative a  
 431.19 plain-spoken description of the treatment method or methods that the child shall receive,  
 431.20 including the staffing certification levels and training of the staff who shall provide the  
 431.21 treatment or treatments.
- 431.22 (b) When delivering the ITP, and annually thereafter, agencies must provide the  
 431.23 child or the child's legal representative with:
- 431.24 (1) a written copy of the child's rights and agency responsibilities;  
 431.25 (2) a verbal explanation of rights and responsibilities;  
 431.26 (3) reasonable accommodations to provide the information in other formats or  
 431.27 languages as needed to facilitate understanding of the rights and responsibilities; and  
 431.28 (4) documentation in the child's file of the date that the child or the child's  
 431.29 legal representative received a copy and explanation of the client's rights and agency  
 431.30 responsibilities.
- 431.31 **Subd. 17. EIDBI agency qualifications, general requirements, and duties. (a)**  
 431.32 **EIDBI agencies delivering services under this section shall:**
- 431.33 (1) enroll as a medical assistance Minnesota health care program provider according  
 431.34 to Minnesota Rules, part 9505.0195, and meet all applicable provider standards and  
 431.35 requirements;
- 431.36 (2) demonstrate compliance with federal and state laws for EIDBI;

432.1 (3) verify and maintain records of all services provided to the child or the child's  
432.2 legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

432.3 (4) not have had a lead agency contract or provider agreement discontinued due to  
432.4 a conviction of fraud, or not have had an owner, board member, or manager fail a state  
432.5 or FBI-based criminal background check or appear on the list of excluded individuals or  
432.6 entities maintained by the federal Department of Human Services Office of Inspector  
432.7 General while enrolled or seeking enrollment as a Minnesota health care program provider;

432.8 (5) have established business practices that include written policies and procedures,  
432.9 internal controls, and a system that demonstrates the organization's ability to deliver  
432.10 quality EIDBI services;

432.11 (6) have an office located in Minnesota; and

432.12 (7) conduct a criminal background check on an individual who has direct contact  
432.13 with the child or the child's legal representative.

432.14 (b) an EIDBI agency shall:

432.15 (1) report maltreatment as required under sections 626.556 and 626.557;

432.16 (2) provide the child or the child's legal representative with a copy of the  
432.17 service-related rights under subdivision 14 at the start of services;

432.18 (3) comply with any data requests from the department consistent with the Minnesota  
432.19 Government Data Practices Act, sections 256B.064 and 256B.27; and

432.20 (4) provide training for all agency staff on the Maltreatment of Minors Act and the  
432.21 Vulnerable Adult Protection Act requirements and responsibilities, including mandated  
432.22 and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to  
432.23 report suspected abuse and neglect.

432.24 Subd. 18. **Provider shortage; authority for exceptions.** (a) In consultation with the  
432.25 Early Intensive Developmental and Behavioral Intervention Advisory Council, including  
432.26 agencies, professionals, parents of children with ASD, and advocacy organizations, the  
432.27 commissioner shall determine if a shortage of qualified EIDBI providers exists. For the  
432.28 purposes of this subdivision, "shortage of qualified EIDBI providers" means a lack of  
432.29 availability of providers who meet the EIDBI provider qualification requirements under  
432.30 subdivision 15 that results in the delay of access to timely services under this section, or  
432.31 that significantly impairs the ability of a provider agency to have sufficient qualified  
432.32 providers to meet the requirements of this section. The commissioner shall consider  
432.33 geographic factors when determining the prevalence of a shortage. The commissioner  
432.34 may determine that a shortage exists only in a specific region of the state, multiple regions  
432.35 of the state, or statewide. The commissioner shall also consider the availability of various  
432.36 types of treatment methods covered under this section.



433.1 (b) If the commissioner determines that a shortage of qualified providers exists  
 433.2 under paragraph (a), the commissioner, in consultation with the EIDBI Advisory Council  
 433.3 and stakeholders, must establish processes and criteria for granting an exception. The  
 433.4 commissioner may grant an exception to any of the following requirements, but only if an  
 433.5 exception would not compromise child safety nor diminish the quality and effectiveness  
 433.6 of the treatment provided:

433.7 (1) EIDBI provider qualifications under this section;

433.8 (2) medical assistance provider enrollment requirements under Minnesota Rules,  
 433.9 part 9505.0195; or

433.10 (3) applicable provider or agency standards or requirements.

433.11 (c) If the commissioner, in consultation with the EIDBI Advisory Council and  
 433.12 stakeholders, determines that a shortage no longer exists, the commissioner must submit a  
 433.13 notice that a shortage no longer exists to the chairs and ranking minority members of the  
 433.14 senate and the house of representatives committees with jurisdiction over health and human  
 433.15 services. The commissioner must post the notice for public comment for 30 days. The  
 433.16 commissioner shall consider all public comments before the commissioner makes a final  
 433.17 determination regarding the termination and timeline for termination of the commissioner's  
 433.18 authority to grant exceptions under this subdivision. Until the shortage ends, the  
 433.19 commissioner shall provide an update annually to the chairs and ranking minority members  
 433.20 of the committees in the house of representatives and the senate with jurisdiction over  
 433.21 health and human services on the status of the provider shortage and exception process.

433.22 **EFFECTIVE DATE.** Subdivisions 1, 5a, 13, and 18 are effective the day following  
 433.23 final enactment. Subdivisions 2 to 3a, 5, 6 to 9, and 14 to 17 are effective August 1, 2016.  
 433.24 Subdivision 4 is effective January 1, 2017.

433.25 Sec. 5. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 30,  
 433.26 is amended to read:

433.27 Subd. 30. **Median total care-related cost per diem and other operating per diem**  
 433.28 **determined.** (a) The commissioner shall determine the median total care-related per  
 433.29 diem to be used in subdivision 50 and the median other operating per diem to be used in  
 433.30 subdivision 51 using the cost reports from nursing facilities in Anoka, Carver, Dakota,  
 433.31 Hennepin, Ramsey, Scott, and Washington Counties.

433.32 (b) The median total care-related per diem shall be equal to the median ~~direct care~~  
 433.33 ~~cost~~ total care-related per diem for a RUG's weight of 1.00 for facilities located in the  
 433.34 counties listed in paragraph (a).

434.1 (c) The median other operating per diem shall be equal to the median other  
 434.2 operating per diem for facilities located in the counties listed in paragraph (a). The other  
 434.3 operating per diem shall be the sum of each facility's administrative costs, dietary costs,  
 434.4 housekeeping costs, laundry costs, and maintenance and plant operations costs divided  
 434.5 by each facility's resident days.

434.6 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2016.

434.7 Sec. 6. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 66,  
 434.8 is amended to read:

434.9 Subd. 66. **Nursing facilities in border cities.** (a) Rate increases under this section  
 434.10 for a facility located in Breckenridge are effective for the rate year beginning January 1,  
 434.11 2016, and annually thereafter;. Rate increases under this section for a facility located in  
 434.12 Moorhead are effective for the rate year beginning January 1, 2020, and annually thereafter.

434.13 (b) Operating payment rates of a nonprofit nursing facility that exists on January 1,  
 434.14 2015, is located anywhere within the boundaries of the city of Breckenridge or Moorhead,  
 434.15 and is reimbursed under this section, section 256B.431, or section 256B.434, shall be  
 434.16 adjusted to be equal to the median RUG's rates, including comparable rate components as  
 434.17 determined by the commissioner, for the equivalent RUG's weight of the nonprofit nursing  
 434.18 facility or facilities located in an adjacent city in another state and in cities contiguous  
 434.19 to the adjacent city. The commissioner must make the comparison required under this  
 434.20 subdivision on October 1 of each year. The adjustment under this subdivision applies to  
 434.21 the rates effective on the following January 1.

434.22 (c) The Minnesota facility's operating payment rate with a weight of 1.0 shall be  
 434.23 computed by dividing the adjacent city's nursing facilities median operating payment rate  
 434.24 with a weight of 1.02 by 1.02. ~~If the adjustments under this subdivision result in a rate that~~  
 434.25 ~~exceeds the limits in subdivisions 50 and 51 in a given rate year, the facility's rate shall~~  
 434.26 ~~not be subject to those limits for that rate year.~~ If a facility's rate is increased under this  
 434.27 subdivision, the facility is not subject to the total care-related limit in subdivision 50 and is  
 434.28 not limited to the other operating price established in subdivision 51. This subdivision  
 434.29 shall apply only if it results in a higher operating payment rate than would otherwise be  
 434.30 determined under this section, section 256B.431, or section 256B.434.

434.31 Sec. 7. Minnesota Statutes 2014, section 256B.4912, is amended by adding a  
 434.32 subdivision to read:

435.1 Subd. 11. **Annual data submission.** (a) In a manner determined by the  
435.2 commissioner, home and community-based services waiver providers enrolled under this  
435.3 section shall submit data to the commissioner on the following:

435.4 (1) wages of workers;

435.5 (2) benefits paid;

435.6 (3) staff retention rates;

435.7 (4) amount of overtime paid;

435.8 (5) amount of travel time paid;

435.9 (6) vacancy rates; and

435.10 (7) other data elements determined by the commissioner.

435.11 (b) The commissioner may adjust reporting requirements for an individual  
435.12 self-employed worker.

435.13 (c) This subdivision also applies to a provider of personal care assistance services  
435.14 under section 256B.0625, subdivision 19a; community first services and supports under  
435.15 section 256B.85; consumer support grants under section 256.476; nursing services and  
435.16 home health services under section 256B.0625, subdivision 6a; home care nursing  
435.17 services under section 256B.0625, subdivision 7; intermediate care facilities for persons  
435.18 with developmental disabilities under section 256B.501; and day training and habilitation  
435.19 providers serving residents of intermediate care facilities for persons with developmental  
435.20 disabilities under section 256B.501.

435.21 (d) This data shall be submitted annually each calendar year on a date specified by  
435.22 the commissioner. The commissioner shall give a provider at least 30 calendar days to  
435.23 submit the data. Failure to submit the data requested may result in delays to medical  
435.24 assistance reimbursement.

435.25 (e) Individually identifiable data submitted to the commissioner in this section are  
435.26 considered private data on an individual, as defined by section 13.02, subdivision 12.

435.27 (f) The commissioner shall analyze data annually for workforce assessments and its  
435.28 impact on service access.

435.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

435.30 Sec. 8. Minnesota Statutes 2015 Supplement, section 256B.4913, subdivision 4a,  
435.31 is amended to read:

435.32 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,  
435.33 "implementation period" means the period beginning January 1, 2014, and ending on  
435.34 the last day of the month in which the rate management system is populated with the  
435.35 data necessary to calculate rates for substantially all individuals receiving home and

436.1 community-based waiver services under sections 256B.092 and 256B.49. "Banding  
436.2 period" means the time period beginning on January 1, 2014, and ending upon the  
436.3 expiration of the 12-month period defined in paragraph (c), clause (5).

436.4 (b) For purposes of this subdivision, the historical rate for all service recipients means  
436.5 the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

436.6 (1) for a day service recipient who was not authorized to receive these waiver  
436.7 services prior to January 1, 2014; added a new service or services on or after January 1,  
436.8 2014; or changed providers on or after January 1, 2014, the historical rate must be the  
436.9 weighted average authorized rate for the each provider number in the county of service,  
436.10 effective December 1, 2013; or

436.11 (2) for a unit-based service with programming or a unit-based service without  
436.12 programming recipient who was not authorized to receive these waiver services prior to  
436.13 January 1, 2014; added a new service or services on or after January 1, 2014; or changed  
436.14 providers on or after January 1, 2014, the historical rate must be the weighted average  
436.15 authorized rate for each provider number in the county of service, effective December 1,  
436.16 2013; or

436.17 (3) for residential service recipients who change providers on or after January 1,  
436.18 2014, the historical rate must be set by each lead agency within their ~~county~~ aggregate  
436.19 budget using their respective methodology for residential services effective December 1,  
436.20 2013, for determining the provider rate for a similarly situated recipient being served by  
436.21 that provider.

436.22 (c) The commissioner shall adjust individual reimbursement rates determined under  
436.23 this section so that the unit rate is no higher or lower than:

436.24 (1) 0.5 percent from the historical rate for the implementation period;

436.25 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period  
436.26 immediately following the time period of clause (1);

436.27 (3) 0.5 percent from the rate in effect in clause (2), for the 12-month period  
436.28 immediately following the time period of clause (2);

436.29 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period  
436.30 immediately following the time period of clause (3);

436.31 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period  
436.32 immediately following the time period of clause (4); and

436.33 (6) no adjustment to the rate in effect in clause (5) for the 12-month period  
436.34 immediately following the time period of clause (5). During this banding rate period, the  
436.35 commissioner shall not enforce any rate decrease or increase that would otherwise result

437.1 from the end of the banding period. The commissioner shall, upon enactment, seek federal  
437.2 approval for the addition of this banding period.

437.3 (d) The commissioner shall review all changes to rates that were in effect on  
437.4 December 1, 2013, to verify that the rates in effect produce the equivalent level of spending  
437.5 and service unit utilization on an annual basis as those in effect on October 31, 2013.

437.6 (e) By December 31, 2014, the commissioner shall complete the review in paragraph  
437.7 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

437.8 (f) During the banding period, the Medicaid Management Information System  
437.9 (MMIS) service agreement rate must be adjusted to account for change in an individual's  
437.10 need. The commissioner shall adjust the Medicaid Management Information System  
437.11 (MMIS) service agreement rate by:

437.12 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for  
437.13 the individual with variables reflecting the level of service in effect on December 1, 2013;

437.14 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or  
437.15 9, for the individual with variables reflecting the updated level of service at the time  
437.16 of application; and

437.17 (3) adding to or subtracting from the Medicaid Management Information System  
437.18 (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

437.19 (g) This subdivision must not apply to rates for recipients served by providers new  
437.20 to a given county after January 1, 2014. Providers of personal supports services who also  
437.21 acted as fiscal support entities must be treated as new providers as of January 1, 2014.

437.22 Sec. 9. Minnesota Statutes 2014, section 256B.4914, subdivision 5, is amended to read:

437.23 Subd. 5. **Base wage index and standard component values.** (a) The base wage  
437.24 index is established to determine staffing costs associated with providing services to  
437.25 individuals receiving home and community-based services. For purposes of developing  
437.26 and calculating the proposed base wage, Minnesota-specific wages taken from job  
437.27 descriptions and standard occupational classification (SOC) codes from the Bureau of  
437.28 Labor Statistics as defined in the most recent edition of the Occupational Handbook must  
437.29 be used. The base wage index must be calculated as follows:

437.30 (1) for residential direct care staff, the sum of:

437.31 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and  
437.32 home health aide (SOC code 39-9021); 30 percent of the median wage for nursing aide  
437.33 (SOC code 31-1012); and 20 percent of the median wage for social and human services  
437.34 aide (SOC code 21-1093); and

438.1 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide  
438.2 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
438.3 (SOC code 39-9021); 20 percent of the median wage for nursing aide (SOC code 31-1012);  
438.4 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20  
438.5 percent of the median wage for social and human services aide (SOC code 21-1093);  
438.6 (2) for day services, 20 percent of the median wage for nursing aide (SOC code  
438.7 31-1012); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
438.8 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);  
438.9 (3) for residential asleep-overnight staff, the wage will be \$7.66 per hour, except in  
438.10 a family foster care setting, the wage is \$2.80 per hour;  
438.11 (4) for behavior program analyst staff, 100 percent of the median wage for mental  
438.12 health counselors (SOC code 21-1014);  
438.13 (5) for behavior program professional staff, 100 percent of the median wage for  
438.14 clinical counseling and school psychologist (SOC code 19-3031);  
438.15 (6) for behavior program specialist staff, 100 percent of the median wage for  
438.16 psychiatric technicians (SOC code 29-2053);  
438.17 (7) for supportive living services staff, 20 percent of the median wage for nursing  
438.18 aide (SOC code 31-1012); 20 percent of the median wage for psychiatric technician (SOC  
438.19 code 29-2053); and 60 percent of the median wage for social and human services aide  
438.20 (SOC code 21-1093);  
438.21 (8) for housing access coordination staff, 50 percent of the median wage for  
438.22 community and social services specialist (SOC code 21-1099); and 50 percent of the  
438.23 median wage for social and human services aide (SOC code 21-1093);  
438.24 (9) for in-home family support staff, 20 percent of the median wage for nursing  
438.25 aide (SOC code 31-1012); 30 percent of the median wage for community social service  
438.26 specialist (SOC code 21-1099); 40 percent of the median wage for social and human  
438.27 services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric  
438.28 technician (SOC code 29-2053);  
438.29 (10) for independent living skills staff, 40 percent of the median wage for community  
438.30 social service specialist (SOC code 21-1099); 50 percent of the median wage for social  
438.31 and human services aide (SOC code 21-1093); and ten percent of the median wage for  
438.32 psychiatric technician (SOC code 29-2053);  
438.33 (11) for supported employment staff, 20 percent of the median wage for nursing aide  
438.34 (SOC code 31-1012); 20 percent of the median wage for psychiatric technician (SOC  
438.35 code 29-2053); and 60 percent of the median wage for social and human services aide  
438.36 (SOC code 21-1093);

439.1 (12) for adult companion staff, 50 percent of the median wage for personal and home  
 439.2 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,  
 439.3 orderlies, and attendants (SOC code 31-1012);

439.4 (13) for night supervision staff, 20 percent of the median wage for home health aide  
 439.5 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
 439.6 (SOC code 39-9021); 20 percent of the median wage for nursing aide (SOC code 31-1012);  
 439.7 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20  
 439.8 percent of the median wage for social and human services aide (SOC code 21-1093);

439.9 (14) for respite staff, 50 percent of the median wage for personal and home care aide  
 439.10 (SOC code 39-9021); and 50 percent of the median wage for nursing aides, orderlies, and  
 439.11 attendants (SOC code 31-1012);

439.12 (15) for personal support staff, 50 percent of the median wage for personal and home  
 439.13 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,  
 439.14 orderlies, and attendants (SOC code 31-1012);

439.15 (16) for supervisory staff, the basic wage is \$17.43 per hour with exception of the  
 439.16 supervisor of behavior analyst and behavior specialists, which must be \$30.75 per hour;

439.17 (17) for registered nurse, the basic wage is \$30.82 per hour; and

439.18 (18) for licensed practical nurse, the basic wage is \$18.64 per hour.

439.19 (b) Component values for residential support services are:

439.20 (1) supervisory span of control ratio: 11 percent;

439.21 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

439.22 (3) employee-related cost ratio: 23.6 percent;

439.23 (4) general administrative support ratio: 13.25 percent;

439.24 (5) program-related expense ratio: 1.3 percent; and

439.25 (6) absence and utilization factor ratio: 3.9 percent.

439.26 (c) Component values for family foster care are:

439.27 (1) supervisory span of control ratio: 11 percent;

439.28 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

439.29 (3) employee-related cost ratio: 23.6 percent;

439.30 (4) general administrative support ratio: 3.3 percent;

439.31 (5) program-related expense ratio: 1.3 percent; and

439.32 (6) absence factor: 1.7 percent.

439.33 (d) Component values for day services for all services are:

439.34 (1) supervisory span of control ratio: 11 percent;

439.35 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

439.36 (3) employee-related cost ratio: 23.6 percent;

- 440.1 (4) program plan support ratio: 5.6 percent;
- 440.2 (5) client programming and support ratio: ten percent;
- 440.3 (6) general administrative support ratio: 13.25 percent;
- 440.4 (7) program-related expense ratio: 1.8 percent; and
- 440.5 (8) absence and utilization factor ratio: 3.9 percent.
- 440.6 (e) Component values for unit-based services with programming are:
- 440.7 (1) supervisory span of control ratio: 11 percent;
- 440.8 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 440.9 (3) employee-related cost ratio: 23.6 percent;
- 440.10 (4) program plan supports ratio: 3.1 percent;
- 440.11 (5) client programming and supports ratio: 8.6 percent;
- 440.12 (6) general administrative support ratio: 13.25 percent;
- 440.13 (7) program-related expense ratio: 6.1 percent; and
- 440.14 (8) absence and utilization factor ratio: 3.9 percent.
- 440.15 (f) Component values for unit-based services without programming except respite
- 440.16 are:
- 440.17 (1) supervisory span of control ratio: 11 percent;
- 440.18 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 440.19 (3) employee-related cost ratio: 23.6 percent;
- 440.20 (4) program plan support ratio: 3.1 percent;
- 440.21 (5) client programming and support ratio: 8.6 percent;
- 440.22 (6) general administrative support ratio: 13.25 percent;
- 440.23 (7) program-related expense ratio: 6.1 percent; and
- 440.24 (8) absence and utilization factor ratio: 3.9 percent.
- 440.25 (g) Component values for unit-based services without programming for respite are:
- 440.26 (1) supervisory span of control ratio: 11 percent;
- 440.27 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 440.28 (3) employee-related cost ratio: 23.6 percent;
- 440.29 (4) general administrative support ratio: 13.25 percent;
- 440.30 (5) program-related expense ratio: 6.1 percent; and
- 440.31 (6) absence and utilization factor ratio: 3.9 percent.
- 440.32 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph
- 440.33 (a) based on the wage data by standard occupational code (SOC) from the Bureau of
- 440.34 Labor Statistics available on December 31, 2016. The commissioner shall publish these
- 440.35 updated values and load them into the rate management system. This adjustment occurs



441.1 every five years. For adjustments in 2021 and beyond, the commissioner shall use the data  
441.2 available on December 31 of the calendar year five years prior.

441.3 (i) On July 1, 2017, the commissioner shall update the framework components in  
441.4 paragraphs (b) to (g); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (16) and  
441.5 (17), for changes in the Consumer Price Index. The commissioner will adjust these values  
441.6 higher or lower by the percentage change in the Consumer Price Index-All Items, United  
441.7 States city average (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner  
441.8 shall publish these updated values and load them into the rate management system. This  
441.9 adjustment occurs every five years. For adjustments in 2021 and beyond, the commissioner  
441.10 shall use the data available on January 1 of the calendar year four years prior and January  
441.11 1 of the current calendar year. No later than January 15, 2017, the commissioner shall  
441.12 make recommendations for the incorporation of the cost of licensing fees as specified  
441.13 under section 245A.10, subdivision 4, paragraph (m), into the rate framework.

441.14 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 10,  
441.15 is amended to read:

441.16 Subd. 10. **Updating payment values and additional information.** (a) From  
441.17 January 1, 2014, through December 31, 2017, the commissioner shall develop and  
441.18 implement uniform procedures to refine terms and adjust values used to calculate payment  
441.19 rates in this section.

441.20 (b) No later than July 1, 2014, the commissioner shall, within available resources,  
441.21 begin to conduct research and gather data and information from existing state systems or  
441.22 other outside sources on the following items:

441.23 (1) differences in the underlying cost to provide services and care across the state; and

441.24 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides,  
441.25 and units of transportation for all day services, which must be collected from providers  
441.26 using the rate management worksheet and entered into the rates management system; and

441.27 (3) the distinct underlying costs for services provided by a license holder under  
441.28 sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services  
441.29 provided by a license holder certified under section 245D.33.

441.30 (c) Using a statistically valid set of rates management system data, the commissioner,  
441.31 in consultation with stakeholders, shall analyze for each service the average difference  
441.32 in the rate on December 31, 2013, and the framework rate at the individual, provider,  
441.33 lead agency, and state levels. The commissioner shall issue semiannual reports to the  
441.34 stakeholders on the difference in rates by service and by county lead agency during the

442.1 banding period under section 256B.4913, subdivision 4a. The commissioner shall issue  
442.2 the first report by October 1, 2014.

442.3 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders,  
442.4 shall begin the review and evaluation of the following values already in subdivisions 6 to  
442.5 9, or issues that impact all services, including, but not limited to:

- 442.6 (1) values for transportation rates for day services;
- 442.7 (2) values for transportation rates in residential services;
- 442.8 (3) values for services where monitoring technology replaces staff time;
- 442.9 (4) values for indirect services;
- 442.10 (5) values for nursing;
- 442.11 (6) component values for independent living skills;
- 442.12 (7) component values for family foster care that reflect licensing requirements;
- 442.13 (8) adjustments to other components to replace the budget neutrality factor;
- 442.14 (9) remote monitoring technology for nonresidential services;
- 442.15 (10) values for basic and intensive services in residential services;
- 442.16 (11) values for the facility use rate in day services, and the weightings used in the  
442.17 day service ratios and adjustments to those weightings;
- 442.18 (12) values for workers' compensation as part of employee-related expenses;
- 442.19 (13) values for unemployment insurance as part of employee-related expenses;
- 442.20 (14) a component value to reflect costs for individuals with rates previously adjusted  
442.21 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled  
442.22 as of December 31, 2013; and
- 442.23 (15) any changes in state or federal law with an impact on the underlying cost of  
442.24 providing home and community-based services.

442.25 (e) The commissioner shall report to the chairs and the ranking minority members of  
442.26 the legislative committees and divisions with jurisdiction over health and human services  
442.27 policy and finance with the information and data gathered under paragraphs (b) to (d)  
442.28 on the following dates:

- 442.29 (1) January 15, 2015, with preliminary results and data;
- 442.30 (2) January 15, 2016, with a status implementation update, and additional data  
442.31 and summary information;
- 442.32 (3) January 15, 2017, with the full report; and
- 442.33 (4) January 15, 2019, with another full report, and a full report once every four  
442.34 years thereafter.

442.35 (f) Based on the commissioner's evaluation of the information and data collected in  
442.36 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by

443.1 January 15, 2015, to address any issues identified during the first year of implementation.  
443.2 After January 15, 2015, the commissioner may make recommendations to the legislature  
443.3 to address potential issues.

443.4 (g) The commissioner shall implement a regional adjustment factor to all rate  
443.5 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to  
443.6 implementation, the commissioner shall consult with stakeholders on the methodology to  
443.7 calculate the adjustment.

443.8 (h) The commissioner shall provide a public notice via LISTSERV in October of  
443.9 each year beginning October 1, 2014, containing information detailing legislatively  
443.10 approved changes in:

443.11 (1) calculation values including derived wage rates and related employee and  
443.12 administrative factors;

443.13 (2) service utilization;

443.14 (3) ~~county and tribal~~ lead agency allocation changes; and

443.15 (4) information on adjustments made to calculation values and the timing of those  
443.16 adjustments.

443.17 The information in this notice must be effective January 1 of the following year.

443.18 (i) No later than July 1, 2016, the commissioner shall develop and implement, in  
443.19 consultation with stakeholders, a methodology sufficient to determine the shared staffing  
443.20 levels necessary to meet, at a minimum, health and welfare needs of individuals who  
443.21 will be living together in shared residential settings, and the required shared staffing  
443.22 activities described in subdivision 2, paragraph (l). This determination methodology must  
443.23 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and  
443.24 prospective residents in shared residential settings.

443.25 (j) When the available shared staffing hours in a residential setting are insufficient to  
443.26 meet the needs of an individual who enrolled in residential services after January 1, 2014,  
443.27 or insufficient to meet the needs of an individual with a service agreement adjustment  
443.28 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing  
443.29 hours shall be used.

443.30 Sec. 11. Minnesota Statutes 2014, section 256B.4914, subdivision 11, is amended to  
443.31 read:

443.32 Subd. 11. **Payment implementation.** Upon implementation of the payment  
443.33 methodologies under this section, those payment rates supersede rates established in  
443.34 ~~county~~ lead agency contracts for recipients receiving waiver services under section  
443.35 256B.092 or 256B.49.

444.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 14,  
444.2 is amended to read:

444.3 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead  
444.4 agencies must identify individuals with exceptional needs that cannot be met under the  
444.5 disability waiver rate system. The commissioner shall use that information to evaluate  
444.6 and, if necessary, approve an alternative payment rate for those individuals. Whether  
444.7 granted, denied, or modified, the commissioner shall respond to all exception requests in  
444.8 writing. The commissioner shall include in the written response the basis for the action  
444.9 and provide notification of the right to appeal under paragraph (h).

444.10 (b) Lead agencies must act on an exception request within 30 days and notify the  
444.11 initiator of the request of their recommendation in writing. A lead agency shall submit all  
444.12 exception requests along with its recommendation to the commissioner.

444.13 (c) An application for a rate exception may be submitted for the following criteria:

444.14 (1) an individual has service needs that cannot be met through additional units  
444.15 of service;

444.16 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 is so insufficient  
444.17 that it has resulted in an individual receiving a notice of discharge from the individual's  
444.18 provider; ~~or~~

444.19 (3) an individual's service needs, including behavioral changes, require a level of  
444.20 service which necessitates a change in provider or which requires the current provider to  
444.21 propose service changes beyond those currently authorized; or

444.22 (4) an individual's service needs cannot be met through a weighted county average  
444.23 rate as defined in section 256B.4913, subdivision 4a.

444.24 (d) Exception requests must include the following information:

444.25 (1) the service needs required by each individual that are not accounted for in  
444.26 subdivisions 6, 7, 8, and 9;

444.27 (2) the service rate requested and the difference from the rate determined in  
444.28 subdivisions 6, 7, 8, and 9;

444.29 (3) a basis for the underlying costs used for the rate exception and any accompanying  
444.30 documentation; and

444.31 (4) any contingencies for approval.

444.32 (e) Approved rate exceptions shall be managed within lead agency allocations under  
444.33 sections 256B.092 and 256B.49.

444.34 (f) Individual disability waiver recipients, an interested party, or the license holder  
444.35 that would receive the rate exception increase may request that a lead agency submit an  
444.36 exception request. A lead agency that denies such a request shall notify the individual

445.1 waiver recipient, interested party, or license holder of its decision and the reasons for  
445.2 denying the request in writing no later than 30 days after the request has been made and  
445.3 shall submit its denial to the commissioner in accordance with paragraph (b). The reasons  
445.4 for the denial must be based on the failure to meet the criteria in paragraph (c).

445.5 (g) The commissioner shall determine whether to approve or deny an exception  
445.6 request no more than 30 days after receiving the request. If the commissioner denies the  
445.7 request, the commissioner shall notify the lead agency and the individual disability waiver  
445.8 recipient, the interested party, and the license holder in writing of the reasons for the denial.

445.9 (h) The individual disability waiver recipient may appeal any denial of an exception  
445.10 request by either the lead agency or the commissioner, pursuant to sections 256.045 and  
445.11 256.0451. When the denial of an exception request results in the proposed demission of a  
445.12 waiver recipient from a residential or day habilitation program, the commissioner shall  
445.13 issue a temporary stay of demission, when requested by the disability waiver recipient,  
445.14 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).  
445.15 The temporary stay shall remain in effect until the lead agency can provide an informed  
445.16 choice of appropriate, alternative services to the disability waiver.

445.17 (i) Providers may petition lead agencies to update values that were entered  
445.18 incorrectly or erroneously into the rate management system, based on past service level  
445.19 discussions and determination in subdivision 4, without applying for a rate exception.

445.20 (j) The starting date for the rate exception will be the later of the date of the  
445.21 recipient's change in support or the date of the request to the lead agency for an exception.

445.22 (k) The commissioner shall track all exception requests received and their  
445.23 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,  
445.24 including the number of exception requests received and the numbers granted, denied,  
445.25 withdrawn, and pending. The report shall include the average amount of time required to  
445.26 process exceptions.

445.27 (l) No later than January 15, 2016, the commissioner shall provide research  
445.28 findings on the estimated fiscal impact, the primary cost drivers, and common population  
445.29 characteristics of recipients with needs that cannot be met by the framework rates.

445.30 (m) No later than July 1, 2016, the commissioner shall develop and implement,  
445.31 in consultation with stakeholders, a process to determine eligibility for rate exceptions  
445.32 for individuals with rates determined under the methodology in section 256B.4913,  
445.33 subdivision 4a. Determination of eligibility for an exception will occur as annual service  
445.34 renewals are completed.

446.1 (n) Approved rate exceptions will be implemented at such time that the individual's  
 446.2 rate is no longer banded and remain in effect in all cases until an individual's needs change  
 446.3 as defined in paragraph (c).

446.4 Sec. 13. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 15,  
 446.5 is amended to read:

446.6 Subd. 15. ~~County or tribal~~ Lead agency allocations. (a) Upon implementation of  
 446.7 the disability waiver rates management system on January 1, 2014, the commissioner shall  
 446.8 establish a method of tracking and reporting the fiscal impact of the disability waiver rates  
 446.9 management system on individual lead agencies.

446.10 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to  
 446.11 lead agencies' home and community-based waived service budget allocations to adjust  
 446.12 for rate differences and the resulting impact on ~~county~~ lead agency allocations upon  
 446.13 implementation of the disability waiver rates system.

446.14 (c) Lead agencies exceeding their allocations shall be subject to the provisions under  
 446.15 sections 256B.0916, subdivision 11, and 256B.49, subdivision 26.

446.16 Sec. 14. PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY  
 446.17 1, 2016.

446.18 (a) The commissioner of human services shall increase reimbursement rates, grants,  
 446.19 allocations, individual limits, and rate limits, as applicable, by 2.72 percent for the rate  
 446.20 period beginning July 1, 2016, for services rendered on or after that date. County or tribal  
 446.21 contracts for services specified in this section must be amended to pass through with these  
 446.22 rate increases within 60 days of the effective date.

446.23 (b) The rate changes described in this section must be provided to:

446.24 (1) the following services within the home and community-based waiver for persons  
 446.25 with developmental disabilities under Minnesota Statutes, section 256B.092: extended  
 446.26 personal care, personal support, chore, respite care services except for crisis respite  
 446.27 services, homemaker cleaning services, and consumer-directed community supports  
 446.28 budgets;

446.29 (2) the following services within the community access for disability inclusion  
 446.30 waiver under Minnesota Statutes, section 256B.49: extended personal care, chore, respite  
 446.31 care services, homemaker cleaning services, and consumer-directed community supports  
 446.32 budgets;

447.1 (3) the following services within the community alternative care waiver under  
447.2 Minnesota Statutes, section 256B.49: extended personal care, chore, respite care services,  
447.3 homemaker cleaning services, and consumer-directed community supports budgets;

447.4 (4) the following services within the brain injury waiver under Minnesota Statutes,  
447.5 section 256B.49: extended personal care, chore, respite care services, homemaker  
447.6 cleaning services, and consumer-directed community supports budgets;

447.7 (5) the following services within the elderly waiver under Minnesota Statutes,  
447.8 section 256B.0915: extended personal care, companion, chore, respite care services,  
447.9 homemaker cleaning services, and consumer-directed community supports budgets;

447.10 (6) the following services within the alternative care program under Minnesota  
447.11 Statutes, section 256B.0913: personal care, companion, chore, respite care services,  
447.12 homemaker cleaning services, and consumer-directed community supports budgets;

447.13 (7) personal care services and qualified professional supervision of personal care  
447.14 services under Minnesota Statutes, section 256B.0625, subdivision 6a or 19a; and

447.15 (8) consumer support grants under Minnesota Statutes, section 256.476.

447.16 (c) A managed care plan or county-based purchasing plan receiving state payments  
447.17 for the services in paragraph (b) must include the increases in paragraph (a) in payments  
447.18 to providers. To implement the rate increase in this section, capitation rates paid by the  
447.19 commissioner to managed care organizations under Minnesota Statutes, section 256B.69,  
447.20 shall reflect a 2.72 percent increase for the specified services provided on or after July  
447.21 1, 2016.

447.22 (d) Counties and tribes shall increase the budget for each recipient of  
447.23 consumer-directed community supports by the amounts in paragraph (a) on the effective  
447.24 dates in paragraph (a).

447.25 (e) To implement the provisions of this section, the commissioner shall increase  
447.26 applicable service rates in the disability waiver payment system authorized in Minnesota  
447.27 Statutes, sections 256B.4913 and 256B.4914.

447.28 (f) A provider that receives a rate adjustment under paragraph (a) shall use 90  
447.29 percent of the additional revenue to increase compensation-related costs for employees  
447.30 directly employed by the program on or after July 1, 2016, except:

447.31 (1) persons employed in the central office of a corporation or entity that has an  
447.32 ownership interest in the provider or exercises control over the provider; and

447.33 (2) persons paid by the provider under a management contract.

447.34 (g) Compensation-related costs include:

447.35 (1) wages and salaries, including overtime and travel time;

448.1 (2) the employer's share of FICA taxes, Medicare taxes, state and federal  
448.2 unemployment taxes, workers' compensation, and mileage reimbursement;

448.3 (3) the employer's share of health and dental insurance, life insurance, disability  
448.4 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
448.5 employee retirement accounts; and

448.6 (4) other employee benefits provided, such as training of employees, as specified in  
448.7 the distribution plan and required under paragraph (i) and approved by the commissioner.

448.8 (h) Nothing in this subdivision prevents a provider as an employer from allocating the  
448.9 increase in revenues across the eligible compensation-related costs listed in paragraph (g).

448.10 (i) For a provider that has employees who are represented by an exclusive bargaining  
448.11 representative, the provider shall obtain a letter of acceptance of the distribution plan  
448.12 required under paragraph (j) for the members of the bargaining unit, signed by the  
448.13 exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be  
448.14 deemed to have met all the requirements of this section for the members of the bargaining  
448.15 unit. Upon request, the provider shall produce a letter of acceptance for the commissioner.

448.16 (j) A provider that receives a rate adjustment under paragraph (a) that is subject to  
448.17 paragraph (f) shall prepare and, upon request, submit to the commissioner a distribution  
448.18 plan that specifies the amount of money that is subject to the requirements of paragraph (f)  
448.19 the provider expects to receive, including the amount of money that will be distributed  
448.20 to increase compensation for employees. The distribution plan must also include the  
448.21 provider's policy for scheduling overtime. The provider's policy must not limit the  
448.22 scheduling of overtime hours where an individual's service needs are unmet without a  
448.23 worker exceeding 40 hours per week of work, consistent with the monthly work-hour limit  
448.24 under Minnesota Statutes, section 256B.0659, subdivision 11, paragraph (a), clause (10),  
448.25 and the service recipient's authorized hours. The provider's overtime scheduling policy  
448.26 must provide for a process that reliably and expeditiously provides services to recipients.

448.27 (k) Within six months of the effective date of the rate adjustment, the provider shall  
448.28 post the distribution plan required under paragraph (j) for a period of at least six weeks in  
448.29 an area of the provider's operation to which all eligible employees have access and shall  
448.30 provide instructions for employees who do not believe they received the wage and other  
448.31 compensation-related increases specified in the distribution plan. The instructions must  
448.32 include a mailing address, e-mail address, and telephone number that the employees may  
448.33 use to contact the commissioner or the commissioner's representative.

448.34 **EFFECTIVE DATE.** This section is effective July 1, 2016.

448.35 Sec. 15. **INSTRUCTION TO THE COMMISSIONER.**



449.1 The commissioner shall amend the medical assistance state plan for the EIDBI  
449.2 benefit, authorized under Minnesota Statutes, section 256B.0949, to reference relevant  
449.3 statutory sections. When duplicative of statutory language, the commissioner shall remove  
449.4 the language from the state plan.

449.5 Sec. 16. **REVISOR'S INSTRUCTION.**

449.6 The revisor of statutes shall codify Laws 2015, chapter 71, article 7, section 55, as  
449.7 Minnesota Statutes, section 256B.0921.

## 449.8 **ARTICLE 25**

### 449.9 **HEALTH CARE**

449.10 Section 1. Minnesota Statutes 2015 Supplement, section 16A.724, subdivision 2,  
449.11 is amended to read:

449.12 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available  
449.13 resources in the health care access fund exceed expenditures in that fund, effective for  
449.14 the biennium beginning July 1, 2007, the commissioner of management and budget  
449.15 shall transfer the excess funds from the health care access fund to the general fund on  
449.16 June 30 of each year, provided that the amount transferred in fiscal year 2016 shall not  
449.17 exceed \$48,000,000, the amount in fiscal year 2017 shall not exceed \$122,000,000, and  
449.18 the amount in any fiscal biennium thereafter shall not exceed ~~\$96,000,000~~ \$244,000,000.  
449.19 The purpose of this transfer is to meet the rate increase required under Laws 2003, First  
449.20 Special Session chapter 14, article 13C, section 2, subdivision 6.

449.21 (b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and,  
449.22 if necessary, the commissioner shall reduce these transfers from the health care access  
449.23 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,  
449.24 transfer sufficient funds from the general fund to the health care access fund to meet  
449.25 annual MinnesotaCare expenditures.

449.26 Sec. 2. Minnesota Statutes 2014, section 62J.497, subdivision 1, is amended to read:

449.27 Subdivision 1. **Definitions.** For the purposes of this section, the following terms  
449.28 have the meanings given.

449.29 (a) "Backward compatible" means that the newer version of a data transmission  
449.30 standard would retain, at a minimum, the full functionality of the versions previously  
449.31 adopted, and would permit the successful completion of the applicable transactions with  
449.32 entities that continue to use the older versions.

450.1 (b) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision  
450.2 30. Dispensing does not include the direct administering of a controlled substance to a  
450.3 patient by a licensed health care professional.

450.4 (c) "Dispenser" means a person authorized by law to dispense a controlled substance,  
450.5 pursuant to a valid prescription.

450.6 (d) "Electronic media" has the meaning given under Code of Federal Regulations,  
450.7 title 45, part 160.103.

450.8 (e) "E-prescribing" means the transmission using electronic media of prescription  
450.9 or prescription-related information between a prescriber, dispenser, pharmacy benefit  
450.10 manager, or group purchaser, either directly or through an intermediary, including  
450.11 an e-prescribing network. E-prescribing includes, but is not limited to, two-way  
450.12 transmissions between the point of care and the dispenser and two-way transmissions  
450.13 related to eligibility, formulary, and medication history information.

450.14 (f) "Electronic prescription drug program" means a program that provides for  
450.15 e-prescribing.

450.16 (g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

450.17 (h) "HL7 messages" means a standard approved by the standards development  
450.18 organization known as Health Level Seven.

450.19 (i) "National Provider Identifier" or "NPI" means the identifier described under Code  
450.20 of Federal Regulations, title 45, part 162.406.

450.21 (j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

450.22 (k) "NCPDP Formulary and Benefits Standard" means the National Council for  
450.23 Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide,  
450.24 Version 1, Release 0, October 2005.

450.25 (l) "NCPDP SCRIPT Standard" means the National Council for Prescription Drug  
450.26 Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide  
450.27 Version 8, Release 1 (Version 8.1), October 2005, or the most recent standard adopted by  
450.28 the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part  
450.29 D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and regulations  
450.30 adopted under it. The standards shall be implemented according to the Centers for  
450.31 Medicare and Medicaid Services schedule for compliance. Subsequently released  
450.32 versions of the NCPDP SCRIPT Standard may be used, provided that the new version  
450.33 of the standard is backward compatible to the current version adopted by the Centers for  
450.34 Medicare and Medicaid Services.

450.35 (m) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

451.1 (n) "Prescriber" means a licensed health care practitioner, other than a veterinarian,  
451.2 as defined in section 151.01, subdivision 23.

451.3 (o) "Prescription-related information" means information regarding eligibility for  
451.4 drug benefits, medication history, or related health or drug information.

451.5 (p) "Provider" or "health care provider" has the meaning given in section 62J.03,  
451.6 subdivision 8.

451.7 (q) "Utilization review organization" has the meaning given in section 62M.02,  
451.8 subdivision 21.

451.9 Sec. 3. Minnesota Statutes 2014, section 62J.497, subdivision 3, is amended to read:

451.10 Subd. 3. **Standards for electronic prescribing.** (a) Prescribers and dispensers  
451.11 must use the NCPDP SCRIPT Standard for the communication of a prescription or  
451.12 prescription-related information. The NCPDP SCRIPT Standard shall be used to conduct  
451.13 the following transactions:

- 451.14 (1) get message transaction;
- 451.15 (2) status response transaction;
- 451.16 (3) error response transaction;
- 451.17 (4) new prescription transaction;
- 451.18 (5) prescription change request transaction;
- 451.19 (6) prescription change response transaction;
- 451.20 (7) refill prescription request transaction;
- 451.21 (8) refill prescription response transaction;
- 451.22 (9) verification transaction;
- 451.23 (10) password change transaction;
- 451.24 (11) cancel prescription request transaction; and
- 451.25 (12) cancel prescription response transaction.

451.26 (b) Providers, group purchasers, prescribers, and dispensers must use the NCPDP  
451.27 SCRIPT Standard for communicating and transmitting medication history information.

451.28 (c) Providers, group purchasers, prescribers, and dispensers must use the NCPDP  
451.29 Formulary and Benefits Standard for communicating and transmitting formulary and  
451.30 benefit information.

451.31 (d) Group purchaser, other than workers' compensation plans and the medical  
451.32 component of automobile insurance coverage, and utilization review organizations must  
451.33 develop processes to ensure that prescribers can obtain information about covered drugs  
451.34 from the same class or classes as a drug originally prescribed but denied. This process

452.1 must allow communication to the prescriber via telephone, or for the medical assistance  
452.2 fee-for-service program under chapter 256B via a public Web site.

452.3 ~~(d)~~ (e) Providers, group purchasers, prescribers, and dispensers must use the national  
452.4 provider identifier to identify a health care provider in e-prescribing or prescription-related  
452.5 transactions when a health care provider's identifier is required.

452.6 ~~(e)~~ (f) Providers, group purchasers, prescribers, and dispensers must communicate  
452.7 eligibility information and conduct health care eligibility benefit inquiry and response  
452.8 transactions according to the requirements of section 62J.536.

452.9 Sec. 4. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision  
452.10 to read:

452.11 Subd. 10a. **Drug.** "Drug" has the meaning given in section 151.01, subdivision 5.

452.12 Sec. 5. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision  
452.13 to read:

452.14 Subd. 11a. **Formulary.** "Formulary" has the meaning given in section 62Q.83,  
452.15 subdivision 1.

452.16 Sec. 6. Minnesota Statutes 2014, section 62M.02, subdivision 12, is amended to read:

452.17 Subd. 12. **Health benefit plan.** "Health benefit plan" means a policy, contract, or  
452.18 certificate issued by a health plan company for the coverage of medical, dental, prescription  
452.19 drug, or hospital benefits. A health benefit plan does not include coverage that is:

452.20 (1) limited to disability or income protection coverage;

452.21 (2) automobile medical payment coverage;

452.22 (3) supplemental to liability insurance;

452.23 (4) designed solely to provide payments on a per diem, fixed indemnity, or  
452.24 nonexpense incurred basis;

452.25 (5) credit accident and health insurance issued under chapter 62B;

452.26 (6) blanket accident and sickness insurance as defined in section 62A.11;

452.27 (7) accident only coverage issued by a licensed and tested insurance agent; or

452.28 (8) workers' compensation.

452.29 Sec. 7. Minnesota Statutes 2014, section 62M.02, subdivision 14, is amended to read:

452.30 Subd. 14. **Outpatient services.** "Outpatient services" means procedures or services  
452.31 performed on a basis other than as an inpatient, and includes obstetrical, psychiatric,  
452.32 chemical dependency, dental, prescription drug, and chiropractic services.

453.1 Sec. 8. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision  
453.2 to read:

453.3 Subd. 14a. **Prescription.** "Prescription" has the meaning given in section 151.01,  
453.4 subdivision 16a.

453.5 Sec. 9. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision  
453.6 to read:

453.7 Subd. 14b. **Prescription drug order.** "Prescription drug order" has the meaning  
453.8 given in section 151.01, subdivision 16.

453.9 Sec. 10. Minnesota Statutes 2014, section 62M.02, subdivision 15, is amended to read:

453.10 Subd. 15. **Prior authorization.** "Prior authorization" means utilization review  
453.11 conducted prior to the delivery of a service, including an outpatient service. Prior  
453.12 authorization includes, but is not limited to, preadmission review, pretreatment review,  
453.13 quantity limits, step therapy, utilization, and case management. Prior authorization also  
453.14 includes any utilization review organization's requirement that an enrollee or provider  
453.15 notify the utilization review organization prior to providing a service, including an  
453.16 outpatient service. Reviews performed for emergency medical assistance benefits, medical  
453.17 assistance waived services, or the Minnesota restricted recipient program are not prior  
453.18 authorization.

453.19 Sec. 11. Minnesota Statutes 2014, section 62M.02, subdivision 17, is amended to read:

453.20 Subd. 17. **Provider.** "Provider" means a licensed health care facility, physician,  
453.21 pharmacist, or other health care professional that delivers health care services to an enrollee.

453.22 Sec. 12. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision  
453.23 to read:

453.24 Subd. 18a. **Quantity limit.** "Quantity limit" means a limit on the number of doses  
453.25 of a prescription drug that are covered during a specific time period.

453.26 Sec. 13. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision  
453.27 to read:

453.28 Subd. 19a. **Step therapy.** "Step therapy" means clinical practice or other  
453.29 evidence-based protocols or requirements that specify the sequence in which different  
453.30 prescription drugs for a given medical condition are to be used by an enrollee before a  
453.31 drug prescribed by a provider is covered. Step therapy does not include a requirement

454.1 for an enrollee to use a generic or biosimilar product considered by the Food and Drug  
454.2 Administration to be therapeutically equivalent and interchangeable to a branded product,  
454.3 provided the generic or biosimilar product has not previously been tried by the patient.

454.4 Sec. 14. Minnesota Statutes 2014, section 62M.05, subdivision 3a, is amended to read:

454.5 Subd. 3a. **Standard review determination.** (a) Notwithstanding subdivision 3b, an  
454.6 initial determination on all requests for utilization review, except a determination related  
454.7 to prescription drugs, must be communicated to the provider and enrollee in accordance  
454.8 with this subdivision within ten business days of the request, provided that all information  
454.9 reasonably necessary to make a determination on the request has been made available to  
454.10 the utilization review organization.

454.11 (b) An initial determination for utilization review on all prescription drug requests  
454.12 must be communicated to the provider and enrollee in accordance with this subdivision  
454.13 within five business days of the request, provided that all information reasonably necessary  
454.14 to make a determination on the request has been made available to the utilization review  
454.15 organization.

454.16 ~~(b)~~ (c) When an initial determination is made to certify, notification must be  
454.17 provided promptly by telephone to the provider. The utilization review organization  
454.18 shall send written notification to the provider or shall maintain an audit trail of the  
454.19 determination and telephone notification. For purposes of this subdivision, "audit trail"  
454.20 includes documentation of the telephone notification, including the date; the name of the  
454.21 person spoken to; the enrollee; the service, procedure, or admission certified; and the date  
454.22 of the service, procedure, or admission. If the utilization review organization indicates  
454.23 certification by use of a number, the number must be called the "certification number."  
454.24 For purposes of this subdivision, notification may also be made by facsimile to a verified  
454.25 number or by electronic mail to a secure electronic mailbox. These electronic forms of  
454.26 notification satisfy the "audit trail" requirement of this paragraph.

454.27 ~~(e)~~ (d) When an initial determination is made not to certify, notification must be  
454.28 provided by telephone, by facsimile to a verified number, or by electronic mail to a secure  
454.29 electronic mailbox within one working day after making the determination to the attending  
454.30 health care professional and hospital as applicable. Written notification must also be sent  
454.31 to the hospital as applicable and attending health care professional if notification occurred  
454.32 by telephone. For purposes of this subdivision, notification may be made by facsimile to a  
454.33 verified number or by electronic mail to a secure electronic mailbox. Written notification  
454.34 must be sent to the enrollee and may be sent by United States mail, facsimile to a verified  
454.35 number, or by electronic mail to a secure mailbox. The written notification must include

455.1 the principal reason or reasons for the determination and the process for initiating an appeal  
455.2 of the determination. Upon request, the utilization review organization shall provide the  
455.3 provider or enrollee with the criteria used to determine the necessity, appropriateness,  
455.4 and efficacy of the health care service and identify the database, professional treatment  
455.5 parameter, or other basis for the criteria. Reasons for a determination not to certify may  
455.6 include, among other things, the lack of adequate information to certify after a reasonable  
455.7 attempt has been made to contact the provider or enrollee.

455.8 ~~(d)~~ (e) When an initial determination is made not to certify, the written notification  
455.9 must inform the enrollee and the attending health care professional of the right to submit  
455.10 an appeal to the internal appeal process described in section 62M.06 and the procedure  
455.11 for initiating the internal appeal. The written notice shall be provided in a culturally and  
455.12 linguistically appropriate manner consistent with the provisions of the Affordable Care  
455.13 Act as defined under section 62A.011, subdivision 1a.

455.14 Sec. 15. Minnesota Statutes 2014, section 62M.05, subdivision 3b, is amended to read:

455.15 Subd. 3b. **Expedited review determination.** (a) An expedited initial determination  
455.16 must be utilized if the attending health care professional believes that an expedited  
455.17 determination is warranted.

455.18 (b) Notification of an expedited initial determination to either certify or not to  
455.19 certify, except a determination related to prescription drugs, must be provided to the  
455.20 hospital, the attending health care professional, and the enrollee as expeditiously as the  
455.21 enrollee's medical condition requires, but no later than 72 hours from the initial request.  
455.22 When an expedited initial determination is made not to certify, the utilization review  
455.23 organization must also notify the enrollee and the attending health care professional of the  
455.24 right to submit an appeal to the expedited internal appeal as described in section 62M.06  
455.25 and the procedure for initiating an internal expedited appeal.

455.26 (c) Notification of an expedited initial determination to either certify or not to  
455.27 certify on all prescription drug requests must be provided to the hospital, the attending  
455.28 health care professional, and the enrollee as expeditiously as the enrollee's medical  
455.29 condition requires, but no later than 36 hours from the initial request, provided that all the  
455.30 information reasonably necessary to make a determination has been made available to the  
455.31 utilization review organization. For state public health care programs administered under  
455.32 section 256B.69 and chapter 256L, notification must be provided to the hospital, attending  
455.33 health care provider, or the enrollee as expeditiously as the enrollee's condition requires,  
455.34 but no later than 36 hours from the initial request, provided that all the information  
455.35 reasonably necessary to make a determination has been made available to the utilization

456.1 review organization. When an expedited initial determination is made not to certify, the  
456.2 utilization review organization must also notify the enrollee and the attending health care  
456.3 professional of the right to submit an appeal to the expedited internal appeal as described  
456.4 in section 62M.06, and the procedure for initiating an internal expedited appeal.

456.5 Sec. 16. Minnesota Statutes 2014, section 62M.06, subdivision 2, is amended to read:

456.6 Subd. 2. **Expedited appeal.** (a) When an initial determination not to certify a  
456.7 health care service is made prior to or during an ongoing service requiring review  
456.8 and the attending health care professional believes that the determination warrants an  
456.9 expedited appeal, the utilization review organization must ensure that the enrollee and the  
456.10 attending health care professional have an opportunity to appeal the determination over  
456.11 the telephone on an expedited basis. In such an appeal, the utilization review organization  
456.12 must ensure reasonable access to its consulting physician or health care provider.

456.13 (b) The utilization review organization shall notify the enrollee and attending  
456.14 health care professional by telephone of its determination, except for determinations  
456.15 related to prescription drugs, on the expedited appeal as expeditiously as the enrollee's  
456.16 medical condition requires, but no later than 72 hours after receiving the expedited appeal.  
456.17 The utilization review organization shall notify the enrollee and attending health care  
456.18 professional by telephone of its determination on the expedited appeal of a prescription  
456.19 drug request as expeditiously as the enrollee's medical condition requires, but no later than  
456.20 36 hours after receiving the expedited appeal.

456.21 (c) If the determination not to certify is not reversed through the expedited appeal,  
456.22 the utilization review organization must include in its notification the right to submit the  
456.23 appeal to the external appeal process described in section 62Q.73 and the procedure for  
456.24 initiating the process. This information must be provided in writing to the enrollee and  
456.25 the attending health care professional as soon as practical.

456.26 Sec. 17. Minnesota Statutes 2014, section 62M.06, subdivision 3, is amended to read:

456.27 Subd. 3. **Standard appeal.** The utilization review organization must establish  
456.28 procedures for appeals to be made either in writing or by telephone.

456.29 (a) A utilization review organization shall notify in writing the enrollee, attending  
456.30 health care professional, and claims administrator of its determination on the appeal,  
456.31 except for determinations related to prescription drugs, within 30 days upon receipt of the  
456.32 notice of appeal. If the utilization review organization cannot make a determination within  
456.33 30 days due to circumstances outside the control of the utilization review organization, the  
456.34 utilization review organization may take up to 14 additional days to notify the enrollee,



457.1 attending health care professional, and claims administrator of its determination. If the  
457.2 utilization review organization takes any additional days beyond the initial 30-day period  
457.3 to make its determination, it must inform the enrollee, attending health care professional,  
457.4 and claims administrator, in advance, of the extension and the reasons for the extension.

457.5 (b) A utilization review organization shall notify in writing the enrollee, attending  
457.6 health care professional, and claims administrator of its determination on the appeal on a  
457.7 prescription drug within 15 days upon receipt of the notice of appeal. If the utilization  
457.8 review organization cannot make a determination on a prescription drug within 15 days  
457.9 due to circumstances outside the control of the utilization review organization, the  
457.10 utilization review organization may take up to ten additional days to notify the enrollee,  
457.11 attending health care professional, and claims administrator of its determination. If the  
457.12 utilization review organization takes any additional days beyond the initial 15-day period  
457.13 to make its determination, it must inform the enrollee, attending health care professional,  
457.14 and claims administrator, in advance, of the extension and the reasons for the extension.

457.15 ~~(b)~~ (c) The documentation required by the utilization review organization may  
457.16 include copies of part or all of the medical record and a written statement from the  
457.17 attending health care professional.

457.18 ~~(e)~~ (d) Prior to upholding the initial determination not to certify for clinical reasons,  
457.19 the utilization review organization shall conduct a review of the documentation by a  
457.20 physician who did not make the initial determination not to certify.

457.21 ~~(d)~~ (e) The process established by a utilization review organization may include  
457.22 defining a period within which an appeal must be filed to be considered. The time period  
457.23 must be communicated to the enrollee and attending health care professional when the  
457.24 initial determination is made.

457.25 ~~(e)~~ (f) An attending health care professional or enrollee who has been unsuccessful  
457.26 in an attempt to reverse a determination not to certify shall, consistent with section  
457.27 72A.285, be provided the following:

457.28 (1) a complete summary of the review findings;

457.29 (2) qualifications of the reviewers, including any license, certification, or specialty  
457.30 designation; and

457.31 (3) the relationship between the enrollee's diagnosis and the review criteria used as  
457.32 the basis for the decision, including the specific rationale for the reviewer's decision.

457.33 ~~(f)~~ (g) In cases of appeal to reverse a determination not to certify for clinical reasons,  
457.34 the utilization review organization must ensure that a physician of the utilization review  
457.35 organization's choice in the same or a similar specialty as typically manages the medical

458.1 condition, procedure, or treatment under discussion is reasonably available to review  
458.2 the case.

458.3 ~~(g)~~ (h) If the initial determination is not reversed on appeal, the utilization review  
458.4 organization must include in its notification the right to submit the appeal to the external  
458.5 review process described in section 62Q.73 and the procedure for initiating the external  
458.6 process.

458.7 Sec. 18. Minnesota Statutes 2014, section 62M.07, is amended to read:

458.8 **62M.07 PRIOR AUTHORIZATION OF SERVICES.**

458.9 (a) Utilization review organizations conducting prior authorization of services must  
458.10 have written standards that meet at a minimum the following requirements:

458.11 (1) written procedures and criteria used to determine whether care is appropriate,  
458.12 reasonable, or medically necessary;

458.13 (2) a system for providing prompt notification of its determinations to enrollees  
458.14 and providers and for notifying the provider, enrollee, or enrollee's designee of appeal  
458.15 procedures under clause (4);

458.16 (3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames  
458.17 for approving and disapproving prior authorization requests;

458.18 (4) written procedures for appeals of denials of prior authorization which specify the  
458.19 responsibilities of the enrollee and provider, and which meet the requirements of sections  
458.20 62M.06 and 72A.285, regarding release of summary review findings; and

458.21 (5) procedures to ensure confidentiality of patient-specific information, consistent  
458.22 with applicable law.

458.23 (b) No utilization review organization, health plan company, or claims administrator  
458.24 may conduct or require prior authorization of emergency confinement or emergency  
458.25 treatment. The enrollee or the enrollee's authorized representative may be required to  
458.26 notify the health plan company, claims administrator, or utilization review organization  
458.27 as soon after the beginning of the emergency confinement or emergency treatment as  
458.28 reasonably possible.

458.29 (c) If prior authorization for a health care service is required, the utilization review  
458.30 organization, health plan company, or claim administrator must allow providers to submit  
458.31 requests for prior authorization of the health care services without unreasonable delay  
458.32 by telephone, facsimile, or voice mail or through an electronic mechanism 24 hours a  
458.33 day, seven days a week. This paragraph does not apply to dental service covered under  
458.34 MinnesotaCare, general assistance medical care, or medical assistance.

459.1 (d) Any authorization for a prescription drug must remain valid for the duration of  
459.2 an enrollee's contract term, or for the benefits offered under section 256B.69 or chapter  
459.3 256L, for the duration of the enrollee's enrollment or one year, whichever is shorter,  
459.4 provided: the drug continues to be prescribed for a patient with a condition that requires  
459.5 ongoing medication therapy; the drug has not otherwise been deemed unsafe by the Food  
459.6 and Drug Administration; the drug has not been withdrawn by the manufacturer or the  
459.7 Food and Drug Administration; there is no evidence of the enrollee's abuse or misuse  
459.8 of the prescription drug; or no independent source of research, clinical guidelines, or  
459.9 evidence-based standards has issued drug-specific warnings or recommended changes  
459.10 in drug usage. This paragraph does not apply to individuals assigned to the restricted  
459.11 recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

459.12 (e) No utilization review organization, health plan company, or claims administrator  
459.13 may impose step therapy requirements for the following drug classes:

459.14 (1) immunosuppressants;

459.15 (2) antidepressants;

459.16 (3) antipsychotics;

459.17 (4) anticonvulsants;

459.18 (5) antiretrovirals; or

459.19 (6) antineoplastics.

459.20 (f) No utilization review organization, health plan company, or claims administrator  
459.21 may impose step therapy requirements for enrollees currently taking a prescription drug  
459.22 for which the patient satisfied a previous step therapy requirement, as substantiated from  
459.23 available claims data or provider documentation. This provision does not apply to a  
459.24 patient who has initiated treatment for a condition with samples provided by a prescriber  
459.25 and provided that any step therapy requirements subsequently applied are consistent  
459.26 with evidence-based prescribing practices.

459.27 Sec. 19. Minnesota Statutes 2014, section 62M.09, subdivision 3, is amended to read:

459.28 Subd. 3. **Physician reviewer involvement.** (a) A physician must review all cases  
459.29 in which the utilization review organization has concluded that a determination not to  
459.30 certify for clinical reasons is appropriate.

459.31 (b) The physician conducting the review must be licensed in this state. ~~This~~  
459.32 ~~paragraph does not apply to reviews conducted in connection with policies issued by a~~  
459.33 ~~health plan company that is assessed less than three percent of the total amount assessed~~  
459.34 ~~by the Minnesota Comprehensive Health Association.~~

460.1 (c) The physician should be reasonably available by telephone to discuss the  
460.2 determination with the attending health care professional.

460.3 (d) This subdivision does not apply to outpatient mental health or substance abuse  
460.4 services governed by subdivision 3a.

460.5 Sec. 20. Minnesota Statutes 2014, section 62M.11, is amended to read:

460.6 **62M.11 COMPLAINTS TO COMMERCE OR HEALTH.**

460.7 Notwithstanding the provisions of sections 62M.01 to 62M.16, an enrollee or  
460.8 provider may file a complaint regarding compliance with the requirements of this chapter  
460.9 or regarding a determination not to certify directly to the commissioner responsible for  
460.10 regulating the utilization review organization.

460.11 Sec. 21. Minnesota Statutes 2014, section 62Q.81, subdivision 4, is amended to read:

460.12 Subd. 4. **Essential health benefits; definition.** For purposes of this section,  
460.13 "essential health benefits" has the meaning given under section 1302(b) of the Affordable  
460.14 Care Act and includes:

460.15 (1) ambulatory patient services;

460.16 (2) emergency services;

460.17 (3) hospitalization;

460.18 (4) laboratory services;

460.19 (5) maternity and newborn care;

460.20 (6) mental health and substance use disorder services, including behavioral health  
460.21 treatment;

460.22 (7) pediatric services, including oral and vision care;

460.23 (8) prescription drugs;

460.24 (9) preventive and wellness services and chronic disease management;

460.25 (10) rehabilitative and habilitative services and devices, including services for  
460.26 autism spectrum disorder treatment specified pursuant to section 62A.3094; and

460.27 (11) additional essential health benefits included in the EHB-benchmark plan, as  
460.28 defined under the Affordable Care Act.

460.29 **EFFECTIVE DATE.** This section is effective upon a formal determination from  
460.30 the Centers of Medicare and Medicaid Services that the inclusion of the autism spectrum  
460.31 disorder treatment services under Minnesota Statutes, section 62Q.81, subdivision 4,  
460.32 clause (10), as a rehabilitative and habilitative service is not a new state mandate and the  
460.33 state is not required to cover the cost for the services described under Minnesota Statutes,

461.1 section 62A.3094. Upon a formal determination, this section is effective for health plans  
461.2 issued or renewed on or after January 1 of the next coverage year.

461.3 **Sec. 22. [62Q.83] PRESCRIPTION DRUG BENEFIT TRANSPARENCY AND**  
461.4 **MANAGEMENT.**

461.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms  
461.6 have the meanings given them.

461.7 (b) "Drug" has the meaning given in section 151.01, subdivision 5.

461.8 (c) "Enrollee contract year" means the 12-month term during which benefits  
461.9 associated with health plan company products are in effect. For managed care plans  
461.10 and county-based purchasing plans under section 256B.69 and chapter 256L, it means a  
461.11 calendar year beginning January through December.

461.12 (d) "Formulary" means a list of prescription drugs that have been developed by  
461.13 clinical and pharmacy experts and represents the health plan company's medically  
461.14 appropriate and cost-effective prescription drugs approved for use.

461.15 (e) "Health plan company" has the meaning given in section 62Q.01, subdivision 4,  
461.16 and includes an entity that performs pharmacy benefits management for the health plan  
461.17 company. For purposes of this definition, "pharmacy benefits management" means the  
461.18 administration or management of prescription drug benefits provided by the health plan  
461.19 company for the benefit of its enrollees and may include, but is not limited to, procurement  
461.20 of prescription drugs, clinical formulary development and management services, claims  
461.21 processing, and rebate contracting and administration.

461.22 (f) "Prescription" has the meaning given in section 151.01, subdivision 16a.

461.23 Subd. 2. **Prescription drug benefit disclosure.** (a) A health plan company that  
461.24 provides prescription drug benefit coverage and uses a formulary must make its formulary  
461.25 and related benefit information available by electronic means and, upon request, in  
461.26 writing, at least 30 days prior to annual renewal dates.

461.27 (b) Formularies must be organized and disclosed consistent with the most recent  
461.28 version of the United States Pharmacopeia's (USP) Model Guidelines.

461.29 (c) For each item or category of items on the formulary, the specific enrollee benefit  
461.30 terms must be identified, including enrollee cost-sharing and expected out-of-pocket costs.

461.31 Subd. 3. **Formulary changes.** (a) Once a formulary has been established, a health  
461.32 plan company may, at any time during the enrollee's contract year:

461.33 (1) expand its formulary by adding drugs to the formulary;

461.34 (2) reduce co-payments or coinsurance; or

461.35 (3) move a drug to a benefit category that reduces an enrollee's cost.

462.1 (b) A health plan company may remove a brand name drug from its formulary  
462.2 or place a brand name drug in a benefit category that increases an enrollee's cost only  
462.3 upon the addition to the formulary of a generic or multisource brand name drug rated as  
462.4 therapeutically equivalent according to the FDA Orange Book or a biologic drug rated as  
462.5 interchangeable according to the FDA Purple Book, at a lower cost to the enrollee, and  
462.6 upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

462.7 (c) A health plan company may change utilization review requirements or move  
462.8 drugs to a benefit category that increases an enrollee's cost during the enrollee's contract  
462.9 year upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees,  
462.10 provided that these changes do not apply to enrollees who are currently taking the drugs  
462.11 affected by these changes for the duration of the enrollee's contract year.

462.12 (d) A health plan company may remove any drugs from its formulary that have  
462.13 been deemed unsafe by the Food and Drug Administration, that have been withdrawn  
462.14 by either the Food and Drug Administration or the product manufacturer, or where an  
462.15 independent source of research, clinical guidelines, or evidence-based standards has issued  
462.16 drug-specific warnings or recommended changes in drug usage.

462.17 Subd. 4. **Transition process.** (a) A health plan company must establish and  
462.18 maintain a transition process to prevent gaps in prescription drug coverage for both  
462.19 new and continuing enrollees with ongoing prescription drug needs who are affected  
462.20 by changes in formulary drug availability.

462.21 (b) The transition process must provide coverage for at least 60 days.

462.22 (c) Any enrollee cost-sharing applied must be based on the defined prescription drug  
462.23 benefit terms and must be consistent with any cost-sharing that the health plan company  
462.24 would charge for nonformulary drugs approved under a medication exceptions process.

462.25 (d) A health plan company must ensure that written notice is provided to each  
462.26 affected enrollee and prescriber within three business days after adjudication of the  
462.27 transition coverage.

462.28 Subd. 5. **Medication exceptions process.** (a) Each health plan company must  
462.29 establish and maintain a medication exceptions process that allows enrollees, providers,  
462.30 or an enrollee's authorized representative to request and obtain coverage approval in  
462.31 the following situations:

462.32 (1) there is no acceptable clinical alternative listed on the formulary to treat the  
462.33 enrollee's disease or medical condition;

462.34 (2) the prescription listed on the formulary has been ineffective in the treatment of  
462.35 an enrollee's disease or medical condition or, based on clinical and scientific evidence and

463.1 the relevant physical or mental characteristics of the enrollee, is likely to be ineffective or  
 463.2 adversely affect the drug's effectiveness or the enrollee's medication compliance; or  
 463.3 (3) the number of doses that are available under a dose restriction has been  
 463.4 ineffective in the treatment of the enrollee's disease or medical condition or, based on  
 463.5 clinical and scientific evidence and the relevant physical or mental characteristics of  
 463.6 the enrollee, is likely to be ineffective or adversely affect the drug's effectiveness or the  
 463.7 enrollee's medication compliance.

463.8 (b) An approved medication exceptions request must remain valid for the duration of  
 463.9 an enrollee's contract term, provided the medication continues to be prescribed for the  
 463.10 same condition, and provided the medication has not otherwise been withdrawn by the  
 463.11 manufacturer or the Food and Drug Administration.

463.12 (c) The medication exceptions process must comply with the requirements of  
 463.13 chapter 62M.

463.14 **Sec. 23. [62V.041] GOVERNANCE OF THE SHARED ELIGIBILITY SYSTEM.**

463.15 **Subdivision 1. Definition; shared eligibility system.** "Shared eligibility system"  
 463.16 means the system that supports eligibility determinations using a modified adjusted gross  
 463.17 income methodology for medical assistance under section 256B.056, subdivision 1a,  
 463.18 paragraph (b), clause (1); MinnesotaCare under chapter 256L; and qualified health plan  
 463.19 enrollment under section 62V.05, subdivision 5, paragraph (c).

463.20 **Subd. 2. Executive steering committee.** The shared eligibility system shall be  
 463.21 governed and administered by a seven-member executive steering committee. The steering  
 463.22 committee shall consist of two members appointed by the commissioner of human services,  
 463.23 two members appointed by the board, two members appointed by the commissioner of  
 463.24 MN.IT, and one county representative appointed by the commissioner of human services.  
 463.25 The commissioner of human services shall designate one of the members appointed by the  
 463.26 commissioner of human services to serve as chair of the steering committee.

463.27 **Subd. 3. Duties.** (a) The steering committee shall establish an overall governance  
 463.28 structure for the shared eligibility system, and shall be responsible for the overall  
 463.29 governance of the system, including setting goals and priorities, allocating the system's  
 463.30 resources, and making major system decisions.

463.31 (b) The steering committee shall adopt bylaws, policies, and interagency agreements  
 463.32 necessary to administer the shared eligibility system.

463.33 **Subd. 4. Decision making.** The steering committee, to the extent feasible, shall  
 463.34 operate under a consensus model. The steering committee shall make decisions that give  
 463.35 particular attention to parts of the system with the largest enrollments and the greatest risks.

464.1 Subd. 5. **Administrative structure.** MN.IT services shall be responsible for the  
464.2 design, build, maintenance, operation, and upgrade of the information technology for the  
464.3 shared eligibility system. MN.IT services shall carry out its responsibilities under the  
464.4 governance of the executive steering committee and this section.

464.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

464.6 Sec. 24. Minnesota Statutes 2014, section 62V.05, subdivision 2, is amended to read:

464.7 Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or  
464.8 collect up to 1.5 percent of total premiums for individual and small group market health  
464.9 plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but  
464.10 the amount collected shall not exceed a dollar amount equal to 25 percent of the funds  
464.11 collected under section 62E.11, subdivision 6, for calendar year 2012.

464.12 (b) Beginning January 1, 2015, through December 31, 2015, MNsure shall retain  
464.13 or collect up to 3.5 percent of total premiums for individual and small group market  
464.14 health plans and dental plans sold through MNsure to fund the operations of MNsure, but  
464.15 the amount collected shall not exceed a dollar amount equal to 50 percent of the funds  
464.16 collected under section 62E.11, subdivision 6, for calendar year 2012.

464.17 (c) Beginning January 1, 2016, through December 31, 2017, MNsure shall retain or  
464.18 collect up to 3.5 percent of total premiums for individual and small group market health  
464.19 plans and dental plans sold through MNsure to fund the operations of MNsure, but the  
464.20 amount collected may never exceed a dollar amount greater than 100 percent of the funds  
464.21 collected under section 62E.11, subdivision 6, for calendar year 2012.

464.22 (d) Beginning January 1, 2018, MNsure shall retain or collect up to 1.5 percent of  
464.23 total premiums for individual health plans and dental plans sold to Minnesota residents  
464.24 through MNsure and outside of MNsure to fund the operations of MNsure. The amount  
464.25 collected shall not exceed a dollar amount greater than 100 percent of the funds collected  
464.26 under section 62E.11, subdivision 6, for calendar year 2012.

464.27 ~~(d)~~ (e) For fiscal years 2014 and 2015, the commissioner of management and  
464.28 budget is authorized to provide cash flow assistance of up to \$20,000,000 from the  
464.29 special revenue fund or the statutory general fund under section 16A.671, subdivision 3,  
464.30 paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid,  
464.31 with interest, by June 30, 2015.

464.32 ~~(e)~~ (f) Funding for the operations of MNsure shall cover any compensation provided  
464.33 to navigators participating in the navigator program.

464.34 Sec. 25. Minnesota Statutes 2014, section 256B.04, subdivision 14, is amended to read:



465.1 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical,  
465.2 and feasible, the commissioner may utilize volume purchase through competitive bidding  
465.3 and negotiation under the provisions of chapter 16C, to provide items under the medical  
465.4 assistance program including but not limited to the following:

465.5 (1) eyeglasses;

465.6 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency  
465.7 situation on a short-term basis, until the vendor can obtain the necessary supply from  
465.8 the contract dealer;

465.9 (3) hearing aids and supplies; and

465.10 (4) durable medical equipment, including but not limited to:

465.11 (i) hospital beds;

465.12 (ii) commodes;

465.13 (iii) glide-about chairs;

465.14 (iv) patient lift apparatus;

465.15 (v) wheelchairs and accessories;

465.16 (vi) oxygen administration equipment;

465.17 (vii) respiratory therapy equipment;

465.18 (viii) electronic diagnostic, therapeutic and life-support systems; and

465.19 (ix) allergen-reducing products as described in section 256B.0625, subdivision 65,  
465.20 paragraph (b), clause (3);

465.21 (5) nonemergency medical transportation level of need determinations, disbursement  
465.22 of public transportation passes and tokens, and volunteer and recipient mileage and  
465.23 parking reimbursements; and

465.24 (6) drugs.

465.25 (b) Rate changes and recipient cost-sharing under this chapter and chapters 256D and  
465.26 256L do not affect contract payments under this subdivision unless specifically identified.

465.27 (c) The commissioner may not utilize volume purchase through competitive bidding  
465.28 and negotiation for special transportation services under the provisions of chapter 16C.

465.29 Sec. 26. Minnesota Statutes 2014, section 256B.057, is amended by adding a  
465.30 subdivision to read:

465.31 **Subd. 13. Presumptive eligibility determinations made by federally qualified**  
465.32 **health centers.** The commissioner shall establish a process to qualify federally qualified  
465.33 health centers, as defined in section 145.9269, subdivision 1, that are participating  
465.34 providers under the medical assistance program to determine presumptive eligibility for  
465.35 medical assistance for an applicant who is a pregnant woman or child under the age of

466.1 two, and has a basis of eligibility using the modified adjusted gross income methodology  
 466.2 as defined in section 256B.056, subdivision 1a, paragraph (b), clause (1).

466.3 **EFFECTIVE DATE.** This section is effective January 1, 2017.

466.4 Sec. 27. Minnesota Statutes 2014, section 256B.059, subdivision 1, is amended to read:

466.5 Subdivision 1. **Definitions.** (a) For purposes of this section and sections 256B.058  
 466.6 and 256B.0595, the terms defined in this subdivision have the meanings given them.

466.7 (b) "Community spouse" means the spouse of an institutionalized spouse.

466.8 ~~(e) "Spousal share" means one-half of the total value of all assets, to the extent that~~  
 466.9 ~~either the institutionalized spouse or the community spouse had an ownership interest at~~  
 466.10 ~~the time of the first continuous period of institutionalization.~~

466.11 ~~(d) (c)~~ "Assets otherwise available to the community spouse" means assets  
 466.12 individually or jointly owned by the community spouse, other than assets excluded by  
 466.13 subdivision 5, paragraph (c).

466.14 ~~(e) (d)~~ "Community spouse asset allowance" is the value of assets that can be  
 466.15 transferred under subdivision 3.

466.16 ~~(f) (e)~~ "Institutionalized spouse" means a person who is:

466.17 (1) in a hospital, nursing facility, or intermediate care facility for persons with  
 466.18 developmental disabilities, or receiving home and community-based services under  
 466.19 section 256B.0915, and is expected to remain in the facility or institution or receive the  
 466.20 home and community-based services for at least 30 consecutive days; and

466.21 (2) married to a person who is not in a hospital, nursing facility, or intermediate  
 466.22 care facility for persons with developmental disabilities, and is not receiving home and  
 466.23 community-based services under section 256B.0915, 256B.092, or 256B.49.

466.24 ~~(g) (f)~~ "For the sole benefit of" means no other individual or entity can benefit in any  
 466.25 way from the assets or income at the time of a transfer or at any time in the future.

466.26 ~~(h) (g)~~ "Continuous period of institutionalization" means a 30-consecutive-day  
 466.27 period of time in which a person is expected to stay in a medical or long-term care facility,  
 466.28 or receive home and community-based services that would qualify for coverage under  
 466.29 the elderly waiver (EW) or alternative care (AC) programs. For a stay in a facility, the  
 466.30 30-consecutive-day period begins on the date of entry into a medical or long-term care  
 466.31 facility. For receipt of home and community-based services, the 30-consecutive-day  
 466.32 period begins on the date that the following conditions are met:

466.33 (1) the person is receiving services that meet the nursing facility level of care  
 466.34 determined by a long-term care consultation;

466.35 (2) the person has received the long-term care consultation within the past 60 days;

467.1 (3) the services are paid by the EW program under section 256B.0915 or the AC  
 467.2 program under section 256B.0913 or would qualify for payment under the EW or AC  
 467.3 programs if the person were otherwise eligible for either program, and but for the receipt  
 467.4 of such services the person would have resided in a nursing facility; and

467.5 (4) the services are provided by a licensed provider qualified to provide home and  
 467.6 community-based services.

467.7 **EFFECTIVE DATE.** This section is effective June 1, 2016.

467.8 Sec. 28. Minnesota Statutes 2014, section 256B.059, subdivision 2, is amended to read:

467.9 Subd. 2. **Assessment of spousal-share marital assets.** ~~At the beginning of the~~  
 467.10 ~~first continuous period of institutionalization of a person beginning on or after October~~  
 467.11 ~~1, 1989, at the request of either the institutionalized spouse or the community spouse, or~~  
 467.12 ~~Upon application for medical assistance benefits for an institutionalized spouse, the total~~  
 467.13 ~~value of assets in which either the institutionalized spouse or the community spouse had~~  
 467.14 ~~have an interest at the time of the first period of institutionalization of 30 days or more~~  
 467.15 ~~shall be assessed and documented and the spousal share shall be assessed and documented~~  
 467.16 ~~the community spouse asset allowance calculated as required in subdivision 3.~~

467.17 **EFFECTIVE DATE.** This section is effective June 1, 2016.

467.18 Sec. 29. Minnesota Statutes 2014, section 256B.059, subdivision 3, is amended to read:

467.19 Subd. 3. **Community spouse asset allowance.** An institutionalized spouse may  
 467.20 transfer assets to the community spouse for the sole benefit of the community spouse.  
 467.21 Except for increased amounts allowable under subdivision 4, the maximum amount of  
 467.22 assets allowed to be transferred is the amount which, when added to the assets otherwise  
 467.23 available to the community spouse, is as follows the greater of:

467.24 ~~(1) prior to July 1, 1994, the greater of:~~

467.25 ~~(i) \$14,148;~~

467.26 ~~(ii) the lesser of the spousal share or \$70,740; or~~

467.27 ~~(iii) the amount required by court order to be paid to the community spouse; and~~

467.28 ~~(2) for persons whose date of initial determination of eligibility for medical~~  
 467.29 ~~assistance following their first continuous period of institutionalization occurs on or after~~  
 467.30 ~~July 1, 1994, the greater of:~~

467.31 ~~(i) \$20,000;~~

467.32 ~~(ii) the lesser of the spousal share or \$70,740; or~~

467.33 ~~(iii) the amount required by court order to be paid to the community spouse.~~

468.1 (1) \$119,220 subject to an annual adjustment on January 1, 2017, and every January  
 468.2 1 thereafter, equal to the percentage increase in the Consumer Price Index for All Urban  
 468.3 Consumers (all items; United States city average) between the two previous Septembers; or  
 468.4 (2) the amount required by court order to be paid to the community spouse.

468.5 If the assets available to the community spouse are already at the limit permissible  
 468.6 under this section, or the higher limit attributable to increases under subdivision 4, no assets  
 468.7 may be transferred from the institutionalized spouse to the community spouse. The transfer  
 468.8 must be made as soon as practicable after the date the institutionalized spouse is determined  
 468.9 eligible for medical assistance, or within the amount of time needed for any court order  
 468.10 required for the transfer. ~~On January 1, 1994, and every January 1 thereafter, the limits in~~  
 468.11 ~~this subdivision shall be adjusted by the same percentage change in the Consumer Price~~  
 468.12 ~~Index for All Urban Consumers (all items; United States city average) between the two~~  
 468.13 ~~previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.~~

468.14 **EFFECTIVE DATE.** This section is effective June 1, 2016.

468.15 Sec. 30. Minnesota Statutes 2015 Supplement, section 256B.059, subdivision 5,  
 468.16 is amended to read:

468.17 Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for  
 468.18 medical assistance benefits ~~following the first continuous period of institutionalization~~  
 468.19 ~~on or after October 1, 1989 for an institutionalized spouse,~~ assets considered available  
 468.20 to the institutionalized spouse shall be the total value of all assets in which either spouse  
 468.21 has an ownership interest, reduced by the ~~following amount for the community spouse:~~  
 468.22 available to the community spouse under subdivision 3.

468.23 ~~(1) prior to July 1, 1994, the greater of:~~

468.24 ~~(i) \$14,148;~~

468.25 ~~(ii) the lesser of the spousal share or \$70,740; or~~

468.26 ~~(iii) the amount required by court order to be paid to the community spouse;~~

468.27 ~~(2) for persons whose date of initial determination of eligibility for medical~~

468.28 ~~assistance following their first continuous period of institutionalization occurs on or after~~

468.29 ~~July 1, 1994, the greater of:~~

468.30 ~~(i) \$20,000;~~

468.31 ~~(ii) the lesser of the spousal share or \$70,740; or~~

468.32 ~~(iii) the amount required by court order to be paid to the community spouse.~~

468.33 The value of assets transferred for the sole benefit of the community spouse under section  
 468.34 256B.0595, subdivision 4, in combination with other assets available to the community

469.1 spouse under this section, cannot exceed the limit for the community spouse asset  
469.2 allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall  
469.3 be considered available to the institutionalized spouse. If the community spouse asset  
469.4 allowance has been increased under subdivision 4, then the assets considered available to  
469.5 the institutionalized spouse under this subdivision shall be further reduced by the value of  
469.6 additional amounts allowed under subdivision 4.

469.7 (b) An institutionalized spouse may be found eligible for medical assistance even  
469.8 though assets in excess of the allowable amount are found to be available under paragraph  
469.9 (a) if the assets are owned jointly or individually by the community spouse, and the  
469.10 institutionalized spouse cannot use those assets to pay for the cost of care without the  
469.11 consent of the community spouse, and if: (i) the institutionalized spouse assigns to the  
469.12 commissioner the right to support from the community spouse under section 256B.14,  
469.13 subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment  
469.14 due to a physical or mental impairment; or (iii) the denial of eligibility would cause an  
469.15 imminent threat to the institutionalized spouse's health and well-being.

469.16 (c) After the month in which the institutionalized spouse is determined eligible for  
469.17 medical assistance, and during the continuous period of institutionalization enrollment, no  
469.18 assets of the community spouse are considered available to the institutionalized spouse,  
469.19 unless the institutionalized spouse has been found eligible under paragraph (b).

469.20 (d) Assets determined to be available to the institutionalized spouse under this  
469.21 section must be used for the health care or personal needs of the institutionalized spouse.

469.22 (e) For purposes of this section, assets do not include assets excluded under the  
469.23 Supplemental Security Income program.

469.24 **EFFECTIVE DATE.** This section is effective June 1, 2016.

469.25 Sec. 31. Minnesota Statutes 2014, section 256B.059, is amended by adding a  
469.26 subdivision to read:

469.27 **Subd. 6. Temporary application.** (a) During the period in which rules against  
469.28 spousal impoverishment are temporarily applied according to section 2404 of the Patient  
469.29 Protection Affordable Care Act, Public Law 111-148, as amended by the Health Care and  
469.30 Education Reconciliation Act of 2010, Public Law 111-152, this section applies to an  
469.31 institutionalized spouse:

469.32 (1) applying for home and community-based waivers under sections 256B.092,  
469.33 256B.093, and 256B.49 on or after June 1, 2016;

469.34 (2) enrolled in home and community-based waivers under sections 256B.092,  
469.35 256B.093, and 256B.49 before June 1, 2016; or

470.1 (3) applying for services under section 256B.85 upon the effective date of that section.

470.2 (b) During the applicable period of paragraph (a), the definition of "institutionalized  
 470.3 spouse" in subdivision 1, paragraph (f), also includes an institutionalized spouse  
 470.4 referenced in paragraph (a).

470.5 **EFFECTIVE DATE.** (a) Minnesota Statutes, section 256B.059, subdivision 6,  
 470.6 paragraphs (a), clauses (1) and (3), and (b) are effective June 1, 2016. Minnesota Statutes,  
 470.7 section 256B.059, subdivision 6, paragraph (a), clause (2), is effective March 1, 2017.

470.8 (b) Minnesota Statutes, section 256B.059, subdivision 6, paragraph (a), clauses (1)  
 470.9 and (2), expire upon notification to the commissioner of human services that the Center for  
 470.10 Medicare and Medicaid Services approved the continuation of the deeming rules in effect  
 470.11 on May 31, 2016, for the treatment of the assets of a community spouse. The commissioner  
 470.12 of human services shall notify the revisor of statutes when notice is received.

470.13 Sec. 32. Minnesota Statutes 2014, section 256B.06, subdivision 4, is amended to read:

470.14 Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited  
 470.15 to citizens of the United States, qualified noncitizens as defined in this subdivision, and  
 470.16 other persons residing lawfully in the United States. Citizens or nationals of the United  
 470.17 States must cooperate in obtaining satisfactory documentary evidence of citizenship or  
 470.18 nationality according to the requirements of the federal Deficit Reduction Act of 2005,  
 470.19 Public Law 109-171.

470.20 (b) "Qualified noncitizen" means a person who meets one of the following  
 470.21 immigration criteria:

470.22 (1) admitted for lawful permanent residence according to United States Code, title 8;

470.23 (2) admitted to the United States as a refugee according to United States Code,  
 470.24 title 8, section 1157;

470.25 (3) granted asylum according to United States Code, title 8, section 1158;

470.26 (4) granted withholding of deportation according to United States Code, title 8,  
 470.27 section 1253(h);

470.28 (5) paroled for a period of at least one year according to United States Code, title 8,  
 470.29 section 1182(d)(5);

470.30 (6) granted conditional entrant status according to United States Code, title 8,  
 470.31 section 1153(a)(7);

470.32 (7) determined to be a battered noncitizen by the United States Attorney General  
 470.33 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,  
 470.34 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

471.1 (8) is a child of a noncitizen determined to be a battered noncitizen by the United  
471.2 States Attorney General according to the Illegal Immigration Reform and Immigrant  
471.3 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,  
471.4 Public Law 104-200; or

471.5 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public  
471.6 Law 96-422, the Refugee Education Assistance Act of 1980.

471.7 (c) All qualified noncitizens who were residing in the United States before August  
471.8 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for  
471.9 medical assistance with federal financial participation.

471.10 (d) Beginning December 1, 1996, qualified noncitizens who entered the United  
471.11 States on or after August 22, 1996, and who otherwise meet the eligibility requirements  
471.12 of this chapter are eligible for medical assistance with federal participation for five years  
471.13 if they meet one of the following criteria:

471.14 (1) refugees admitted to the United States according to United States Code, title 8,  
471.15 section 1157;

471.16 (2) persons granted asylum according to United States Code, title 8, section 1158;

471.17 (3) persons granted withholding of deportation according to United States Code,  
471.18 title 8, section 1253(h);

471.19 (4) veterans of the United States armed forces with an honorable discharge for  
471.20 a reason other than noncitizen status, their spouses and unmarried minor dependent  
471.21 children; or

471.22 (5) persons on active duty in the United States armed forces, other than for training,  
471.23 their spouses and unmarried minor dependent children.

471.24 Beginning July 1, 2010, children and pregnant women who are noncitizens  
471.25 described in paragraph (b) or who are lawfully present in the United States as defined  
471.26 in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet  
471.27 eligibility requirements of this chapter, are eligible for medical assistance with federal  
471.28 financial participation as provided by the federal Children's Health Insurance Program  
471.29 Reauthorization Act of 2009, Public Law 111-3.

471.30 (e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter  
471.31 are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this  
471.32 subdivision, a "nonimmigrant" is a person in one of the classes listed in United States  
471.33 Code, title 8, section 1101(a)(15).

471.34 (f) Payment shall also be made for care and services that are furnished to noncitizens,  
471.35 regardless of immigration status, who otherwise meet the eligibility requirements of

472.1 this chapter, if such care and services are necessary for the treatment of an emergency  
472.2 medical condition.

472.3 (g) For purposes of this subdivision, the term "emergency medical condition" means  
472.4 a medical condition that meets the requirements of United States Code, title 42, section  
472.5 1396b(v).

472.6 (h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment  
472.7 of an emergency medical condition are limited to the following:

472.8 (i) services delivered in an emergency room or by an ambulance service licensed  
472.9 under chapter 144E that are directly related to the treatment of an emergency medical  
472.10 condition;

472.11 (ii) services delivered in an inpatient hospital setting following admission from an  
472.12 emergency room or clinic for an acute emergency condition; and

472.13 (iii) follow-up services that are directly related to the original service provided  
472.14 to treat the emergency medical condition and are covered by the global payment made  
472.15 to the provider.

472.16 (2) Services for the treatment of emergency medical conditions do not include:

472.17 (i) services delivered in an emergency room or inpatient setting to treat a  
472.18 nonemergency condition;

472.19 (ii) organ transplants, stem cell transplants, and related care;

472.20 (iii) services for routine prenatal care;

472.21 (iv) continuing care, including long-term care, nursing facility services, home health  
472.22 care, adult day care, day training, or supportive living services;

472.23 (v) elective surgery;

472.24 (vi) outpatient prescription drugs, unless the drugs are administered or dispensed as  
472.25 part of an emergency room visit;

472.26 (vii) preventative health care and family planning services;

472.27 (viii) rehabilitation services;

472.28 (ix) physical, occupational, or speech therapy;

472.29 (x) transportation services;

472.30 (xi) case management;

472.31 (xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

472.32 (xiii) dental services;

472.33 (xiv) hospice care;

472.34 (xv) audiology services and hearing aids;

472.35 (xvi) podiatry services;

472.36 (xvii) chiropractic services;



473.1 (xviii) immunizations;  
473.2 (xix) vision services and eyeglasses;  
473.3 (xx) waiver services;  
473.4 (xxi) individualized education programs; or  
473.5 (xxii) chemical dependency treatment.

473.6 (i) Pregnant noncitizens who are ineligible for federally funded medical assistance  
473.7 because of immigration status, are not covered by a group health plan or health insurance  
473.8 coverage according to Code of Federal Regulations, title 42, section 457.310, and who  
473.9 otherwise meet the eligibility requirements of this chapter, are eligible for medical  
473.10 assistance through the period of pregnancy, including labor and delivery, and 60 days  
473.11 postpartum, to the extent federal funds are available under title XXI of the Social Security  
473.12 Act, and the state children's health insurance program.

473.13 (j) Beginning October 1, 2003, persons who are receiving care and rehabilitation  
473.14 services from a nonprofit center established to serve victims of torture and are otherwise  
473.15 ineligible for medical assistance under this chapter are eligible for medical assistance  
473.16 without federal financial participation. These individuals are eligible only for the period  
473.17 during which they are receiving services from the center. Individuals eligible under this  
473.18 paragraph shall not be required to participate in prepaid medical assistance. The nonprofit  
473.19 center referenced under this paragraph may establish itself as a provider of mental health  
473.20 targeted case management services through a county contract under section 256.0112,  
473.21 subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its  
473.22 service area, then, notwithstanding the requirements of section 256B.0625, subdivision  
473.23 20, the commissioner may negotiate a contract with the nonprofit center for provision of  
473.24 mental health targeted case management services. When serving clients who are not the  
473.25 financial responsibility of their contracted lead county, the nonprofit center must gain the  
473.26 concurrence of the county of financial responsibility prior to providing mental health  
473.27 targeted case management services for those clients.

473.28 (k) Notwithstanding paragraph (h), clause (2), the following services are covered as  
473.29 emergency medical conditions under paragraph (f) except where coverage is prohibited  
473.30 under federal law:

473.31 (1) dialysis services provided in a hospital or freestanding dialysis facility; ~~and~~  
473.32 (2) surgery and the administration of chemotherapy, radiation, and related services  
473.33 necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and  
473.34 requires surgery, chemotherapy, or radiation treatment; and

473.35 (3) kidney transplant if the person has been diagnosed with end stage renal disease,  
473.36 is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

474.1 (l) Effective July 1, 2013, recipients of emergency medical assistance under this  
474.2 subdivision are eligible for coverage of the elderly waiver services provided under section  
474.3 256B.0915, and coverage of rehabilitative services provided in a nursing facility. The  
474.4 age limit for elderly waiver services does not apply. In order to qualify for coverage, a  
474.5 recipient of emergency medical assistance is subject to the assessment and reassessment  
474.6 requirements of section 256B.0911. Initial and continued enrollment under this paragraph  
474.7 is subject to the limits of available funding.

474.8 Sec. 33. Minnesota Statutes 2014, section 256B.0625, is amended by adding a  
474.9 subdivision to read:

474.10 Subd. 9c. **Oral health assessments.** Medical assistance covers oral health  
474.11 assessments that meet the requirements of this subdivision. An oral health assessment must  
474.12 use the risk factors established by the commissioner of human services and be conducted  
474.13 by a licensed dental provider in collaborative practice under section 150A.10, subdivision  
474.14 1a; 150A.105; or 150A.106, to identify possible signs of oral or systemic disease,  
474.15 malformation, or injury and the need for referral for diagnosis and treatment. Oral health  
474.16 assessments are limited to once per patient per year and must be conducted in a community  
474.17 setting. The provider performing the assessment must document that a formal arrangement  
474.18 with a licensed dentist for patient referral and follow-up is in place and is being utilized.  
474.19 The patient referral and follow-up arrangement must allow patients receiving an assessment  
474.20 under this subdivision to receive follow-up services in a timely manner and establish an  
474.21 ongoing relationship with a dental provider that is available to serve as the patient's dental  
474.22 home. If the commissioner determines from an analysis of claims or other information  
474.23 that the referral and follow-up arrangement is not reasonably effective in ensuring that  
474.24 patients receive follow-up services, the commissioner may disqualify the treating provider  
474.25 or the pay-to provider from receiving payment for assessments under this subdivision.

474.26 Sec. 34. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 17a,  
474.27 is amended to read:

474.28 Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers  
474.29 ambulance services. Providers shall bill ambulance services according to Medicare  
474.30 criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective  
474.31 for services rendered on or after July 1, 2001, medical assistance payments for ambulance  
474.32 services shall be paid at the Medicare reimbursement rate or at the medical assistance  
474.33 payment rate in effect on July 1, 2000, whichever is greater.

475.1 (b) Effective for services provided on or after July 1, 2016, medical assistance  
475.2 payment rates for ambulance services identified in this paragraph are increased by five  
475.3 percent. Capitation payments made to managed care plans and county-based purchasing  
475.4 plans for ambulance services provided on or after January 1, 2017, shall be increased to  
475.5 reflect this rate increase, and shall require the plans to pass on the full amount of the increase  
475.6 in the form of higher reimbursement rates to the ambulance service providers identified  
475.7 in this paragraph. The increased rate described in this paragraph applies to ambulance  
475.8 service providers whose base of operations as defined in section 144E.10 is located:

475.9 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and  
475.10 outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

475.11 (2) within a municipality with a population of less than 1,000.

475.12 Sec. 35. Minnesota Statutes 2014, section 256B.0625, subdivision 30, is amended to  
475.13 read:

475.14 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic  
475.15 services, federally qualified health center services, nonprofit community health clinic  
475.16 services, and public health clinic services. Rural health clinic services and federally  
475.17 qualified health center services mean services defined in United States Code, title 42,  
475.18 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified  
475.19 health center services shall be made according to applicable federal law and regulation.

475.20 (b) A federally qualified health center that is beginning initial operation shall submit  
475.21 an estimate of budgeted costs and visits for the initial reporting period in the form and  
475.22 detail required by the commissioner. A federally qualified health center that is already in  
475.23 operation shall submit an initial report using actual costs and visits for the initial reporting  
475.24 period. Within 90 days of the end of its reporting period, a federally qualified health  
475.25 center shall submit, in the form and detail required by the commissioner, a report of  
475.26 its operations, including allowable costs actually incurred for the period and the actual  
475.27 number of visits for services furnished during the period, and other information required  
475.28 by the commissioner. Federally qualified health centers that file Medicare cost reports  
475.29 shall provide the commissioner with a copy of the most recent Medicare cost report filed  
475.30 with the Medicare program intermediary for the reporting year which support the costs  
475.31 claimed on their cost report to the state.

475.32 (c) In order to continue cost-based payment under the medical assistance program  
475.33 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic  
475.34 must apply for designation as an essential community provider within six months of final  
475.35 adoption of rules by the Department of Health according to section 62Q.19, subdivision

476.1 7. For those federally qualified health centers and rural health clinics that have applied  
476.2 for essential community provider status within the six-month time prescribed, medical  
476.3 assistance payments will continue to be made according to paragraphs (a) and (b) for the  
476.4 first three years after application. For federally qualified health centers and rural health  
476.5 clinics that either do not apply within the time specified above or who have had essential  
476.6 community provider status for three years, medical assistance payments for health services  
476.7 provided by these entities shall be according to the same rates and conditions applicable  
476.8 to the same service provided by health care providers that are not federally qualified  
476.9 health centers or rural health clinics.

476.10 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally  
476.11 qualified health center or a rural health clinic to make application for an essential  
476.12 community provider designation in order to have cost-based payments made according  
476.13 to paragraphs (a) and (b) no longer apply.

476.14 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)  
476.15 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

476.16 (f) Effective January 1, 2001, each federally qualified health center and rural health  
476.17 clinic may elect to be paid either under the prospective payment system established  
476.18 in United States Code, title 42, section 1396a(aa), or under an alternative payment  
476.19 methodology consistent with the requirements of United States Code, title 42, section  
476.20 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The  
476.21 alternative payment methodology shall be 100 percent of cost as determined according to  
476.22 Medicare cost principles.

476.23 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

476.24 (1) has nonprofit status as specified in chapter 317A;

476.25 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

476.26 (3) is established to provide health services to low-income population groups,

476.27 uninsured, high-risk and special needs populations, underserved and other special needs  
476.28 populations;

476.29 (4) employs professional staff at least one-half of which are familiar with the  
476.30 cultural background of their clients;

476.31 (5) charges for services on a sliding fee scale designed to provide assistance to  
476.32 low-income clients based on current poverty income guidelines and family size; and

476.33 (6) does not restrict access or services because of a client's financial limitations or  
476.34 public assistance status and provides no-cost care as needed.

476.35 (h) Effective for services provided on or after January 1, 2015, all claims for  
476.36 payment of clinic services provided by federally qualified health centers and rural health

477.1 clinics shall be paid by the commissioner. The commissioner shall determine the most  
477.2 feasible method for paying claims from the following options:

477.3 (1) federally qualified health centers and rural health clinics submit claims directly  
477.4 to the commissioner for payment, and the commissioner provides claims information for  
477.5 recipients enrolled in a managed care or county-based purchasing plan to the plan, on  
477.6 a regular basis; or

477.7 (2) federally qualified health centers and rural health clinics submit claims for  
477.8 recipients enrolled in a managed care or county-based purchasing plan to the plan, and  
477.9 those claims are submitted by the plan to the commissioner for payment to the clinic.

477.10 (i) For clinic services provided prior to January 1, 2015, the commissioner shall  
477.11 calculate and pay monthly the proposed managed care supplemental payments to clinics,  
477.12 and clinics shall conduct a timely review of the payment calculation data in order to  
477.13 finalize all supplemental payments in accordance with federal law. Any issues arising  
477.14 from a clinic's review must be reported to the commissioner by January 1, 2017. Upon  
477.15 final agreement between the commissioner and a clinic on issues identified under this  
477.16 subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no  
477.17 supplemental payments for managed care plan or county-based purchasing plan claims  
477.18 for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the  
477.19 commissioner and clinics are unable to resolve issues under this subdivision, the parties  
477.20 shall submit the dispute to the arbitration process under section 14.57.

477.21 (j) The commissioner shall seek a federal waiver, authorized under section 1115  
477.22 of the Social Security Act, in order to obtain federal financial participation at the 100  
477.23 percent federal matching percentage available to facilities of the Indian Health Service  
477.24 or tribal organization in accordance with section 1905(b) of the Social Security Act for  
477.25 expenditures made to organizations dually certified under Title V of the Indian Health  
477.26 Care Improvement Act, PL-437, and as a federally qualified health center under paragraph  
477.27 (a) that provides services to American Indian and Alaskan Native individuals eligible for  
477.28 services under this subdivision.

477.29 Sec. 36. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 31,  
477.30 is amended to read:

477.31 Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical  
477.32 supplies and equipment. Separate payment outside of the facility's payment rate shall  
477.33 be made for wheelchairs and wheelchair accessories for recipients who are residents  
477.34 of intermediate care facilities for the developmentally disabled. Reimbursement for  
477.35 wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same

478.1 conditions and limitations as coverage for recipients who do not reside in institutions. A  
478.2 wheelchair purchased outside of the facility's payment rate is the property of the recipient.

478.3 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies  
478.4 must enroll as a Medicare provider.

478.5 (c) When necessary to ensure access to durable medical equipment, prosthetics,  
478.6 orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare  
478.7 enrollment requirement if:

478.8 (1) the vendor supplies only one type of durable medical equipment, prosthetic,  
478.9 orthotic, or medical supply;

478.10 (2) the vendor serves ten or fewer medical assistance recipients per year;

478.11 (3) the commissioner finds that other vendors are not available to provide same or  
478.12 similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

478.13 (4) the vendor complies with all screening requirements in this chapter and Code of  
478.14 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from  
478.15 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare  
478.16 and Medicaid Services approved national accreditation organization as complying with  
478.17 the Medicare program's supplier and quality standards and the vendor serves primarily  
478.18 pediatric patients.

478.19 (d) Durable medical equipment means a device or equipment that:

478.20 (1) can withstand repeated use;

478.21 (2) is generally not useful in the absence of an illness, injury, or disability; and

478.22 (3) is provided to correct or accommodate a physiological disorder or physical  
478.23 condition or is generally used primarily for a medical purpose.

478.24 (e) Electronic tablets may be considered durable medical equipment if the electronic  
478.25 tablet will be used as an augmentative and alternative communication system as defined  
478.26 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device  
478.27 must be locked in order to prevent use not related to communication.

478.28 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must  
478.29 be locked to prevent use not as an augmentative communication device, a recipient of  
478.30 waiver services may use an electronic tablet for a use not related to communication when  
478.31 the recipient has been authorized under the waiver to receive one or more additional  
478.32 applications that can be loaded onto the electronic tablet, such that allowing the additional  
478.33 use prevents the purchase of a separate electronic tablet with waiver funds.

478.34 (g) Allergen-reducing products provided according to subdivision 65, paragraph (b),  
478.35 clause (3), shall be considered durable medical equipment.

479.1 **EFFECTIVE DATE.** This section is effective upon federal approval, but not before  
479.2 January 1, 2017. The commissioner of human services shall notify the revisor of statutes  
479.3 when federal approval is obtained.

479.4 Sec. 37. Minnesota Statutes 2014, section 256B.0625, subdivision 34, is amended to  
479.5 read:

479.6 Subd. 34. **Indian health services facilities.** (a) Medical assistance payments and  
479.7 MinnesotaCare payments to facilities of the Indian health service and facilities operated  
479.8 by a tribe or tribal organization under funding authorized by United States Code, title  
479.9 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education  
479.10 Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial  
479.11 participation, shall be at the option of the facility in accordance with the rate published by  
479.12 the United States Assistant Secretary for Health under the authority of United States Code,  
479.13 title 42, sections 248(a) and 249(b). ~~General assistance medical care payments to facilities~~  
479.14 ~~of the Indian health services and facilities operated by a tribe or tribal organization for~~  
479.15 ~~the provision of outpatient medical care services billed after June 30, 1990, must be in~~  
479.16 ~~accordance with the general assistance medical care rates paid for the same services~~  
479.17 ~~when provided in a facility other than a facility of the Indian health service or a facility~~  
479.18 ~~operated by a tribe or tribal organization.~~ MinnesotaCare payments for enrollees who are  
479.19 not eligible for federal financial participation at facilities of the Indian health service and  
479.20 facilities operated by a tribe or tribal organization for the provision of outpatient medical  
479.21 services must be in accordance with the medical assistance rates paid for the same services  
479.22 when provided in a facility other than a facility of the Indian health service or a facility  
479.23 operated by a tribe or tribal organization.

479.24 (b) Effective upon federal approval, the medical assistance payments to a dually  
479.25 certified facility as defined in subdivision 30, paragraph (j), shall be the encounter rate  
479.26 described in paragraph (a) or a rate that is substantially equivalent for services provided  
479.27 to American Indians and Alaskan Native populations. The rate established under this  
479.28 paragraph for dually certified facilities shall not apply to MinnesotaCare payments.

479.29 Sec. 38. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 58,  
479.30 is amended to read:

479.31 Subd. 58. **Early and periodic screening, diagnosis, and treatment services.** (a)  
479.32 Medical assistance covers early and periodic screening, diagnosis, and treatment services  
479.33 (EPSDT). The payment amount for a complete EPSDT screening shall not include charges  
479.34 for health care services and products that are available at no cost to the provider and shall

480.1 not exceed the rate established per Minnesota Rules, part 9505.0445, item M, effective  
480.2 October 1, 2010.

480.3 (b) Effective for services provided on or after July 1, 2016, payment for a complete  
480.4 EPSDT screening shall be increased by five percent. Effective January 1, 2017, capitation  
480.5 payments made to managed care plans and county-based purchasing plans shall be  
480.6 increased to reflect this increase and the commissioner shall require the plans to pass  
480.7 on the full amount of the increase in the form of higher payment rates to the providers.  
480.8 This increase does not apply to federally qualified health centers, rural health centers,  
480.9 and Indian health services.

480.10 Sec. 39. Minnesota Statutes 2014, section 256B.0625, is amended by adding a  
480.11 subdivision to read:

480.12 Subd. 60a. **Community emergency medical technician services.** (a) Medical  
480.13 assistance covers services provided by a community emergency medical technician  
480.14 (CEMT) who is certified under section 144E.275, subdivision 7, when the services are  
480.15 provided in accordance with this subdivision.

480.16 (b) A CEMT may provide a posthospital discharge visit when ordered by a treating  
480.17 physician. The posthospital discharge visit includes:

- 480.18 (1) verbal or visual reminders of discharge orders;  
480.19 (2) recording and reporting of vital signs to the patient's primary care provider;  
480.20 (3) medication access confirmation;  
480.21 (4) food access confirmation; and  
480.22 (5) identification of home hazards.

480.23 (c) An individual who has repeat ambulance calls due to falls, has been discharged  
480.24 from a nursing home, or identified by the individual's primary care provider as at risk  
480.25 for nursing home placement, may receive a safety evaluation visit from a CEMT when  
480.26 ordered by a primary care provider in accordance with the individual's care plan. A safety  
480.27 evaluation visit includes:

- 480.28 (1) medication access confirmation;  
480.29 (2) food access confirmation; and  
480.30 (3) identification of home hazards.

480.31 (d) A CEMT shall be paid at \$9.75 per 15-minute increment. A safety evaluation visit  
480.32 may not be billed for the same day as a posthospital discharge visit for the same individual.

480.33 **EFFECTIVE DATE.** This section is effective January 1, 2017, or upon federal  
480.34 approval, whichever is later. The commissioner of human services shall notify the revisor  
480.35 of statutes when federal approval is obtained.



481.1 Sec. 40. Minnesota Statutes 2014, section 256B.0625, is amended by adding a  
481.2 subdivision to read:

481.3 Subd. 65. **Enhanced asthma care services.** (a) Medical assistance covers enhanced  
481.4 asthma care services and related products for children with poorly controlled asthma  
481.5 to be provided in the child's home. To be eligible for services and products under this  
481.6 subdivision, a child must:

481.7 (1) be under 21 years of age;

481.8 (2) have poorly controlled asthma;

481.9 (3) have, at least one time in the past year, received health care for the child's asthma  
481.10 from a hospital emergency department or been hospitalized for the treatment of asthma; and

481.11 (4) receive a referral for asthma care services and products covered under this  
481.12 subdivision from a treating health care provider.

481.13 (b) Covered asthma care services and products include:

481.14 (1) a home assessment for asthma triggers provided by an enrolled healthy homes  
481.15 specialist currently credentialed by the National Environmental Health Association;

481.16 (2) targeted asthma education services in the child's home by an enrolled asthma  
481.17 educator certified by the National Asthma Educator Certification Board. Asthma

481.18 education services provided under this clause include education on self-management,  
481.19 avoiding asthma triggers, identifying worsening asthma symptoms, and medication uses  
481.20 and techniques; and

481.21 (3) allergen-reducing products recommended for the child by the healthy homes  
481.22 specialist or the certified asthma educator based on the documented allergies for that child  
481.23 and proven to reduce asthma triggers identified in the child's home assessment, including:

481.24 (i) encasements for mattresses, box springs, and pillows;

481.25 (ii) a HEPA vacuum cleaner, filters, and bags;

481.26 (iii) a dehumidifier and filters;

481.27 (iv) single-room air cleaners and filters;

481.28 (v) nontoxic pest control systems, including traps and starter packages of food  
481.29 storage containers;

481.30 (vi) a damp mopping system;

481.31 (vii) if the child does not have access to a bed, a waterproof hospital-grade mattress;

481.32 and

481.33 (viii) furnace filters, for homeowners only.

481.34 (c) A child is limited to one home assessment and one visit by a certified asthma

481.35 educator to provide education on the use and maintenance of the products listed in

481.36 paragraph (b), clause (3). A child may receive an additional home assessment if the child

482.1 moves to a new home: (1) develops a new asthma trigger, including tobacco smoke; or  
 482.2 (2) the child's health care provider documents a new allergy for the child, including an  
 482.3 allergy to mold, pests, pets, or dust mites.

482.4 (d) The commissioner shall determine the frequency that a child may receive a  
 482.5 product listed in paragraph (b), clause (3), based on the reasonable expected lifetime  
 482.6 of the product.

482.7 **EFFECTIVE DATE.** This section is effective upon federal approval, but not before  
 482.8 January 1, 2017. The commissioner of human services shall notify the revisor of statutes  
 482.9 when federal approval is obtained.

482.10 Sec. 41. Minnesota Statutes 2014, section 256B.15, subdivision 1, is amended to read:

482.11 Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that  
 482.12 individuals or couples, either or both of whom participate in the medical assistance  
 482.13 program, use their own assets to pay their share of the ~~total~~ cost of their care during or  
 482.14 after their enrollment in the program according to applicable federal law and the laws of  
 482.15 this state. The following provisions apply:

482.16 (1) subdivisions 1c to 1k shall not apply to claims arising under this section which  
 482.17 are presented under section 525.313;

482.18 (2) the provisions of subdivisions 1c to 1k expanding the interests included in an  
 482.19 estate for purposes of recovery under this section give effect to the provisions of United  
 482.20 States Code, title 42, section 1396p, governing recoveries, but do not give rise to any  
 482.21 express or implied liens in favor of any other parties not named in these provisions;

482.22 (3) the continuation of a recipient's life estate or joint tenancy interest in real  
 482.23 property after the recipient's death for the purpose of recovering medical assistance under  
 482.24 this section modifies common law principles holding that these interests terminate on  
 482.25 the death of the holder;

482.26 (4) all laws, rules, and regulations governing or involved with a recovery of medical  
 482.27 assistance shall be liberally construed to accomplish their intended purposes;

482.28 (5) a deceased recipient's life estate and joint tenancy interests continued under  
 482.29 this section shall be owned by the remainderpersons or surviving joint tenants as their  
 482.30 interests may appear on the date of the recipient's death. They shall not be merged into the  
 482.31 remainder interest or the interests of the surviving joint tenants by reason of ownership.  
 482.32 They shall be subject to the provisions of this section. Any conveyance, transfer, sale,  
 482.33 assignment, or encumbrance by a remainderperson, a surviving joint tenant, or their heirs,  
 482.34 successors, and assigns shall be deemed to include all of their interest in the deceased  
 482.35 recipient's life estate or joint tenancy interest continued under this section; and

483.1 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy  
483.2 interests in real property after the recipient's death do not apply to a homestead owned of  
483.3 record, on the date the recipient dies, by the recipient and the recipient's spouse as joint  
483.4 tenants with a right of survivorship. Homestead means the real property occupied by the  
483.5 surviving joint tenant spouse as their sole residence on the date the recipient dies and  
483.6 classified and taxed to the recipient and surviving joint tenant spouse as homestead property  
483.7 for property tax purposes in the calendar year in which the recipient dies. For purposes of  
483.8 this exemption, real property the recipient and their surviving joint tenant spouse purchase  
483.9 solely with the proceeds from the sale of their prior homestead, own of record as joint  
483.10 tenants, and qualify as homestead property under section 273.124 in the calendar year  
483.11 in which the recipient dies and prior to the recipient's death shall be deemed to be real  
483.12 property classified and taxed to the recipient and their surviving joint tenant spouse as  
483.13 homestead property in the calendar year in which the recipient dies. The surviving spouse,  
483.14 or any person with personal knowledge of the facts, may provide an affidavit describing  
483.15 the homestead property affected by this clause and stating facts showing compliance with  
483.16 this clause. The affidavit shall be prima facie evidence of the facts it states.

483.17 (b) For purposes of this section, "medical assistance" includes the medical assistance  
483.18 program under this chapter and the general assistance medical care program under chapter  
483.19 256D and alternative care for nonmedical assistance recipients under section 256B.0913.

483.20 (c) For purposes of this section, beginning January 1, 2010, "medical assistance"  
483.21 does not include Medicare cost-sharing benefits in accordance with United States Code,  
483.22 title 42, section 1396p.

483.23 (d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j,  
483.24 related to the continuation of a recipient's life estate or joint tenancy interests in real  
483.25 property after the recipient's death for the purpose of recovering medical assistance, are  
483.26 effective only for life estates and joint tenancy interests established on or after August 1,  
483.27 2003. For purposes of this paragraph, medical assistance does not include alternative care.

483.28 Sec. 42. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

483.29 Subd. 1a. **Estates subject to claims.** (a) If a person receives any medical assistance  
483.30 hereunder, on the person's death, if single, or on the death of the survivor of a married  
483.31 couple, either or both of whom received medical assistance, or as otherwise provided for  
483.32 in this section, the ~~total~~ amount paid for medical assistance ~~rendered~~ as limited under  
483.33 subdivision 2 for the person and spouse shall be filed as a claim against the estate of the  
483.34 person or the estate of the surviving spouse in the court having jurisdiction to probate the  
483.35 estate or to issue a decree of descent according to sections 525.31 to 525.313.

484.1 (b) For the purposes of this section, the person's estate must consist of:

484.2 (1) the person's probate estate;

484.3 (2) all of the person's interests or proceeds of those interests in real property the  
484.4 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of  
484.5 the person's death;

484.6 (3) all of the person's interests or proceeds of those interests in securities the person  
484.7 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time  
484.8 of the person's death, to the extent the interests or proceeds of those interests become part  
484.9 of the probate estate under section 524.6-307;

484.10 (4) all of the person's interests in joint accounts, multiple-party accounts, and  
484.11 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of  
484.12 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the  
484.13 person's death to the extent the interests become part of the probate estate under section  
484.14 524.6-207; and

484.15 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,  
484.16 living trust, or other arrangements.

484.17 (c) For the purpose of this section and recovery in a surviving spouse's estate for  
484.18 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal  
484.19 title and interests the deceased individual's predeceased spouse had in jointly owned or  
484.20 marital property at the time of the spouse's death, as defined in subdivision 2b, and the  
484.21 proceeds of those interests, that passed to the deceased individual or another individual, a  
484.22 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy  
484.23 in common, survivorship, life estate, living trust, or other arrangement. A deceased  
484.24 recipient who, at death, owned the property jointly with the surviving spouse shall have  
484.25 an interest in the entire property.

484.26 (d) For the purpose of recovery in a single person's estate or the estate of a survivor  
484.27 of a married couple, "other arrangement" includes any other means by which title to all or  
484.28 any part of the jointly owned or marital property or interest passed from the predeceased  
484.29 spouse to another including, but not limited to, transfers between spouses which are  
484.30 permitted, prohibited, or penalized for purposes of medical assistance.

484.31 (e) A claim shall be filed if medical assistance was rendered for either or both  
484.32 persons under one of the following circumstances:

484.33 (1) the person was over 55 years of age, and received services under this chapter  
484.34 prior to January 1, 2014;

484.35 (2) the person resided in a medical institution for six months or longer, received  
484.36 services under this chapter, and, at the time of institutionalization or application for

485.1 medical assistance, whichever is later, the person could not have reasonably been expected  
 485.2 to be discharged and returned home, as certified in writing by the person's treating  
 485.3 physician. For purposes of this section only, a "medical institution" means a skilled  
 485.4 nursing facility, intermediate care facility, intermediate care facility for persons with  
 485.5 developmental disabilities, nursing facility, or inpatient hospital; ~~or~~

485.6 (3) the person received general assistance medical care services under chapter  
 485.7 256D; or

485.8 (4) the person was 55 years of age or older and received medical assistance  
 485.9 services on or after January 1, 2014, that consisted of nursing facility services, home and  
 485.10 community-based services, or related hospital and prescription drug benefits.

485.11 (f) The claim shall be considered an expense of the last illness of the decedent for  
 485.12 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a  
 485.13 state or county agency with a claim under this section must be a creditor under section  
 485.14 524.6-307. Any statute of limitations that purports to limit any county agency or the state  
 485.15 agency, or both, to recover for medical assistance granted hereunder shall not apply to any  
 485.16 claim made hereunder for reimbursement for any medical assistance granted hereunder.  
 485.17 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other  
 485.18 persons with an ownership interest in the real property owned by the decedent at the time  
 485.19 of the decedent's death, whose identity can be ascertained with reasonable diligence. The  
 485.20 notice must include procedures and instructions for making an application for a hardship  
 485.21 waiver under subdivision 5; time frames for submitting an application and determination;  
 485.22 and information regarding appeal rights and procedures. Counties are entitled to one-half  
 485.23 of the nonfederal share of medical assistance collections from estates that are directly  
 485.24 attributable to county effort. Counties are entitled to ten percent of the collections for  
 485.25 alternative care directly attributable to county effort.

485.26 **EFFECTIVE DATE.** This section is effective upon federal approval and applies to  
 485.27 services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.

485.28 Sec. 43. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

485.29 Subd. 2. **Limitations on claims.** (a) For services rendered prior to January 1, 2014,  
 485.30 the claim shall include only the total amount of medical assistance rendered after age 55 or  
 485.31 during a period of institutionalization described in subdivision 1a, paragraph (e), and the  
 485.32 total amount of general assistance medical care rendered, and shall not include interest.

485.33 (b) For services rendered on or after January 1, 2014, the claim shall include only:

486.1 (1) the amount of medical assistance rendered to recipients 55 years of age or older  
486.2 and that consisted of nursing facility services, home and community-based services, and  
486.3 related hospital and prescription drug services; and

486.4 (2) the total amount of medical assistance rendered during a period of  
486.5 institutionalization described in subdivision 1a, paragraph (e), clause (2).

486.6 The claim shall not include interest. For the purposes of this section, "home and  
486.7 community-based services" has the same meaning it has when used in United States  
486.8 Code, title 42, section 1396p(b)(1)(B)(i).

486.9 (c) Claims that have been allowed but not paid shall bear interest according to  
486.10 section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did  
486.11 not receive medical assistance, for medical assistance rendered for the predeceased spouse,  
486.12 shall be payable from the full value of all of the predeceased spouse's assets and interests  
486.13 which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of  
486.14 medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the  
486.15 value of the assets of the estate that were marital property or jointly owned property at any  
486.16 time during the marriage. The claim is not payable from the value of assets or proceeds of  
486.17 assets in the estate attributable to a predeceased spouse whom the individual married after  
486.18 the death of the predeceased recipient spouse for whom the claim is filed or from assets  
486.19 and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired  
486.20 with assets which were not marital property or jointly owned property after the death of  
486.21 the predeceased recipient spouse. Claims for alternative care shall be net of all premiums  
486.22 paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be  
486.23 limited to services provided on or after July 1, 2003. Claims against marital property shall  
486.24 be limited to claims against recipients who died on or after July 1, 2009.

486.25 **EFFECTIVE DATE.** This section is effective upon federal approval and applies to  
486.26 services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.

486.27 Sec. 44. Minnesota Statutes 2014, section 256B.69, subdivision 6, is amended to read:

486.28 Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for  
486.29 the health care coordination for eligible individuals. Demonstration providers:

486.30 (1) shall authorize and arrange for the provision of all needed health services  
486.31 including but not limited to the full range of services listed in sections 256B.02,  
486.32 subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to  
486.33 enrollees. Notwithstanding section 256B.0621, demonstration providers that provide

487.1 nursing home and community-based services under this section shall provide relocation  
487.2 service coordination to enrolled persons age 65 and over;

487.3 (2) shall accept the prospective, per capita payment from the commissioner in return  
487.4 for the provision of comprehensive and coordinated health care services for eligible  
487.5 individuals enrolled in the program;

487.6 (3) may contract with other health care and social service practitioners to provide  
487.7 services to enrollees; and

487.8 (4) shall institute recipient grievance procedures according to the method established  
487.9 by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved  
487.10 through this process shall be appealable to the commissioner as provided in subdivision 11.

487.11 (b) Demonstration providers must comply with the standards for claims settlement  
487.12 under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health  
487.13 care and social service practitioners to provide services to enrollees. A demonstration  
487.14 provider must pay a clean claim, as defined in Code of Federal Regulations, title 42,  
487.15 section 447.45(b), within 30 business days of the date of acceptance of the claim.

487.16 (c) Managed care plans and county-based purchasing plans must comply with  
487.17 chapter 62M and section 62Q.83.

487.18 Sec. 45. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 1, is  
487.19 amended to read:

487.20 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on  
487.21 or after October 1, 1992, the commissioner shall make payments for physician services  
487.22 as follows:

487.23 (1) payment for level one Centers for Medicare and Medicaid Services' common  
487.24 procedural coding system codes titled "office and other outpatient services," "preventive  
487.25 medicine new and established patient," "delivery, antepartum, and postpartum care,"  
487.26 "critical care," cesarean delivery and pharmacologic management provided to psychiatric  
487.27 patients, and level three codes for enhanced services for prenatal high risk, shall be paid  
487.28 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June  
487.29 30, 1992. If the rate on any procedure code within these categories is different than the  
487.30 rate that would have been paid under the methodology in section 256B.74, subdivision 2,  
487.31 then the larger rate shall be paid;

487.32 (2) payments for all other services shall be paid at the lower of (i) submitted charges,  
487.33 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

487.34 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th  
487.35 percentile of 1989, less the percent in aggregate necessary to equal the above increases

488.1 except that payment rates for home health agency services shall be the rates in effect  
488.2 on September 30, 1992.

488.3 (b) Effective for services rendered on or after January 1, 2000, payment rates for  
488.4 physician and professional services shall be increased by three percent over the rates  
488.5 in effect on December 31, 1999, except for home health agency and family planning  
488.6 agency services. The increases in this paragraph shall be implemented January 1, 2000,  
488.7 for managed care.

488.8 (c) Effective for services rendered on or after July 1, 2009, payment rates for  
488.9 physician and professional services shall be reduced by five percent, except that for the  
488.10 period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent  
488.11 for the medical assistance and general assistance medical care programs, over the rates in  
488.12 effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply  
488.13 to office or other outpatient visits, preventive medicine visits and family planning visits  
488.14 billed by physicians, advanced practice nurses, or physician assistants in a family planning  
488.15 agency or in one of the following primary care practices: general practice, general internal  
488.16 medicine, general pediatrics, general geriatrics, and family medicine. This reduction  
488.17 and the reductions in paragraph (d) do not apply to federally qualified health centers,  
488.18 rural health centers, and Indian health services. Effective October 1, 2009, payments  
488.19 made to managed care plans and county-based purchasing plans under sections 256B.69,  
488.20 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

488.21 (d) Effective for services rendered on or after July 1, 2010, payment rates for  
488.22 physician and professional services shall be reduced an additional seven percent over  
488.23 the five percent reduction in rates described in paragraph (c). This additional reduction  
488.24 does not apply to physical therapy services, occupational therapy services, and speech  
488.25 pathology and related services provided on or after July 1, 2010. This additional reduction  
488.26 does not apply to physician services billed by a psychiatrist or an advanced practice nurse  
488.27 with a specialty in mental health. Effective October 1, 2010, payments made to managed  
488.28 care plans and county-based purchasing plans under sections 256B.69, 256B.692, and  
488.29 256L.12 shall reflect the payment reduction described in this paragraph.

488.30 (e) Effective for services rendered on or after September 1, 2011, through June 30,  
488.31 2013, payment rates for physician and professional services shall be reduced three percent  
488.32 from the rates in effect on August 31, 2011. This reduction does not apply to physical  
488.33 therapy services, occupational therapy services, and speech pathology and related services.

488.34 (f) Effective for services rendered on or after September 1, 2014, payment rates for  
488.35 physician and professional services, including physical therapy, occupational therapy,  
488.36 speech pathology, and mental health services shall be increased by five percent from the



489.1 rates in effect on August 31, 2014. In calculating this rate increase, the commissioner  
489.2 shall not include in the base rate for August 31, 2014, the rate increase provided under  
489.3 section 256B.76, subdivision 7. This increase does not apply to federally qualified health  
489.4 centers, rural health centers, and Indian health services. Payments made to managed  
489.5 care plans and county-based purchasing plans shall not be adjusted to reflect payments  
489.6 under this paragraph.

489.7 (g) Effective for services rendered on or after July 1, 2015, payment rates for  
489.8 physical therapy, occupational therapy, and speech pathology and related services provided  
489.9 by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph  
489.10 (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.  
489.11 Payments made to managed care plans and county-based purchasing plans shall not be  
489.12 adjusted to reflect payments under this paragraph.

489.13 (h) Effective for services provided on or after July 1, 2016, payment rates for  
489.14 primary care services that were eligible for the rate increase in 2013 and 2014 under  
489.15 section 1902(a)(13)(c) of the Social Security Act shall be increased by five percent when  
489.16 that service is provided by a provider meeting one of the following criteria:

489.17 (1) a physician certified in the specialties of family medicine, general internal  
489.18 medicine, pediatric medicine, or obstetric and gynecological medicine; or

489.19 (2) a physician assistant, advanced practice registered nurse, or physician other  
489.20 than a psychiatrist, for whom at least 60 percent of the services for which the provider  
489.21 received payment under medical assistance and MinnesotaCare were for primary care  
489.22 evaluation and management services or vaccine administration services under the Vaccines  
489.23 for Children program. The commissioner shall periodically validate the eligibility of  
489.24 providers who attest to meeting the criteria established under this clause.

489.25 Effective January 1, 2017, capitation payments made to managed care plans  
489.26 and county-based purchasing plans shall be increased to reflect this increase, and the  
489.27 commissioner shall require the plans to pass on the full amount of the increase in the form  
489.28 of higher payment rates to eligible providers. This increase does not apply to federally  
489.29 qualified health centers, rural health centers, and Indian health services.

489.30 Sec. 46. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 2, is  
489.31 amended to read:

489.32 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after  
489.33 October 1, 1992, the commissioner shall make payments for dental services as follows:

489.34 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25  
489.35 percent above the rate in effect on June 30, 1992; and

490.1 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th  
490.2 percentile of 1989, less the percent in aggregate necessary to equal the above increases.

490.3 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments  
490.4 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

490.5 (c) Effective for services rendered on or after January 1, 2000, payment rates for  
490.6 dental services shall be increased by three percent over the rates in effect on December  
490.7 31, 1999.

490.8 (d) Effective for services provided on or after January 1, 2002, payment for  
490.9 diagnostic examinations and dental x-rays provided to children under age 21 shall be the  
490.10 lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

490.11 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1,  
490.12 2000, for managed care.

490.13 (f) Effective for dental services rendered on or after October 1, 2010, by a  
490.14 state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based  
490.15 on the Medicare principles of reimbursement. This payment shall be effective for services  
490.16 rendered on or after January 1, 2011, to recipients enrolled in managed care plans or  
490.17 county-based purchasing plans.

490.18 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics  
490.19 in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal  
490.20 year, a supplemental state payment equal to the difference between the total payments  
490.21 in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated  
490.22 services for the operation of the dental clinics.

490.23 (h) If the cost-based payment system for state-operated dental clinics described in  
490.24 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be  
490.25 designated as critical access dental providers under subdivision 4, paragraph (b), and shall  
490.26 receive the critical access dental reimbursement rate as described under subdivision 4,  
490.27 paragraph (a).

490.28 (i) Effective for services rendered on or after September 1, 2011, through June 30,  
490.29 2013, payment rates for dental services shall be reduced by three percent. This reduction  
490.30 does not apply to state-operated dental clinics in paragraph (f).

490.31 (j) Effective for services rendered on or after January 1, 2014, payment rates for  
490.32 dental services shall be increased by five percent from the rates in effect on December  
490.33 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f),  
490.34 federally qualified health centers, rural health centers, and Indian health services. Effective  
490.35 January 1, 2014, payments made to managed care plans and county-based purchasing

491.1 plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase  
491.2 described in this paragraph.

491.3 (k) Effective for services rendered on or after July 1, 2015, through December  
491.4 31, 2016, the commissioner shall increase payment rates for services furnished by  
491.5 dental providers located outside of the seven-county metropolitan area by the maximum  
491.6 percentage possible above the rates in effect on June 30, 2015, while remaining within  
491.7 the limits of funding appropriated for this purpose. This increase does not apply to  
491.8 state-operated dental clinics in paragraph (f), federally qualified health centers, rural health  
491.9 centers, and Indian health services. Effective January 1, 2016, through December 31,  
491.10 2016, payments to managed care plans and county-based purchasing plans under sections  
491.11 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph. The  
491.12 commissioner shall require managed care and county-based purchasing plans to pass on  
491.13 the full amount of the increase, in the form of higher payment rates to dental providers  
491.14 located outside of the seven-county metropolitan area.

491.15 (l) Effective for services provided on or after January 1, 2017, the commissioner  
491.16 shall increase payment rates by 9.65 percent for dental services provided outside of  
491.17 the seven-county metropolitan area. This increase does not apply to state-operated  
491.18 dental clinics in paragraph (f), federally qualified health centers, rural health centers, or  
491.19 Indian health services. Effective January 1, 2017, payments to managed care plans and  
491.20 county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the  
491.21 payment increase described in this paragraph. The commissioner shall require managed  
491.22 care and county-based purchasing plans to pass on the full amount of the increase in the  
491.23 form of higher payment rates to dental providers for the dental services that are identified  
491.24 for the rate increase in this paragraph.

491.25 (m) Effective for services provided on or after July 1, 2016, payment rates for  
491.26 preventive dental services shall be increased by five percent. Effective January 1, 2017,  
491.27 capitation payments made to managed care plans and county-based purchasing plans shall  
491.28 be increased to reflect this increase, and the commissioner shall require the plans to pass  
491.29 on the full amount of the increase in the form of higher payment rates for these services.  
491.30 This increase does not apply to state-operated dental clinics in paragraph (f), federally  
491.31 qualified health centers, rural health centers, and Indian health services.

491.32 Sec. 47. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 4, is  
491.33 amended to read:

491.34 Subd. 4. **Critical access dental providers.** ~~(a) Effective for dental services rendered~~  
491.35 ~~on or after January 1, 2002,~~ The commissioner shall increase reimbursements to dentists

492.1 and dental clinics deemed by the commissioner to be critical access dental providers. For  
 492.2 dental services rendered on or after July 1, ~~2007~~ 2016, the commissioner shall increase  
 492.3 reimbursement by ~~35~~ 37.5 percent above the reimbursement rate that would otherwise be  
 492.4 paid to the critical access dental provider, except as specified under paragraph (b). The  
 492.5 commissioner shall pay the managed care plans and county-based purchasing plans in  
 492.6 amounts sufficient to reflect increased reimbursements to critical access dental providers  
 492.7 as approved by the commissioner.

492.8 (b) For dental services rendered on or after July 1, 2016, by a dental clinic or dental  
 492.9 group that meets the critical access dental provider designation under paragraph (d),  
 492.10 clause (4), and is owned and operated by a health maintenance organization licensed under  
 492.11 chapter 62D, the commissioner shall increase reimbursement by 35 percent above the  
 492.12 reimbursement rate that would otherwise be paid to the critical access provider.

492.13 ~~(b)~~ (c) Critical access dental payments made under paragraph (a) or (b) for dental  
 492.14 services provided by a critical access dental provider to an enrollee of a managed care plan  
 492.15 or county-based purchasing plan must not reflect any capitated payments or cost-based  
 492.16 payments from the managed care plan or county-based purchasing plan. The managed  
 492.17 care plan or county-based purchasing plan must base the additional critical access dental  
 492.18 payment on the amount that would have been paid for that service had the dental provider  
 492.19 been paid according to the managed care plan or county-based purchasing plan's fee  
 492.20 schedule that applies to dental providers that are not paid under a capitated payment  
 492.21 or cost-based payment.

492.22 (d) The commissioner shall designate the following dentists and dental clinics as  
 492.23 critical access dental providers:

492.24 (1) nonprofit community clinics that:

492.25 (i) have nonprofit status in accordance with chapter 317A;

492.26 (ii) have tax exempt status in accordance with the Internal Revenue Code, section  
 492.27 501(c)(3);

492.28 (iii) are established to provide oral health services to patients who are low income,  
 492.29 uninsured, have special needs, and are underserved;

492.30 (iv) have professional staff familiar with the cultural background of the clinic's  
 492.31 patients;

492.32 (v) charge for services on a sliding fee scale designed to provide assistance to  
 492.33 low-income patients based on current poverty income guidelines and family size;

492.34 (vi) do not restrict access or services because of a patient's financial limitations  
 492.35 or public assistance status; and

492.36 (vii) have free care available as needed;

- 493.1 (2) federally qualified health centers, rural health clinics, and public health clinics;
- 493.2 (3) ~~city or county~~ hospital-based dental clinics owned and operated ~~hospital-based~~
- 493.3 ~~dental clinics~~ by a city, county, or former state hospital as defined in section 62Q.19,
- 493.4 subdivision 1, paragraph (a), clause (4);
- 493.5 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in
- 493.6 accordance with chapter 317A with more than 10,000 patient encounters per year with
- 493.7 patients who are uninsured or covered by medical assistance or MinnesotaCare;
- 493.8 (5) a dental clinic owned and operated by the University of Minnesota or the
- 493.9 Minnesota State Colleges and Universities system; and
- 493.10 (6) private practicing dentists if:
- 493.11 (i) ~~the dentist's office is located within a health professional shortage area as defined~~
- 493.12 ~~under Code of Federal Regulations, title 42, part 5, and United States Code, title 42,~~
- 493.13 ~~section 254E;~~
- 493.14 ~~(ii) more~~ the seven-county metropolitan area and more than 50 percent of the
- 493.15 dentist's patient encounters per year are with patients who are uninsured or covered by
- 493.16 medical assistance or MinnesotaCare; ~~and~~ or
- 493.17 ~~(iii) the level of service provided by the dentist is critical to maintaining adequate~~
- 493.18 ~~levels of patient access within the service area in which the dentist operates.~~
- 493.19 (ii) the dentist's office is located outside the seven-county metropolitan area and
- 493.20 more than 25 percent of the dentist's patient encounters per year are with patients who are
- 493.21 uninsured or covered by medical assistance or MinnesotaCare.

493.22 Sec. 48. Minnesota Statutes 2014, section 256B.761, is amended to read:

493.23 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

493.24 (a) Effective for services rendered on or after July 1, 2001, payment for medication

493.25 management provided to psychiatric patients, outpatient mental health services, day

493.26 treatment services, home-based mental health services, and family community support

493.27 services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the

493.28 50th percentile of 1999 charges.

493.29 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health

493.30 services provided by an entity that operates: (1) a Medicare-certified comprehensive

493.31 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1,

493.32 1993, with at least 33 percent of the clients receiving rehabilitation services in the most

493.33 recent calendar year who are medical assistance recipients, will be increased by 38 percent,

493.34 when those services are provided within the comprehensive outpatient rehabilitation

493.35 facility and provided to residents of nursing facilities owned by the entity.

494.1 (c) The commissioner shall establish three levels of payment for mental health  
494.2 diagnostic assessment, based on three levels of complexity. The aggregate payment under  
494.3 the tiered rates must not exceed the projected aggregate payments for mental health  
494.4 diagnostic assessment under the previous single rate. The new rate structure is effective  
494.5 January 1, 2011, or upon federal approval, whichever is later.

494.6 (d) In addition to rate increases otherwise provided, the commissioner may  
494.7 restructure coverage policy and rates to improve access to adult rehabilitative mental  
494.8 health services under section 256B.0623 and related mental health support services under  
494.9 section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and  
494.10 2016, the projected state share of increased costs due to this paragraph is transferred  
494.11 from adult mental health grants under sections 245.4661 and 256E.12. The transfer for  
494.12 fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments  
494.13 made to managed care plans and county-based purchasing plans under sections 256B.69,  
494.14 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

494.15 (e) Effective for services provided on or after July 1, 2016, payments for outpatient  
494.16 mental health services shall be increased by five percent. Effective January 1, 2017,  
494.17 capitation payments made to managed care plans and county-based purchasing plans shall  
494.18 be increased to reflect this increase, and the commissioner shall require the plans to pass  
494.19 on the full amount of the increase in the form of higher payment rates for these services.  
494.20 This increase is not applicable to federally qualified health centers, rural health centers,  
494.21 Indian health services, other cost-based rates, rates that are negotiated with the county, or  
494.22 rates that are established by the federal government.

494.23 Sec. 49. **[256B.7625] REIMBURSEMENT FOR EVIDENCE-BASED PUBLIC**  
494.24 **HEALTH NURSE HOME VISITS.**

494.25 Effective for services provided on or after January 1, 2017, prenatal and postpartum  
494.26 follow-up home visits provided by public health nurses using evidence-based models  
494.27 shall be paid \$140 per visit. Evidence-based postpartum follow-up home visits must  
494.28 be administered by home visiting programs that meet the United States Department  
494.29 of Health and Human Services criteria for evidence-based models and identified by  
494.30 the commissioner of health as eligible services under the Maternal, Infant, and Early  
494.31 Childhood Home Visiting program. Home visits shall be targeted toward pregnant women  
494.32 and mothers with children up to three years of age. Effective January 1, 2017, capitation  
494.33 payments made to managed care plans and county-based purchasing plans shall be  
494.34 increased to reflect this increase and the commissioner shall require the plans to pass on  
494.35 the full amount of the increase in the form of higher payment rates to the providers.

495.1 Sec. 50. Minnesota Statutes 2015 Supplement, section 256B.766, is amended to read:

495.2 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

495.3 (a) Effective for services provided on or after July 1, 2009, total payments for basic  
495.4 care services, shall be reduced by three percent, except that for the period July 1, 2009,  
495.5 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical  
495.6 assistance and general assistance medical care programs, prior to third-party liability and  
495.7 spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical  
495.8 therapy services, occupational therapy services, and speech-language pathology and  
495.9 related services as basic care services. The reduction in this paragraph shall apply to  
495.10 physical therapy services, occupational therapy services, and speech-language pathology  
495.11 and related services provided on or after July 1, 2010.

495.12 (b) Payments made to managed care plans and county-based purchasing plans shall  
495.13 be reduced for services provided on or after October 1, 2009, to reflect the reduction  
495.14 effective July 1, 2009, and payments made to the plans shall be reduced effective October  
495.15 1, 2010, to reflect the reduction effective July 1, 2010.

495.16 (c) Effective for services provided on or after September 1, 2011, through June 30,  
495.17 2013, total payments for outpatient hospital facility fees shall be reduced by five percent  
495.18 from the rates in effect on August 31, 2011.

495.19 (d) Effective for services provided on or after September 1, 2011, through June  
495.20 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies  
495.21 and durable medical equipment not subject to a volume purchase contract, prosthetics  
495.22 and orthotics, renal dialysis services, laboratory services, public health nursing services,  
495.23 physical therapy services, occupational therapy services, speech therapy services,  
495.24 eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume  
495.25 purchase contract, and anesthesia services shall be reduced by three percent from the  
495.26 rates in effect on August 31, 2011.

495.27 (e) Effective for services provided on or after September 1, 2014, payments  
495.28 for ambulatory surgery centers facility fees, hospice services, renal dialysis services,  
495.29 laboratory services, public health nursing services, eyeglasses not subject to a volume  
495.30 purchase contract, and hearing aids not subject to a volume purchase contract shall be  
495.31 increased by three percent and payments for outpatient hospital facility fees shall be  
495.32 increased by three percent. Payments made to managed care plans and county-based  
495.33 purchasing plans shall not be adjusted to reflect payments under this paragraph.

495.34 (f) Payments for medical supplies and durable medical equipment not subject to a  
495.35 volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014,  
495.36 through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies

496.1 and durable medical equipment not subject to a volume purchase contract, and prosthetics  
496.2 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from  
496.3 the rates as determined under paragraph (i).

496.4 (g) Effective for services provided on or after July 1, 2015, payments for outpatient  
496.5 hospital facility fees, medical supplies and durable medical equipment not subject to a  
496.6 volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital  
496.7 meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4),  
496.8 shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made  
496.9 to managed care plans and county-based purchasing plans shall not be adjusted to reflect  
496.10 payments under this paragraph.

496.11 (h) This section does not apply to physician and professional services, inpatient  
496.12 hospital services, family planning services, mental health services, dental services,  
496.13 prescription drugs, medical transportation, federally qualified health centers, rural health  
496.14 centers, Indian health services, and Medicare cost-sharing.

496.15 (i) ~~Effective July 1, 2015, the medical assistance payment rate for durable medical~~  
496.16 ~~equipment, prosthetics, orthotics, or supplies shall be restored to the January 1, 2008,~~  
496.17 ~~medical assistance fee schedule, updated to include subsequent rate increases in the~~  
496.18 ~~Medicare and medical assistance fee schedules, and including following categories of~~  
496.19 ~~durable medical equipment shall be individually priced items for the following categories:~~  
496.20 ~~enteral nutrition and supplies, customized and other specialized tracheostomy tubes and~~  
496.21 ~~supplies, electric patient lifts, and durable medical equipment repair and service. This~~  
496.22 ~~paragraph does not apply to medical supplies and durable medical equipment subject to~~  
496.23 ~~a volume purchase contract, products subject to the preferred diabetic testing supply~~  
496.24 ~~program, and items provided to dually eligible recipients when Medicare is the primary~~  
496.25 ~~payer for the item. The commissioner shall not apply any medical assistance rate~~  
496.26 ~~reductions to durable medical equipment as a result of Medicare competitive bidding.~~

496.27 (j) Effective July 1, 2015, medical assistance payment rates for durable medical  
496.28 equipment, prosthetics, orthotics, or supplies shall be increased as follows:

496.29 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies  
496.30 that were subject to the Medicare 2008 competitive bid shall be increased by 9.5 percent;  
496.31 and

496.32 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies  
496.33 on the medical assistance fee schedule, whether or not subject to the Medicare 2008  
496.34 competitive bid, shall be increased by 2.94 percent, with this increase being applied after  
496.35 calculation of any increased payment rate under clause (1).



497.1 This paragraph does not apply to medical supplies and durable medical equipment subject  
497.2 to a volume purchase contract, products subject to the preferred diabetic testing supply  
497.3 program, items provided to dually eligible recipients when Medicare is the primary payer  
497.4 for the item, and individually priced items identified in paragraph (i). Payments made to  
497.5 managed care plans and county-based purchasing plans shall not be adjusted to reflect the  
497.6 rate increases in this paragraph.

497.7 Sec. 51. Minnesota Statutes 2014, section 256L.01, subdivision 1a, is amended to read:

497.8 Subd. 1a. **Child.** "Child" means an individual under 21 years of age, ~~including the~~  
497.9 ~~unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's~~  
497.10 ~~spouse.~~

497.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

497.12 Sec. 52. Minnesota Statutes 2015 Supplement, section 256L.01, subdivision 5, is  
497.13 amended to read:

497.14 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross  
497.15 income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means  
497.16 a household's ~~projected annual income for the applicable tax year~~ current income, or if  
497.17 income fluctuates month to month, the income for the 12-month eligibility period.

497.18 **EFFECTIVE DATE.** This section is effective July 1, 2017.

497.19 Sec. 53. Minnesota Statutes 2015 Supplement, section 256L.03, subdivision 5, is  
497.20 amended to read:

497.21 Subd. 5. **Cost-sharing.** (a) Except as otherwise provided in this subdivision, the  
497.22 MinnesotaCare benefit plan shall include the following cost-sharing requirements for all  
497.23 enrollees:

497.24 (1) \$3 per prescription for adult enrollees;

497.25 (2) \$25 for eyeglasses for adult enrollees;

497.26 (3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an  
497.27 episode of service which is required because of a recipient's symptoms, diagnosis, or  
497.28 established illness, and which is delivered in an ambulatory setting by a physician or  
497.29 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,  
497.30 audiologist, optician, or optometrist;

497.31 (4) \$6 for nonemergency visits to a hospital-based emergency room for services  
497.32 provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

498.1 (5) a family deductible equal to \$2.75 per month per family and adjusted annually  
498.2 by the percentage increase in the medical care component of the CPI-U for the period  
498.3 of September to September of the preceding calendar year, rounded to the next-higher  
498.4 five cent increment.

498.5 (b) Paragraph (a) does not apply to children under the age of 21 and to American  
498.6 Indians as defined in Code of Federal Regulations, title 42, section 447.51.

498.7 (c) Paragraph (a), clause (3), does not apply to mental health services.

498.8 (d) MinnesotaCare reimbursements to fee-for-service providers and payments to  
498.9 managed care plans or county-based purchasing plans shall not be increased as a result of  
498.10 the reduction of the co-payments in paragraph (a), clause (4), effective January 1, 2011.

498.11 (e) The commissioner, through the contracting process under section 256L.12,  
498.12 may allow managed care plans and county-based purchasing plans to waive the family  
498.13 deductible under paragraph (a), clause (5). The value of the family deductible shall not be  
498.14 included in the capitation payment to managed care plans and county-based purchasing  
498.15 plans. Managed care plans and county-based purchasing plans shall certify annually to the  
498.16 commissioner the dollar value of the family deductible.

498.17 (f) The commissioner shall increase co-payments for covered services in a manner  
498.18 sufficient to reduce the actuarial value of the benefit to 94 percent for recipients with  
498.19 incomes not exceeding 200 percent of the federal poverty guidelines. The commissioner  
498.20 shall increase co-payments for covered services in a manner sufficient to reduce the  
498.21 actuarial value of the benefit to 87 percent for recipients with incomes greater than  
498.22 200 percent but not exceeding 250 percent of the federal poverty guidelines. The  
498.23 commissioner shall increase co-payments for covered services in a manner sufficient to  
498.24 reduce the actuarial value of the benefit to 80 percent for recipients with incomes greater  
498.25 than 250 percent but not exceeding 275 percent of the federal poverty guidelines. The  
498.26 cost-sharing changes described in this paragraph do not apply to eligible recipients or  
498.27 services exempt from cost-sharing under state law. ~~The cost-sharing changes described in~~  
498.28 this paragraph shall not be implemented prior to January 1, 2016.

498.29 (g) The cost-sharing changes authorized under paragraph (f) must satisfy the  
498.30 requirements for cost-sharing under the Basic Health Program as set forth in Code of  
498.31 Federal Regulations, title 42, sections 600.510 and 600.520.

498.32 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal  
498.33 approval, whichever is later. The commissioner of human services shall notify the revisor  
498.34 of statutes when federal approval is obtained.

498.35 Sec. 54. Minnesota Statutes 2014, section 256L.04, subdivision 1, is amended to read:

499.1 Subdivision 1. **Families with children.** Families with children with family income  
 499.2 above 133 percent of the federal poverty guidelines and equal to or less than ~~200~~ 275  
 499.3 percent of the federal poverty guidelines for the applicable family size shall be eligible  
 499.4 for MinnesotaCare according to this section. All other provisions of sections 256L.01 to  
 499.5 256L.18 shall apply unless otherwise specified. Children under age 19 with family income  
 499.6 at or below ~~200~~ 275 percent of the federal poverty guidelines and who are ineligible for  
 499.7 medical assistance by sole reason of the application of federal household composition  
 499.8 rules for medical assistance are eligible for MinnesotaCare.

499.9 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal  
 499.10 approval, whichever is later. The commissioner of human services shall notify the revisor  
 499.11 of statutes when federal approval is obtained.

499.12 Sec. 55. Minnesota Statutes 2014, section 256L.04, subdivision 1a, is amended to read:

499.13 Subd. 1a. **Social Security number required.** ~~(a)~~ Individuals and families applying  
 499.14 for MinnesotaCare coverage must provide a Social Security number if required by Code  
 499.15 of Federal Regulations, title 45, section 155.310(a)(3).

499.16 ~~(b) The commissioner shall not deny eligibility to an otherwise eligible applicant~~  
 499.17 ~~who has applied for a Social Security number and is awaiting issuance of that Social~~  
 499.18 ~~Security number.~~

499.19 ~~(c) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the~~  
 499.20 ~~requirements of this subdivision.~~

499.21 ~~(d) Individuals who refuse to provide a Social Security number because of~~  
 499.22 ~~well-established religious objections are exempt from the requirements of this subdivision.~~  
 499.23 ~~The term "well-established religious objections" has the meaning given in Code of Federal~~  
 499.24 ~~Regulations, title 42, section 435.910.~~

499.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

499.26 Sec. 56. Minnesota Statutes 2014, section 256L.04, subdivision 2, is amended to read:

499.27 Subd. 2. **Third-party liability, paternity, and other medical support.** ~~(a) To be~~  
 499.28 ~~eligible for MinnesotaCare,~~ Individuals and families ~~must~~ may cooperate with the state  
 499.29 agency to identify potentially liable third-party payers and assist the state in obtaining  
 499.30 third-party payments. "Cooperation" includes, but is not limited to, complying with  
 499.31 the notice requirements in section 256B.056, subdivision 9, identifying any third party  
 499.32 who may be liable for care and services provided under MinnesotaCare to the enrollee,

500.1 providing relevant information to assist the state in pursuing a potentially liable third  
 500.2 party, and completing forms necessary to recover third-party payments.

500.3 ~~(b) A parent, guardian, relative caretaker, or child enrolled in the MinnesotaCare~~  
 500.4 ~~program must cooperate with the Department of Human Services and the local agency in~~  
 500.5 ~~establishing the paternity of an enrolled child and in obtaining medical care support and~~  
 500.6 ~~payments for the child and any other person for whom the person can legally assign rights,~~  
 500.7 ~~in accordance with applicable laws and rules governing the medical assistance program. A~~  
 500.8 ~~child shall not be ineligible for or disenrolled from the MinnesotaCare program solely~~  
 500.9 ~~because the child's parent, relative caretaker, or guardian fails to cooperate in establishing~~  
 500.10 ~~paternity or obtaining medical support.~~

500.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

500.12 Sec. 57. Minnesota Statutes 2014, section 256L.04, subdivision 7, is amended to read:

500.13 Subd. 7. **Single adults and households with no children.** The definition of eligible  
 500.14 persons includes all individuals and families with no children who have incomes that  
 500.15 are above 133 percent and equal to or less than ~~200~~ 275 percent of the federal poverty  
 500.16 guidelines for the applicable family size.

500.17 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal  
 500.18 approval, whichever is later. The commissioner of human services shall notify the revisor  
 500.19 of statutes when federal approval is obtained.

500.20 Sec. 58. Minnesota Statutes 2015 Supplement, section 256L.04, subdivision 7b,  
 500.21 is amended to read:

500.22 Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the  
 500.23 income limits under this section annually ~~on January~~ each July 1 as ~~provided~~ described in  
 500.24 Code of Federal Regulations, title 26, section 1.36B-1(h) section 256B.056, subdivision 1c.

500.25 **EFFECTIVE DATE.** This section is effective July 1, 2017.

500.26 Sec. 59. Minnesota Statutes 2015 Supplement, section 256L.05, subdivision 3a,  
 500.27 is amended to read:

500.28 Subd. 3a. **Redetermination of eligibility.** (a) An enrollee's eligibility must be  
 500.29 redetermined on an annual basis, in accordance with Code of Federal Regulations, title  
 500.30 42, section 435.916(a). ~~The period of eligibility is the entire calendar year following the~~  
 500.31 ~~year in which eligibility is redetermined. Beginning in calendar year 2015, eligibility~~  
 500.32 ~~redeterminations shall occur during the open enrollment period for qualified health plans as~~

501.1 ~~specified in Code of Federal Regulations, title 45, section 155.410.~~ The 12-month eligibility  
501.2 period begins the month of application. Beginning July 1, 2017, the commissioner shall  
501.3 adjust the eligibility period for enrollees to implement renewals throughout the year  
501.4 according to guidance from the Centers for Medicare and Medicaid Services.

501.5 (b) Each new period of eligibility must take into account any changes in  
501.6 circumstances that impact eligibility and premium amount. Coverage begins as provided  
501.7 in section 256L.06.

501.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

501.9 Sec. 60. Minnesota Statutes 2015 Supplement, section 256L.06, subdivision 3, is  
501.10 amended to read:

501.11 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the  
501.12 commissioner for MinnesotaCare.

501.13 (b) The commissioner shall develop and implement procedures to: (1) require  
501.14 enrollees to report changes in income; (2) adjust sliding scale premium payments, based  
501.15 upon both increases and decreases in enrollee income, at the time the change in income  
501.16 is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required  
501.17 premiums. Failure to pay includes payment with a dishonored check, a returned automatic  
501.18 bank withdrawal, or a refused credit card or debit card payment. The commissioner may  
501.19 demand a guaranteed form of payment, including a cashier's check or a money order, as  
501.20 the only means to replace a dishonored, returned, or refused payment.

501.21 (c) Premiums are calculated on a calendar month basis and may be paid on a  
501.22 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the  
501.23 commissioner of the premium amount required. The commissioner shall inform applicants  
501.24 and enrollees of these premium payment options. Premium payment is required before  
501.25 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments  
501.26 received before noon are credited the same day. Premium payments received after noon  
501.27 are credited on the next working day.

501.28 (d) Nonpayment of the premium will result in disenrollment from the plan effective  
501.29 for the calendar month following the month for which the premium was due. Persons  
501.30 disenrolled for nonpayment may not reenroll prior to the first day of the month following  
501.31 the payment of an amount equal to two months' premiums.

501.32 (e) The commissioner shall forgive the past-due premium for persons disenrolled  
501.33 under paragraph (d) prior to issuing a premium invoice for the fourth month following  
501.34 disenrollment.

502.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

502.2 Sec. 61. Minnesota Statutes 2014, section 256L.07, subdivision 1, is amended to read:

502.3 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare  
 502.4 under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under  
 502.5 section 256L.04, subdivision 7, whose income increases above ~~200 percent of the federal~~  
 502.6 ~~poverty guidelines~~ the maximum income eligibility limit in section 256L.04, subdivision 1  
 502.7 or 7, are no longer eligible for the program and shall be disenrolled by the commissioner.  
 502.8 For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the  
 502.9 last day of the calendar month ~~following the month~~ in which the commissioner ~~determines~~  
 502.10 ~~that~~ sends advance notice in accordance with Code of Federal Regulations, title 42, section  
 502.11 431.211, that indicates the income of a family or individual exceeds program income limits.

502.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

502.13 Sec. 62. Minnesota Statutes 2014, section 256L.11, subdivision 7, is amended to read:

502.14 Subd. 7. **Critical access dental providers.** Effective for dental services provided to  
 502.15 MinnesotaCare enrollees on or after ~~January 1, 2007, through August 31, 2011~~ July 1,  
 502.16 2016, the commissioner shall increase payment rates to dentists and dental clinics deemed  
 502.17 by the commissioner to be critical access providers under section 256B.76, subdivision  
 502.18 4, ~~by 50 percent above the payment rate that would otherwise be paid to the provider.~~  
 502.19 ~~Effective for dental services provided on or after September 1, 2011, the commissioner~~  
 502.20 ~~shall increase the payment rate by 30~~ 32.5 percent above the payment rate that would  
 502.21 otherwise be paid to the provider, except for a dental clinic or dental group described in  
 502.22 section 256B.76, subdivision 4, paragraph (b), in which the commissioner shall increase  
 502.23 the payment rate by 30 percent above the payment rate that would otherwise be paid to  
 502.24 the provider. The commissioner shall pay the prepaid health plans under contract with  
 502.25 the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan  
 502.26 must pass this rate increase to providers who have been identified by the commissioner as  
 502.27 critical access dental providers under section 256B.76, subdivision 4.

502.28 Sec. 63. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 1, is  
 502.29 amended to read:

502.30 Subdivision 1. **Premium determination for MinnesotaCare.** (a) Families with  
 502.31 children and individuals shall pay a premium determined according to subdivision 2.

502.32 (b) Members of the military and their families who meet the eligibility criteria  
 502.33 for MinnesotaCare upon eligibility approval made within 24 months following the end

503.1 of the member's tour of active duty shall have their premiums paid by the commissioner.  
503.2 The effective date of coverage for an individual or family who meets the criteria of this  
503.3 paragraph shall be the first day of the month following the month in which eligibility is  
503.4 approved. This exemption applies for 12 months.

503.5 (c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their  
503.6 families shall have their premiums waived by the commissioner in accordance with section  
503.7 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An  
503.8 individual must ~~document~~ indicate status as an American Indian, as defined under Code of  
503.9 Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums. The  
503.10 commissioner shall accept attestation of an individual's status as an American Indian as  
503.11 verification until the United States Department of Health and Human Services approves  
503.12 an electronic data source for this purpose.

503.13 (d) For premiums effective August 1, 2015, and after, the commissioner, after  
503.14 consulting with the chairs and ranking minority members of the legislative committees  
503.15 with jurisdiction over human services, shall increase premiums under subdivision 2  
503.16 for recipients based on June 2015 program enrollment. Premium increases shall be  
503.17 sufficient to increase projected revenue to the fund described in section 16A.724 by at  
503.18 least \$27,800,000 for the biennium ending June 30, 2017. The commissioner shall publish  
503.19 the revised premium scale on the Department of Human Services Web site and in the State  
503.20 Register no later than June 15, 2015. The revised premium scale applies to all premiums  
503.21 on or after August 1, 2015, in place of the scale under subdivision 2.

503.22 (e) By July 1, 2015, the commissioner shall provide the chairs and ranking minority  
503.23 members of the legislative committees with jurisdiction over human services the revised  
503.24 premium scale effective August 1, 2015, and statutory language to codify the revised  
503.25 premium schedule.

503.26 (f) Premium changes authorized under paragraph (d) must only apply to enrollees  
503.27 not otherwise excluded from paying premiums under state or federal law. Premium  
503.28 changes authorized under paragraph (d) must satisfy the requirements for premiums for  
503.29 the Basic Health Program under title 42 of Code of Federal Regulations, section 600.505.

503.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

503.31 Sec. 64. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 2, is  
503.32 amended to read:

503.33 Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The  
503.34 commissioner shall establish a sliding fee scale to determine the percentage of monthly  
503.35 individual or family income that households at different income levels must pay to obtain

504.1 coverage through the MinnesotaCare program. The sliding fee scale must be based on the  
504.2 enrollee's monthly individual or family income.

504.3 (b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums  
504.4 according to the premium scale specified in paragraph (d).

504.5 (c) Paragraph (b) does not apply to:

504.6 (1) children 20 years of age or younger; and

504.7 (2) individuals with household incomes below 35 percent of the federal poverty  
504.8 guidelines.

504.9 (d) The following premium scale is established for each individual in the household  
504.10 who is 21 years of age or older and enrolled in MinnesotaCare:

504.11	<b>Federal Poverty Guideline</b>	<b>Less than</b>	<b>Individual Premium</b>
504.12	<b>Greater than or Equal to</b>		<b>Amount</b>
504.13	35%	55%	\$4
504.14	55%	80%	\$6
504.15	80%	90%	\$8
504.16	90%	100%	\$10
504.17	100%	110%	\$12
504.18	110%	120%	\$14
504.19	120%	130%	\$15
504.20	130%	140%	\$16
504.21	140%	150%	\$25
504.22	150%	160%	\$29
504.23	160%	170%	\$33
504.24	170%	180%	\$38
504.25	180%	190%	\$43
504.26	190%		\$50

504.27 (e) The commissioner shall extend the premium scale specified in paragraph (d) to  
504.28 include individuals with incomes greater than 200 percent but not exceeding 275 percent  
504.29 of the federal poverty guidelines, such that individuals with incomes at 201 percent of  
504.30 the federal poverty guidelines shall pay 4.09 percent of income, individuals with incomes  
504.31 at 251 percent of the federal poverty guidelines shall pay 7.26 percent of income, and  
504.32 individuals with incomes at 275 percent of the federal poverty guidelines shall pay 8.83  
504.33 percent of income. The commissioner shall set other premium amounts in a proportional  
504.34 manner using evenly spaced income steps.

504.35 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal  
504.36 approval, whichever is later. The commissioner of human services shall notify the revisor  
504.37 of statutes when federal approval is obtained.



505.1 Sec. 65. **FEDERAL WAIVER.**

505.2 Subdivision 1. Waiver goals. (a) The commissioner of human services, in  
505.3 consultation with the commissioners of health and commerce, and the executive director  
505.4 of MNsure, shall seek the necessary federal waiver authority from the United States  
505.5 Department of Health and Human Services to design and operate a seamless and  
505.6 sustainable health coverage continuum that reduces barriers to care, eases the transition  
505.7 across the continuum for consumers, and ensures access to comprehensive and affordable  
505.8 health care coverage. The waiver request shall include all proposals described in this  
505.9 section and the commissioner shall seek authority to secure all federal funding available  
505.10 to meet the proposals as described under this section. This includes available Medicaid  
505.11 funding and all premium tax credits and cost-sharing subsidies available under United  
505.12 States Code, title 26, section 36B, and United States Code, title 42, section 18071, as  
505.13 applicable to each proposal.

505.14 (b) The waiver request must incorporate:

505.15 (1) the alignment of eligibility, benefits, and enrollment requirements across  
505.16 insurance affordability programs, including a common income methodology, 12 months of  
505.17 continuous eligibility for families and children enrolled in medical assistance, consistent  
505.18 household composition rules, and a common definition of "American Indian";

505.19 (2) multipayer alignment across the health care coverage continuum that promotes  
505.20 health equity, including consistent payment methodologies across payers and products and  
505.21 similar coverage and contracting requirements across insurance affordability programs  
505.22 or product options; and

505.23 (3) innovative reforms to promote cost neutrality and sustainability, including  
505.24 prospective and outcome-based payment for collaborative organizations and primary  
505.25 care providers.

505.26 (c) In developing this federal waiver request, the commissioner shall coordinate with  
505.27 the appropriate state agencies and consult with stakeholder groups and consumers. The  
505.28 commissioner shall work with the commissioner of health for the purpose of analyzing the  
505.29 differences in the utilization of services and provider payment rates across markets. The  
505.30 commissioner may prioritize through separate waiver submissions the proposals described  
505.31 in paragraph (b) and subdivisions 3, 4, and 5 to the extent necessary to ensure conformity  
505.32 with the federal waiver application requirements.

505.33 (d) The commissioner is authorized to seek any available waivers or federal  
505.34 approvals to accomplish the goals and proposals under this section prior to January 1, 2018.

505.35 Subd. 2. Expansion of the MinnesotaCare program. (a) As part of the waiver  
505.36 request under subdivision 1, the commissioner shall seek authority to:

506.1 (1) expand MinnesotaCare to include persons with incomes up to 275 percent of  
506.2 federal poverty guidelines under section 1332 of the Affordable Care Act;

506.3 (2) modify MinnesotaCare premiums and cost-sharing to smooth affordability cliffs  
506.4 between insurance affordability programs; and

506.5 (3) receive for all MinnesotaCare enrollees, including but not limited to those with  
506.6 incomes at or below 275 percent of the federal poverty guidelines, the full amount of  
506.7 advanced premium tax credits, and cost-sharing reductions that these individuals would  
506.8 have otherwise received if they obtained qualified health plan coverage through MNsure.

506.9 (b) The commissioner shall notify the chairs and ranking minority members of the  
506.10 legislative committees with jurisdiction over health care finances when federal approval is  
506.11 obtained for this proposal.

506.12 (c) Upon federal approval, the commissioner is authorized to accept and expend  
506.13 federal funds that support the purpose of this subdivision.

506.14 Subd. 3. **Access to employer health coverage.** The commissioner shall include  
506.15 in the waiver request under subdivision 1 the ability for individuals who have access to  
506.16 health coverage through a spouse's or parent's employer that is deemed minimum essential  
506.17 coverage under Code of Federal Regulations, title 26, section 1.36B-2, and the portion of  
506.18 the annual premium the employee pays for employee and dependent coverage exceeds  
506.19 the required contribution percentage as described in Code of Federal Regulations, title  
506.20 26, section 1.36B-2, to:

506.21 (1) enroll in the MinnesotaCare program if all eligibility requirements are met,  
506.22 except for the eligibility requirements in Minnesota Statutes, section 256L.07, subdivision  
506.23 2, paragraph (a); and

506.24 (2) be eligible for advanced premium tax credits and cost-sharing credits under Code  
506.25 of Federal Regulations, title 26, section 1.36B-2, as applicable to their household income  
506.26 when purchasing a qualified health plan through MNsure, for individuals whose income is  
506.27 above the maximum income eligibility limit under Minnesota Statutes, section 256L.04,  
506.28 subdivision 1 or 7, but less than 400 percent of federal poverty guidelines.

506.29 Subd. 4. **MinnesotaCare public option.** (a) The commissioner shall include as  
506.30 part of the waiver request under subdivision 1, the authority to establish a public option  
506.31 that allows individuals with income above the maximum income eligibility limit under  
506.32 Minnesota Statutes, section 256L.04, subdivision 1 or 7, and who otherwise meet the  
506.33 MinnesotaCare eligibility requirements to purchase coverage through MinnesotaCare  
506.34 instead of purchasing a qualified health plan through MNsure, or an individual health  
506.35 plan offered outside of MNsure. The MinnesotaCare public option shall coordinate  
506.36 the administration of the public option with the MinnesotaCare program to maximize

507.1 efficiency and improve the continuity of care. The commissioner shall seek to implement  
507.2 mechanisms to ensure the long-term financial sustainability of MinnesotaCare and  
507.3 mitigate any adverse financial impacts to MNsure. These mechanisms must address issues  
507.4 related to minimizing adverse selection; the state's financial risk and contribution; and  
507.5 impacts to premiums in the individual and group insurance market both inside and outside  
507.6 of MNsure, to health care provider payment rates, and to the financial stability of urban,  
507.7 rural, and safety net providers.

507.8 (b) The commissioner shall also seek federal authority for individuals who qualify  
507.9 for the purchase option to use advanced tax credits and cost-sharing credits, if eligible, to  
507.10 purchase the public option and to permit the public option to be offered through MNsure  
507.11 to be compared with qualified health plans.

507.12 (c) The public option shall include, at a minimum, the following:

507.13 (1) establishment of an annual per enrollee premium rate similar to the average rate  
507.14 paid by the state to managed care plan contractors under Minnesota Statutes, section  
507.15 256L.12;

507.16 (2) establishment of a benefit set equal to the benefits covered under MinnesotaCare  
507.17 under Minnesota Statutes, section 256L.03;

507.18 (3) limiting annual enrollment to the same annual open enrollment periods  
507.19 established for MNsure;

507.20 (4) ability of the commissioner to adjust the purchase option's actuarial value to a  
507.21 value no lower than 87 percent;

507.22 (5) reimbursement mechanisms for addressing potential reductions in funding for  
507.23 MNsure operations; and

507.24 (6) reimbursement mechanisms for addressing potential increased cost to the  
507.25 MinnesotaCare program under Minnesota Statutes, chapter 256L.

507.26 (d) In preparing the actuarial analysis necessary for this portion of the waiver  
507.27 request, the commissioner may coordinate with the University of Minnesota School of  
507.28 Public Health.

507.29 Subd. 5. **Alternative open enrollment.** (a) The commissioner, in consultation with  
507.30 the commissioners of commerce and health, shall include in the waiver request under  
507.31 subdivision 1 the necessary approval to replace the annual open enrollment period in  
507.32 the individual health market required under the Affordable Care Act with an alternative  
507.33 open enrollment period for qualified health plans offered through MNsure and individual  
507.34 health plans offered outside of MNsure. The alternative open enrollment period must be  
507.35 of equal length as the existing annual open enrollment period and must not begin before  
507.36 the federal individual tax filing deadline.

508.1 (b) The enrollment period described in paragraph (a) shall be limited to a specific  
508.2 period of time. Special open enrollment periods as defined under the Affordable Care Act  
508.3 shall continue to apply.

508.4 Subd. 6. **Report.** On March 1, 2017, the commissioner shall report to the chairs  
508.5 and ranking minority members of the legislative committees with jurisdiction over health  
508.6 care policy and finance on the progress of receiving a federal waiver, including the results  
508.7 of actuarial analyses on the broader impact to the health insurance market required for  
508.8 waiver submission and recommendations on necessary statutory changes, including the  
508.9 expected fiscal impact to the state.

508.10 Subd. 7. **Implementation.** Implementation of the proposals contained in the waiver  
508.11 request under this section shall be contingent upon necessary federal approval, and  
508.12 subsequent statutory changes and state financial contributions, except for subdivision 2,  
508.13 which shall be effective January 1, 2018, or upon federal approval, whichever is later.

508.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

508.15 Sec. 66. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; NOTICE.**

508.16 For all individuals that received medical assistance non-long term care services on  
508.17 or after July 1, 2014, the commissioner of human services must provide notice of the 2016  
508.18 amendments to Minnesota Statutes, section 256B.15, subdivisions 1a and 2. The notice  
508.19 must be provided within 90 days from the date of enactment.

508.20 Sec. 67. **REQUEST FOR INFORMATION ON A PRIVATIZED STATE-BASED**  
508.21 **MARKETPLACE MODEL.**

508.22 (a) The commissioner of management and budget, in consultation with the  
508.23 commissioners of human services, commerce, health, MN.IT, the executive director of  
508.24 MNsure, and interested stakeholders, shall develop a request for information to consider  
508.25 the feasibility for a private vendor to provide the technology functionality for the  
508.26 individual market and small business health options program (SHOP) market currently  
508.27 provided by MNsure. The request shall seek options for a privately run automated system  
508.28 and may involve existing "off-the-shelf" products or customized solutions, or both. The  
508.29 system must provide certain core functions including eligibility and enrollment functions,  
508.30 plan management, consumer outreach and assistance, and the ability for consumers to  
508.31 compare and choose different qualified health plans or group health plans. The system  
508.32 must have account transfer functionality to accept application handoffs compatible with  
508.33 the Medicaid and MinnesotaCare eligibility and enrollment system maintained by the  
508.34 Department of Human Services.

509.1 (b) The commissioner shall report to the governor and legislature the results of  
 509.2 the request for information and an analysis of the option for a privatized marketplace,  
 509.3 including estimated costs by December 15, 2016.

509.4 Sec. 68. **REPEALER.**

509.5 (a) Minnesota Statutes 2014, section 256B.059, subdivision 1a, is repealed.

509.6 (b) Minnesota Statutes 2014, sections 256L.04, subdivisions 2a and 8; 256L.22;  
 509.7 256L.24; 256L.26; and 256L.28, are repealed.

509.8 **EFFECTIVE DATE.** Paragraph (a) is effective June 1, 2016. Paragraph (b) is  
 509.9 effective the day following final enactment.

## 509.10 **ARTICLE 26**

### 509.11 **HEALTH DEPARTMENT**

509.12 Section 1. Minnesota Statutes 2014, section 13.3805, is amended by adding a  
 509.13 subdivision to read:

509.14 Subd. 5. **Radon testing and mitigation data.** Data maintained by the Department  
 509.15 of Health that identify the address of a radon testing or mitigation site, and the name,  
 509.16 address, e-mail address, and telephone number of residents and residential property owners  
 509.17 of a radon testing or mitigation site, are private data on individuals or nonpublic data.

509.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

509.19 Sec. 2. Minnesota Statutes 2014, section 13.3806, subdivision 22, is amended to read:

509.20 Subd. 22. **Medical use of cannabis data.** Data collected under the registry program  
 509.21 authorized under sections 152.22 to 152.37 are governed by sections 152.25, subdivision  
 509.22 1; 152.27, subdivision 8; 152.28, subdivision 2; and 152.37, subdivision 3.

509.23 Sec. 3. Minnesota Statutes 2014, section 62D.04, subdivision 1, is amended to read:

509.24 Subdivision 1. **Application review.** Upon receipt of an application for a certificate  
 509.25 of authority, the commissioner of health shall determine whether the applicant for a  
 509.26 certificate of authority has:

509.27 (a) demonstrated the willingness and potential ability to assure that health care  
 509.28 services will be provided in such a manner as to enhance and assure both the availability  
 509.29 and accessibility of adequate personnel and facilities;

509.30 (b) arrangements for an ongoing evaluation of the quality of health care, including a  
 509.31 peer review process;

510.1 (c) a procedure to develop, compile, evaluate, and report statistics relating to the  
510.2 cost of its operations, the pattern of utilization of its services, the quality, availability and  
510.3 accessibility of its services, and such other matters as may be reasonably required by  
510.4 regulation of the commissioner of health;

510.5 (d) reasonable provisions for emergency and out of area health care services;

510.6 (e) demonstrated that it is financially responsible and may reasonably be expected to  
510.7 meet its obligations to enrollees and prospective enrollees. In making this determination,  
510.8 the commissioner of health shall require the amount of initial net worth required in section  
510.9 62D.042, compliance with the risk-based capital standards under sections 60A.50 to  
510.10 60A.592, the deposit required in section 62D.041, and in addition shall consider:

510.11 (1) the financial soundness of its arrangements for health care services and the  
510.12 proposed schedule of charges used in connection therewith;

510.13 (2) arrangements which will guarantee for a reasonable period of time the continued  
510.14 availability or payment of the cost of health care services in the event of discontinuance of  
510.15 the health maintenance organization; and

510.16 (3) agreements with providers for the provision of health care services;

510.17 (f) demonstrated that it will assume full financial risk on a prospective basis for  
510.18 the provision of comprehensive health maintenance services, including hospital care;  
510.19 provided, however, that the requirement in this paragraph shall not prohibit the following:

510.20 (1) a health maintenance organization from obtaining insurance or making  
510.21 other arrangements (i) for the cost of providing to any enrollee comprehensive health  
510.22 maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for  
510.23 the cost of providing comprehensive health care services to its members on a nonelective  
510.24 emergency basis, or while they are outside the area served by the organization, or (iii) for  
510.25 not more than 95 percent of the amount by which the health maintenance organization's  
510.26 costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

510.27 (2) a health maintenance organization from having a provision in a group health  
510.28 maintenance contract allowing an adjustment of premiums paid based upon the actual  
510.29 health services utilization of the enrollees covered under the contract, except that at no  
510.30 time during the life of the contract shall the contract holder fully self-insure the financial  
510.31 risk of health care services delivered under the contract. Risk sharing arrangements shall  
510.32 be subject to the requirements of sections 62D.01 to 62D.30;

510.33 (g) demonstrated that it has made provisions for and adopted a conflict of interest  
510.34 policy applicable to all members of the board of directors and the principal officers of the  
510.35 health maintenance organization. The conflict of interest policy shall include the procedures  
510.36 described in section 317A.255, subdivisions 1 and 2. However, the commissioner is

511.1 not precluded from finding that a particular transaction is an unreasonable expense as  
511.2 described in section 62D.19 even if the directors follow the required procedures; and  
511.3 (h) otherwise met the requirements of sections 62D.01 to 62D.30.

511.4 Sec. 4. Minnesota Statutes 2014, section 62D.08, subdivision 3, is amended to read:

511.5 Subd. 3. **Report requirements.** Such report shall be on forms prescribed by the  
511.6 commissioner of health, and shall include:

511.7 (a) a financial statement of the organization, including its balance sheet and receipts  
511.8 and disbursements for the preceding year certified by an independent certified public  
511.9 accountant, reflecting at least (1) all prepayment and other payments received for health  
511.10 care services rendered, (2) expenditures to all providers, by classes or groups of providers,  
511.11 and insurance companies or nonprofit health service plan corporations engaged to fulfill  
511.12 obligations arising out of the health maintenance contract, (3) expenditures for capital  
511.13 improvements, or additions thereto, including but not limited to construction, renovation  
511.14 or purchase of facilities and capital equipment, and (4) a supplementary statement of  
511.15 assets, liabilities, premium revenue, and expenditures for risk sharing business under  
511.16 section 62D.04, subdivision 1, on forms prescribed by the commissioner;

511.17 (b) the number of new enrollees enrolled during the year, the number of group  
511.18 enrollees and the number of individual enrollees as of the end of the year and the number  
511.19 of enrollees terminated during the year;

511.20 (c) a summary of information compiled pursuant to section 62D.04, subdivision 1,  
511.21 clause (c), in such form as may be required by the commissioner of health;

511.22 (d) a report of the names and addresses of all persons set forth in section 62D.03,  
511.23 subdivision 4, clause (c), who were associated with the health maintenance organization  
511.24 or the major participating entity during the preceding year, and the amount of wages,  
511.25 expense reimbursements, or other payments to such individuals for services to the health  
511.26 maintenance organization or the major participating entity, as those services relate to the  
511.27 health maintenance organization, including a full disclosure of all financial arrangements  
511.28 during the preceding year required to be disclosed pursuant to section 62D.03, subdivision  
511.29 4, clause (d);

511.30 (e) a separate report addressing health maintenance contracts sold to individuals  
511.31 covered by Medicare, title XVIII of the Social Security Act, as amended, including the  
511.32 information required under section 62D.30, subdivision 6; and

511.33 (f) data on the number of complaints received and the category of each complaint as  
511.34 defined by the commissioner. The categories must include but are not limited to access,  
511.35 communication and behavior, health plan administration, facilities and environment,

512.1 coordination of care, and technical competence and appropriateness. The commissioner  
 512.2 must define complaint categories to be used by each health maintenance organization by  
 512.3 July 1, 2017, and the categories must be used by each health maintenance organization  
 512.4 beginning calendar year 2018; and

512.5 (f) (g) such other information relating to the performance of the health maintenance  
 512.6 organization as is reasonably necessary to enable the commissioner of health to carry out  
 512.7 the duties under sections 62D.01 to 62D.30.

512.8 **Sec. 5. [62D.115] QUALITY OF CARE COMPLAINTS.**

512.9 Subdivision 1. **Quality of care complaint.** For purposes of this section, "quality of  
 512.10 care complaint" means an expressed dissatisfaction regarding health care services resulting  
 512.11 in potential or actual harm to an enrollee. Quality of care complaints may include but are  
 512.12 not limited to concerns related to provider and staff competence, clinical appropriateness  
 512.13 of services, communications, behavior, facility and environmental considerations, or other  
 512.14 factors that could impact the quality of health care services.

512.15 Subd. 2. **Quality of care complaint investigation.** Each health maintenance  
 512.16 organization shall develop and implement policies and procedures for the receipt,  
 512.17 investigation, and resolution of quality of care complaints. The policy and procedures  
 512.18 must be in writing and must meet the requirements in paragraphs (a) to (g).

512.19 (a) A health maintenance organization's definition for quality of care complaints  
 512.20 must include the concerns identified in subdivision 1.

512.21 (b) A health maintenance organization must classify each quality of care complaint  
 512.22 received by severity level as defined by the commissioner and must have investigation  
 512.23 procedures for each level of severity.

512.24 (c) Any complaint with an allegation regarding quality of care or service must  
 512.25 be investigated by the health maintenance organization and the health maintenance  
 512.26 organization must document the investigation process, including documentation that the  
 512.27 complaint was received and investigated, and that each allegation was addressed. The  
 512.28 investigation record must include all related documents, correspondence, summaries,  
 512.29 discussions, consultations, and conferences held in relation to the investigation of the  
 512.30 quality of care complaint in accordance with subdivision 4.

512.31 (d) The resolution of a complaint must be supported by evidence and may include  
 512.32 a corrective action plan or a formal response from a provider to the health maintenance  
 512.33 organization if a formal response was submitted to the health maintenance organization.

512.34 (e) A medical director review shall be conducted as part of the investigation process  
 512.35 when there is potential for patient harm.



513.1 (f) Each quality of care complaint received by a health maintenance organization  
513.2 must be tracked and trended by the health maintenance organization according to provider  
513.3 type and the following type of quality of care issue: behavior, facility, environmental,  
513.4 or technical competence.

513.5 (g) The commissioner shall define the quality of care complaints severity levels by  
513.6 July 1, 2017.

513.7 Subd. 3. **Reporting.** (a) Quality of care complaints must be reported as part of the  
513.8 requirements under section 62D.08, subdivision 3.

513.9 (b) All quality of care complaints received by a health maintenance organization  
513.10 that meet the highest level of severity as defined by the commissioner under subdivision 2  
513.11 must be reported to the commissioner within ten calendar days of receipt of the complaint.  
513.12 The commissioner shall investigate each quality of care complaint received under this  
513.13 paragraph and may contract with experts in health care or medical practice to assist with  
513.14 the investigation. The commissioner's investigative process shall include the notification  
513.15 and investigation requirements described in section 214.103 to the extent applicable. The  
513.16 commissioner shall furnish to the person who made the complaint a written description  
513.17 of the commissioner's investigative process and any action taken by the commissioner  
513.18 relating to the complaint, including whether the complaint was referred to the Office of  
513.19 Health Facility Complaints or a health-related licensing board. If the commissioner takes  
513.20 corrective action or requires the health maintenance organization to make any corrective  
513.21 measures of any kind, the nature of the complaint and the action or measures required to  
513.22 be taken are public data.

513.23 (c) The commissioner shall forward any quality of care complaint received by a  
513.24 health maintenance organization under this subdivision or received directly from an  
513.25 enrollee of a health maintenance organization that involves the delivery of health care  
513.26 services by a health care provider or facility to the relevant health-related licensing board  
513.27 or state agency for further investigation. Prior to forwarding a complaint to the appropriate  
513.28 board or agency, the commissioner shall obtain the enrollee's consent.

513.29 Subd. 4. **Right to external quality of care review.** (a) An enrollee or an individual  
513.30 acting on behalf of an enrollee who files with the commissioner a quality of care complaint  
513.31 that involves a health maintenance organization may submit a written request to the  
513.32 commissioner for an external quality of care review. The enrollee must request an external  
513.33 review within six months from the date of the adverse event that led to the quality of  
513.34 care complaint.

514.1 (b) If the enrollee requests an external quality of care review, the health maintenance  
514.2 organization must participate in the external review. The cost of the external quality of  
514.3 care review shall be borne by the health maintenance organization.

514.4 Subd. 5. **Contract.** (a) Pursuant to a request for proposal, the commissioner shall  
514.5 contract with at least three organizations or business entities to provide independent  
514.6 external quality of care reviews submitted for external review.

514.7 (b) The request for proposal must require that the entity demonstrate:

514.8 (1) no conflicts of interest in that it is not owned by, a subsidiary of, or affiliated with  
514.9 a health maintenance organization, utilization review organization, or a trade organization  
514.10 of health care providers;

514.11 (2) an expertise in dispute resolution;

514.12 (3) an expertise in health-related law;

514.13 (4) an ability to conduct reviews using a variety of alternative dispute resolution  
514.14 procedures depending upon the nature of the dispute;

514.15 (5) an ability to maintain written records, for at least three years, regarding reviews  
514.16 conducted and provide data to the commissioners of health and commerce upon request on  
514.17 reviews conducted;

514.18 (6) an ability to ensure confidentiality of medical records and other enrollee  
514.19 information;

514.20 (7) accreditation by a nationally recognized private accrediting organization;

514.21 (8) the ability to provide an expedited external review process; and

514.22 (9) expertise in clinical medical care and the provision of clinically appropriate  
514.23 medical care to patients.

514.24 (c) The contract shall ensure that the fees for the services rendered by the entity in  
514.25 connection with the review are reasonable.

514.26 Subd. 6. **Process.** (a) Upon receiving a request for an external quality of care  
514.27 review, the commissioner shall randomly assign the review to one of the external review  
514.28 entities under contract in accordance with subdivision 5. The assigned external review  
514.29 entity must provide immediate notice of the review to the enrollee and to the health  
514.30 maintenance organization. Within ten business days of receiving notice of the review, the  
514.31 health maintenance organization and the enrollee must provide the assigned external  
514.32 review entity with any information that the enrollee wishes to be considered. Each party  
514.33 shall be provided an opportunity to present its version of the facts and arguments. The  
514.34 assigned external review entity must furnish to the health maintenance organization any  
514.35 additional information submitted by the enrollee within one business day of receipt. An  
514.36 enrollee may be assisted or represented by a person of the enrollee's choice.

515.1 (b) As part of the external quality of care review process, any aspect of an external  
515.2 review involving the quality of clinical care must be performed by a health care  
515.3 professional with expertise in the medical issue being reviewed.

515.4 (c) An external quality of care review shall be made as soon as practical but in no  
515.5 case later than 45 days after receiving the request for an external quality of care review  
515.6 and must promptly send written notice of the decision and the reasons for it to the enrollee,  
515.7 the health maintenance organization, and the commissioner.

515.8 (d) The external review entity and the clinical reviewer assigned must not have a  
515.9 material professional, familial, or financial conflict of interest with:

515.10 (1) the health maintenance organization that is the subject of the external quality  
515.11 of care review;

515.12 (2) the enrollee, or any parties related to the enrollee, whose treatment is the subject  
515.13 of the external quality of care review;

515.14 (3) any officer, director, or management employee of the health maintenance  
515.15 organization;

515.16 (4) a plan administrator, plan fiduciaries, or plan employees;

515.17 (5) the health care provider, the health care provider's group, or practice association  
515.18 recommending treatment that is the subject of the external quality of care review;

515.19 (6) the facility at which the recommended treatment would be provided; or

515.20 (7) the developer or manufacturer of the principal drug, device, procedure, or other  
515.21 therapy being recommended.

515.22 (e) An expedited external review must be provided upon the enrollee's request  
515.23 after receiving:

515.24 (1) clinical care that involves a medical condition for which the time frame for  
515.25 completion of an expedited internal appeal would seriously jeopardize the life or health of  
515.26 the enrollee or would jeopardize the enrollee's ability to regain maximum function and the  
515.27 enrollee has simultaneously requested an expedited internal appeal; or

515.28 (2) clinical care that concerns an admission, availability of care, continued stay, or  
515.29 health care service for which the enrollee received emergency services but has not been  
515.30 discharged from a facility.

515.31 (f) The external review entity must make its expedited determination and any  
515.32 recommendations for actions to ameliorate the effects of adverse clinical care as  
515.33 expeditiously as possible but within no more than 72 hours after the receipt of the request  
515.34 for expedited review and notify the enrollee, the health maintenance organization, and the  
515.35 commissioner of health of the determination.

516.1 (g) If the external review entity's notification is not in writing, the external quality  
516.2 of care review entity must provide written confirmation of the determination within 48  
516.3 hours of the notification.

516.4 Subd. 7. **Records; data practices.** Each health maintenance organization shall  
516.5 maintain records of all quality of care complaints and their resolution and retain those  
516.6 records for five years. Notwithstanding section 145.64, the records must be made available  
516.7 to the commissioner upon request. Records provided to the commissioner under this  
516.8 subdivision are confidential data on individuals or protected nonpublic data as defined in  
516.9 section 13.02, subdivision 3 or 13.

516.10 Subd. 8. **Exception.** This section does not apply to quality of care complaints  
516.11 received by a health maintenance organization from an enrollee who is covered under a  
516.12 public health care program administered by the commissioner of human services under  
516.13 chapter 256B or 256L.

516.14 Sec. 6. Minnesota Statutes 2014, section 62J.495, subdivision 4, is amended to read:

516.15 Subd. 4. **Coordination with national HIT activities.** (a) The commissioner,  
516.16 in consultation with the e-Health Advisory Committee, shall update the statewide  
516.17 implementation plan required under subdivision 2 and released June 2008, to be consistent  
516.18 with the updated Federal HIT Strategic Plan released by the Office of the National  
516.19 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan  
516.20 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

516.21 (b) The commissioner, in consultation with the e-Health Advisory Committee,  
516.22 shall work to ensure coordination between state, regional, and national efforts to support  
516.23 and accelerate efforts to effectively use health information technology to improve the  
516.24 quality and coordination of health care and the continuity of patient care among health  
516.25 care providers, to reduce medical errors, to improve population health, to reduce health  
516.26 disparities, and to reduce chronic disease. The commissioner's coordination efforts shall  
516.27 include but not be limited to:

516.28 (1) assisting in the development and support of health information technology  
516.29 regional extension centers established under section 3012(c) of the HITECH Act to  
516.30 provide technical assistance and disseminate best practices; and

516.31 (2) providing supplemental information to the best practices gathered by regional  
516.32 centers to ensure that the information is relayed in a meaningful way to the Minnesota  
516.33 health care community;

516.34 (3) providing financial and technical support to Minnesota health care providers to  
516.35 encourage implementation of admission, discharge and transfer alerts, and care summary

- 517.1 document exchange transactions and to evaluate the impact of health information  
517.2 technology on cost and quality of care;
- 517.3 (4) providing educational resources and technical assistance to health care providers  
517.4 and patients related to state and national privacy, security, and consent laws governing  
517.5 clinical health information. In carrying out these activities, the commissioner's technical  
517.6 assistance does not constitute legal advice;
- 517.7 (5) assessing Minnesota's legal, financial, and regulatory framework for health  
517.8 information exchange, and making recommendations for modifications that would  
517.9 strengthen the ability of Minnesota health care providers to securely exchange data  
517.10 in compliance with patient preferences and in a way that is efficient and financially  
517.11 sustainable; and
- 517.12 (6) seeking public input on both patient impact and costs associated with  
517.13 requirements related to patient consent for release of health records for the purposes of  
517.14 treatment, payment, and health care operations, as required in section 144.293, subdivision  
517.15 2. The commissioner shall provide a report to the legislature on the findings of this public  
517.16 input process no later than February 1, 2017.
- 517.17 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall  
517.18 monitor national activity related to health information technology and shall coordinate  
517.19 statewide input on policy development. The commissioner shall coordinate statewide  
517.20 responses to proposed federal health information technology regulations in order to ensure  
517.21 that the needs of the Minnesota health care community are adequately and efficiently  
517.22 addressed in the proposed regulations. The commissioner's responses may include, but  
517.23 are not limited to:
- 517.24 (1) reviewing and evaluating any standard, implementation specification, or  
517.25 certification criteria proposed by the national HIT standards committee;
- 517.26 (2) reviewing and evaluating policy proposed by the national HIT policy committee  
517.27 relating to the implementation of a nationwide health information technology infrastructure;
- 517.28 (3) monitoring and responding to activity related to the development of quality  
517.29 measures and other measures as required by section 4101 of the HITECH Act. Any  
517.30 response related to quality measures shall consider and address the quality efforts required  
517.31 under chapter 62U; and
- 517.32 (4) monitoring and responding to national activity related to privacy, security, and  
517.33 data stewardship of electronic health information and individually identifiable health  
517.34 information.
- 517.35 (d) To the extent that the state is either required or allowed to apply, or designate an  
517.36 entity to apply for or carry out activities and programs under section 3013 of the HITECH

518.1 Act, the commissioner of health, in consultation with the e-Health Advisory Committee  
518.2 and the commissioner of human services, shall be the lead applicant or sole designating  
518.3 authority. The commissioner shall make such designations consistent with the goals and  
518.4 objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

518.5 (e) The commissioner of human services shall apply for funding necessary to  
518.6 administer the incentive payments to providers authorized under title IV of the American  
518.7 Recovery and Reinvestment Act.

518.8 (f) The commissioner shall include in the report to the legislature information on the  
518.9 activities of this subdivision and provide recommendations on any relevant policy changes  
518.10 that should be considered in Minnesota.

518.11 Sec. 7. Minnesota Statutes 2014, section 62J.496, subdivision 1, is amended to read:

518.12 Subdivision 1. **Account establishment.** (a) An account is established to:

518.13 (1) finance the purchase of certified electronic health records or qualified electronic  
518.14 health records as defined in section 62J.495, subdivision 1a;

518.15 (2) enhance the utilization of electronic health record technology, which may include  
518.16 costs associated with upgrading the technology to meet the criteria necessary to be a  
518.17 certified electronic health record or a qualified electronic health record;

518.18 (3) train personnel in the use of electronic health record technology; and

518.19 (4) improve the secure electronic exchange of health information.

518.20 (b) Amounts deposited in the account, including any grant funds obtained through  
518.21 federal or other sources, loan repayments, and interest earned on the amounts shall  
518.22 be used only for awarding loans or loan guarantees, as a source of reserve and security  
518.23 for leveraged loans, for activities authorized in section 62J.495, subdivision 4, or for  
518.24 the administration of the account.

518.25 (c) The commissioner may accept contributions to the account from private sector  
518.26 entities subject to the following provisions:

518.27 (1) the contributing entity may not specify the recipient or recipients of any loan  
518.28 issued under this subdivision;

518.29 (2) the commissioner shall make public the identity of any private contributor to the  
518.30 loan fund, as well as the amount of the contribution provided;

518.31 (3) the commissioner may issue letters of commendation or make other awards that  
518.32 have no financial value to any such entity; and

518.33 (4) a contributing entity may not specify that the recipient or recipients of any loan  
518.34 use specific products or services, nor may the contributing entity imply that a contribution  
518.35 is an endorsement of any specific product or service.

519.1 (d) The commissioner may use the loan funds to reimburse private sector entities  
519.2 for any contribution made to the loan fund. Reimbursement to private entities may not  
519.3 exceed the principle amount contributed to the loan fund.

519.4 (e) The commissioner may use funds deposited in the account to guarantee, or  
519.5 purchase insurance for, a local obligation if the guarantee or purchase would improve  
519.6 credit market access or reduce the interest rate applicable to the obligation involved.

519.7 (f) The commissioner may use funds deposited in the account as a source of revenue  
519.8 or security for the payment of principal and interest on revenue or general obligation  
519.9 bonds issued by the state if the proceeds of the sale of the bonds will be deposited into  
519.10 the loan fund.

519.11 Sec. 8. Minnesota Statutes 2015 Supplement, section 62U.04, subdivision 11, is  
519.12 amended to read:

519.13 Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding  
519.14 subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the  
519.15 commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for  
519.16 the following purposes:

519.17 (1) to evaluate the performance of the health care home program as authorized under  
519.18 sections 256B.0751, subdivision 6, and 256B.0752, subdivision 2;

519.19 (2) to study, in collaboration with the reducing avoidable readmissions effectively  
519.20 (RARE) campaign, hospital readmission trends and rates;

519.21 (3) to analyze variations in health care costs, quality, utilization, and illness burden  
519.22 based on geographical areas or populations;

519.23 (4) to evaluate the state innovation model (SIM) testing grant received by the  
519.24 Departments of Health and Human Services, including the analysis of health care cost,  
519.25 quality, and utilization baseline and trend information for targeted populations and  
519.26 communities; and

519.27 (5) to compile one or more public use files of summary data or tables that must:

519.28 (i) be available to the public for no or minimal cost by March 1, 2016, and available  
519.29 by Web-based electronic data download by June 30, 2019;

519.30 (ii) not identify individual patients, payers, or providers;

519.31 (iii) be updated by the commissioner, at least annually, with the most current data  
519.32 available;

519.33 (iv) contain clear and conspicuous explanations of the characteristics of the data,  
519.34 such as the dates of the data contained in the files, the absence of costs of care for uninsured  
519.35 patients or nonresidents, and other disclaimers that provide appropriate context; and

520.1 (v) not lead to the collection of additional data elements beyond what is authorized  
520.2 under this section as of June 30, 2015.

520.3 (b) The commissioner may publish the results of the authorized uses identified  
520.4 in paragraph (a) so long as the data released publicly do not contain information or  
520.5 descriptions in which the identity of individual hospitals, clinics, or other providers may  
520.6 be discerned.

520.7 (c) Nothing in this subdivision shall be construed to prohibit the commissioner from  
520.8 using the data collected under subdivision 4 to complete the state-based risk adjustment  
520.9 system assessment due to the legislature on October 1, 2015.

520.10 (d) The commissioner or the commissioner's designee may use the data submitted  
520.11 under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until  
520.12 July 1, ~~2016~~ 2019.

520.13 (e) The commissioner shall consult with the all-payer claims database work group  
520.14 established under subdivision 12 regarding the technical considerations necessary to create  
520.15 the public use files of summary data described in paragraph (a), clause (5).

520.16 (f) The commissioner shall develop a community input process to advise the  
520.17 commissioner in the identification of high priority analyses to be conducted pursuant to  
520.18 paragraph (a), clause (3), and in the creation of additional public use files of summary  
520.19 data described in paragraph (a), clause (5).

520.20 Sec. 9. Minnesota Statutes 2015 Supplement, section 144.061, is amended to read:

520.21 **144.061 EARLY DENTAL PREVENTION INITIATIVE.**

520.22 Subdivision 1. **Prevention initiative.** (a) The commissioner of health, in  
520.23 collaboration with the commissioner of human services, shall implement a statewide  
520.24 initiative to increase awareness among communities of color and recent immigrants on  
520.25 the importance of early preventive dental intervention for infants and toddlers before  
520.26 and after primary teeth appear.

520.27 (b) The commissioner shall develop educational materials and information for  
520.28 expectant and new parents within the targeted communities that include the importance  
520.29 of early dental care to prevent early cavities, including proper cleaning techniques and  
520.30 feeding habits, before and after primary teeth appear.

520.31 (c) The commissioner shall develop a distribution plan to ensure that the materials  
520.32 are distributed to expectant and new parents within the targeted communities, including,  
520.33 but not limited to, making the materials available to health care providers, community  
520.34 clinics, WIC sites, and other relevant sites within the targeted communities.



521.1 (d) In developing these materials and distribution plan, the commissioner shall work  
521.2 collaboratively with members of the targeted communities, dental providers, pediatricians,  
521.3 child care providers, and home visiting nurses.

521.4 (e) The commissioner shall, with input from stakeholders listed in paragraph (d),  
521.5 develop and pilot incentives to encourage early dental care within one year of an infant's  
521.6 teeth erupting. Effective July 1, 2017, for the incentives required under this paragraph  
521.7 for fiscal year 2018, the commissioner shall implement the incentive pilot described in  
521.8 subdivision 2.

521.9 Subd. 2. **Incentive pilot.** (a) For the purpose of determining the effectiveness of  
521.10 this initiative, the commissioner shall designate up to three communities of color or of  
521.11 recent immigrants, with at least one of the designated communities located outside the  
521.12 seven-county metropolitan area, and work with each designated community to ensure that  
521.13 the educational materials and information are distributed in accordance with subdivision  
521.14 1. The commissioner shall assist the designated community with developing strategies  
521.15 to encourage early dental care within one year of an infant's teeth erupting, including  
521.16 outreach through ethnic radio, Web casts, and local cable programs, and incentives that are  
521.17 geared toward the ethnic groups residing in the designated communities.

521.18 (b) The commissioner shall develop measurable outcomes, including a baseline  
521.19 measurement in order to evaluate whether the educational materials, information,  
521.20 strategies, and incentives increased the numbers of infants and toddlers receiving early  
521.21 preventive dental intervention and care. The evaluation of this incentive pilot shall assist  
521.22 the commissioner with the continued development of community incentives to encourage  
521.23 early dental care within targeted communities required under subdivision 1, paragraph (e).

521.24 Sec. 10. **[144.0615] STATEWIDE SCHOOL-BASED SEALANT GRANT**  
521.25 **PROGRAM.**

521.26 (a) The commissioner of health shall develop a statewide coordinated dental sealant  
521.27 program to improve access to preventive dental services for school-aged children. The  
521.28 program shall focus on developing the data tools necessary to identify the public schools  
521.29 in the state with students ages six to nine who are in the greatest need of preventive dental  
521.30 care based on the percentage of students who are low income and who are either enrolled  
521.31 in a public health care program or uninsured, and have no access to a school-based sealant  
521.32 program. In creating this program, the commissioner shall develop an implementation  
521.33 plan that identifies statewide needs, establishes outcome measures, and provides an  
521.34 evaluation process based on the outcome measures established.

522.1 (b) The commissioner shall award grants to nonprofit organizations to provide  
 522.2 school-based sealant programs. The grants shall be available to expand existing  
 522.3 school-based sealant programs and to create new programs in schools that have been  
 522.4 identified as underserved high-risk schools.

522.5 (c) By March 15, 2018, the commissioner shall submit a report to the chairs and  
 522.6 ranking minority members of the legislative committees with jurisdiction over health care,  
 522.7 describing the implementation plan, including the data tools developed; the outcome  
 522.8 measures; the number of grants awarded; and the location of the schools participating in  
 522.9 the grants and the results of the evaluation of the program in terms of improving access to  
 522.10 sealants for school-aged children ages six to nine.

522.11 Sec. 11. [144.1912] GREATER MINNESOTA FAMILY MEDICINE RESIDENCY  
 522.12 GRANT PROGRAM.

522.13 Subdivision 1. Definitions. (a) For purposes of this section, the following terms  
 522.14 have the meanings given.

522.15 (b) "Commissioner" means the commissioner of health.

522.16 (c) "Eligible family medicine residency program" means a program that meets the  
 522.17 following criteria:

522.18 (1) is located in Minnesota outside the seven-county metropolitan area, as defined in  
 522.19 section 473.121, subdivision 4;

522.20 (2) is accredited as a family medicine residency program or is a candidate for  
 522.21 accreditation;

522.22 (3) is focused on the education and training of family medicine physicians to serve  
 522.23 communities outside the metropolitan area; and

522.24 (4) demonstrates that over the most recent three years, at least 25 percent of its  
 522.25 graduates practice in Minnesota communities outside the metropolitan area.

522.26 Subd. 2. Program administration. (a) The commissioner shall award family  
 522.27 medicine residency grants to existing, eligible, not-for-profit family medicine residency  
 522.28 programs to support current and new residency positions. Funds shall be allocated first to  
 522.29 proposed new family medicine residency positions, and remaining funds shall be allocated  
 522.30 proportionally based on the number of existing residents in eligible programs. The  
 522.31 commissioner may fund a new residency position for up to three years.

522.32 (b) Grant funds awarded may only be spent to cover the costs of:

522.33 (1) establishing, maintaining, or expanding training for family medicine residents;

522.34 (2) recruitment, training, and retention of residents and faculty;

522.35 (3) travel and lodging for residents; and

523.1 (4) faculty, resident, and preceptor salaries.

523.2 (c) Grant funds shall not be used to supplant any other government or private funds  
523.3 available for these purposes.

523.4 Subd. 3. **Applications.** Eligible family medicine residency programs seeking a  
523.5 grant must apply to the commissioner. The application must include objectives, a related  
523.6 work plan and budget, a description of the number of new and existing residency positions  
523.7 that will be supported using grant funds, and additional information the commissioner  
523.8 determines to be necessary. The commissioner shall determine whether applications are  
523.9 complete and responsive and may require revisions or additional information before  
523.10 awarding a grant.

523.11 Subd. 4. **Program oversight.** The commissioner shall require and collect from  
523.12 family medicine residency programs receiving grants, information necessary to administer  
523.13 and evaluate the program. The evaluation shall include the scope of expansion of new  
523.14 residency positions and information describing specific programs to enhance current  
523.15 residency positions, which may include facility improvements. The commissioner shall  
523.16 continue to collect data on greater Minnesota family residency shortages.

523.17 Sec. 12. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 3,  
523.18 is amended to read:

523.19 Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules ~~for~~ establishing  
523.20 licensure requirements and enforcement of applicable laws and rules work standards  
523.21 relating to indoor radon in dwellings and other buildings, with the exception of newly  
523.22 constructed Minnesota homes according to section 326B.106, subdivision 6. The  
523.23 commissioner shall coordinate, oversee, and implement all state functions in matters  
523.24 concerning the presence, effects, measurement, and mitigation of risks of radon in  
523.25 dwellings and other buildings.

523.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

523.27 Sec. 13. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 4,  
523.28 is amended to read:

523.29 Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or  
523.30 ~~after October 1, 2017~~ January 1, 2018, must have a radon mitigation system tag provided  
523.31 by the commissioner. A radon mitigation professional must attach the tag to the radon  
523.32 mitigation system in a visible location.

524.1 Sec. 14. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 5,  
524.2 is amended to read:

524.3 Subd. 5. **License required annually.** Effective January 1, 2018, a license is required  
524.4 annually for every person, firm, or corporation that ~~sells a device or~~ performs a service  
524.5 for compensation to detect the presence of radon in the indoor atmosphere, performs  
524.6 laboratory analysis, or performs a service to mitigate radon in the indoor atmosphere. ~~This~~  
524.7 ~~section does not apply to retail stores that only sell or distribute radon sampling but are not~~  
524.8 ~~engaged in the manufacture of radon sampling devices.~~

524.9 Sec. 15. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 6,  
524.10 is amended to read:

524.11 Subd. 6. **Exemptions.** This section does not apply to:

524.12 (1) radon control systems installed in newly constructed Minnesota homes according  
524.13 to section 326B.106, subdivision 6, prior to the issuance of a certificate of occupancy are  
524.14 not required to follow the requirements of this section.;

524.15 (2) employees of a firm or corporation that installs radon control systems in newly  
524.16 constructed Minnesota homes specified in clause (1);

524.17 (3) a person authorized as a building official under Minnesota Rules, part 1300.0070,  
524.18 or that person's designee; or

524.19 (4) any person, firm, corporation, or entity that distributes radon testing devices or  
524.20 information for general educational purposes.

524.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

524.22 Sec. 16. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 8,  
524.23 is amended to read:

524.24 Subd. 8. **Licensing fees.** (a) All radon license applications submitted to the  
524.25 commissioner of health must be accompanied by the required fees. If the commissioner  
524.26 determines that insufficient fees were paid, the necessary additional fees must be paid  
524.27 before the commissioner approves the application. The commissioner shall charge the  
524.28 following fees for each radon license:

524.29 (1) Each measurement professional license, ~~\$300~~ \$150 per year. "Measurement  
524.30 professional" means any person who performs a test to determine the presence and  
524.31 concentration of radon in a building ~~they do~~ the person does not own or lease; ~~provides~~  
524.32 ~~professional or expert advice on radon testing, radon exposure, or health risks related to~~  
524.33 ~~radon exposure; or makes representations of doing any of these activities.~~

525.1 (2) Each mitigation professional license, ~~\$500~~ \$250 per year. "Mitigation  
 525.2 professional" means an individual who ~~performs~~ installs or designs a radon mitigation  
 525.3 system in a building they do the individual does not own or lease; provides professional or  
 525.4 expert advice on radon mitigation or radon entry routes; or provides on-site supervision  
 525.5 of radon mitigation and mitigation technicians; or makes representations of doing any of  
 525.6 these activities. "On-site supervision" means a review at the property of mitigation work  
 525.7 upon completion of the work and attachment of a system tag. Employees or subcontractors  
 525.8 who are supervised by a licensed mitigation professional are not required to be licensed  
 525.9 under this clause. This license also permits the licensee to perform the activities of a  
 525.10 measurement professional described in clause (1).

525.11 (3) Each mitigation company license, ~~\$500~~ \$100 per year. "Mitigation company"  
 525.12 means any business or government entity that performs or authorizes employees to  
 525.13 perform radon mitigation. This fee is waived if the mitigation company is a sole  
 525.14 proprietorship employs only one licensed mitigation professional.

525.15 (4) Each radon analysis laboratory license, \$500 per year. "Radon analysis  
 525.16 laboratory" means a business entity or government entity that analyzes passive radon  
 525.17 detection devices to determine the presence and concentration of radon in the devices.  
 525.18 This fee is waived if the laboratory is a government entity and is only distributing test kits  
 525.19 for the general public to use in Minnesota.

525.20 (5) Each Minnesota Department of Health radon mitigation system tag, \$75 per tag.  
 525.21 "Minnesota Department of Health radon mitigation system tag" or "system tag" means a  
 525.22 unique identifiable radon system label provided by the commissioner of health.

525.23 (b) Fees collected under this section shall be deposited in the state treasury and  
 525.24 credited to the state government special revenue fund.

525.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

525.26 Sec. 17. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding  
 525.27 a subdivision to read:

525.28 **Subd. 10. Local inspections or permits.** This section does not preclude local units  
 525.29 of government from requiring additional permits or inspections for radon control systems,  
 525.30 and does not supersede any local inspection or permit requirements.

525.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

525.32 Sec. 18. Minnesota Statutes 2014, section 144A.75, subdivision 5, is amended to read:

526.1 Subd. 5. **Hospice provider.** "Hospice provider" means an individual, organization,  
526.2 association, corporation, unit of government, or other entity that is regularly engaged  
526.3 in the delivery, directly or by contractual arrangement, of hospice services for a fee to  
526.4 ~~terminally ill~~ hospice patients. A hospice must provide all core services.

526.5 Sec. 19. Minnesota Statutes 2014, section 144A.75, subdivision 6, is amended to read:

526.6 Subd. 6. **Hospice patient.** "Hospice patient" means an individual ~~who has been~~  
526.7 ~~diagnosed as terminally ill, with a probable life expectancy of under one year, as whose~~  
526.8 illness has been documented by the individual's attending physician and hospice medical  
526.9 director, who alone or, when unable, through the individual's family has voluntarily  
526.10 consented to and received admission to a hospice provider, and who:

526.11 (1) has been diagnosed as terminally ill, with a probable life expectancy of under  
526.12 one year; or

526.13 (2) is 21 years of age or younger and has been diagnosed with a life-threatening  
526.14 illness contributing to a shortened life expectancy.

526.15 Sec. 20. Minnesota Statutes 2014, section 144A.75, subdivision 8, is amended to read:

526.16 Subd. 8. **Hospice services; hospice care.** "Hospice services" or "hospice care"  
526.17 means palliative and supportive care and other services provided by an interdisciplinary  
526.18 team under the direction of an identifiable hospice administration to ~~terminally ill~~ hospice  
526.19 patients and their families to meet the physical, nutritional, emotional, social, spiritual,  
526.20 and special needs experienced during the final stages of illness, dying, and bereavement,  
526.21 or during a life-threatening illness contributing to a shortened life expectancy. These  
526.22 services are provided through a centrally coordinated program that ensures continuity and  
526.23 consistency of home and inpatient care that is provided directly or through an agreement.

526.24 Sec. 21. Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13,  
526.25 is amended to read:

526.26 Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means a  
526.27 facility that resembles a single-family home modified to address life safety, accessibility,  
526.28 and care needs, located in a residential area that directly provides 24-hour residential  
526.29 and support services in a home-like setting for hospice patients as an integral part of the  
526.30 continuum of home care provided by a hospice and that houses:

526.31 (1) no more than eight hospice patients; or

526.32 (2) at least nine and no more than 12 hospice patients with the approval of the local  
526.33 governing authority, notwithstanding section 462.357, subdivision 8.

527.1 (b) Residential hospice facility also means a facility that directly provides 24-hour  
527.2 residential and support services for hospice patients and that:

527.3 (1) houses no more than 21 hospice patients;

527.4 (2) meets hospice certification regulations adopted pursuant to title XVIII of the  
527.5 federal Social Security Act, United States Code, title 42, section 1395, et seq.; and

527.6 (3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a  
527.7 40-bed non-Medicare certified nursing home as of January 1, 2015.

527.8 Sec. 22. Minnesota Statutes 2014, section 144A.75, is amended by adding a  
527.9 subdivision to read:

527.10 Subd. 13a. **Respite care.** "Respite care" means short-term care in an inpatient facility  
527.11 such as a residential hospice facility, when necessary to relieve the hospice patient's family  
527.12 or other persons caring for the patient. Respite care may be provided on an occasional basis.

527.13 Sec. 23. Minnesota Statutes 2014, section 152.27, subdivision 2, is amended to read:

527.14 Subd. 2. **Commissioner duties.** (a) The commissioner shall:

527.15 (1) give notice of the program to health care practitioners in the state who are  
527.16 eligible to serve as health care practitioners and explain the purposes and requirements  
527.17 of the program;

527.18 (2) allow each health care practitioner who meets or agrees to meet the program's  
527.19 requirements and who requests to participate, to be included in the registry program to  
527.20 collect data for the patient registry;

527.21 (3) allow each health care practitioner who meets the requirements of subdivision 8,  
527.22 and who requests access for a permissible purpose, to have limited access to a patient's  
527.23 registry information;

527.24 ~~(3)~~ (4) provide explanatory information and assistance to each health care  
527.25 practitioner in understanding the nature of therapeutic use of medical cannabis within  
527.26 program requirements;

527.27 ~~(4)~~ (5) create and provide a certification to be used by a health care practitioner  
527.28 for the practitioner to certify whether a patient has been diagnosed with a qualifying  
527.29 medical condition and include in the certification an option for the practitioner to certify  
527.30 whether the patient, in the health care practitioner's medical opinion, is developmentally or  
527.31 physically disabled and, as a result of that disability, the patient is unable to self-administer  
527.32 medication or acquire medical cannabis from a distribution facility;

527.33 ~~(5)~~ (6) supervise the participation of the health care practitioner in conducting  
527.34 patient treatment and health records reporting in a manner that ensures stringent security

528.1 and record-keeping requirements and that prevents the unauthorized release of private  
528.2 data on individuals as defined by section 13.02;

528.3 ~~(6)~~ (7) develop safety criteria for patients with a qualifying medical condition as a  
528.4 requirement of the patient's participation in the program, to prevent the patient from  
528.5 undertaking any task under the influence of medical cannabis that would constitute  
528.6 negligence or professional malpractice on the part of the patient; and

528.7 ~~(7)~~ (8) conduct research and studies based on data from health records submitted to  
528.8 the registry program and submit reports on intermediate or final research results to the  
528.9 legislature and major scientific journals. The commissioner may contract with a third  
528.10 party to complete the requirements of this clause. Any reports submitted must comply  
528.11 with section 152.28, subdivision 2.

528.12 (b) If the commissioner wishes to add a delivery method under section 152.22,  
528.13 subdivision 6, or a qualifying medical condition under section 152.22, subdivision 14, the  
528.14 commissioner must notify the chairs and ranking minority members of the legislative policy  
528.15 committees having jurisdiction over health and public safety of the addition and the reasons  
528.16 for its addition, including any written comments received by the commissioner from the  
528.17 public and any guidance received from the task force on medical cannabis research, by  
528.18 January 15 of the year in which the commissioner wishes to make the change. The change  
528.19 shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

528.20 Sec. 24. Minnesota Statutes 2014, section 152.27, is amended by adding a subdivision  
528.21 to read:

528.22 Subd. 8. Access to registry data. (a) Notwithstanding section 152.31, a health  
528.23 care practitioner may access a patient's registry information to the extent the information  
528.24 relates specifically to a current patient, to whom the health care practitioner is:

528.25 (1) prescribing or considering prescribing any controlled substance;

528.26 (2) providing emergency medical treatment for which access to the data may be  
528.27 necessary; or

528.28 (3) providing other medical treatment for which access to the data may be necessary  
528.29 and the patient has consented to access to the registry account information, and with the  
528.30 provision that the health care practitioner remains responsible for the use or misuse of data  
528.31 accessed by a delegated agent or employee.

528.32 (b) A health care practitioner who is authorized to access the patient registry under  
528.33 this subdivision may be registered to electronically access limited data in the medical  
528.34 cannabis patient registry. If the data is accessed electronically, the health care practitioner  
528.35 shall implement and maintain a comprehensive information security program that contains



529.1 administrative, technical, and physical safeguards that are appropriate to the user's size  
 529.2 and complexity, and the sensitivity of the personal information obtained. The health care  
 529.3 practitioner shall identify reasonably foreseeable internal and external risks to the security,  
 529.4 confidentiality, and integrity of personal information that could result in the unauthorized  
 529.5 disclosure, misuse, or other compromise of the information and assess the sufficiency of  
 529.6 any safeguards in place to control the risks.

529.7 (c) When requesting access based on patient consent, a health care practitioner shall  
 529.8 warrant that the request:

529.9 (1) contains no information known to the provider to be false;

529.10 (2) accurately states the patient's desire to have health records disclosed or that  
 529.11 there is specific authorization in law; and

529.12 (3) does not exceed any limits imposed by the patient in the consent.

529.13 (d) Before a health care practitioner may access the data, the commissioner shall  
 529.14 ensure that the health care practitioner agrees to comply with paragraph (b).

529.15 (e) The commissioner shall maintain a log of all persons who access the data for  
 529.16 a period of three years.

529.17 Sec. 25. Minnesota Statutes 2014, section 152.33, is amended by adding a subdivision  
 529.18 to read:

529.19 Subd. 7. **Improper access to registry; criminal penalty.** In addition to any  
 529.20 other applicable penalty in law, a person who intentionally makes a false statement or  
 529.21 misrepresentation to gain access to the patient registry under section 152.27, subdivision 8,  
 529.22 or otherwise accesses the patient registry under false pretenses, is guilty of a misdemeanor  
 529.23 punishable by imprisonment for not more than 90 days or by payment of a fine of not more  
 529.24 than \$1,000, or both. The penalty is in addition to any other penalties that may apply for  
 529.25 making a false statement, misrepresentation, or unauthorized acquisition of not public data.

529.26 Sec. 26. Minnesota Statutes 2014, section 327.14, subdivision 8, is amended to read:

529.27 Subd. 8. **Recreational camping area.** "Recreational camping area" means any area,  
 529.28 whether privately or publicly owned, used on a daily, nightly, weekly, or longer basis for  
 529.29 the accommodation of five or more tents or recreational camping vehicles free of charge  
 529.30 or for compensation. "Recreational camping area" excludes:

529.31 (1) children's camps;

529.32 (2) industrial camps;

529.33 (3) migrant labor camps, as defined in Minnesota Statutes and state commissioner  
 529.34 of health rules;

- 530.1 (4) United States Forest Service camps;
- 530.2 (5) state forest service camps;
- 530.3 (6) state wildlife management areas or state-owned public access areas which are
- 530.4 restricted in use to picnicking and boat landing; ~~and~~
- 530.5 (7) temporary holding areas for self-contained recreational camping vehicles
- 530.6 created by and adjacent to motor sports facilities, if the chief law enforcement officer of
- 530.7 an affected jurisdiction determines that it is in the interest of public safety to provide a
- 530.8 temporary holding area; and
- 530.9 (8) a privately owned area used for camping no more than once a year and for no
- 530.10 longer than seven consecutive days by members of a private club where the members pay
- 530.11 annual dues to belong to the club.

530.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

530.13 Sec. 27. Laws 2015, chapter 71, article 8, section 24, the effective date, is amended to

530.14 read:

530.15 **EFFECTIVE DATE.** This section is effective July 1, 2015, except subdivisions 4

530.16 and 5, which are effective ~~October 1, 2017~~ July 1, 2016.

530.17 Sec. 28. **CONTAMINATED PRIVATE WELLS.**

530.18 Ten priority points must be assigned by the Department of Health pursuant to

530.19 Minnesota Rules, part 4720.9020, if a drinking water advisory has been issued or a special

530.20 well construction area has been established by the Department of Health.

530.21 **EFFECTIVE DATE.** This section is effective the day following final enactment

530.22 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies

530.23 part 4720.9020.

530.24 Sec. 29. **HEALTH RISK LIMITS.**

530.25 Fifteen points must be assigned by the Department of Health pursuant to Minnesota

530.26 Rules, part 4720.9020, if the department has confirmed an exceedance of a health risk limit

530.27 under Minnesota Rules, parts 4717.7500 to 4717.7900, within the past 36 calendar months.

530.28 **EFFECTIVE DATE.** This section is effective the day following final enactment

530.29 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies

530.30 part 4720.9020.

531.1       Sec. 30. **MEDICALLY NECESSARY CARE DEFINITION FOR HEALTH**  
531.2 **MAINTENANCE ORGANIZATIONS.**

531.3       The commissioner of health shall convene a public meeting with interested  
531.4 stakeholders to discuss the need for a uniform definition of medically necessary care for  
531.5 health maintenance organizations to utilize when determining the medical necessity,  
531.6 appropriateness, or efficacy of a health care service or procedure, and a uniform process for  
531.7 each health maintenance organization to follow when making such an initial determination  
531.8 or utilization review. This discussion shall exclude determinations or reviews involving  
531.9 enrollees covered under a public health care program administered by the commissioner  
531.10 of human services under Minnesota Statutes, chapter 256B or 256L.

531.11       By January 15, 2017, the commissioner shall report results of the public input and  
531.12 any recommendations, including draft legislation, to the chairs and ranking minority  
531.13 members of the legislative committees with jurisdiction over health care on the proposed  
531.14 uniform definition and determination process, and a process in which the commissioner  
531.15 may periodically review the medically necessary care determinations to ensure that  
531.16 the determinations made by a health maintenance organization adhere to the uniform  
531.17 definition and process.

531.18       Sec. 31. **PEER REVIEW DISCLOSURE.**

531.19       The commissioner of health shall consult with interested stakeholders  
531.20 including members of the public and family members of facility residents and make  
531.21 recommendations regarding when quality of care complaint investigations under  
531.22 Minnesota Statutes, section 62D.115, should be subject to peer review confidentiality  
531.23 and identifying circumstances in which peer review final determinations may be  
531.24 disclosed or made available to the public, notwithstanding Minnesota Statutes, section  
531.25 145.64, including, but not limited to, patient safety and the parameters surrounding such  
531.26 disclosure. The commissioner shall submit these recommendations, including draft  
531.27 legislation to the chairs and ranking minority members of the legislative committees with  
531.28 jurisdiction over health care and data privacy by January 15, 2017.

531.29       Sec. 32. **COST AND BENEFIT ANALYSIS; HEALTH CARE SYSTEM**  
531.30 **PROPOSALS.**

531.31       Subdivision 1. **Contract for analysis of proposals.** The commissioner of health  
531.32 shall contract with the University of Minnesota School of Public Health to conduct an  
531.33 analysis of the costs and benefits of three specific proposals that seek to create a health

532.1 care system with increased access, greater affordability, lower costs, and improved quality  
532.2 of care in comparison to the current system.

532.3 Subd. 2. **Plans.** The commissioner of health, with input from the commissioners  
532.4 of human services and commerce, legislators, and other stakeholders, shall submit to the  
532.5 University of Minnesota the following proposals:

532.6 (1) a free-market insurance-based competition approach;

532.7 (2) a universal health care plan designed to meet the following principles:

532.8 (i) ensure all Minnesotans receive quality health care;

532.9 (ii) cover all necessary care, including all coverage currently required by law,  
532.10 complete mental health services, chemical dependency treatment, prescription drugs,  
532.11 medical equipment and supplies, dental care, long-term care, and home care services;

532.12 (iii) allow patients to choose their own providers; and

532.13 (iv) use premiums based on ability to pay; and

532.14 (3) a MinnesotaCare public option that would allow individuals with income above  
532.15 the maximum income eligibility limit established for the MinnesotaCare program the  
532.16 option of purchasing this public option instead of purchasing a qualified health plan  
532.17 through MNsure or an individual health plan offered outside of MNsure. For purposes of  
532.18 conducting the analysis, the MinnesotaCare public option shall include the following:

532.19 (i) individuals who qualify for advanced tax credits and cost-sharing credits under  
532.20 the Affordable Care Act may use the credits to purchase the MinnesotaCare public option;

532.21 (ii) enrollee premium rates shall be established at rates that are similar to the average  
532.22 rate paid by the state to managed care plan contractors for MinnesotaCare;

532.23 (iii) the covered benefit set shall be equal to the benefits covered under  
532.24 MinnesotaCare;

532.25 (iv) the same annual open enrollment period established for MNsure shall apply  
532.26 for this public option; and

532.27 (v) cost-sharing shall be established that maintains an actuarial value no lower  
532.28 than 87 percent.

532.29 The analysis of this option must include potential financial impacts on MNsure; the  
532.30 long-term financial stability of the MinnesotaCare program; impacts to premiums in  
532.31 the individual and small group insurance market; and impacts to health care provider  
532.32 reimbursement rates and to the financial stability of urban, rural, and safety net providers.

532.33 Subd. 3. **Proposal analysis.** (a) The analysis of each proposal must measure the  
532.34 impact on total public and private health care spending in Minnesota that would result  
532.35 from each proposal, including spending by individuals. "Total public and private health  
532.36 care spending" means spending on all medical care, including dental care, prescription

533.1 drugs, medical equipment and supplies, complete mental health services, chemical  
 533.2 dependency treatment, long-term care, and home care services as well as all of the costs  
 533.3 for administering, delivering, and paying for the care. The analysis of total health care  
 533.4 spending shall include whether there are savings or additional costs compared to the  
 533.5 existing system due to:

533.6 (1) increased or reduced insurance, billing, underwriting, marketing, and other  
 533.7 administrative functions;

533.8 (2) changes in access to and timely and appropriate use of medical care;  
 533.9 (3) availability and take-up of health insurance coverage;

533.10 (4) market-driven or negotiated prices on medical services and products, including  
 533.11 pharmaceuticals;

533.12 (5) shortages or excess capacity of medical facilities and equipment;  
 533.13 (6) increased or decreased utilization; better health outcomes; and increased wellness  
 533.14 due to prevention, early intervention, and health-promoting activities;

533.15 (7) payment reforms;  
 533.16 (8) coordination of care; and

533.17 (9) to the extent possible given available data and resources, non-health care impacts  
 533.18 on state and local expenditures such as reduced out-of-home placement or crime costs  
 533.19 due to mental health or chemical dependency coverage.

533.20 (b) To the extent possible given available data and resources, the analysis must also  
 533.21 estimate for each proposal job losses or gains in health care and elsewhere in the economy  
 533.22 due to implementation of the reforms.

533.23 (c) The analysis shall assume that the provisions in each proposal are not preempted  
 533.24 by federal law or that the federal government gives a waiver to the preemption.

533.25 Subd. 4. **Report.** The commissioner shall provide a preliminary report to the chairs  
 533.26 and ranking minority members of the legislative committees with jurisdiction over health  
 533.27 and human services policy and finance by March 15, 2017, and a final report by October  
 533.28 1, 2017. For the analyses described in subdivision 3, paragraphs (a), clause (9), and (b),  
 533.29 a final report is due by March 15, 2018.

## ARTICLE 27

### HEALTH-RELATED OCCUPATIONAL LICENSING

#### SPOKEN LANGUAGE HEALTH CARE INTERPRETERS

##### Section 1. [146C.01] DEFINITIONS.

533.34 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

534.1 Subd. 2. **Advisory council.** "Advisory council" means the Spoken Language Health  
 534.2 Care Interpreter Advisory Council established in section 146C.11.

534.3 Subd. 3. **Code of ethics.** "Code of ethics" means the National Code of Ethics for  
 534.4 Interpreters in Health Care, as published by the National Council on Interpreting in Health  
 534.5 Care or its successor, or the International Medical Interpreters Association or its successor.

534.6 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of health.

534.7 Subd. 5. **Common languages.** "Common languages" mean the ten most frequent  
 534.8 languages without regard to dialect in Minnesota for which interpreters are listed on  
 534.9 the registry.

534.10 Subd. 6. **Interpreting standards of practice.** "Interpreting standards of practice"  
 534.11 means the interpreting standards of practice in health care as published by the National  
 534.12 Council on Interpreting in Health Care or its successor, or the International Medical  
 534.13 Interpreters Association or its successor.

534.14 Subd. 7. **Registry.** "Registry" means a database of spoken language health care  
 534.15 interpreters in Minnesota who have met the qualifications described under section 146C.03,  
 534.16 subdivision 2, 3, 4, or 5, which shall be maintained by the commissioner of health.

534.17 Subd. 8. **Remote interpretation.** "Remote interpretation" means providing spoken  
 534.18 language interpreting services via a telephone or by video conferencing.

534.19 Subd. 9. **Spoken language health care interpreter or interpreter.** "Spoken  
 534.20 language health care interpreter" or "interpreter" means an individual who receives  
 534.21 compensation or other remuneration for providing spoken language interpreter services for  
 534.22 patients with limited English proficiency within a medical setting either by face-to-face  
 534.23 interpretation or remote interpretation.

534.24 Subd. 10. **Spoken language interpreting services.** "Spoken language interpreting  
 534.25 services" means the conversion of one spoken language into another by an interpreter for  
 534.26 the purpose of facilitating communication between a patient and a health care provider  
 534.27 who do not share a common spoken language.

534.28 Sec. 2. **[146C.03] REGISTRY.**

534.29 Subdivision 1. **Establishment.** (a) By July 1, 2017, the commissioner of health  
 534.30 shall establish and maintain a registry for spoken language health care interpreters. The  
 534.31 registry shall contain four separate tiers based on different qualification standards for  
 534.32 education and training.

534.33 (b) An individual who wants to be listed on the registry must submit an application  
 534.34 to the commissioner on a form provided by the commissioner along with all applicable  
 534.35 fees required under section 146C.13. The form must include the applicant's name; Social

535.1 Security number; business address and telephone number, or home address and telephone  
535.2 number if the applicant has a home office; the applicant's employer or the agencies with  
535.3 which the applicant is affiliated; the employer's or agencies' addresses and telephone  
535.4 numbers; and the languages the applicant is qualified to interpret.

535.5 (c) Upon receipt of the application, the commissioner shall determine if the applicant  
535.6 meets the requirements for the applicable registry tier. The commissioner may request  
535.7 further information from the applicant if the information provided is not complete or  
535.8 accurate. The commissioner shall notify the applicant of action taken on the application,  
535.9 and if the application is denied, the grounds for denying the application.

535.10 (d) If the commissioner denies an application, the applicant may apply for a lower  
535.11 tier or may reapply for the same tier at a later date. If an applicant applies for a different  
535.12 tier or reapplies for the same tier, the applicant must submit with the new application  
535.13 the applicable fees under section 146C.13.

535.14 (e) Applicants who qualify for different tiers for different languages shall only be  
535.15 required to complete one application and submit with the application the fee associated  
535.16 with the highest tier for which the applicant is applying.

535.17 (f) The commissioner may request, as deemed necessary, additional information  
535.18 from an applicant to determine or verify qualifications or collect information to manage  
535.19 the registry or monitor the field of health care interpreting.

535.20 Subd. 2. **Tier 1 requirements.** The commissioner shall include on the tier 1 registry  
535.21 an applicant who meets the following requirements:

535.22 (1) is at least 18 years of age;

535.23 (2) passes an examination approved by the commissioner on basic medical  
535.24 terminology in English;

535.25 (3) passes an examination approved by the commissioner on interpreter ethics and  
535.26 standards of practice; and

535.27 (4) affirms by signature, including electronic signature, that the applicant has read  
535.28 the code of ethics and interpreting standards of practice identified on the registry Web  
535.29 site and agrees to abide by them.

535.30 Subd. 3. **Tier 2 requirements.** The commissioner shall include on the tier 2 registry  
535.31 an applicant who meets the requirements for tier 1 described under subdivision 2 and who:

535.32 (1) effective July 1, 2017, to June 30, 2018, provides proof of successfully  
535.33 completing a training program for medical interpreters approved by the commissioner that  
535.34 is, at a minimum, 40 hours in length; or

535.35 (2) effective July 1, 2018, provides proof of successfully completing a training  
535.36 program for medical interpreters approved by the commissioner that is equal in length to

536.1 the number of hours required by the Certification Commission for Healthcare Interpreters  
536.2 (CCHI) or National Board of Certification for Medical Interpreters (NBCMI) or their  
536.3 successors. If the number of hours required by CCHI or its successor and the number of  
536.4 hours required by NBCMI or its successor differ, the number of hours required to qualify  
536.5 for the registry shall be the greater of the two. A training program of 40 hours or more  
536.6 approved by the commissioner and completed prior to July 1, 2017, may count toward the  
536.7 number of hours required.

536.8 Subd. 4. **Tier 3 requirements.** The commissioner shall include on the tier 3 registry  
536.9 an applicant who meets the requirements for tier 1 described under subdivision 2 and who:

536.10 (1) has a national certification in health care interpreting that does not include a  
536.11 performance examination from a certifying organization approved by the commissioner; or

536.12 (2) provides proof of successfully completing an interpreting certification program  
536.13 from an accredited United States academic institution approved by the commissioner  
536.14 that is, at a minimum, 18 semester credits.

536.15 Subd. 5. **Tier 4 requirements.** (a) The commissioner shall include on the tier 4  
536.16 registry an applicant who meets the requirements for tier 1 described under subdivision 2  
536.17 and who:

536.18 (1) has a national certification from a certifying organization approved by the  
536.19 commissioner in health care interpreting that includes a performance examination in the  
536.20 non-English language in which the interpreter is registering to interpret; or

536.21 (2)(i) has an associate's degree or higher in interpreting from an accredited United  
536.22 States academic institution. The degree and institution must be approved by the  
536.23 commissioner and the degree must include a minimum of three semester credits in medical  
536.24 terminology or medical interpreting; and

536.25 (ii) has achieved a score of "advanced mid" or higher on the American Council on  
536.26 the Teaching of Foreign Languages Oral Proficiency Interview in a non-English language  
536.27 in which the interpreter is registering to interpret.

536.28 (b) The commissioner, in consultation with the advisory council, may approve  
536.29 alternative means of meeting oral proficiency requirements for tier 4 for languages  
536.30 in which the American Council of Teaching of Foreign Languages Oral Proficiency  
536.31 Interview is not available.

536.32 (c) The commissioner, in consultation with the advisory council, may approve a  
536.33 degree from an educational institution from a foreign country as meeting the associate's  
536.34 degree requirement in paragraph (a), clause (2). The commissioner may assess the  
536.35 applicant a fee to cover the cost of foreign credential evaluation services approved by  
536.36 the commissioner, in consultation with the advisory council, and any additional steps



537.1 necessary to process the application. Any assessed fee must be paid by the interpreter  
537.2 before the interpreter will be registered.

537.3 Subd. 6. **Change of name and address.** Registered spoken language health  
537.4 care interpreters who change their name, address, or e-mail address must inform the  
537.5 commissioner in writing of the change within 30 days. All notices or other correspondence  
537.6 mailed to the interpreter's address or e-mail address on file with the commissioner shall  
537.7 be considered as having been received by the interpreter.

537.8 Subd. 7. **Data.** Section 13.41 applies to government data of the commissioner  
537.9 on applicants and registered interpreters.

537.10 Sec. 3. **[146C.05] RENEWAL.**

537.11 Subdivision 1. **Registry period.** Listing on the registry is valid for a one-year  
537.12 period. To renew inclusion on the registry, an interpreter must submit:

537.13 (1) a renewal application on a form provided by the commissioner;

537.14 (2) a continuing education report on a form provided by the commissioner as  
537.15 specified under section 146C.09; and

537.16 (3) the required fees under section 146C.13.

537.17 Subd. 2. **Notice.** (a) Sixty days before the registry expiration date, the commissioner  
537.18 shall send out a renewal notice to the spoken language health care interpreter's last known  
537.19 address or e-mail address on file with the commissioner. The notice must include an  
537.20 application for renewal and the amount of the fee required for renewal. If the interpreter  
537.21 does not receive the renewal notice, the interpreter is still required to meet the deadline for  
537.22 renewal to qualify for continuous inclusion on the registry.

537.23 (b) An application for renewal must be received by the commissioner or postmarked  
537.24 at least 30 calendar days before the registry expiration date.

537.25 Subd. 3. **Late fee.** A renewal application submitted after the renewal deadline  
537.26 date must include the late fee specified in section 146C.13. Fees for late renewal shall  
537.27 not be prorated.

537.28 Subd. 4. **Lapse in renewal.** An interpreter whose registry listing has been expired  
537.29 for a period of one year or longer must submit a new application to be listed on the registry  
537.30 instead of a renewal application.

537.31 Sec. 4. **[146C.07] DISCIPLINARY ACTIONS; OVERSIGHT OF COMPLAINTS.**

537.32 Subdivision 1. **Prohibited conduct.** (a) The following conduct is prohibited and is  
537.33 grounds for disciplinary or corrective action:

538.1 (1) failure to provide spoken language interpreting services consistent with the  
538.2 code of ethics and interpreting standards of practice, or performance of the interpretation  
538.3 in an incompetent or negligent manner;

538.4 (2) conviction of a crime, including a finding or verdict of guilt, an admission of  
538.5 guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United  
538.6 States, demonstrably related to engaging in spoken language health care interpreter  
538.7 services. Conviction includes a conviction for an offense which, if committed in this  
538.8 state, would be deemed a felony;

538.9 (3) conviction of violating any state or federal law, rule, or regulation that directly  
538.10 relates to the practice of spoken language health care interpreters;

538.11 (4) adjudication as mentally incompetent or as a person who is dangerous to self  
538.12 or adjudication pursuant to chapter 253B as chemically dependent, developmentally  
538.13 disabled, mentally ill and dangerous to the public, or as a sexual psychopathic personality  
538.14 or sexually dangerous person;

538.15 (5) violation or failure to comply with an order issued by the commissioner;

538.16 (6) obtaining money, property, services, or business from a client through the use of  
538.17 undue influence, excessive pressure, harassment, duress, deception, or fraud;

538.18 (7) revocation of the interpreter's national certification as a result of disciplinary  
538.19 action brought by the national certifying body;

538.20 (8) failure to perform services with reasonable judgment, skill, or safety due to the  
538.21 use of alcohol or drugs or other physical or mental impairment;

538.22 (9) engaging in conduct likely to deceive, defraud, or harm the public;

538.23 (10) demonstrating a willful or careless disregard for the health, welfare, or safety  
538.24 of a client;

538.25 (11) failure to cooperate with the commissioner or advisory council in an  
538.26 investigation or to provide information in response to a request from the commissioner  
538.27 or advisory council;

538.28 (12) aiding or abetting another person in violating any provision of this chapter; and

538.29 (13) release or disclosure of a health record in violation of sections 144.291 to  
538.30 144.298.

538.31 (b) In disciplinary actions alleging a violation of paragraph (a), clause (2), (3), or  
538.32 (4), a copy of the judgment or proceeding under seal of the court administrator, or of the  
538.33 administrative agency that entered the same, is admissible into evidence without further  
538.34 authentication and constitutes prima facie evidence of its contents.

538.35 Subd. 2. **Complaints.** The commissioner may initiate an investigation upon  
538.36 receiving a complaint or other oral or written communication that alleges or implies

539.1 a violation of subdivision 1. In the receipt, investigation, and hearing of a complaint  
539.2 that alleges or implies a violation of subdivision 1, the commissioner shall follow the  
539.3 procedures in section 214.10.

539.4 Subd. 3. **Disciplinary actions.** If the commissioner finds that an interpreter who is  
539.5 listed on the registry has violated any provision of this chapter, the commissioner may  
539.6 take any one or more of the following actions:

539.7 (1) remove the interpreter from the registry;

539.8 (2) impose limitations or conditions on the interpreter's practice, impose  
539.9 rehabilitation requirements, or require practice under supervision; or

539.10 (3) censure or reprimand the interpreter.

539.11 Subd. 4. **Reinstatement requirements after disciplinary action.** Interpreters  
539.12 who have been removed from the registry may request and provide justification for  
539.13 reinstatement. The requirements of this chapter for registry renewal and any other  
539.14 conditions imposed by the commissioner must be met before the interpreter may be  
539.15 reinstated on the registry.

539.16 Sec. 5. **[146C.09] CONTINUING EDUCATION.**

539.17 Subdivision 1. **Course approval.** The advisory council shall approve continuing  
539.18 education courses and training. A course that has not been approved by the advisory  
539.19 council may be submitted, but may be disapproved by the commissioner. If the course  
539.20 is disapproved, it shall not count toward the continuing education requirement. The  
539.21 interpreter must complete the following hours of continuing education during each  
539.22 one-year registry period:

539.23 (1) for tier 2 interpreters, a minimum of four contact hours of continuing education;

539.24 (2) for tier 3 interpreters, a minimum of six contact hours of continuing education; and

539.25 (3) for tier 4 interpreters, a minimum of eight contact hours of continuing education.

539.26 Contact hours shall be prorated for interpreters who are assigned a registry cycle of  
539.27 less than one year.

539.28 Subd. 2. **Continuing education verification.** Each spoken language health care  
539.29 interpreter shall submit with a renewal application a continuing education report on a form  
539.30 provided by the commissioner that indicates that the interpreter has met the continuing  
539.31 education requirements of this section. The form shall include the following information:

539.32 (1) the title of the continuing education activity;

539.33 (2) a brief description of the activity;

539.34 (3) the sponsor, presenter, or author;

539.35 (4) the location and attendance dates;

- 540.1 (5) the number of contact hours; and  
 540.2 (6) the interpreter's notarized affirmation that the information is true and correct.

540.3 Subd. 3. **Audit.** The commissioner or advisory council may audit a percentage of  
 540.4 the continuing education reports based on a random selection.

540.5 Sec. 6. **[146C.11] SPOKEN LANGUAGE HEALTH CARE INTERPRETER**  
 540.6 **ADVISORY COUNCIL.**

540.7 Subdivision 1. **Establishment.** The commissioner shall appoint 12 members to a  
 540.8 Spoken Language Health Care Interpreter Advisory Council consisting of the following  
 540.9 members:

540.10 (1) three members who are interpreters listed on the roster prior to July 1, 2017, or  
 540.11 on the registry after July 1, 2017, and who are Minnesota residents. Of these members,  
 540.12 each must be an interpreter for a different language; at least one must have a national  
 540.13 certification credential; and at least one must have been listed on the roster prior to July 1,  
 540.14 2017, or on the registry after July 1, 2017, as an interpreter in a language other than the  
 540.15 common languages and must have completed a training program for medical interpreters  
 540.16 approved by the commissioner that is, at a minimum, 40 hours in length;

540.17 (2) three members representing limited English proficient (LEP) individuals, of  
 540.18 these members, two must represent LEP individuals who are proficient in a common  
 540.19 language and one must represent LEP individuals who are proficient in a language that is  
 540.20 not one of the common languages;

540.21 (3) one member representing a health plan company;

540.22 (4) one member representing a Minnesota health system who is not an interpreter;

540.23 (5) one member representing an interpreter agency;

540.24 (6) one member representing an interpreter training program or postsecondary  
 540.25 educational institution program providing interpreter courses or skills assessment;

540.26 (7) one member who is affiliated with a Minnesota-based or Minnesota chapter of a  
 540.27 national or international organization representing interpreters; and

540.28 (8) one member who is a licensed direct care health provider.

540.29 Subd. 2. **Organization.** The advisory council shall be organized and administered  
 540.30 under section 15.059.

540.31 Subd. 3. **Duties.** The advisory council shall:

540.32 (1) advise the commissioner on issues relating to interpreting skills, ethics, and  
 540.33 standards of practice, including reviewing and recommending changes to the examinations  
 540.34 identified in section 146C.03, subdivision 2, on basic medical terminology in English and  
 540.35 interpreter ethics and interpreter standards of practice;

541.1 (2) advise the commissioner on recommended changes to accepted spoken language  
 541.2 health care interpreter qualifications, including degree and training programs and  
 541.3 performance examinations;

541.4 (3) address barriers for interpreters to gain access to the registry, including barriers  
 541.5 to interpreters of uncommon languages and interpreters in rural areas;

541.6 (4) advise the commissioner on methods for identifying gaps in interpreter services in  
 541.7 rural areas and make recommendations to address interpreter training and funding needs;

541.8 (5) inform the commissioner on emerging issues in the spoken language health  
 541.9 care interpreter field;

541.10 (6) advise the commissioner on training and continuing education programs;

541.11 (7) provide for distribution of information regarding interpreter standards and  
 541.12 resources to help interpreters qualify for higher registry tier levels;

541.13 (8) make recommendations for necessary statutory changes to Minnesota interpreter  
 541.14 law;

541.15 (9) compare the annual cost of administering the registry and the annual total  
 541.16 collection of registration fees and advise the commissioner, if necessary, to recommend an  
 541.17 adjustment to the registration fees;

541.18 (10) identify barriers to meeting tier requirements and make recommendations to the  
 541.19 commissioner for addressing these barriers;

541.20 (11) identify and make recommendations to the commissioner for Web distribution  
 541.21 of patient and provider education materials on working with an interpreter and on reporting  
 541.22 interpreter behavior as identified in section 146C.07; and

541.23 (12) review and update as necessary the process for determining common languages.

541.24 **Sec. 7. [146C.13] FEES.**

541.25 Subdivision 1. **Fees.** (a) The initial and renewal application fees for interpreters  
 541.26 listed on the registry shall be established by the commissioner not to exceed \$90.

541.27 (b) The renewal late fee for the registry shall be established by the commissioner  
 541.28 not to exceed \$30.

541.29 (c) If the commissioner must translate a document to verify whether a foreign degree  
 541.30 qualifies for registration for tier 4, the commissioner may assess a fee equal to the actual  
 541.31 cost of translation and additional effort necessary to process the application.

541.32 Subd. 2. **Nonrefundable fees.** The fees in this section are nonrefundable.

541.33 Subd. 3. **Deposit.** Fees received under this chapter shall be deposited in the state  
 541.34 government special revenue fund.

541.35

## GENETIC COUNSELORS

542.1 Sec. 8. [147F.01] DEFINITIONS.

542.2 Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in  
542.3 this section have the meanings given them.

542.4 Subd. 2. **ABGC.** "ABGC" means the American Board of Genetic Counseling, a  
542.5 national agency for certification and recertification of genetic counselors, or its successor  
542.6 organization or equivalent.

542.7 Subd. 3. **ABMG.** "ABMG" means the American Board of Medical Genetics,  
542.8 a national agency for certification and recertification of genetic counselors, medical  
542.9 geneticists, and Ph.D. geneticists, or its successor organization.

542.10 Subd. 4. **ACGC.** "ACGC" means the Accreditation Council for Genetic Counseling,  
542.11 a specialized program accreditation board for educational training programs granting  
542.12 master's degrees or higher in genetic counseling, or its successor organization.

542.13 Subd. 5. **Board.** "Board" means the Board of Medical Practice.

542.14 Subd. 6. **Eligible status.** "Eligible status" means an applicant who has met the  
542.15 requirements and received approval from the ABGC to sit for the certification examination.

542.16 Subd. 7. **Genetic counseling.** "Genetic counseling" means the provision of services  
542.17 described in section 147F.03 to help clients and their families understand the medical,  
542.18 psychological, and familial implications of genetic contributions to a disease or medical  
542.19 condition.

542.20 Subd. 8. **Genetic counselor.** "Genetic counselor" means an individual licensed  
542.21 under this chapter to engage in the practice of genetic counseling.

542.22 Subd. 9. **Licensed physician.** "Licensed physician" means an individual who is  
542.23 licensed to practice medicine under chapter 147.

542.24 Subd. 10. **NSGC.** "NSGC" means the National Society of Genetic Counselors, a  
542.25 professional membership association for genetic counselors that approves continuing  
542.26 education programs.

542.27 Subd. 11. **Qualified supervisor.** "Qualified supervisor" means any person who is  
542.28 licensed under this chapter as a genetic counselor or a physician licensed under chapter  
542.29 147 to practice medicine in Minnesota.

542.30 Subd. 12. **Supervisee.** "Supervisee" means a genetic counselor with a provisional  
542.31 license.

542.32 Subd. 13. **Supervision.** "Supervision" means an assessment of the work of the  
542.33 supervisee, including regular meetings and file review, by a qualified supervisor according  
542.34 to the supervision contract. Supervision does not require the qualified supervisor to be  
542.35 present while the supervisee provides services.

543.1 Sec. 9. **[147F.03] SCOPE OF PRACTICE.**

543.2 The practice of genetic counseling by a licensed genetic counselor includes the  
543.3 following services:

543.4 (1) obtaining and interpreting individual and family medical and developmental  
543.5 histories;

543.6 (2) determining the mode of inheritance and the risk of transmitting genetic  
543.7 conditions and birth defects;

543.8 (3) discussing the inheritance, features, natural history, means of diagnosis, and  
543.9 management of conditions with clients;

543.10 (4) identifying, coordinating, ordering, and explaining the clinical implications of  
543.11 genetic laboratory tests and other laboratory studies;

543.12 (5) assessing psychosocial factors, including social, educational, and cultural issues;

543.13 (6) providing client-centered counseling and anticipatory guidance to the client or  
543.14 family based on their responses to the condition, risk of occurrence, or risk of recurrence;

543.15 (7) facilitating informed decision-making about testing and management;

543.16 (8) identifying and using community resources that provide medical, educational,  
543.17 financial, and psychosocial support and advocacy; and

543.18 (9) providing accurate written medical, genetic, and counseling information for  
543.19 families and health care professionals.

543.20 Sec. 10. **[147F.05] UNLICENSED PRACTICE PROHIBITED; PROTECTED**  
543.21 **TITLES AND RESTRICTIONS ON USE.**

543.22 Subdivision 1. **Protected titles.** No individual may use the title "genetic counselor,"  
543.23 "licensed genetic counselor," "gene counselor," "genetic consultant," "genetic assistant,"  
543.24 "genetic associate," or any words, letters, abbreviations, or insignia indicating or implying  
543.25 that the individual is eligible for licensure by the state as a genetic counselor unless the  
543.26 individual has been licensed as a genetic counselor according to this chapter.

543.27 Subd. 2. **Unlicensed practice prohibited.** Effective January 1, 2018, no individual  
543.28 may practice genetic counseling unless the individual is licensed as a genetic counselor  
543.29 under this chapter except as otherwise provided under this chapter.

543.30 Subd. 3. **Other practitioners.** (a) Nothing in this chapter shall be construed to  
543.31 prohibit or restrict the practice of any profession or occupation licensed or registered by the  
543.32 state by an individual duly licensed or registered to practice the profession or occupation  
543.33 or to perform any act that falls within the scope of practice of the profession or occupation.

543.34 (b) Nothing in this chapter shall be construed to require a license under this chapter  
543.35 for:

544.1 (1) an individual employed as a genetic counselor by the federal government or a  
544.2 federal agency if the individual is providing services under the direction and control of  
544.3 the employer;

544.4 (2) a student or intern, having graduated within the past six months, or currently  
544.5 enrolled in an ACGC-accredited genetic counseling educational program providing  
544.6 genetic counseling services that are an integral part of the student's or intern's course  
544.7 of study, are performed under the direct supervision of a licensed genetic counselor or  
544.8 physician who is on duty in the assigned patient care area, and the student is identified by  
544.9 the title "genetic counseling intern";

544.10 (3) a visiting ABGC- or ABMG-certified genetic counselor working as a consultant  
544.11 in this state who permanently resides outside of the state, or the occasional use of services  
544.12 from organizations from outside of the state that employ ABGC- or ABMG-certified  
544.13 genetic counselors. This is limited to practicing for 30 days total within one calendar year.  
544.14 Certified genetic counselors from outside of the state working as a consultant in this state  
544.15 must be licensed in their state of residence if that credential is available; or

544.16 (4) an individual who is licensed to practice medicine under chapter 147.

544.17 Subd. 4. **Sanctions.** An individual who violates this section is guilty of a  
544.18 misdemeanor and shall be subject to sanctions or actions according to section 214.11.

544.19 Sec. 11. **[147F.07] LICENSURE REQUIREMENTS.**

544.20 Subdivision 1. **General requirements for licensure.** To be eligible for licensure, an  
544.21 applicant, with the exception of those seeking licensure by reciprocity under subdivision  
544.22 2, must submit to the board:

544.23 (1) a completed application on forms provided by the board along with all fees  
544.24 required under section 147F.17. The applicant must include:

544.25 (i) the applicant's name, Social Security number, home address and telephone  
544.26 number, and business address and telephone number if currently employed;

544.27 (ii) the name and location of the genetic counseling or medical program the applicant  
544.28 completed;

544.29 (iii) a list of degrees received from other educational institutions;

544.30 (iv) a description of the applicant's professional training;

544.31 (v) a list of registrations, certifications, and licenses held in other jurisdictions;

544.32 (vi) a description of any other jurisdiction's refusal to credential the applicant;

544.33 (vii) a description of all professional disciplinary actions initiated against the  
544.34 applicant in any jurisdiction; and



- 545.1 (viii) any history of drug or alcohol abuse, and any misdemeanor, gross  
545.2 misdemeanor, or felony conviction;
- 545.3 (2) evidence of graduation from an education program accredited by the ACGC or  
545.4 its predecessor or successor organization;
- 545.5 (3) a verified copy of a valid and current certification issued by the ABGC or ABMG  
545.6 as a certified genetic counselor, or by the ABMG as a certified medical geneticist;
- 545.7 (4) additional information as requested by the board, including any additional  
545.8 information necessary to ensure that the applicant is able to practice with reasonable skill  
545.9 and safety to the public;
- 545.10 (5) a signed statement verifying that the information in the application is true and  
545.11 correct to the best of the applicant's knowledge and belief; and
- 545.12 (6) a signed waiver authorizing the board to obtain access to the applicant's records  
545.13 in this or any other state in which the applicant completed an educational program or  
545.14 engaged in the practice of genetic counseling.

545.15 Subd. 2. **Licensure by reciprocity.** To be eligible for licensure by reciprocity,  
545.16 the applicant must hold a current genetic counselor or medical geneticist registration  
545.17 or license in another state, the District of Columbia, or a territory of the United States,  
545.18 whose standards for registration or licensure are at least equivalent to those of Minnesota,  
545.19 and must:

- 545.20 (1) submit the application materials and fees as required by subdivision 1, clauses  
545.21 (1), (2), and (4) to (6);
- 545.22 (2) provide a verified copy from the appropriate government body of a current  
545.23 registration or license for the practice of genetic counseling in another jurisdiction that has  
545.24 initial registration or licensing requirements equivalent to or higher than the requirements  
545.25 in subdivision 1; and
- 545.26 (3) provide letters of verification from the appropriate government body in each  
545.27 jurisdiction in which the applicant holds a registration or license. Each letter must state  
545.28 the applicant's name, date of birth, registration or license number, date of issuance, a  
545.29 statement regarding disciplinary actions, if any, taken against the applicant, and the terms  
545.30 under which the registration or license was issued.

545.31 Subd. 3. **Licensure by equivalency.** (a) The board may grant a license to an  
545.32 individual who does not meet the certification requirements in subdivision 1 but who  
545.33 has been employed as a genetic counselor for a minimum of ten years and provides the  
545.34 following documentation to the board no later than January 1, 2018:

- 545.35 (1) proof of a master's or higher degree in genetics or related field of study from an  
545.36 accredited educational institution;

546.1 (2) proof that the individual has never failed the ABGC or ABMG certification  
546.2 examination;

546.3 (3) three letters of recommendation, with at least one from an individual eligible  
546.4 for licensure under this chapter, and at least one from an individual certified as a genetic  
546.5 counselor by the ABGC or ABMG or an individual certified as a medical geneticist by  
546.6 the ABMG. An individual who submits a letter of recommendation must have worked  
546.7 with the applicant in an employment setting during the past ten years and must attest to  
546.8 the applicant's competency; and

546.9 (4) documentation of the completion of 100 hours of NSGC-approved continuing  
546.10 education credits within the past five years.

546.11 (b) This subdivision expires January 1, 2018.

546.12 Subd. 4. **License expiration.** A genetic counselor license shall be valid for one  
546.13 year from the date of issuance.

546.14 Subd. 5. **License renewal.** To be eligible for license renewal, a licensed genetic  
546.15 counselor must submit to the board:

546.16 (1) a renewal application on a form provided by the board;

546.17 (2) the renewal fee required under section 147F.17;

546.18 (3) evidence of compliance with the continuing education requirements in section  
546.19 147F.11; and

546.20 (4) any additional information requested by the board.

546.21 **Sec. 12. [147F.09] BOARD ACTION ON APPLICATIONS FOR LICENSURE.**

546.22 (a) The board shall act on each application for licensure according to paragraphs

546.23 (b) to (d).

546.24 (b) The board shall determine if the applicant meets the requirements for licensure  
546.25 under section 147F.07. The board may investigate information provided by an applicant to  
546.26 determine whether the information is accurate and complete.

546.27 (c) The board shall notify each applicant in writing of action taken on the application,  
546.28 the grounds for denying licensure if a license is denied, and the applicant's right to review  
546.29 the board's decision under paragraph (d).

546.30 (d) Applicants denied licensure may make a written request to the board, within 30  
546.31 days of the board's notice, to appear before the advisory council and for the advisory  
546.32 council to review the board's decision to deny the applicant's license. After reviewing the  
546.33 denial, the advisory council shall make a recommendation to the board as to whether  
546.34 the denial shall be affirmed. Each applicant is allowed only one request for review per  
546.35 licensure period.

547.1 Sec. 13. **[147F.11] CONTINUING EDUCATION REQUIREMENTS.**

547.2 (a) A licensed genetic counselor must complete a minimum of 25 hours of NSGC-  
547.3 or ABMG-approved continuing education units every two years. If a licensee's renewal  
547.4 term is prorated to be more or less than one year, the required number of continuing  
547.5 education units is prorated proportionately.

547.6 (b) The board may grant a variance to the continuing education requirements  
547.7 specified in this section if a licensee demonstrates to the satisfaction of the board that the  
547.8 licensee is unable to complete the required number of educational units during the renewal  
547.9 term. The board may allow the licensee to complete the required number of continuing  
547.10 education units within a time frame specified by the board. In no case shall the board  
547.11 allow the licensee to complete less than the required number of continuing education units.

547.12 Sec. 14. **[147F.13] DISCIPLINE; REPORTING.**

547.13 For purposes of this chapter, licensed genetic counselors and applicants are subject  
547.14 to sections 147.091 to 147.162.

547.15 Sec. 15. **[147F.15] LICENSED GENETIC COUNSELOR ADVISORY COUNCIL.**

547.16 Subdivision 1. **Membership.** The board shall appoint a five-member Licensed  
547.17 Genetic Counselor Advisory Council. One member must be a licensed physician with  
547.18 experience in genetics, three members must be licensed genetic counselors, and one  
547.19 member must be a public member.

547.20 Subd. 2. **Organization.** The advisory council shall be organized and administered  
547.21 under section 15.059, except that section 15.059, subdivision 2, does not apply to this  
547.22 section. Members shall serve two-year terms, and shall serve until their successors have  
547.23 been appointed. The council shall select a chair from its membership.

547.24 Subd. 3. **Duties.** The advisory council shall:

547.25 (1) advise the board regarding standards for licensed genetic counselors;

547.26 (2) provide for distribution of information regarding licensed genetic counselor  
547.27 practice standards;

547.28 (3) advise the board on enforcement of this chapter;

547.29 (4) review applications and recommend granting or denying licensure or license  
547.30 renewal;

547.31 (5) advise the board on issues related to receiving and investigating complaints,  
547.32 conducting hearings, and imposing disciplinary action in relation to complaints against  
547.33 licensed genetic counselors; and

548.1 (6) perform other duties authorized for advisory councils under chapter 214, as  
548.2 directed by the board.

548.3 Subd. 4. **Expiration.** Notwithstanding section 15.059, the advisory council does  
548.4 not expire.

548.5 Sec. 16. **[147F.17] FEES.**

548.6 Subdivision 1. **Fees.** Fees are as follows:

548.7 (1) license application fee, \$200;

548.8 (2) initial licensure and annual renewal, \$150; and

548.9 (3) late fee, \$75.

548.10 Subd. 2. **Proration of fees.** The board may prorate the initial license fee. All  
548.11 licensees are required to pay the full fee upon license renewal.

548.12 Subd. 3. **Penalty for late renewals.** An application for registration renewal  
548.13 submitted after the deadline must be accompanied by a late fee in addition to the required  
548.14 fees.

548.15 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

548.16 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited  
548.17 in the state government special revenue fund.

548.18 **LACTATION CARE PROVIDERS**

548.19 Sec. 17. **[148.9801] SCOPE AND APPLICATION.**

548.20 Subdivision 1. **Scope.** Sections 148.9801 to 148.9812 apply to persons who are  
548.21 applicants for licensure, who are licensed, who use protected titles, or who represent that  
548.22 they are licensed under sections 148.9801 to 148.9812.

548.23 Subd. 2. **Application.** Nothing in sections 148.9801 to 148.9812 shall prohibit any  
548.24 person from providing breastfeeding education and support services, whether or not that  
548.25 person is licensed under sections 148.9801 to 148.9812.

548.26 Sec. 18. **[148.9802] DEFINITIONS.**

548.27 Subdivision 1. **Application.** For purposes of sections 148.9801 to 148.9812, the  
548.28 following terms have the meanings given.

548.29 Subd. 2. **Biennial licensure period.** "Biennial licensure period" means the two-year  
548.30 period for which licensure is effective.

548.31 Subd. 3. **Breastfeeding education and support services.** "Breastfeeding  
548.32 education and support services" refers to services such as educating women, families,  
548.33 health professionals, and the community about the impact of breastfeeding and human

549.1 lactation on health and what to expect in the normal course of breastfeeding; facilitating  
549.2 the development of policies that protect, promote, and support breastfeeding; acting as  
549.3 an advocate for breastfeeding as the child-feeding norm; providing holistic breastfeeding  
549.4 support, encouragement, and care from preconception to weaning in order to help women  
549.5 and their families meet their breastfeeding goals; using principles of adult education when  
549.6 teaching clients, health care providers, and others in the community; and identifying and  
549.7 referring high-risk mothers and babies and those requiring clinical treatment to licensed  
549.8 providers. Any individual, with or without a license, may provide breastfeeding education  
549.9 and support services.

549.10 Subd. 4. **Certified lactation counselor, advanced lactation consultant, or**  
549.11 **advanced nurse lactation consultant.** "Certified lactation counselor, advanced lactation  
549.12 consultant, or advanced nurse lactation consultant" means an individual who possesses  
549.13 certification from the Academy of Lactation Policy and Practice of the Healthy Children  
549.14 Project, Inc.

549.15 Subd. 5. **Clinical lactation services.** "Clinical lactation services" refers to the  
549.16 clinical application of evidence-based practices for evaluation, problem identification,  
549.17 treatment, education, and consultation in providing lactation care and services to  
549.18 childbearing families. Clinical lactation services involves one or more of the following  
549.19 activities: lactation assessment through the systematic collection of data; analysis of data;  
549.20 creation of lactation care plans; implementation of lactation care plans, including but not  
549.21 limited to providing demonstration and instruction to parents and communicating with  
549.22 the primary health care provider; evaluation of outcomes; and recommending the use of  
549.23 assistive devices when appropriate. Individuals who provide one or more of the services  
549.24 listed in this subdivision are providing clinical lactation services.

549.25 Subd. 6. **Commissioner.** "Commissioner" means the commissioner of health or a  
549.26 designee.

549.27 Subd. 7. **Credential.** "Credential" means a license, permit, certification, registration,  
549.28 or other evidence of qualification or authorization to engage in the practice of clinical  
549.29 lactation care services issued by any authority.

549.30 Subd. 8. **International Board-Certified Lactation Consultant.** "International  
549.31 Board-Certified Lactation Consultant" means an individual who possesses certification  
549.32 from the International Board of Lactation Consultant Examiners as accredited by the  
549.33 National Commission for Certifying Agencies.

549.34 Subd. 9. **License or licensed.** "License" or "licensed" means the act or status of a  
549.35 natural person who meets the requirements of sections 148.9801 to 148.9812.

550.1 Subd. 10. **Licensed lactation care provider.** "Licensed lactation care provider"  
 550.2 means an individual who meets the requirements of sections 148.9801 to 148.9812, is  
 550.3 licensed by the commissioner, and is permitted to provide clinical lactation services and  
 550.4 use the titles authorized in this section and section 148.9803.

550.5 Subd. 11. **Licensee.** "Licensee" means a person who meets the requirements of  
 550.6 sections 148.9801 to 148.9812.

550.7 Subd. 12. **Licensure by equivalency.** "Licensure by equivalency" means a method  
 550.8 of licensure described in section 148.9806, subdivision 2, by which an individual who  
 550.9 possesses a credential from the International Board of Lactation Consultant Examiners  
 550.10 as accredited by the National Commission for Certifying Agencies, from the Academy  
 550.11 of Lactation Policy and Practice of the Healthy Children Project, Inc., or from another  
 550.12 nationally recognized credentialing agency may qualify for licensure.

550.13 Subd. 13. **Licensure by reciprocity.** "Licensure by reciprocity" means a method  
 550.14 of licensure described in section 148.9806, subdivision 3, by which an individual who  
 550.15 possesses a credential from another jurisdiction may qualify for Minnesota licensure.

550.16 Subd. 14. **Protected title.** "Protected title" means the title of licensed lactation  
 550.17 consultant, licensed certified lactation counselor, licensed advanced lactation consultant,  
 550.18 licensed advanced nurse lactation consultant, or licensed International Board-Certified  
 550.19 Lactation Consultant.

550.20 Sec. 19. **[148.9803] LICENSURE; PROTECTED TITLES AND RESTRICTIONS**  
 550.21 **ON USE; EXEMPT PERSONS; SANCTIONS.**

550.22 Subdivision 1. **Unlicensed practice prohibited.** Effective July 1, 2017, no person  
 550.23 shall engage in the practice of clinical lactation services unless the person is licensed as a  
 550.24 lactation care provider in accordance with sections 148.9801 to 148.9812.

550.25 Subd. 2. **Protected titles and restrictions on use.** (a) The terms or phrases "licensed  
 550.26 International Board-Certified Lactation Consultant" or "licensed lactation consultant"  
 550.27 alone or in combination can only be used by an individual licensed under sections 148.9801  
 550.28 to 148.9812 and who possesses a credential from the International Board of Lactation  
 550.29 Consultant Examiners as accredited by the National Commission for Certifying Agencies.

550.30 (b) The terms or phrases "licensed certified lactation counselor," "certified lactation  
 550.31 counselor," "licensed advanced lactation consultant," "advanced lactation consultant,"  
 550.32 "licensed advanced nurse lactation consultant," "advanced nurse lactation consultant,"  
 550.33 "licensed lactation counselor," or "licensed lactation consultant" alone or in combination  
 550.34 can only be used by an individual licensed under sections 148.9801 to 148.9812 and who

551.1 possesses a credential from the Academy of Lactation Policy and Practice of the Healthy  
551.2 Children Project, Inc.

551.3 Subd. 3. Exempt persons. This section does not apply to:

551.4 (1) a person employed as a lactation consultant or lactation counselor by the  
551.5 government of the United States or any agency of it. However, use of the protected titles  
551.6 under those circumstances is allowed only in connection with performance of official  
551.7 duties for the federal government;

551.8 (2) a student participating in supervised fieldwork or supervised coursework that  
551.9 is necessary to meet the requirements of sections 148.9801 to 148.9812 if the student is  
551.10 designated by a title which clearly indicates the student's status as a student trainee. Any  
551.11 use of the protected titles under these circumstances is allowed only while the person is  
551.12 performing the duties of the supervised fieldwork or supervised coursework;

551.13 (3) a person visiting and then leaving the state and performing clinical lactation  
551.14 services while in the state if the services are performed no more than 30 days in a calendar  
551.15 year as part of a professional activity that is limited in scope and duration and is in  
551.16 association with a licensed lactation care provider licensed under sections 148.9801 to  
551.17 148.9812, and:

551.18 (i) the person is credentialed under the law of another state which has credentialing  
551.19 requirements at least as stringent as the requirements of sections 148.9801 to 148.9812;

551.20 (ii) the person meets the requirements for certification as an International  
551.21 Board-Certified Lactation Consultant established by the International Board of Lactation  
551.22 Consultant Examiners as accredited by the National Commission for Certifying Agencies;  
551.23 or

551.24 (iii) the person is certified as a certified lactation counselor, advanced lactation  
551.25 consultant, or advanced nurse lactation consultant by the Academy of Lactation Policy  
551.26 and Practice of the Healthy Children Project, Inc.;

551.27 (4) a person licensed to practice as a dentist under chapter 150A, physician or  
551.28 osteopath under chapter 147, nurse under sections 148.171 to 148.285, physician assistant  
551.29 under chapter 147A, dietitian under sections 148.621 to 148.634, or midwife under chapter  
551.30 147D, when providing clinical lactation services incidental to the practice of the person's  
551.31 profession, except the person shall not use the protected titles;

551.32 (5) an employee of a department, agency, or division of state, county, or local  
551.33 government, when providing clinical lactation services within the discharge of the  
551.34 employee's official duties including, but not limited to, peer counselors in the Special  
551.35 Supplemental Nutrition Program for Women, Infants, and Children; or

551.36 (6) a volunteer providing clinical lactation services, if:

552.1 (i) the volunteer does not use the protected titles or represent that the volunteer is  
552.2 licensed or has the clinical skills and abilities associated with licensure;  
552.3 (ii) the volunteer service is performed at no cost, with no fee charged to or payment,  
552.4 monetary or otherwise, provided by the individual or group served; and  
552.5 (iii) the volunteer receives no compensation, monetary or otherwise, except for  
552.6 administrative expenses including, but not limited to, mileage.

552.7 Subd. 4. **Sanctions.** A person who practices clinical lactation services or represents  
552.8 that they are a licensed lactation care provider by or through the use of any title described  
552.9 in subdivision 2 without prior licensure according to sections 148.9801 to 148.9812  
552.10 is subject to sanctions or action against continuing the activity according to section  
552.11 148.9804, chapter 214, or other statutory authority.

552.12 Subd. 5. **Exemption.** Nothing in sections 148.9801 to 148.9812 shall prohibit the  
552.13 practice of any profession or occupation, licensed or registered by the state, by any person  
552.14 duly licensed or registered to practice the profession or occupation or to perform any act  
552.15 that falls within the scope of practice of the profession or occupation.

552.16 Sec. 20. **[148.9804] PENALTY.**

552.17 If the commissioner finds that a licensed lactation care provider has violated  
552.18 the provisions of sections 148.9801 to 148.9812 or rules adopted under those sections,  
552.19 the commissioner may impose a civil penalty not exceeding \$10,000 for each separate  
552.20 violation. The amount of the civil penalty shall be fixed so as to deprive the licensed  
552.21 lactation care provider of any economic advantage gained by reason of the violation  
552.22 charged, to discourage similar violations, and to reimburse the commissioner for the cost  
552.23 of the investigation and proceeding, including, but not limited to: fees paid for services  
552.24 provided by the Office of Administrative Hearings, legal and investigative services  
552.25 provided by the Office of the Attorney General, services of court reporters, witnesses, and  
552.26 reproduction of records.

552.27 Sec. 21. **[148.9806] APPLICATION REQUIREMENTS; PROCEDURE.**

552.28 Subdivision 1. **Application for licensure.** An applicant for licensure must:  
552.29 (1) have a current certification from the International Board of Lactation Consultant  
552.30 Examiners as accredited by the National Commission for Certifying Agencies, the  
552.31 Academy of Lactation Policy and Practice of the Healthy Children Project, Inc., or another  
552.32 jurisdiction whose standards for credentialing are determined by the commissioner to be  
552.33 equivalent to or exceed the requirements for licensure under subdivision 2;



553.1 (2) submit a completed application for licensure on forms provided by the  
553.2 commissioner and supply the information requested on the application, including:  
553.3 (i) the applicant's name, business address, business telephone number, business  
553.4 setting, and daytime telephone number;  
553.5 (ii) a description of the applicant's education and training, including a list of degrees  
553.6 received from educational institutions;  
553.7 (iii) the applicant's work history for the six years preceding the application, including  
553.8 the number of hours worked;  
553.9 (iv) a list of all lactation consulting credentials currently and previously held in  
553.10 Minnesota and other jurisdictions;  
553.11 (v) a description of any jurisdiction's refusal to credential the applicant;  
553.12 (vi) a description of all professional disciplinary actions initiated against the  
553.13 applicant in any jurisdiction;  
553.14 (vii) information on any physical or mental condition or chemical dependency  
553.15 that impairs the applicant's ability to provide clinical lactation services with reasonable  
553.16 judgment or safety;  
553.17 (viii) a description of any misdemeanor, gross misdemeanor, or felony conviction  
553.18 that is reasonably related to the practice of clinical lactation services; and  
553.19 (ix) a description of any state or federal court order, including a conciliation court  
553.20 order or a disciplinary order, related to the individual's clinical lactation services practice;  
553.21 (3) submit with the application all fees required by section 148.9811;  
553.22 (4) sign a statement that the information in the application is true and correct to the  
553.23 best of the applicant's knowledge and belief;  
553.24 (5) sign a waiver authorizing the commissioner to obtain access to the applicant's  
553.25 records in this or any other state in which the applicant holds or previously held a  
553.26 credential for the practice of an occupation, completed a clinical lactation services  
553.27 education program, or engaged in the practice of clinical lactation services;  
553.28 (6) within 30 days of a request, submit additional information as requested by the  
553.29 commissioner to clarify information in the application, including information to determine  
553.30 whether the individual has engaged in conduct warranting disciplinary action under  
553.31 section 148.9812; and  
553.32 (7) submit the additional information required for licensure by equivalency or  
553.33 licensure by reciprocity.  
553.34 **Subd. 2. Credentialed applicants.** An applicant who is credentialed by the  
553.35 International Board of Lactation Consultant Examiners as accredited by the National  
553.36 Commission for Certifying Agencies as an International Board-Certified Lactation

554.1 Consultant or an applicant who is credentialed by the Academy of Lactation Policy and  
554.2 Practice of the Healthy Children Project, Inc. may be eligible for licensure by equivalency  
554.3 as a licensed lactation care provider. Nothing in this section limits the commissioner's  
554.4 authority to deny licensure based upon the grounds for discipline in section 148.9812.  
554.5 Applicants under this subdivision must provide the materials required in subdivision  
554.6 1 and must also provide:

554.7 (1) verified documentation from the International Board of Lactation Consultant  
554.8 Examiners stating that the applicant is credentialed as an International Board-Certified  
554.9 Lactation Consultant, or verified documentation from the Academy of Lactation Policy  
554.10 and Practice of the Healthy Children Project, Inc., that the applicant is credentialed as a  
554.11 certified lactation counselor, advanced lactation consultant, or advanced nurse lactation  
554.12 consultant. The applicant is responsible for obtaining this documentation; and

554.13 (2) a waiver authorizing the commissioner to obtain access to the applicant's records  
554.14 maintained by the International Board of Lactation Consultant Examiners or the Academy  
554.15 of Lactation Policy and Practice of the Healthy Children Project, Inc.

554.16 Subd. 3. **Applicants credentialed in another jurisdiction.** (a) An applicant  
554.17 who holds a current credential as a licensed lactation consultant, licensed lactation care  
554.18 provider, or licensed lactation counselor in the District of Columbia or a state or territory  
554.19 of the United States whose standards for credentialing are determined by the commissioner  
554.20 to be equivalent to or exceed the requirements for licensure under subdivision 2, may be  
554.21 eligible for licensure by reciprocity as a licensed lactation care provider. Nothing in this  
554.22 section limits the commissioner's authority to deny licensure based upon the grounds for  
554.23 discipline in section 148.9812.

554.24 (b) Applicants under this subdivision must provide the materials required in  
554.25 subdivision 1 and must also request that the appropriate government body in each  
554.26 jurisdiction in which the applicant holds or held credentials as a licensed lactation care  
554.27 provider or substantially similar title send a letter to the commissioner verifying the  
554.28 applicant's credentials. A license shall not be issued until the commissioner receives a  
554.29 letter verifying each of the applicant's credentials. Each letter must include the applicant's  
554.30 name and date of birth, credential number and date of issuance, a statement regarding  
554.31 investigations pending and disciplinary actions taken or pending against the applicant,  
554.32 current status of the credential, and the terms under which the credential was issued.

554.33 Subd. 4. **Action on applications for licensure.** (a) The commissioner shall  
554.34 approve, approve with conditions, or deny licensure. The commissioner shall act on an  
554.35 application for licensure according to paragraphs (b) to (d).

555.1 (b) The commissioner shall determine if the applicant meets the requirements for  
555.2 licensure. The commissioner may investigate information provided by an applicant to  
555.3 determine whether the information is accurate and complete.

555.4 (c) The commissioner shall notify an applicant of action taken on the application  
555.5 and, if licensure is denied or approved with conditions, the grounds for the commissioner's  
555.6 determination.

555.7 (d) An applicant denied licensure or granted licensure with conditions may make  
555.8 a written request to the commissioner, within 30 days of the date of the commissioner's  
555.9 determination, for reconsideration of the commissioner's determination. Individuals  
555.10 requesting reconsideration may submit information which the applicant wants considered  
555.11 in the reconsideration. After reconsideration of the commissioner's determination to deny  
555.12 licensure or grant licensure with conditions, the commissioner shall determine whether  
555.13 the original determination should be affirmed or modified. An applicant is allowed no  
555.14 more than one request in any one biennial licensure period for reconsideration of the  
555.15 commissioner's determination to deny licensure or approve licensure with conditions.

555.16 Sec. 22. **[148.9807] LICENSURE RENEWAL.**

555.17 Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a  
555.18 licensee must:

555.19 (1) submit a completed and signed application for licensure renewal on forms  
555.20 provided by the commissioner;

555.21 (2) submit the renewal fee required under section 148.9811;

555.22 (3) submit proof that the licensee is currently credentialed by the International  
555.23 Board of Lactation Consultant Examiners as accredited by the National Commission  
555.24 for Certifying Agencies, the Academy of Lactation Policy and Practice of the Healthy  
555.25 Children Project, Inc., or another jurisdiction as described in section 148.9806; and

555.26 (4) submit additional information as requested by the commissioner to clarify  
555.27 information presented in the renewal application. The information must be submitted  
555.28 within 30 days after the commissioner's request.

555.29 Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must  
555.30 be renewed every two years. Licensees must comply with the procedures in paragraphs  
555.31 (b) to (e).

555.32 (b) Each license must state an expiration date. An application for licensure renewal  
555.33 must be received by the Department of Health at least 30 calendar days before the  
555.34 expiration date.

556.1 (c) If the commissioner changes the renewal schedule and the new expiration date is  
 556.2 less than two years in the future, the fee to be reported at the next renewal must be prorated.

556.3 (d) An application for licensure renewal not received within the time required under  
 556.4 paragraph (b), but received on or before the expiration date, must be accompanied by a  
 556.5 late fee in addition to the renewal fee specified in section 148.9811.

556.6 (e) Licensure renewals received after the expiration date shall not be accepted and  
 556.7 persons seeking licensed status must comply with the requirements of section 148.9808.

556.8 Subd. 3. **Licensure renewal notice.** At least 60 calendar days before the expiration  
 556.9 date in subdivision 2, the commissioner shall notify the licensee. The notice must include  
 556.10 an application for licensure renewal and notice of fees required for renewal. The licensee's  
 556.11 failure to receive notice does not relieve the licensee of the obligation to meet the renewal  
 556.12 deadline and other requirements for licensure renewal.

556.13 Sec. 23. **[148.9808] LICENSURE RENEWAL; AFTER EXPIRATION DATE.**

556.14 An individual whose application for licensure renewal is received after the licensure  
 556.15 expiration date must submit the following:

556.16 (1) a completed and signed application for licensure following lapse in licensed  
 556.17 status on forms provided by the commissioner;

556.18 (2) the renewal fee and the late fee required under section 148.9811;

556.19 (3) proof that the licensee is currently credentialed by the International Board of  
 556.20 Lactation Consultant Examiners, the Academy of Lactation Policy and Practice of the  
 556.21 Healthy Children Project, Inc., or another jurisdiction as described in section 148.9806; and

556.22 (4) additional information as requested by the commissioner to clarify information in  
 556.23 the application, including information to determine whether the individual has engaged in  
 556.24 conduct warranting disciplinary action as set forth in section 148.9812. This information  
 556.25 must be submitted within 30 days after the commissioner's request.

556.26 Sec. 24. **[148.9809] CHANGE OF NAME, ADDRESS, OR EMPLOYMENT.**

556.27 A licensee who changes a name, address, or employment must inform the  
 556.28 commissioner, in writing, of the change of name, address, employment, business address,  
 556.29 or business telephone number within 30 days. A change in name must be accompanied by  
 556.30 a copy of a marriage certificate or court order. All notices or other correspondence mailed  
 556.31 to or served on a licensee by the commissioner at the licensee's address on file with the  
 556.32 commissioner shall be considered as having been received by the licensee.

556.33 Sec. 25. **[148.9810] RECIPIENT NOTIFICATION.**

557.1 Subdivision 1. **Required notification.** In the absence of a physician referral or  
557.2 prior authorization, and before providing clinical lactation services for remuneration or  
557.3 expectation of payment from the client, a licensed lactation care provider must provide the  
557.4 following written notification in all capital letters of 12-point or larger boldface type to the  
557.5 client, parent, or guardian: "YOUR HEALTH CARE PROVIDER, INSURER, OR PLAN  
557.6 MAY REQUIRE A PHYSICIAN REFERRAL OR PRIOR AUTHORIZATION AND  
557.7 YOU MAY BE OBLIGATED FOR PARTIAL OR FULL PAYMENT FOR CLINICAL  
557.8 LACTATION SERVICES RENDERED." Information other than this notification may be  
557.9 included as long as the notification remains conspicuous on the face of the document. A  
557.10 nonwritten disclosure format may be used to satisfy the recipient notification requirement  
557.11 when necessary to accommodate the physical condition of a client or client's guardian.

557.12 Subd. 2. **Evidence of recipient notification.** The licensed lactation care provider  
557.13 is responsible for providing evidence of compliance with the recipient notification  
557.14 requirement of this section.

557.15 Sec. 26. [148.9811] FEES.

557.16 Subdivision 1. **Initial licensure fee.** The initial licensure fee for licensed lactation  
557.17 care providers is \$80. The commissioner shall prorate fees based on the number of  
557.18 quarters remaining in the biennial licensure period.

557.19 Subd. 2. **Licensure renewal fee.** The biennial licensure renewal fee for licensed  
557.20 lactation care providers is \$80.

557.21 Subd. 3. **Duplicate license fee.** The fee for a duplicate license is \$25.

557.22 Subd. 4. **Late fee.** The fee for late submission of a renewal application is \$25.

557.23 Subd. 5. **Verification to other states.** The fee for verification of licensure to other  
557.24 states is \$25.

557.25 Subd. 6. **Use of fees.** All fees are nonrefundable. Fees collected under this section  
557.26 shall be deposited in the state treasury and credited to the state government special revenue  
557.27 fund for the purposes of administering sections 148.9801 to 148.9812.

557.28 Subd. 7. **Penalty fee.** (a) The penalty for using one of the protected titles without a  
557.29 current license after the credential has expired and before it is renewed is the amount of  
557.30 the license renewal fee for any part of the first month, plus the license renewal fee for any  
557.31 part of any subsequent month up to 36 months.

557.32 (b) The penalty for applicants who use the protected title of licensed lactation care  
557.33 provider before being issued a license is the amount of the license application fee for any  
557.34 part of the first month, plus the license application fee for any part of any subsequent  
557.35 month up to 36 months.

558.1 (c) For conduct described in paragraph (a) or (b) exceeding six months, payment of a  
558.2 penalty does not preclude any disciplinary action reasonably justified by the individual case.

558.3 **Sec. 27. [148.9812] GROUNDS FOR DISCIPLINE OR DENIAL OF**  
558.4 **LICENSURE; INVESTIGATION PROCEDURES; DISCIPLINARY ACTIONS.**

558.5 Subdivision 1. **Grounds for discipline or denial of licensure.** The commissioner  
558.6 may deny an application for licensure, may approve licensure with conditions, or may  
558.7 discipline a licensee using any disciplinary action listed in subdivision 3 on proof that  
558.8 the individual has:

558.9 (1) intentionally submitted false or misleading information to the commissioner;

558.10 (2) failed, within 30 days, to provide information in response to a written request by  
558.11 the commissioner;

558.12 (3) performed services of a licensed lactation care provider in an incompetent  
558.13 manner, in a manner that is outside of the provider's scope of practice, or in a manner that  
558.14 falls below the community standard of care;

558.15 (4) violated a provision of sections 148.9801 to 148.9812;

558.16 (5) aided or abetted another person in violating a provision of sections 148.9801 to  
558.17 148.9812;

558.18 (6) failed to perform services with reasonable judgment, skill, or safety due to the  
558.19 use of alcohol or drugs, or other physical or mental impairment;

558.20 (7) been convicted of violating any state or federal law, rule, or regulation which  
558.21 directly relates to the practice of clinical lactation services;

558.22 (8) been disciplined for conduct in the practice of an occupation by the state of  
558.23 Minnesota, another jurisdiction, or a national professional association, if any of the  
558.24 grounds for discipline are the same or substantially equivalent to those in sections  
558.25 148.9801 to 148.9812;

558.26 (9) not cooperated with the commissioner in an investigation conducted according to  
558.27 subdivision 2;

558.28 (10) advertised in a manner that is false or misleading;

558.29 (11) engaged in dishonest, unethical, or unprofessional conduct in connection with the  
558.30 practice of clinical lactation services that is likely to deceive, defraud, or harm the public;

558.31 (12) demonstrated a willful or careless disregard for the health, welfare, or safety  
558.32 of a client;

558.33 (13) performed medical diagnosis or provided treatment without being licensed to  
558.34 do so under the laws of this state;

559.1 (14) paid or promised to pay a commission or part of a fee to any person who  
559.2 contacts the licensed lactation care provider for consultation or sends patients to the  
559.3 licensed lactation care provider for treatment;

559.4 (15) engaged in abusive or fraudulent billing practices, including violations of  
559.5 federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state  
559.6 medical assistance laws;

559.7 (16) obtained money, property, or services from a consumer through the use of  
559.8 undue influence, high-pressure sales tactics, harassment, duress, deception, or fraud;

559.9 (17) performed services for a client who had no possibility of benefiting from the  
559.10 services;

559.11 (18) failed to refer a client for medical evaluation when appropriate or when a client  
559.12 indicated symptoms associated with diseases that could be medically or surgically treated;

559.13 (19) engaged in conduct with a client that is sexual, or may reasonably be interpreted  
559.14 by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning  
559.15 to a client;

559.16 (20) violated a federal or state court order, including a conciliation court judgment,  
559.17 or a disciplinary order issued by the commissioner, related to the person's clinical lactation  
559.18 services practice; or

559.19 (21) any other just cause related to the practice of clinical lactation services.

559.20 **Subd. 2. Investigation of complaints.** The commissioner may initiate an  
559.21 investigation upon receiving a complaint or other oral or written communication that  
559.22 alleges or implies that a person has violated sections 148.9801 to 148.9812. In the  
559.23 receipt, investigation, and hearing of a complaint that alleges or implies that a person has  
559.24 violated sections 148.9801 to 148.9812, the commissioner shall follow the procedures  
559.25 in section 214.10.

559.26 **Subd. 3. Disciplinary action.** If the commissioner finds that a licensed lactation  
559.27 care provider should be disciplined according to subdivision 1, the commissioner may  
559.28 take any one or more of the following actions:

559.29 (1) refuse to grant or renew licensure;

559.30 (2) approve licensure with conditions;

559.31 (3) revoke licensure;

559.32 (4) suspend licensure;

559.33 (5) any reasonable lesser action including, but not limited to, reprimand or restriction  
559.34 on licensure; or

559.35 (6) any action authorized by statute.

560.1 Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from  
560.2 the commissioner denying licensure renewal or upon notice that disciplinary actions have  
560.3 been imposed and the person is no longer entitled to provide clinical lactation services and  
560.4 use one of the protected titles, the person shall cease to provide clinical lactation services,  
560.5 to use the title protected by sections 148.9801 to 148.9812, and to represent to the public  
560.6 that the person is licensed by the commissioner.

560.7 Subd. 5. **Reinstatement requirements after disciplinary action.** A person who  
560.8 has had licensure suspended may request and provide justification for reinstatement  
560.9 following the period of suspension specified by the commissioner. The requirements  
560.10 of section 148.9808 for renewing licensure and any other conditions imposed with the  
560.11 suspension must be met before licensure may be reinstated.

560.12 Subd. 6. **Authority to contract.** The commissioner shall contract with the health  
560.13 professionals services program as authorized by sections 214.31 to 214.37 to provide these  
560.14 services to practitioners under sections 148.9801 to 148.9812. The health professionals  
560.15 services program does not affect the commissioner's authority to discipline violations of  
560.16 sections 148.9801 to 148.9812.

## 560.17 **MASSAGE AND BODYWORK THERAPY**

560.18 **Sec. 28. [148.982] DEFINITIONS.**

560.19 Subdivision 1. **Applicability.** The definitions in this section apply to sections  
560.20 148.982 to 148.9885.

560.21 Subd. 2. **Advertise.** "Advertise" means to publish, display, broadcast, or disseminate  
560.22 information by any means that can be reasonably construed as an advertisement.

560.23 Subd. 3. **Advisory council.** "Advisory council" means the Registered Massage and  
560.24 Bodywork Therapist Advisory Council established under section 148.9861.

560.25 Subd. 4. **Applicant.** "Applicant" means an individual applying for registration or  
560.26 renewal according to sections 148.982 to 148.9885.

560.27 Subd. 5. **Board.** "Board" means the Minnesota Board of Nursing.

560.28 Subd. 6. **Client.** "Client" means a recipient of massage and bodywork therapy  
560.29 services.

560.30 Subd. 7. **Competency exam.** "Competency exam" means a massage and bodywork  
560.31 therapy competency assessment that is approved by the board and is psychometrically  
560.32 valid, based on a job task analysis, and administered by a national testing organization.

560.33 Subd. 8. **Contact hour.** "Contact hour" means an instructional session of at least  
560.34 50 consecutive minutes, excluding coffee breaks, registration, meals without a speaker,  
560.35 and social activities.



561.1 Subd. 9. **Credential.** "Credential" means a license, registration, or certification.

561.2 Subd. 10. **Health care provider.** "Health care provider" means a person who has a  
561.3 state credential to provide one or more of the following services: medical as defined in  
561.4 section 147.081, chiropractic as defined in section 148.01, podiatry as defined in section  
561.5 153.01, dentistry as defined in section 150A.01, physical therapy as defined in section  
561.6 148.65, or other state-credentialed providers.

561.7 Subd. 11. **Massage and bodywork therapy.** "Massage and bodywork therapy"  
561.8 means a health care service involving systematic and structured touch and palpation, and  
561.9 pressure and movement of the muscles, tendons, ligaments, and fascia, in order to reduce  
561.10 muscle tension, relieve soft tissue pain, improve circulation, increase flexibility, increase  
561.11 activity of the parasympathetic branch of the autonomic nervous system, or to promote  
561.12 general wellness, by use of the techniques and applications described in section 148.983.

561.13 Subd. 12. **Municipality.** "Municipality" means a county, town, or home rule  
561.14 charter or statutory city.

561.15 Subd. 13. **Physical agent modality.** "Physical agent modality" means modalities  
561.16 that use the properties of light, water, temperature, sound, and electricity to produce  
561.17 a response in soft tissue.

561.18 Subd. 14. **Practice of massage and bodywork therapy.** "Practice of massage and  
561.19 bodywork therapy" means to engage professionally for compensation or as a volunteer in  
561.20 massage and bodywork therapy or the instruction of professional technique coursework.

561.21 Subd. 15. **Professional organization.** "Professional organization" means an  
561.22 organization that represents massage and bodywork therapists, was established before  
561.23 the year 2005, offers professional liability insurance as a benefit of membership, has an  
561.24 established code of professional ethics, and is board approved.

561.25 Subd. 16. **Registered massage and bodywork therapist or registrant.** "Registered  
561.26 massage and bodywork therapist" or "registrant" means a health care provider registered  
561.27 according to sections 148.982 to 148.9885, for the practice of massage and bodywork  
561.28 therapy.

561.29 Subd. 17. **State.** "State" means any state in the United States, the District of  
561.30 Columbia, Puerto Rico, the United States Virgin Islands, or Guam; or any Canadian  
561.31 province or similar political subdivision of a foreign country; except "this state" means the  
561.32 state of Minnesota.

561.33 Sec. 29. **[148.983] MASSAGE AND BODYWORK THERAPY.**

561.34 (a) The practice of massage and bodywork therapy by a registered massage and  
561.35 bodywork therapist includes the following:

562.1 (1) use of any or all of the following techniques using the hands, forearms, elbows,  
 562.2 knees, or feet, or handheld, nonpuncturing, mechanical, or electrical devices that  
 562.3 mimic or enhance the actions of the human hands: effleurage or gliding; petrissage or  
 562.4 kneading; vibration and jostling; friction; tapotement or percussion; compression; fascial  
 562.5 manipulation; passive stretching within the normal anatomical range of motion; and

562.6 (2) application and use of any of the following: oils, lotions, gels, rubbing alcohol, or  
 562.7 powders for the purpose of lubricating the skin to be massaged; creams, with the exception  
 562.8 of prescription medicinal creams; hot or cold stones; essential oils as used in aromatherapy  
 562.9 for inhalation or diluted for topical application; salt glows and wraps; or heat or ice.

562.10 (b) The practice of massage and bodywork therapy does not include any of the  
 562.11 following:

562.12 (1) diagnosing any illness or disease;

562.13 (2) altering a course of recommended massage and bodywork therapy when  
 562.14 recommended by a state-credentialed health care provider without first consulting that  
 562.15 health care provider;

562.16 (3) prescription of drugs or medicines;

562.17 (4) intentional adjustment, manipulation, or mobilization of abnormal articulations,  
 562.18 neurological disturbances, structural alterations, biomechanical alterations as described in  
 562.19 section 148.01, including by means of a high-velocity, low-amplitude thrusting force or by  
 562.20 means of manual therapy or mechanical therapy for the manipulation or adjustment of  
 562.21 joint articulation as defined in section 146.23; or

562.22 (5) application of physical agent modalities, needles that puncture the skin, or  
 562.23 injection therapy.

562.24 **Sec. 30. [148.984] LIMITATIONS ON PRACTICE.**

562.25 If a massage and bodywork therapist has reason to believe a client's medical  
 562.26 condition is beyond the scope of practice established by sections 148.982 to 148.9885, or  
 562.27 by rules of the board for a registered massage and bodywork therapist, the massage and  
 562.28 bodywork therapist must refer the client to a health care provider as defined in sections  
 562.29 148.982 to 148.9885, but is not prohibited from comanaging the client.

562.30 **Sec. 31. [148.985] PROTECTED TITLES AND RESTRICTIONS ON USE.**

562.31 Subdivision 1. **Designation.** An individual regulated by sections 148.982 to  
 562.32 148.9885, is designated as a "registered massage and bodywork therapist" or "RMBT."

562.33 Subd. 2. **Title protection.** Effective July 1, 2017, no individual may use the title  
 562.34 "registered massage and bodywork therapist," or use, in connection with the individual's

563.1 name, the letters "RMBT," or any other titles, words, letters, abbreviations, or insignia  
 563.2 indicating or implying that the individual is registered or eligible for registration by this  
 563.3 state as a registered massage therapist unless the individual has been registered under  
 563.4 sections 148.982 to 148.9885.

563.5 Subd. 3. **Identification of registrants.** (a) A massage and bodywork therapist  
 563.6 registered according to sections 148.982 to 148.9885 shall be identified as a "registered  
 563.7 massage and bodywork therapist." If not written in full, this must be designated as "RMBT."

563.8 (b) The board may adopt rules for the implementation of this section, including the  
 563.9 identification of terms or references that may be used only by registered massage and  
 563.10 bodywork therapists as necessary to protect the public.

563.11 (c) A massage and bodywork therapist who is credentialed by another state, or who  
 563.12 holds a certification from organizations, agencies, or educational providers may advertise  
 563.13 using those terms or letters to indicate that credential, provided that the credentialing  
 563.14 body is clearly identified.

563.15 Subd. 4. **Other health care providers.** Nothing in sections 148.982 to 148.9885  
 563.16 may be construed to prohibit, restrict the practice of, or require massage and bodywork  
 563.17 therapy registration of any of the following:

563.18 (1) a health care provider credentialed by this state, using massage and bodywork  
 563.19 therapy techniques within the scope of the provider's credential, provided the provider  
 563.20 does not advertise or imply that the provider is registered according to sections 148.982  
 563.21 to 148.9885; or

563.22 (2) the natural health procedures, practices, and treatments in section 146A.01,  
 563.23 subdivision 4, provided that the provider does not advertise or imply that the provider is  
 563.24 registered according to sections 148.982 to 148.9885.

563.25 Sec. 32. **[148.986] POWERS OF BOARD.**

563.26 The board, acting with the advice of the advisory council, shall issue registrations to  
 563.27 duly qualified applicants and shall exercise the following powers and duties:

563.28 (1) adopt rules, including standards of practice and a professional code of ethics,  
 563.29 consistent with the law, as may be necessary to enable the board to implement the  
 563.30 provisions of sections 148.982 to 148.9885;

563.31 (2) assign duties to the advisory council that are necessary to implement the  
 563.32 provisions of sections 148.982 to 148.9885;

563.33 (3) approve or conduct a competency exam;

563.34 (4) appoint members to the advisory council according to section 148.9861 and  
 563.35 chapter 214;

564.1 (5) enforce sections 148.982 to 148.9885; investigate violations of section 148.9882  
564.2 by a registrant or applicant; impose discipline as described in section 148.9882, and incur  
564.3 any necessary expense;

564.4 (6) maintain a record of names and addresses of registrants;

564.5 (7) keep a permanent record of all its proceedings;

564.6 (8) distribute information regarding massage and bodywork therapy standards,  
564.7 including applications and forms necessary to carry into effect the provisions of sections  
564.8 148.982 to 148.9885;

564.9 (9) take action on applications according to section 148.9881; and

564.10 (10) employ and establish the duties of necessary personnel.

564.11 **Sec. 33. [148.9861] REGISTERED MASSAGE AND BODYWORK THERAPIST**  
564.12 **ADVISORY COUNCIL.**

564.13 Subdivision 1. **Creation; membership.** (a) The Registered Massage and Bodywork  
564.14 Therapist Advisory Council is created and is composed of five members appointed by  
564.15 the board. All members must have resided in this state for at least three years prior to  
564.16 appointment. The advisory council consists of:

564.17 (1) two public members, as defined in section 214.02;

564.18 (2) three members who, except for initial appointees, are registered massage and  
564.19 bodywork therapists. Initial appointees must practice massage and bodywork therapy.

564.20 An initial appointee shall be removed from the council if the appointee does not obtain  
564.21 registration under section 148.987 within a reasonable time after registration procedures  
564.22 are established.

564.23 (b) A person may not be appointed to serve more than two consecutive full terms.

564.24 (c) No more than one member of the advisory council may be an owner or  
564.25 administrator of a massage and bodywork therapy education provider.

564.26 Subd. 2. **Vacancies.** When a vacancy occurs for a member who is a registered  
564.27 massage and bodywork therapist, the board may appoint a member from among qualified  
564.28 candidates or from a list of nominees submitted by professional organizations that contains  
564.29 twice the number of nominees as vacancies. The board may fill vacancies occurring on  
564.30 the advisory council for unexpired terms according to this section. Members shall retain  
564.31 membership until a qualified successor is appointed.

564.32 Subd. 3. **Terms; compensation; removal.** Membership terms shall be as provided  
564.33 in section 15.059, subdivision 2. The members appointed under subdivision 1, clause (2),  
564.34 shall serve terms that are coterminous with the governor. Members shall be compensated

565.1 as provided in section 15.059, subdivision 3. Members may be removed and vacancies  
 565.2 filled as provided in section 15.059, subdivision 4, except as provided in subdivision 2.

565.3 Subd. 4. **Chair.** The council must elect a chair from among its members.

565.4 Subd. 5. **Staffing.** The Minnesota Board of Nursing shall provide meeting space  
 565.5 and administrative support for the advisory council.

565.6 Subd. 6. **Duties.** The advisory council shall advise the board regarding:

565.7 (1) establishment of standards of practice and a code of ethics for registered massage  
 565.8 and bodywork therapists;

565.9 (2) distribution of information regarding massage and bodywork standards;

565.10 (3) enforcement of sections 148.982 to 148.9885;

565.11 (4) applications and recommendations of applicants for registration or registration  
 565.12 renewal;

565.13 (5) complaints and recommendations regarding disciplinary matters and proceedings  
 565.14 according to sections 214.10; 214.103; and 214.13, subdivisions 6 and 7;

565.15 (6) approval or creation of a competency exam granting status as an approved  
 565.16 education provider; and

565.17 (7) performance of other duties of advisory councils under chapter 214, or as  
 565.18 directed by the board.

565.19 Subd. 7. **Sunset.** The advisory council shall not expire.

565.20 Sec. 34. **[148.987] REGISTRATION REQUIREMENTS.**

565.21 Subdivision 1. **Registration.** To be eligible for registration according to sections  
 565.22 148.982 to 148.9885, an applicant must:

565.23 (1) pay applicable fees;

565.24 (2) submit to a criminal background check and pay the fees associated with obtaining  
 565.25 the criminal background check. The background check shall be conducted in accordance  
 565.26 with section 214.075; and

565.27 (3) file a written application on a form provided by the board that includes:

565.28 (i) the applicant's name, Social Security number, home address and telephone  
 565.29 number, business address and telephone number, and business setting;

565.30 (ii) provide proof, as required by the board, of:

565.31 (A) having obtained a high school diploma or its equivalent;

565.32 (B) being 18 years of age or older;

565.33 (C) current cardiopulmonary resuscitation and first aid certification;

565.34 (D) current professional liability insurance coverage, with a minimum of \$1,000,000  
 565.35 of coverage per occurrence; and

566.1 (E) proof, as required by the board, that the applicant has completed a postsecondary  
566.2 course of study that includes:

566.3 (aa) science, including anatomy and physiology, kinesiology, pathology, hygiene,  
566.4 and standard precautions; and

566.5 (bb) clinical practice in massage and bodywork therapy techniques; supervised  
566.6 practice; professional ethics and standards of practice; business and legal practices related  
566.7 to massage and bodywork therapy; and history, theory, and research related to massage  
566.8 and bodywork therapy;

566.9 (iii) unless registered under subdivision 3 or 4, successful completion of a  
566.10 competency exam;

566.11 (iv) a list of credentials or memberships held in this state or other states or from  
566.12 private credentialing or professional organizations;

566.13 (v) a description of any other state or municipality's refusal to credential the applicant;

566.14 (vi) a description of all professional disciplinary actions initiated against the  
566.15 applicant in any jurisdiction;

566.16 (vii) any history of drug or alcohol abuse;

566.17 (viii) any misdemeanor, gross misdemeanor, or felony conviction;

566.18 (ix) additional information as requested by the board;

566.19 (x) the applicant's signature on a statement that the information in the application is  
566.20 true and correct to the best of the applicant's knowledge; and

566.21 (xi) the applicant's signature on a waiver authorizing the board to obtain access to  
566.22 the applicant's records in this state or any other state in which the applicant has engaged in  
566.23 the practice of massage and bodywork therapy.

566.24 Subd. 2. **Registration prohibited.** The board may deny an application for  
566.25 registration if an applicant:

566.26 (1) has been convicted in this state of any of the following crimes, or of equivalent  
566.27 crimes in another state:

566.28 (i) prostitution as defined under section 609.321, 609.324, or 609.3242;

566.29 (ii) criminal sexual conduct under sections 609.342 to 609.3451, or 609.3453; or

566.30 (iii) a violent crime as defined under section 611A.08, subdivision 6;

566.31 (2) is a registered sex offender under section 243.166;

566.32 (3) has been subjected to disciplinary action under section 146A.09, if the board  
566.33 determines such denial is necessary to protect the public; or

566.34 (4) if an applicant is charged with or under investigation for complaints in this state or  
566.35 any state that would constitute a violation of the statutes or rules established for the practice  
566.36 of massage and bodywork therapy in this state, the applicant shall not be registered until

567.1 the complaints have been resolved in the applicant's favor. Should a complaint be resolved  
567.2 in favor of the complainant, the application for registration in this state may be denied.

567.3 Subd. 3. **Registration by endorsement.** (a) To be eligible for registration by  
567.4 endorsement, an applicant shall:

567.5 (1) meet the requirements for registration in subdivision 1, clauses (1), (2), and  
567.6 (3), items (v) to (xi); and

567.7 (2) provide proof of a current and unrestricted equivalent credential in another  
567.8 state that has qualifications at least equivalent to the requirements of sections 148.982 to  
567.9 148.9885. The proof shall include records as required by rules of the board.

567.10 (b) Registrations issued by endorsement shall expire on the same schedule and be  
567.11 renewed by the same procedures as registrations issued under subdivision 1.

567.12 Subd. 4. **Registration by grandfathering.** (a) To be eligible for registration by  
567.13 grandfathering, an applicant shall:

567.14 (1) meet the requirements for registration in subdivision 1, clauses (1), (2), and  
567.15 (3), items (v) to (xi); and

567.16 (2) provide documentation as specified by the board demonstrating the applicant has  
567.17 met at least one of the following qualifications:

567.18 (i) successful completion of at least 500 hours of supervised classroom and hands-on  
567.19 instruction relating to massage and bodywork therapy;

567.20 (ii) successful completion of a competency exam;

567.21 (iii) evidence of experience in the practice of massage and bodywork therapy for at  
567.22 least two of the previous five years immediately preceding application; or

567.23 (iv) active membership in a professional organization for at least two of the previous  
567.24 five years immediately preceding application.

567.25 (b) Registrations issued by grandfathering shall expire and be renewed on the same  
567.26 schedule and by the same procedures as registrations issued under subdivision 1.

567.27 (c) This subdivision is effective for two years after the first date the board has made  
567.28 applications available.

567.29 Subd. 5. **Temporary permit.** A temporary permit to practice as a registered  
567.30 massage and bodywork therapist may be issued to an applicant eligible for registration  
567.31 under subdivision 1, 3, or 4, if the application for registration is complete, all applicable  
567.32 requirements in this section have been met, and applicable fees have been paid. The  
567.33 temporary permit remains valid until the board takes action on the applicant's application.

567.34 Sec. 35. **[148.9871] EXPIRATION AND RENEWAL.**

568.1 Subdivision 1. **Registration expiration.** Registrations issued according to this  
568.2 chapter expire annually.

568.3 Subd. 2. **Renewal.** To be eligible for registration renewal, a registrant must  
568.4 annually, or as determined by the board:

568.5 (1) complete a renewal application on a form provided by the board;

568.6 (2) submit applicable fees; and

568.7 (3) submit any additional information requested by the board to clarify information  
568.8 presented in the renewal application. The information must be submitted within 30 days  
568.9 after the board's request, or the renewal request is canceled.

568.10 Subd. 3. **Change of address.** A registrant who changes addresses must inform  
568.11 the board within 30 days, in writing, of the change of address. Notices or other  
568.12 correspondence mailed to or served on a registrant at the registrant's current address on  
568.13 file shall be considered as having been received by the registrant.

568.14 Subd. 4. **Registration renewal notice.** At least 60 days before the registration  
568.15 renewal date, the board shall send out a renewal notice to the last known address of the  
568.16 registrant on file. The notice must include a renewal application and a notice of fees  
568.17 required for renewal. It must also inform the registrant that registration will expire without  
568.18 further action by the board if an application for registration renewal is not received before  
568.19 the deadline for renewal. The registrant's failure to receive this notice shall not relieve the  
568.20 registrant of the obligation to meet the deadline and other requirements for registration  
568.21 renewal. Failure to receive this notice is not grounds for challenging expiration of  
568.22 registered status.

568.23 Subd. 5. **Renewal deadline.** The renewal application and fee must be postmarked  
568.24 on or before October 1 of the year of renewal or as determined by the board. If the  
568.25 postmark is illegible, the application shall be considered timely if received by the third  
568.26 working day after the deadline.

568.27 Subd. 6. **Inactive status and return to active status.** (a) A registration may be  
568.28 placed in inactive status upon application to the board by the registrant and upon payment  
568.29 of an inactive status fee.

568.30 (b) A registrant seeking restoration to active status from inactive status must pay  
568.31 the current renewal fees and all unpaid back inactive fees. The registrant must meet  
568.32 the criteria for renewal under subdivision 7 prior to submitting an application to regain  
568.33 registered status. If the registrant has been in inactive status for more than five years, a  
568.34 qualifying score on a competency exam is required.



569.1 Subd. 7. **Registration following lapse of registration status for two years or less.**

569.2 In order for an individual whose registration status has lapsed for two years or less, to  
569.3 regain registration status, the individual must:

569.4 (1) apply for registration renewal according to subdivision 2; and

569.5 (2) submit applicable fees for the period not registered, including the fee for late  
569.6 renewal.

569.7 Subd. 8. **Cancellation due to nonrenewal.** The board shall not renew, reissue,  
569.8 reinstate, or restore a registration that has lapsed and has not been renewed within two  
569.9 years. A registrant whose registration is canceled for nonrenewal must obtain a new  
569.10 registration by applying for initial registration and fulfilling all requirements then in  
569.11 existence for initial registration as a massage and bodywork therapist.

569.12 Subd. 9. **Cancellation of registration in good standing.** (a) A registrant holding  
569.13 active registration as a massage and bodywork therapist in this state may, upon approval  
569.14 of the board, be granted registration cancellation if the board is not investigating the  
569.15 person as a result of a complaint or information received or if the board has not begun  
569.16 disciplinary proceedings against the registrant. Such action by the board shall be reported  
569.17 as a cancellation of registration in good standing.

569.18 (b) A registrant who receives board approval for registration cancellation is not  
569.19 entitled to a refund of any registration fees paid for the registration period in which  
569.20 cancellation of the registration occurred.

569.21 (c) To obtain registration after cancellation, an applicant must obtain a new  
569.22 registration by applying for initial registration and fulfilling the requirements then in  
569.23 existence for obtaining initial registration according to sections 148.982 to 148.9885.

569.24 Sec. 36. **[148.9881] BOARD ACTION ON APPLICATIONS; DATA PRACTICES.**

569.25 (a) The board shall act on each application for registration or renewal according  
569.26 to paragraphs (b) and (d).

569.27 (b) The board or advisory council shall determine if the applicant meets the  
569.28 requirements for registration or renewal under section 148.987 or 148.9871. The board  
569.29 or advisory council may investigate information provided by an applicant to determine  
569.30 whether the information is accurate and complete, and may request additional information  
569.31 or documentation.

569.32 (c) The board shall notify each applicant, in writing, of action taken on the  
569.33 application, the grounds for denying registration if registration is denied, and the  
569.34 applicant's right to review under paragraph (d).

570.1 (d) An applicant denied registration may make a written request to the board, within  
570.2 30 days of the board's notice, to appear before the advisory council and for the advisory  
570.3 council to review the board's decision to deny the applicant's registration. After reviewing  
570.4 the denial, the advisory council shall make a recommendation to the board as to whether  
570.5 the denial shall be affirmed. Each applicant is allowed only one request for review per  
570.6 registration period.

570.7 (e) Section 13.41 applies to government data of the board on applicants and  
570.8 registrants.

570.9 **Sec. 37. [148.9882] GROUNDS FOR DISCIPLINARY ACTION.**

570.10 Subdivision 1. **Grounds listed.** (a) The board may deny, revoke, suspend, limit, or  
570.11 condition the registration of a registrant or registered massage and bodywork therapist, or  
570.12 may otherwise discipline a registrant. The fact that massage and bodywork therapy may  
570.13 be considered a less customary approach to health care shall not constitute the basis for  
570.14 disciplinary action per se.

570.15 (b) The following are grounds for disciplinary action, regardless of whether injury  
570.16 to a client is established:

570.17 (1) failing to demonstrate the qualifications or to satisfy the requirements for  
570.18 registration contained in sections 148.982 to 148.9885, or rules of the board. In the case of  
570.19 an applicant, the burden of proof is on the applicant to demonstrate the qualifications or  
570.20 satisfy the requirements;

570.21 (2) advertising in a false, fraudulent, deceptive, or misleading manner, including,  
570.22 but not limited to:

570.23 (i) advertising or holding oneself out as a "registered massage and bodywork  
570.24 therapist" or any abbreviation or derivative thereof to indicate such a title, when such  
570.25 registration is not valid or current for any reason;

570.26 (ii) advertising or holding oneself out as a "licensed massage and bodywork  
570.27 therapist" or any abbreviation or derivative thereof to indicate such a title, unless the  
570.28 registrant currently holds a valid state license in another state and provided that the state  
570.29 is clearly identified;

570.30 (iii) advertising a service, the provision of which would constitute a violation of this  
570.31 chapter or rules established by the board; and

570.32 (iv) using fraud, deceit, or misrepresentation when communicating with the general  
570.33 public, health care providers, or other business professionals;

571.1 (3) falsifying information in a massage and bodywork therapy registration or renewal  
571.2 application or attempting to obtain registration, registration renewal, or reinstatement by  
571.3 fraud, deception, or misrepresentation, or aiding and abetting any of these acts;

571.4 (4) engaging in conduct with a client that is sexual or may reasonably be interpreted  
571.5 by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning  
571.6 to a client, or engaging in sexual exploitation of a client, without regard to who initiates  
571.7 such behaviors;

571.8 (5) committing an act of gross malpractice, negligence, or incompetency, or failing  
571.9 to practice massage and bodywork therapy with the level of care, skill, and treatment  
571.10 that is recognized by a reasonably prudent massage and bodywork therapist as being  
571.11 acceptable under similar conditions and circumstances;

571.12 (6) having an actual or potential inability to practice massage and bodywork therapy  
571.13 with reasonable skill and safety to clients by reason of illness, as a result of any mental  
571.14 or physical condition, or use of alcohol, drugs, chemicals, or any other material. Being  
571.15 adjudicated as mentally incompetent, mentally ill, a chemically dependent person, or a  
571.16 person dangerous to the public by a court of competent jurisdiction, inside or outside  
571.17 of this state, may be considered as evidence of an inability to practice massage and  
571.18 bodywork therapy;

571.19 (7) being the subject of disciplinary action as a massage and bodywork therapist by  
571.20 another state or jurisdiction where the board or advisory council determines that the cause  
571.21 of the disciplinary action would be a violation under this state's statutes or rules of the  
571.22 board if the violation had occurred in this state;

571.23 (8) failing to notify the board of revocation or suspension of a credential, or any  
571.24 other disciplinary action taken by this or any other state, territory, or country, including  
571.25 any restrictions on the right to practice; or the surrender or voluntary termination of a  
571.26 credential during a board investigation of a complaint, as part of a disciplinary order, or  
571.27 while under a disciplinary order;

571.28 (9) conviction of a crime, including a finding or verdict of guilt, an admission of  
571.29 guilt, or a no-contest plea, in this state or elsewhere, reasonably related to engaging in  
571.30 massage and bodywork therapy practices. Conviction, as used in this clause, includes a  
571.31 conviction of an offense that, if committed in this state, would be deemed a felony, gross  
571.32 misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal  
571.33 proceeding where a finding or verdict of guilt is made or returned but the adjudication  
571.34 of guilt is either withheld or not entered;

571.35 (10) if a registrant is on probation, failing to abide by terms of that probation;

- 572.1 (11) practicing or offering to practice beyond the scope of the practice of massage  
572.2 and bodywork therapy;
- 572.3 (12) managing client records and information improperly, including but not limited to  
572.4 failing to maintain adequate client records, comply with a client's request made according  
572.5 to sections 144.291 to 144.298, or furnish a client record or report required by law;
- 572.6 (13) revealing a privileged communication from or relating to a client except when  
572.7 otherwise required or permitted by law;
- 572.8 (14) providing massage and bodywork therapy services that are linked to the  
572.9 financial gain of a referral source;
- 572.10 (15) obtaining money, property, or services from a client, other than reasonable  
572.11 fees for services provided to the client, through the use of undue influence, harassment,  
572.12 duress, deception, or fraud;
- 572.13 (16) engaging in abusive or fraudulent billing practices, including violations of  
572.14 federal Medicare and Medicaid laws or state medical assistance laws;
- 572.15 (17) failing to consult with a client's health care provider who prescribed a course of  
572.16 massage and bodywork therapy treatment if the treatment needs to be altered from the  
572.17 original written order to conform with standards in the massage and bodywork therapy  
572.18 field or the registrant's level of training or experience;
- 572.19 (18) failing to cooperate with an investigation of the board or its representatives,  
572.20 including failing to respond fully and promptly to any question raised by or on behalf  
572.21 of the board relating to the subject of the investigation, failing to execute all releases  
572.22 requested by the board, failing to provide copies of client records, as reasonably requested  
572.23 by the board to assist in its investigation, and failing to appear at conferences or hearings  
572.24 scheduled by the board or its staff;
- 572.25 (19) interfering with an investigation or disciplinary proceeding, including by willful  
572.26 misrepresentation of facts or by the use of threats or harassment to prevent a person from  
572.27 providing evidence in a disciplinary proceeding or any legal action;
- 572.28 (20) violating a statute, rule, order, or agreement for corrective action that the board  
572.29 issued or is otherwise authorized or empowered to enforce;
- 572.30 (21) aiding or abetting a person in violating sections 148.982 to 148.9885;
- 572.31 (22) failing to report to the board other massage and bodywork therapists who  
572.32 commit violations of sections 148.982 to 148.9885; and
- 572.33 (23) failing to notify the board, in writing, of the entry of a final judgment by a  
572.34 court of competent jurisdiction against the registrant for malpractice of massage and  
572.35 bodywork therapy, or any settlement by the registrant in response to charges or allegations  
572.36 of malpractice of massage and bodywork therapy. The notice must be provided to the

573.1 board within 60 days after the entry of a judgment, and must contain the name of the  
 573.2 court, case number, and the names of all parties to the action.

573.3 Subd. 2. **Evidence.** In disciplinary actions alleging a violation of subdivision 1,  
 573.4 a copy of the judgment or proceeding under the seal of the court administrator or of the  
 573.5 administrative agency that entered the same shall be admissible into evidence without  
 573.6 further authentication and shall constitute prima facie evidence of the violation.

573.7 Subd. 3. **Examination; access to medical data.** The board may take the actions  
 573.8 described in section 148.261, subdivision 5, if it has probable cause to believe that grounds  
 573.9 for disciplinary action exist under subdivision 1. The requirements and limitations  
 573.10 described in section 148.261, subdivision 5, shall apply.

573.11 Sec. 38. **[148.9883] DISCIPLINE; REPORTING.**

573.12 For purposes of sections 148.982 to 148.9885, registered massage and bodywork  
 573.13 therapists and applicants are subject to sections 148.262 to 148.266.

573.14 Sec. 39. **[148.9884] EFFECT ON MUNICIPAL ORDINANCES.**

573.15 Subdivision 1. **License authority.** The provisions of sections 148.982 to 148.9885  
 573.16 preempt the licensure and regulation of registered massage and bodywork therapists  
 573.17 by a municipality, including, without limitation, conducting a criminal background  
 573.18 investigation and examination of a massage and bodywork therapist or applicant for a  
 573.19 municipality's credential to practice massage and bodywork therapy.

573.20 Subd. 2. **Municipal regulation.** Nothing in sections 148.982 to 148.9885 shall  
 573.21 be construed to limit a municipality from:

573.22 (1) requiring a massage business establishment to obtain a business license or permit  
 573.23 in order to transact business in the jurisdiction regardless of whether the massage business  
 573.24 establishment is operated by a registered or unregistered massage and bodywork therapist;

573.25 (2) enforcing the provisions of health codes related to communicable diseases;

573.26 (3) requiring a criminal background check of any unregistered massage and  
 573.27 bodywork therapist applying for a license to conduct massage and bodywork therapy  
 573.28 in the municipality; and

573.29 (4) otherwise regulating massage business establishments by ordinance regardless of  
 573.30 whether the massage business establishment is operated by a registered or unregistered  
 573.31 massage and bodywork therapist.

573.32 Subd. 3. **Prosecuting authority.** A municipality may prosecute violations of  
 573.33 sections 148.982 to 148.9885, a local ordinance, or any other law by a registered or  
 573.34 unregistered massage and bodywork therapist in its jurisdiction.

574.1 Sec. 40. **[148.9885] FEES.**574.2 Subdivision 1. Fees. Fees are as follows:574.3 (1) initial registration with application fee must not exceed \$285;574.4 (2) annual registration renewal fee must not exceed \$185;574.5 (3) duplicate registration certificate, \$15;574.6 (4) late fee, \$50;574.7 (5) inactive status and inactive to active status reactivation, \$50;574.8 (6) temporary permit, \$50; and574.9 (7) returned check, \$35.574.10 Subd. 2. Penalty fee for late renewals. An application for registration renewal  
574.11 submitted after the deadline must be accompanied by a late fee in addition to the required  
574.12 fees.574.13 Subd. 3. Nonrefundable fees. All of the fees in subdivision 1 are nonrefundable.574.14 Subd. 4. Deposit. Fees collected by the board under this section shall be deposited  
574.15 into the state government special revenue fund.574.16 Subd. 5. Special assessment fee. A special assessment fee not to exceed \$85 shall  
574.17 be assessed annually upon registration renewal until the fee revenue equals the board's  
574.18 expenditures for registration activities under sections 148.982 to 148.9885.574.19 **ORTHODICS, PEDORTHICS, AND PROSTHETICS**574.20 Sec. 41. **[153B.10] SHORT TITLE.**574.21 Chapter 153B may be cited as the "Minnesota Orthotist, Prosthetist, and Pedorthist  
574.22 Practice Act."574.23 Sec. 42. **[153B.15] DEFINITIONS.**574.24 Subdivision 1. Application. For purposes of this chapter, the following words  
574.25 have the meanings given.574.26 Subd. 2. Advisory council. "Advisory council" means the Orthotics, Prosthetics,  
574.27 and Pedorthics Advisory Council established under section 153B.25.574.28 Subd. 3. Board. "Board" means the Board of Podiatric Medicine.574.29 Subd. 4. Custom-fabricated device. "Custom-fabricated device" means an orthosis,  
574.30 prosthesis, or pedorthic device for use by a patient that is fabricated to comprehensive  
574.31 measurements or a mold or patient model in accordance with a prescription and which  
574.32 requires on-site or in-person clinical and technical judgment in its design, fabrication,  
574.33 and fitting.

575.1 Subd. 5. **Licensed orthotic-prosthetic assistant.** "Licensed orthotic-prosthetic  
575.2 assistant" or "assistant" means a person, licensed by the board, who is educated and  
575.3 trained to participate in comprehensive orthotic and prosthetic care while under the  
575.4 supervision of a licensed orthotist or licensed prosthetist. Assistants may perform orthotic  
575.5 and prosthetic procedures and related tasks in the management of patient care. The  
575.6 assistant may fabricate, repair, and maintain orthoses and prostheses. The use of the title  
575.7 "orthotic-prosthetic assistant" or representations to the public is limited to a person who is  
575.8 licensed under this chapter as an orthotic-prosthetic assistant.

575.9 Subd. 6. **Licensed orthotic fitter.** "Licensed orthotic fitter" or "fitter" means a  
575.10 person licensed by the board who is educated and trained in providing certain orthoses,  
575.11 and is trained to conduct patient assessments, formulate treatment plans, implement  
575.12 treatment plans, perform follow-up, and practice management pursuant to a prescription.  
575.13 An orthotic fitter must be competent to fit certain custom-fitted, prefabricated, and  
575.14 off-the-shelf orthoses as follows:

- 575.15 (1) cervical orthoses, except those used to treat an unstable cervical condition;  
575.16 (2) prefabricated orthoses for the upper and lower extremities, except those used in:  
575.17 (i) the initial or acute treatment of long bone fractures and dislocations;  
575.18 (ii) therapeutic shoes and inserts needed as a result of diabetes; and  
575.19 (iii) functional electrical stimulation orthoses;  
575.20 (3) prefabricated spinal orthoses, except those used in the treatment of scoliosis or  
575.21 unstable spinal conditions, including halo cervical orthoses; and  
575.22 (4) trusses.

575.23 The use of the title "orthotic fitter" or representations to the public is limited to a person  
575.24 who is licensed under this chapter as an orthotic fitter.

575.25 Subd. 7. **Licensed orthotist.** "Licensed orthotist" means a person licensed by  
575.26 the board who is educated and trained to practice orthotics, which includes managing  
575.27 comprehensive orthotic patient care pursuant to a prescription. The use of the title  
575.28 "orthotist" or representations to the public is limited to a person who is licensed under  
575.29 this chapter as an orthotist.

575.30 Subd. 8. **Licensed pedorthist.** "Licensed pedorthist" means a person licensed by  
575.31 the board who is educated and trained to manage comprehensive pedorthic patient care  
575.32 and who performs patient assessments, formulates and implements treatment plans, and  
575.33 performs follow-up and practice management pursuant to a prescription. A pedorthist may  
575.34 fit, fabricate, adjust, or modify devices within the scope of the pedorthist's education and  
575.35 training. Use of the title "pedorthist" or representations to the public is limited to a person  
575.36 who is licensed under this chapter as a pedorthist.

576.1 Subd. 9. **Licensed prosthetist.** "Licensed prosthetist" means a person licensed by  
576.2 the board who is educated and trained to manage comprehensive prosthetic patient care,  
576.3 and who performs patient assessments, formulates and implements treatment plans, and  
576.4 performs follow-up and practice management pursuant to a prescription. Use of the title  
576.5 "prosthetist" or representations to the public is limited to a person who is licensed under  
576.6 this chapter as a prosthetist.

576.7 Subd. 10. **Licensed prosthetist orthotist.** "Licensed prosthetist orthotist" means a  
576.8 person licensed by the board who is educated and trained to manage comprehensive  
576.9 prosthetic and orthotic patient care, and who performs patient assessments, formulates and  
576.10 implements treatment plans, and performs follow-up and practice management pursuant to  
576.11 a prescription. Use of the title "prosthetist orthotist" or representations to the public is  
576.12 limited to a person who is licensed under this chapter as a prosthetist orthotist.

576.13 Subd. 11. **NCOPE.** "NCOPE" means National Commission on Orthotic and  
576.14 Prosthetic Education, an accreditation program that ensures educational institutions and  
576.15 residency programs meet the minimum standards of quality to prepare individuals to enter  
576.16 the orthotic, prosthetic, and pedorthic professions.

576.17 Subd. 12. **Orthosis.** "Orthosis" means an external device that is custom-fabricated  
576.18 or custom-fitted to a specific patient based on the patient's unique physical condition and  
576.19 is applied to a part of the body to help correct a deformity, provide support and protection,  
576.20 restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or  
576.21 postoperative condition.

576.22 Subd. 13. **Orthotics.** "Orthotics" means the science and practice of evaluating,  
576.23 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing an orthosis  
576.24 pursuant to a prescription. The practice of orthotics includes providing the initial training  
576.25 necessary for fitting an orthotic device for the support, correction, or alleviation of  
576.26 neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity.

576.27 Subd. 14. **Over-the-counter.** "Over-the-counter" means a prefabricated,  
576.28 mass-produced item that is prepackaged, requires no professional advice or judgment in  
576.29 size selection or use, and is currently available at retail stores without a prescription.  
576.30 Over-the-counter items are not regulated by this chapter.

576.31 Subd. 15. **Off-the-shelf.** "Off-the-shelf" means a prefabricated device sized or  
576.32 modified for the patient's use pursuant to a prescription and that requires changes to be  
576.33 made by a qualified practitioner to achieve an individual fit, such as requiring the item  
576.34 to be trimmed, bent, or molded with or without heat, or requiring any other alterations  
576.35 beyond self adjustment.



577.1 Subd. 16. **Pedorthic device.** "Pedorthic device" means below-the-ankle partial  
577.2 foot prostheses for transmetatarsal and more distal amputations, foot orthoses, and  
577.3 subtalar-control foot orthoses to control the range of motion of the subtalar joint.  
577.4 A prescription is required for any pedorthic device, modification, or prefabricated  
577.5 below-the-knee orthosis addressing a medical condition that originates at the ankle or  
577.6 below. Pedorthic devices do not include nontherapeutic inlays or footwear regardless  
577.7 of method of manufacture; unmodified, nontherapeutic over-the-counter shoes; or  
577.8 prefabricated foot care products.

577.9 Subd. 17. **Pedorthics.** "Pedorthics" means the science and practice of evaluating,  
577.10 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a pedorthic  
577.11 device pursuant to a prescription for the correction or alleviation of neuromuscular or  
577.12 musculoskeletal dysfunction, disease, injury, or deformity. The practice of pedorthics  
577.13 includes providing patient care and services pursuant to a prescription to prevent or  
577.14 ameliorate painful or disabling conditions of the foot and ankle.

577.15 Subd. 18. **Prescription.** "Prescription" means an order deemed medically necessary  
577.16 by a physician, podiatric physician, osteopathic physician, or a licensed health care  
577.17 provider who has authority in this state to prescribe orthotic and prosthetic devices,  
577.18 supplies, and services.

577.19 Subd. 19. **Prosthesis.** "Prosthesis" means a custom-designed, fabricated, fitted, or  
577.20 modified device to treat partial or total limb loss for purposes of restoring physiological  
577.21 function or cosmesis. Prosthesis does not include artificial eyes, ears, fingers, or toes;  
577.22 dental appliances; external breast prosthesis; or cosmetic devices that do not have a  
577.23 significant impact on the musculoskeletal functions of the body.

577.24 Subd. 20. **Prosthetics.** "Prosthetics" means the science and practice of evaluating,  
577.25 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a prosthesis  
577.26 pursuant to a prescription. It includes providing the initial training necessary to fit a  
577.27 prosthesis in order to replace external parts of a human body lost due to amputation,  
577.28 congenital deformities, or absence.

577.29 Subd. 21. **Resident.** "Resident" means a person who has completed a  
577.30 NCOPE-approved education program in orthotics or prosthetics and is receiving clinical  
577.31 training in a residency accredited by NCOPE.

577.32 Subd. 22. **Residency.** "Residency" means a minimum of an NCOPE-approved  
577.33 program to acquire practical clinical training in orthotics and prosthetics in a patient  
577.34 care setting.

578.1 Subd. 23. **Supervisor.** "Supervisor" means the licensed orthotist, prosthetist, or  
578.2 pedorthist who oversees and is responsible for the delivery of appropriate, effective,  
578.3 ethical, and safe orthotic, prosthetic, or pedorthic patient care.

578.4 Sec. 43. **[153B.20] EXCEPTIONS.**

578.5 Nothing in this chapter shall prohibit:

578.6 (1) a physician or podiatric physician licensed by the state of Minnesota from  
578.7 providing services within the physician's scope of practice;

578.8 (2) a health care professional licensed by the state of Minnesota, including, but not  
578.9 limited to, chiropractors, physical therapists, and occupational therapy practitioners from  
578.10 providing services within the professional's scope of practice, or an individual working  
578.11 under the supervision of a licensed physician or podiatric physician;

578.12 (3) the practice of orthotics, prosthetics, or pedorthics by a person who is employed  
578.13 by the federal government or any bureau, division, or agency of the federal government  
578.14 while in the discharge of the employee's official duties;

578.15 (4) the practice of orthotics, prosthetics, or pedorthics by:

578.16 (i) a student enrolled in an accredited or approved orthotics, prosthetics, or  
578.17 pedorthics education program who is performing activities required by the program;

578.18 (ii) a resident enrolled in an NCOPE-accredited residency program; or

578.19 (iii) a person working in a qualified, supervised work experience or internship who  
578.20 is obtaining the clinical experience necessary for licensure under this chapter; or

578.21 (5) an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or fitter who is  
578.22 licensed in another state or territory of the United States or in another country that has  
578.23 equivalent licensure requirements as approved by the board from providing services within  
578.24 the professional's scope of practice subject to this chapter, if the individual is qualified and  
578.25 has applied for licensure under this chapter. The individual shall be allowed to practice for  
578.26 no longer than six months following the filing of the application for licensure, unless the  
578.27 individual withdraws the application for licensure or the board denies the license.

578.28 Sec. 44. **[153B.25] ORTHOTICS, PROSTHETICS, AND PEDORTHICS**  
578.29 **ADVISORY COUNCIL.**

578.30 Subdivision 1. **Creation; membership.** (a) There is established an Orthotics,  
578.31 Prosthetics, and Pedorthics Advisory Council that shall consist of seven voting members  
578.32 appointed by the board. Five members shall be licensed and practicing orthotists,  
578.33 prosthetists, or pedorthists. Each profession shall be represented on the advisory council.

579.1 One member shall be a Minnesota-licensed doctor of podiatric medicine who is also a  
579.2 member of the Board of Podiatric Medicine, and one member shall be a public member.

579.3 (b) The council shall be organized and administered under section 15.059.

579.4 Subd. 2. **Duties.** The advisory council shall:

579.5 (1) advise the board on enforcement of the provisions contained in this chapter;

579.6 (2) review reports of investigations or complaints relating to individuals and make  
579.7 recommendations to the board as to whether a license should be denied or disciplinary  
579.8 action taken against an individual;

579.9 (3) advise the board regarding standards for licensure of professionals under this  
579.10 chapter; and

579.11 (4) perform other duties authorized for advisory councils by chapter 214, as directed  
579.12 by the board.

579.13 Subd. 3. **Chair.** The council must elect a chair from among its members.

579.14 Subd. 4. **Administrative provisions.** The Board of Podiatric Medicine must  
579.15 provide meeting space and administrative services for the council.

579.16 Sec. 45. **[153B.30] LICENSURE.**

579.17 Subdivision 1. **Application.** An application for a license shall be submitted to the  
579.18 board in the format required by the board and shall be accompanied by the required fee,  
579.19 which is nonrefundable.

579.20 Subd. 2. **Qualifications.** (a) To be eligible for licensure as an orthotist, prosthetist,  
579.21 or prosthetist orthotist, an applicant shall meet orthotist, prosthetist, or prosthetist orthotist  
579.22 certification requirements of either the American Board for Certification in Orthotics,  
579.23 Prosthetics, and Pedorthics or the Board of Certification/Accreditation requirements in  
579.24 effect at the time of the individual's application for licensure and be in good standing  
579.25 with the certifying board.

579.26 (b) To be eligible for licensure as a pedorthist, an applicant shall meet the pedorthist  
579.27 certification requirements of either the American Board for Certification in Orthotics,  
579.28 Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are in effect  
579.29 at the time of the individual's application for licensure and be in good standing with  
579.30 the certifying board.

579.31 (c) To be eligible for licensure as an orthotic or prosthetic assistant, an applicant shall  
579.32 meet the orthotic or prosthetic assistant certification requirements of the American Board  
579.33 for Certification in Orthotics, Prosthetics, and Pedorthics that are in effect at the time of  
579.34 the individual's application for licensure and be in good standing with the certifying board.

580.1 (d) To be eligible for licensure as an orthotic fitter, an applicant shall meet the  
580.2 orthotic fitter certification requirements of either the American Board for Certification in  
580.3 Orthotics, Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are  
580.4 in effect at the time of the individual's application for licensure and be in good standing  
580.5 with the certifying board.

580.6 Subd. 3. **License term.** A license to practice is valid for a term of up to 24 months  
580.7 beginning on January 1 or commencing after initially fulfilling the license requirements  
580.8 and ending on December 31 of the following year.

580.9 Sec. 46. **[153B.35] EMPLOYMENT BY AN ACCREDITED FACILITY; SCOPE**  
580.10 **OF PRACTICE.**

580.11 A licensed orthotist, prosthetist, pedorthist, assistant, or orthotic fitter may provide  
580.12 limited, supervised orthotic or prosthetic patient care services beyond their licensed scope  
580.13 of practice if all of the following conditions are met:

580.14 (1) the licensee is employed by a patient care facility that is accredited by a national  
580.15 accrediting organization in orthotics, prosthetics, and pedorthics;

580.16 (2) written objective criteria are documented by the accredited facility to describe  
580.17 the knowledge and skills required by the licensee to demonstrate competency to provide  
580.18 additional specific and limited orthotic or prosthetic patient care services that are outside  
580.19 the licensee's scope of practice;

580.20 (3) the licensee provides orthotic or prosthetic patient care only at the direction of a  
580.21 supervisor who is licensed as an orthotist, pedorthist, or prosthetist who is employed by  
580.22 the facility to provide the specific orthotic or prosthetic patient care or services that are  
580.23 outside the licensee's scope of practice; and

580.24 (4) the supervised orthotic or prosthetic patient care occurs in compliance with  
580.25 facility accreditation standards.

580.26 Sec. 47. **[153B.40] CONTINUING EDUCATION.**

580.27 Subdivision 1. **Requirement.** Each licensee shall obtain the number of continuing  
580.28 education hours required by the certifying board to maintain certification status pursuant  
580.29 to the specific license category.

580.30 Subd. 2. **Proof of attendance.** A licensee must submit to the board proof of  
580.31 attendance at approved continuing education programs during the license renewal period  
580.32 in which it was attended in the form of a certificate, statement of continuing education  
580.33 credits from the American Board for Certification in Orthotics, Prosthetics, and Pedorthics

581.1 or the Board of Certification/Accreditation, descriptive receipt, or affidavit. The board  
581.2 may conduct random audits.

581.3 Subd. 3. **Extension of continuing education requirements.** For good cause, a  
581.4 licensee may apply to the board for a six-month extension of the deadline for obtaining  
581.5 the required number of continuing education credits. No more than two consecutive  
581.6 extensions may be granted. For purposes of this subdivision, "good cause" includes  
581.7 unforeseen hardships such as illness, family emergency, or military call-up.

581.8 Sec. 48. [153B.45] LICENSE RENEWAL.

581.9 Subdivision 1. **Submission of license renewal application.** A licensee must submit  
581.10 to the board a license renewal application on a form provided by the board together with  
581.11 the license renewal fee. The completed form must be postmarked no later than January 1  
581.12 in the year of renewal. The form must be signed by the licensee in the place provided for  
581.13 the renewal applicant's signature, include evidence of participation in approved continuing  
581.14 education programs, and any other information as the board may reasonably require.

581.15 Subd. 2. **Renewal application postmarked after January 1.** A renewal application  
581.16 postmarked after January 1 in the renewal year shall be returned to the licensee for addition  
581.17 of the late renewal fee. A license renewal application postmarked after January 1 in the  
581.18 renewal year is not complete until the late renewal fee has been received by the board.

581.19 Subd. 3. **Failure to submit renewal application.** (a) At any time after January 1 of  
581.20 the applicable renewal year, the board shall send notice to a licensee who has failed to  
581.21 apply for license renewal. The notice shall be mailed to the licensee at the last address on  
581.22 file with the board and shall include the following information:

581.23 (1) that the licensee has failed to submit application for license renewal;

581.24 (2) the amount of renewal and late fees;

581.25 (3) information about continuing education that must be submitted in order for  
581.26 the license to be renewed;

581.27 (4) that the licensee must respond within 30 calendar days after the notice was sent  
581.28 by the board; and

581.29 (5) that the licensee may voluntarily terminate the license by notifying the board  
581.30 or may apply for license renewal by sending the board a completed renewal application,  
581.31 license renewal and late fees, and evidence of compliance with continuing education  
581.32 requirements.

581.33 (b) Failure by the licensee to notify the board of the licensee's intent to voluntarily  
581.34 terminate the license or to submit a license renewal application shall result in expiration  
581.35 of the license and termination of the right to practice. The expiration of the license and

582.1 termination of the right to practice shall not be considered disciplinary action against the  
 582.2 licensee.

582.3 (c) A license that has been expired under this subdivision may be reinstated.

582.4 Sec. 49. **[153B.50] NAME AND ADDRESS CHANGE.**

582.5 (a) A licensee who has changed names must notify the board in writing within 90  
 582.6 days and request a revised license. The board may require official documentation of the  
 582.7 legal name change.

582.8 (b) A licensee must maintain with the board a correct mailing address to receive  
 582.9 board communications and notices. A licensee who has changed addresses must notify the  
 582.10 board in writing within 90 days. Mailing a notice by United States mail to a licensee's last  
 582.11 known mailing address constitutes valid mailing.

582.12 Sec. 50. **[153B.55] INACTIVE STATUS.**

582.13 (a) A licensee who notifies the board in the format required by the board may elect  
 582.14 to place the licensee's credential on inactive status and shall be excused from payment  
 582.15 of renewal fees until the licensee notifies the board in the format required by the board  
 582.16 of the licensee's plan to return to practice.

582.17 (b) A person requesting restoration from inactive status shall be required to pay the  
 582.18 current renewal fee and comply with section 153B.45.

582.19 (c) A person whose license has been placed on inactive status shall not practice in  
 582.20 this state.

582.21 Sec. 51. **[153B.60] LICENSE LAPSE DUE TO MILITARY SERVICE.**

582.22 A licensee whose license has expired while on active duty in the armed forces of the  
 582.23 United States, with the National Guard while called into service or training, or while in  
 582.24 training or education preliminary to induction into military service may have the licensee's  
 582.25 license renewed or restored without paying a late fee or license restoration fee if the licensee  
 582.26 provides verification to the board within two years of the termination of service obligation.

582.27 Sec. 52. **[153B.65] ENDORSEMENT.**

582.28 The board may license, without examination and on payment of the required fee,  
 582.29 an applicant who is an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or  
 582.30 fitter who is certified by the American Board for Certification in Orthotics, Prosthetics,  
 582.31 and Pedorthics or a national certification organization with educational, experiential, and  
 582.32 testing standards equal to or higher than the licensing requirements in Minnesota.

583.1 Sec. 53. [153B.70] GROUNDS FOR DISCIPLINARY ACTION.

583.2 (a) The board may refuse to issue or renew a license, revoke or suspend a license, or  
583.3 place on probation or reprimand a licensee for one or any combination of the following:

583.4 (1) making a material misstatement in furnishing information to the board;

583.5 (2) violating or intentionally disregarding the requirements of this chapter;

583.6 (3) conviction of a crime, including a finding or verdict of guilt, an admission of  
583.7 guilt, or a no-contest plea, in this state or elsewhere, reasonably related to the practice  
583.8 of the profession. Conviction, as used in this clause, includes a conviction of an offense  
583.9 which, if committed in this state, would be deemed a felony, gross misdemeanor, or  
583.10 misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where  
583.11 a finding or verdict of guilty is made or returned but the adjudication of guilt is either  
583.12 withheld or not entered;

583.13 (4) making a misrepresentation in order to obtain or renew a license;

583.14 (5) displaying a pattern of practice or other behavior that demonstrates incapacity or  
583.15 incompetence to practice;

583.16 (6) aiding or assisting another person in violating the provisions of this chapter;

583.17 (7) failing to provide information within 60 days in response to a written request from  
583.18 the board, including documentation of completion of continuing education requirements;

583.19 (8) engaging in dishonorable, unethical, or unprofessional conduct;

583.20 (9) engaging in conduct of a character likely to deceive, defraud, or harm the public;

583.21 (10) inability to practice due to habitual intoxication, addiction to drugs, or mental  
583.22 or physical illness;

583.23 (11) being disciplined by another state or territory of the United States, the federal  
583.24 government, a national certification organization, or foreign nation, if at least one of the  
583.25 grounds for the discipline is the same or substantially equivalent to one of the grounds  
583.26 in this section;

583.27 (12) directly or indirectly giving to or receiving from a person, firm, corporation,  
583.28 partnership, or association a fee, commission, rebate, or other form of compensation for  
583.29 professional services not actually or personally rendered;

583.30 (13) incurring a finding by the board that the licensee, after the licensee has been  
583.31 placed on probationary status, has violated the conditions of the probation;

583.32 (14) abandoning a patient or client;

583.33 (15) willfully making or filing false records or reports in the course of the licensee's  
583.34 practice including, but not limited to, false records or reports filed with state or federal  
583.35 agencies;

584.1 (16) willfully failing to report child maltreatment as required under the Maltreatment  
584.2 of Minors Act, section 626.556; or

584.3 (17) soliciting professional services using false or misleading advertising.

584.4 (b) A license to practice is automatically suspended if (1) a guardian of a licensee is  
584.5 appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons  
584.6 other than the minority of the licensee, or (2) the licensee is committed by order of a court  
584.7 pursuant to chapter 253B. The license remains suspended until the licensee is restored to  
584.8 capacity by a court and, upon petition by the licensee, the suspension is terminated by the  
584.9 board after a hearing. The licensee may be reinstated to practice, either with or without  
584.10 restrictions, by demonstrating clear and convincing evidence of rehabilitation. The  
584.11 regulated person is not required to prove rehabilitation if the subsequent court decision  
584.12 overturns previous court findings of public risk.

584.13 (c) If the board has probable cause to believe that a licensee or applicant has violated  
584.14 paragraph (a), clause (10), it may direct the person to submit to a mental or physical  
584.15 examination. For the purpose of this section, every person is deemed to have consented to  
584.16 submit to a mental or physical examination when directed in writing by the board and to  
584.17 have waived all objections to the admissibility of the examining physician's testimony or  
584.18 examination report on the grounds that the testimony or report constitutes a privileged  
584.19 communication. Failure of a regulated person to submit to an examination when directed  
584.20 constitutes an admission of the allegations against the person, unless the failure was due to  
584.21 circumstances beyond the person's control, in which case a default and final order may be  
584.22 entered without the taking of testimony or presentation of evidence. A regulated person  
584.23 affected under this paragraph shall at reasonable intervals be given an opportunity to  
584.24 demonstrate that the person can resume the competent practice of the regulated profession  
584.25 with reasonable skill and safety to the public. In any proceeding under this paragraph,  
584.26 neither the record of proceedings nor the orders entered by the board shall be used against  
584.27 a regulated person in any other proceeding.

584.28 (d) In addition to ordering a physical or mental examination, the board may,  
584.29 notwithstanding section 13.384 or 144.293, or any other law limiting access to medical or  
584.30 other health data, obtain medical data and health records relating to a licensee or applicant  
584.31 without the person's or applicant's consent if the board has probable cause to believe that a  
584.32 licensee is subject to paragraph (a), clause (10). The medical data may be requested  
584.33 from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance  
584.34 company, or a government agency, including the Department of Human Services. A  
584.35 provider, insurance company, or government agency shall comply with any written request  
584.36 of the board under this section and is not liable in any action for damages for releasing the



585.1 data requested by the board if the data are released pursuant to a written request under this  
585.2 section, unless the information is false and the provider giving the information knew, or  
585.3 had reason to know, the information was false. Information obtained under this section  
585.4 is private data on individuals as defined in section 13.02.

585.5 (e) If the board issues an order of immediate suspension of a license, a hearing must  
585.6 be held within 30 days of the suspension and completed without delay.

585.7 **Sec. 54. [153B.75] INVESTIGATION; NOTICE AND HEARINGS.**

585.8 The board has the authority to investigate alleged violations of this chapter, conduct  
585.9 hearings, and impose corrective or disciplinary action as provided in section 214.103.

585.10 **Sec. 55. [153B.80] UNLICENSED PRACTICE.**

585.11 Subdivision 1. **License required.** Effective January 1, 2018, no individual shall  
585.12 practice as an orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic  
585.13 assistant, or orthotic fitter, unless the individual holds a valid license issued by the board  
585.14 under this chapter, except as permitted under section 153B.20 or 153B.35.

585.15 Subd. 2. **Designation.** No individual shall represent themselves to the public as  
585.16 a licensed orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic  
585.17 assistant, or an orthotic fitter, unless the individual is licensed under this chapter.

585.18 Subd. 3. **Penalties.** Any individual who violates this section is guilty of a  
585.19 misdemeanor. The board shall have the authority to seek a cease and desist order against  
585.20 any individual who is engaged in the unlicensed practice of a profession regulated by the  
585.21 board under this chapter.

585.22 **Sec. 56. [153B.85] FEES.**

585.23 Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed  
585.24 \$600.

585.25 (b) The biennial renewal fee for a license to practice as an orthotist, prosthetist,  
585.26 prosthetist orthotist, or pedorthist shall not exceed \$600.

585.27 (c) The biennial renewal fee for a license to practice as an assistant or a fitter shall  
585.28 not exceed \$300.

585.29 (d) The fee for license restoration shall not exceed \$600.

585.30 (e) The fee for license verification shall not exceed \$30.

585.31 (f) The fee to obtain a list of licensees shall not exceed \$25.

585.32 Subd. 2. **Proration of fees.** For the first renewal period following initial licensure,  
585.33 the renewal fee is the fee specified in subdivision 1, paragraph (b) or (c), prorated to the

586.1 nearest dollar that is represented by the ratio of the number of days the license is held  
 586.2 in the initial licensure period to 730 days.

586.3 Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in  
 586.4 effect at the time of renewal plus \$100.

586.5 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

586.6 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited  
 586.7 in the state government special revenue fund.

586.8 Sec. 57. Minnesota Statutes 2014, section 214.075, subdivision 3, is amended to read:

586.9 Subd. 3. **Consent form; fees; fingerprints.** (a) In order to effectuate the federal  
 586.10 and state level, fingerprint-based criminal background check, the applicant or licensee  
 586.11 must submit a completed criminal history records check consent form and a full set of  
 586.12 fingerprints to the respective health-related licensing board or a designee in the manner  
 586.13 and form specified by the board.

586.14 (b) The applicant or licensee is responsible for all fees associated with preparation of  
 586.15 the fingerprints, the criminal records check consent form, and the criminal background  
 586.16 check. The fees for the criminal records background check shall be set by the BCA and  
 586.17 the FBI and are not refundable. The fees shall be submitted to the respective health-related  
 586.18 licensing board by the applicant or licensee as prescribed by the respective board.

586.19 (c) All fees received by the health-related licensing boards under this subdivision  
 586.20 shall be deposited in a dedicated ~~account~~ accounts in the special revenue fund and are  
 586.21 appropriated to ~~the Board of Nursing Home Administrators for the administrative services~~  
 586.22 ~~unit~~ health-related licensing boards to pay for the criminal background checks conducted  
 586.23 by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

586.24 Sec. 58. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 18a,  
 586.25 is amended to read:

586.26 Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for  
 586.27 meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast,  
 586.28 \$6.50 for lunch, or \$8 for dinner.

586.29 (b) Medical assistance reimbursement for lodging for persons traveling to receive  
 586.30 medical care may not exceed \$50 per day unless prior authorized by the local agency.

586.31 (c) Regardless of the number of employees that an enrolled health care provider may  
 586.32 have, medical assistance covers sign and ~~oral~~ spoken language health care interpreter  
 586.33 services when provided by an enrolled health care provider during the course of providing  
 586.34 a direct, person-to-person covered health care service to an enrolled recipient with limited

587.1 English proficiency or who has a hearing loss and uses interpreting services. Coverage  
 587.2 for ~~face-to-face oral language~~ spoken language health care interpreter services shall be  
 587.3 provided only if the ~~oral language~~ spoken language health care interpreter used by the  
 587.4 enrolled health care provider is listed ~~in~~ on the ~~registry~~ or roster established under section  
 587.5 144.058 or the registry established under chapter 146C. Beginning July 1, 2018, coverage  
 587.6 for spoken language health care interpreter services shall be provided only if the spoken  
 587.7 language health care interpreter used by the enrolled health care provider is listed on the  
 587.8 registry established under chapter 146C.

587.9 Sec. 59. **[325F.816] MUNICIPAL OR CITY BUSINESS LICENSE; MASSAGE.**

587.10 An individual who is issued a municipal or city business license to practice massage  
 587.11 is prohibited from advertising as a licensed massage and bodywork therapist unless the  
 587.12 individual has received a professional credential from another state, is current in licensure,  
 587.13 and remains in good standing under the credentialing state's requirements.

587.14 Sec. 60. **FIRST APPOINTMENTS, FIRST MEETING, AND FIRST CHAIR OF**  
 587.15 **THE ORTHOTICS, PROSTHETICS, AND PEDORTHICS ADVISORY COUNCIL.**

587.16 The Board of Podiatric Medicine shall make its first appointments authorized  
 587.17 under Minnesota Statutes, section 153B.25, to the Orthotics, Prosthetics, and Pedorthics  
 587.18 Advisory Council, by September 1, 2016. The board shall designate four of its first  
 587.19 appointees to serve terms that are coterminous with the governor. The chair of the Board  
 587.20 of Podiatric Medicine or the chair's designee shall convene the first meeting of the council  
 587.21 by November 1, 2016. The council must elect a chair from among its members at the first  
 587.22 meeting of the council.

587.23 Sec. 61. **INITIAL APPOINTMENTS, TERMS, AND MEETING.**

587.24 The Minnesota Board of Nursing shall make initial appointments to the Registered  
 587.25 Massage and Bodywork Therapist Advisory Council under Minnesota Statutes, section  
 587.26 148.9861, by October 1, 2016, and shall designate one member to call the first meeting of  
 587.27 the advisory council by November 15, 2016. The terms of the initial members appointed  
 587.28 under Minnesota Statutes, section 148.9861, subdivision 1, clause (1), shall end the first  
 587.29 Monday in January 2019. The terms of the initial members appointed under Minnesota  
 587.30 Statutes, section 148.9861, subdivision 1, clause (2), shall end the first Monday in January  
 587.31 2020.

587.32 Sec. 62. **STAKEHOLDER ENGAGEMENT.**

588.1 The commissioner of health shall work with community stakeholders in Minnesota  
588.2 including, but not limited to, the Minnesota Breastfeeding Coalition; the women,  
588.3 infants, and children program; hospitals and clinics; local public health professionals  
588.4 and organizations; community-based organizations; and representatives of populations  
588.5 with low breastfeeding rates to carry out a study identifying barriers, challenges, and  
588.6 successes affecting initiation, duration, and exclusivity of breastfeeding. The study  
588.7 shall address policy, systemic, and environmental factors that both support and create  
588.8 barriers to breastfeeding. These factors include, but are not limited to, issues such as  
588.9 levels of practice and barriers such as education, clinical experience, and cost to those  
588.10 seeking certification as an International Board-Certified Lactation Consultant. The study  
588.11 shall identify and make recommendations regarding culturally appropriate practices that  
588.12 have been shown to increase breastfeeding rates in populations that have the greatest  
588.13 breastfeeding disparity rates. A report on the study must be completed and submitted to  
588.14 the chairs and ranking minority members of the legislative committees with jurisdiction  
588.15 over health care policy and finance on or before September 15, 2017.

588.16 **Sec. 63. INITIAL SPOKEN LANGUAGE HEALTH CARE ADVISORY**  
588.17 **COUNCIL MEETING.**

588.18 The commissioner of health shall convene the first meeting of the Spoken Language  
588.19 Health Care Advisory Council by October 1, 2016.

588.20 **Sec. 64. SPOKEN LANGUAGE HEALTH CARE INTERPRETER REGISTRY**  
588.21 **FEES.**

588.22 Notwithstanding Minnesota Statutes, section 146C.13, paragraph (a), the initial and  
588.23 renewal fees for interpreters listed on the spoken language health care registry shall be \$50  
588.24 between the period of July 1, 2017, through June 30, 2018, and shall be \$70 between the  
588.25 period of July 1, 2018, through June 30, 2019. Beginning July 1, 2019, the fees shall be  
588.26 in accordance with Minnesota Statutes, section 146C.13.

588.27 **Sec. 65. STRATIFIED MEDICAL ASSISTANCE REIMBURSEMENT SYSTEM**  
588.28 **FOR SPOKEN LANGUAGE HEALTH CARE INTERPRETERS.**

588.29 (a) The commissioner of human services, in consultation with the commissioner  
588.30 of health, the Spoken Language Health Care Interpreter Advisory Council established  
588.31 under Minnesota Statutes, section 146C.11, and representatives from the interpreting  
588.32 stakeholder community at large, shall study and make recommendations for creating a  
588.33 tiered reimbursement system for the Minnesota public health care programs for spoken

589.1 language health care interpreters based on the different tiers of the spoken language health  
 589.2 care interpreters registry established by the commissioner of health under Minnesota  
 589.3 Statutes, chapter 146C.

589.4 (b) The commissioner of human services shall submit the proposed reimbursement  
 589.5 system, including the fiscal costs for the proposed system to the chairs and ranking  
 589.6 minority members of the house of representatives and senate committees with jurisdiction  
 589.7 over health and human services policy and finance by January 15, 2017.

589.8 (c) The commissioner of health, in consultation with the Spoken Language Health  
 589.9 Care Interpreter Advisory Council, shall review the fees established under Minnesota  
 589.10 Statutes, section 146C.13, and make recommendations based on the results of the  
 589.11 study and recommendations under paragraph (a) whether the fees are established at an  
 589.12 appropriate level, including whether specific fees should be established for each tier of the  
 589.13 registry instead of one uniform fee for all tiers. The total fees collected must be sufficient  
 589.14 to recover the costs of the spoken language health care registry. If the commissioner  
 589.15 recommends different fees for the tiers, the commissioner shall submit the proposed fees  
 589.16 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 589.17 over health and human services policy and finance by January 15, 2018.

589.18 Sec. 66. **REPEALER.**

589.19 Minnesota Statutes 2014, section 144.058, is repealed effective July 1, 2018.

## 589.20 **ARTICLE 28**

### 589.21 **HUMAN SERVICES FORECAST ADJUSTMENTS**

589.22 Section 1. **HUMAN SERVICES APPROPRIATION.**

589.23 The sums shown in the columns marked "Appropriations" are added to or, if shown  
 589.24 in parentheses, are subtracted from the appropriations in Laws 2015, chapter 71, article  
 589.25 13, from the general fund or any fund named to the Department of Human Services for  
 589.26 the purposes specified in this article, to be available for the fiscal year indicated for each  
 589.27 purpose. The figures "2016" and "2017" used in this article mean that the appropriations  
 589.28 listed under them are available for the fiscal years ending June 30, 2016, or June 30, 2017,  
 589.29 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.  
 589.30 "The biennium" is fiscal years 2016 and 2017.

589.31  
 589.32  
 589.33  
 589.34

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2016**                      **2017**

590.1 **Sec. 2. COMMISSIONER OF HUMAN**  
 590.2 **SERVICES**

590.3 **Subdivision 1. Total Appropriation**                                 **\$ (615,912,000) \$ (518,891,000)**

590.4                                 Appropriations by Fund

590.5 General Fund                                 (307,806,000)     (246,029,000)

590.6 Health Care Access

590.7 Fund   (289,770,000)     (277,101,000)

590.8 Federal TANF                                 (18,336,000)         4,239,000

590.9 **Subd. 2. Forecasted Programs**

590.10 **(a) MFIP/DWP**

590.11                                 Appropriations by Fund

590.12 General Fund                                 9,833,000         (8,799,000)

590.13 Federal TANF                                 (20,225,000)         4,212,000

590.14 **(b) MFIP Child Care Assistance**   (23,094,000)             (7,760,000)

590.15 **(c) General Assistance**   (2,120,000)             (1,078,000)

590.16 **(d) Minnesota Supplemental Aid**   (1,613,000)             (1,650,000)

590.17 **(e) Group Residential Housing**   (8,101,000)             (7,954,000)

590.18 **(f) Northstar Care for Children**   2,231,000                 4,496,000

590.19 **(g) MinnesotaCare**   (227,821,000)             (230,027,000)

590.20 These appropriations are from the health care

590.21 access fund.

590.22 **(h) Medical Assistance**

590.23                                 Appropriations by Fund

590.24 General Fund                                 (294,773,000)     (243,700,000)

590.25 Health Care Access

590.26 Fund   (61,949,000)     (47,074,000)

590.27 **(i) Alternative Care Program**   -0-                                 -0-

590.28 **(j) CCDTF Entitlements**   9,831,000                 20,416,000

590.29 **Subd. 3. Technical Activities**   1,889,000                 27,000

590.30 These appropriations are from the federal

590.31 TANF fund.

590.32                                 **EFFECTIVE DATE.** This section is effective the day following final enactment.

591.1 **ARTICLE 29**591.2 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**591.3 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

591.4 The sums shown in the columns marked "Appropriations" are added to or, if shown  
 591.5 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to  
 591.6 the agencies and for the purposes specified in this act. The appropriations are from the  
 591.7 general fund or other named fund and are available for the fiscal years indicated for each  
 591.8 purpose. The figures "2016" and "2017" used in this act mean that the addition to or  
 591.9 subtraction from the appropriation listed under them is available for the fiscal year ending  
 591.10 June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations and reductions  
 591.11 to appropriations for the fiscal year ending June 30, 2016, are effective the day following  
 591.12 final enactment unless a different effective date is explicit.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2016</u></b>	<b><u>2017</u></b>

591.17 **Sec. 2. COMMISSIONER OF HUMAN**  
591.18 **SERVICES**

591.19	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>128,627,000</u></b>
--------	--	------------------	-------------------	------------------	---------------------------

591.20 **Appropriations by Fund**

	<b><u>2016</u></b>	<b><u>2017</u></b>
591.21		
591.22	<b><u>-0-</u></b>	<b><u>125,235,000</u></b>
591.23		
591.24	<b><u>-0-</u></b>	<b><u>25,000</u></b>
591.25	<b><u>-0-</u></b>	<b><u>3,367,000</u></b>

591.26 **Subd. 2. Central Office Operations**591.27 **(a) Operations**591.28 **Appropriations by Fund**

591.29	<b><u>-0-</u></b>	<b><u>3,459,000</u></b>
591.30		
591.31	<b><u>-0-</u></b>	<b><u>25,000</u></b>
591.32	<b><u>-0-</u></b>	<b><u>982,000</u></b>

591.33 **Payments for Timely Administration of**  
 591.34 **Criminal Proceedings. \$200,000 in fiscal**  
 591.35 **year 2017 is for the timely administration**  
 591.36 **of criminal proceedings involving clients**

592.1 and patients in the Minnesota sex offender  
592.2 program and the state-operated forensic  
592.3 services. In fiscal year 2017 and each fiscal  
592.4 year thereafter, up to \$50,000 shall be paid  
592.5 to Carlton County, up to \$50,000 shall be  
592.6 paid to Nicollet County, up to \$50,000  
592.7 shall be paid to the Sixth Judicial District  
592.8 Public Defender's Office, and up to \$50,000  
592.9 shall be paid to the Fifth District Public  
592.10 Defender's Office. The commissioner shall  
592.11 monitor the payments at least quarterly. If  
592.12 the commissioner determines that an entity  
592.13 will not spend all of its allocation before  
592.14 the end of the fiscal year, the commissioner  
592.15 shall reallocate any unspent dollars to an  
592.16 entity or entities that had an insufficient  
592.17 allocation. By January 15 of each year, the  
592.18 commissioner shall report to the chairs and  
592.19 ranking minority members of the house of  
592.20 representatives and senate health and human  
592.21 services finance committees the amount of  
592.22 unspent funds during the previous fiscal  
592.23 year. The commissioner shall not use funds  
592.24 appropriated for administrative costs.

592.25 **Request for Information.** \$165,000 in fiscal  
592.26 year 2017 is for transfer to the commissioner  
592.27 of management and budget to develop a  
592.28 request for information on a privatized  
592.29 state-based marketplace model. This is a  
592.30 onetime transfer.

592.31 **Base Adjustment.** The general fund base is  
592.32 decreased by \$2,206,000 in fiscal year 2018  
592.33 and \$2,287,000 in fiscal year 2019. The state  
592.34 government special revenue fund base is  
592.35 decreased by \$3,709,000 in fiscal year 2018  
592.36 and \$3,709,000 in fiscal year 2019. The



593.1 health care access fund base is increased by  
 593.2 \$905,000 in fiscal year 2018 and \$468,000 in  
 593.3 fiscal year 2019.

593.4 **(b) Children and Families** -0- 132,000

593.5 **Base Adjustment.** The general fund base is  
 593.6 decreased by \$132,000 in fiscal years 2018  
 593.7 and 2019.

593.8 **(c) Health Care**

593.9	<u>Appropriations by Fund</u>		
593.10	<u>General</u>	<u>-0-</u>	<u>1,186,000</u>
593.11	<u>State Government</u>		
593.12	<u>Special Revenue</u>	<u>-0-</u>	<u>25,000</u>
593.13	<u>Health Care Access</u>	<u>-0-</u>	<u>550,000</u>

593.14 **Spoken Language Health Care**

593.15 **Interpreters Reimbursement System**

593.16 **Study.** \$25,000 is from the state government  
 593.17 special revenue fund to study and submit  
 593.18 a proposed stratified medical assistance  
 593.19 reimbursement system for spoken language  
 593.20 health care interpreters. This is a onetime  
 593.21 appropriation.

593.22 **Base Adjustment.** The general fund base is  
 593.23 decreased by \$187,000 in fiscal year 2018  
 593.24 and \$187,000 in fiscal year 2019. The state  
 593.25 government special revenue fund base is  
 593.26 decreased by \$25,000 in fiscal year 2018 and  
 593.27 \$25,000 in fiscal year 2019. The health care  
 593.28 access fund base is increased by \$2,948,000  
 593.29 in fiscal year 2018 and \$2,991,000 in fiscal  
 593.30 year 2019.

593.31 **(d) Continuing Care** -0- 534,000

593.32 **Study of Home and Community-Based**

593.33 **Services Workforce.** \$414,000 in fiscal  
 593.34 year 2017 is to complete a study of home  
 593.35 and community-based services workforce

594.1 and its impact on service access. In addition  
 594.2 to the data collected under Minnesota  
 594.3 Statutes, section 256B.4912, subdivision 11,  
 594.4 the commissioner may also use surveys or  
 594.5 other methods to complete this study. On  
 594.6 January 1, 2018, the commissioner shall  
 594.7 report the findings of the study, including  
 594.8 recommendations on how to address access  
 594.9 to services, and recommendations on a  
 594.10 higher reimbursement rate for staff providing  
 594.11 services to individuals with higher home care  
 594.12 ratings, case mixes, or levels of care, to the  
 594.13 chairs and ranking minority members of the  
 594.14 legislative committees with jurisdiction over  
 594.15 health and human services policy and finance  
 594.16 and labor and industry. The general fund  
 594.17 base for this appropriation is \$621,000 in  
 594.18 fiscal year 2018 and zero in fiscal year 2019.

594.19 **Base Adjustment.** The general fund base is  
 594.20 increased by \$447,000 in fiscal year 2018 and  
 594.21 decreased by \$174,000 in fiscal year 2019.

594.22 **(e) Community Supports**

-0-

134,000

594.23 **Base Adjustment.** The general fund base  
 594.24 is increased by \$469,000 in fiscal year 2018  
 594.25 and \$429,000 in fiscal year 2019.

594.26 **Subd. 3. Forecasted Programs**

594.27 **(a) MFIP Child Care Assistance**

-0-

4,973,000

594.28 **(b) Northstar Care for Children**

-0-

8,802,000

594.29 **(c) MinnesotaCare**

-0-

2,108,000

594.30 This appropriation is from the health care  
 594.31 access fund.

594.32 **(d) Medical Assistance**

595.1	<u>Appropriations by Fund</u>		
595.2	<u>General</u>	<u>-0-</u>	<u>34,004,000</u>
595.3	<u>Health Care Access</u>	<u>-0-</u>	<u>277,000</u>
595.4	<b><u>(e) Consolidated Chemical Dependency</u></b>		
595.5	<b><u>Treatment Fund</u></b>	<u>-0-</u>	<u>5,897,000</u>
595.6	<b><u>CCDTF Transfer.</u></b> In fiscal year 2017,		
595.7	the commissioner shall transfer \$2,000,000		
595.8	from the consolidated chemical dependency		
595.9	treatment fund administrative account in the		
595.10	special revenue fund to the general fund.		
595.11	<u>This is a onetime transfer.</u>		
595.12	<u>Subd. 4. Grant Programs</u>		
595.13	<b><u>(a) BSF Child Care Assistance Grants</u></b>	<u>-0-</u>	<u>3,137,000</u>
595.14	<b><u>Base Adjustment.</u></b> The general fund base is		
595.15	increased by \$4,258,000 in fiscal year 2018		
595.16	and \$4,258,000 in fiscal year 2019.		
595.17	<b><u>(b) Child Care Development Grants</u></b>	<u>-0-</u>	<u>1,500,000</u>
595.18	<b><u>Increased Access to Affordable Child</u></b>		
595.19	<b><u>Care in Greater Minnesota.</u></b> \$1,500,000		
595.20	in fiscal year 2017 is from the general fund		
595.21	for grants of \$250,000 to each of the six		
595.22	Minnesota Initiative Foundations to increase		
595.23	access to affordable child care in greater		
595.24	Minnesota. Grant funds may be used to		
595.25	increase child care provider training and		
595.26	professional development; support legal		
595.27	nonlicensed family, friend, and neighbor		
595.28	child care providers; provide potential and		
595.29	current child care providers with licensing,		
595.30	financial, and technical assistance; help child		
595.31	care providers become rated under the Parent		
595.32	Aware quality rating system; and strengthen		
595.33	local capacity and increase the availability		
595.34	of affordable high-quality child care in each		
595.35	region. This is a onetime appropriation.		

596.1 **Base Adjustment.** The general fund base is  
 596.2 decreased by \$1,500,000 in fiscal year 2018  
 596.3 and \$1,500,000 in fiscal year 2019.

596.4 **(c) Children's Services Grants** -0- 1,860,000

596.5 **American Indian Child Welfare Initiative.**  
 596.6 \$800,000 in fiscal year 2017 is for planning  
 596.7 efforts to expand the American Indian  
 596.8 Child Welfare Initiative authorized under  
 596.9 Minnesota Statutes, section 256.01,  
 596.10 subdivision 14b. Of this appropriation,  
 596.11 \$400,000 is for grants to the Mille Lacs  
 596.12 Band of Ojibwe and \$400,000 is for grants  
 596.13 to the Red Lake Nation. This is a onetime  
 596.14 appropriation.

596.15 **Base Adjustment.** The general fund base is  
 596.16 decreased by \$860,000 in fiscal year 2018  
 596.17 and \$860,000 in fiscal year 2019.

596.18 **(d) Child and Community Service Grants** -0- 1,900,000

596.19 **White Earth Band of Ojibwe Human**  
 596.20 **Services Initiative Project.** \$1,400,000  
 596.21 in fiscal year 2017 is for a grant to the  
 596.22 White Earth Band of Ojibwe for the direct  
 596.23 implementation and administrative costs of  
 596.24 the White Earth Human Service Initiative  
 596.25 Project authorized under Laws 2011, First  
 596.26 Special Session chapter 9, article 9, section  
 596.27 18.

596.28 **Red Lake Nation Human Services**  
 596.29 **Initiative Project.** \$500,000 in fiscal year  
 596.30 2017 is for a grant to the Red Lake Nation for  
 596.31 the direct implementation and administrative  
 596.32 costs of the Red Lake Human Service  
 596.33 Initiative Project authorized under Minnesota  
 596.34 Statutes, section 256.01, subdivision 2,  
 596.35 paragraph (a), clause (7).

597.1	<b><u>(e) Child and Economic Support Grants</u></b>	<u>-0-</u>	<u>1,500,000</u>
597.2	<b><u>Safe Harbor for Sexually Exploited Youth.</u></b>		
597.3	<u>\$500,000 in fiscal year 2017 is for emergency</u>		
597.4	<u>shelter and transitional and long-term</u>		
597.5	<u>housing beds for sexually exploited youth</u>		
597.6	<u>and youth at risk of sexual exploitation. The</u>		
597.7	<u>base for this appropriation is \$625,000 in</u>		
597.8	<u>fiscal year 2018 and \$625,000 in fiscal year</u>		
597.9	<u>2019. The commissioner shall not use any</u>		
597.10	<u>portion of this appropriation nor of the base</u>		
597.11	<u>amounts in fiscal year 2018 and fiscal year</u>		
597.12	<u>2019 for administrative costs.</u>		
597.13	<b><u>Crisis Nursery Services.</u></b> <u>\$60,000 in fiscal</u>		
597.14	<u>year 2017 is for a grant to an organization</u>		
597.15	<u>in Minneapolis that provides free, voluntary</u>		
597.16	<u>crisis nursery services for families in crisis</u>		
597.17	<u>24 hours per day, 365 days per year; crisis</u>		
597.18	<u>counseling; overnight residential child care;</u>		
597.19	<u>a 24-hour crisis hotline; and parent education</u>		
597.20	<u>to provide a trauma-informed continuum</u>		
597.21	<u>of care for families living in poverty, to</u>		
597.22	<u>continue efforts to prevent child abuse and</u>		
597.23	<u>neglect, and to develop practices that can be</u>		
597.24	<u>shared with organizations around the state</u>		
597.25	<u>to reduce child abuse and neglect. This is a</u>		
597.26	<u>onetime appropriation and is available until</u>		
597.27	<u>June 30, 2019.</u>		
597.28	<b><u>Base Level Adjustment.</u></b> <u>The general fund</u>		
597.29	<u>base is increased by \$375,000 in fiscal year</u>		
597.30	<u>2018 and \$375,000 in fiscal year 2019.</u>		
597.31	<b><u>(f) Adult Mental Health Grants</u></b>	<u>-0-</u>	<u>200,000</u>
597.32	<b><u>Adult Mental Illness Crisis Housing</u></b>		
597.33	<b><u>Assistance Program.</u></b> <u>The general fund</u>		
597.34	<u>appropriation for the adult mental illness</u>		

598.1 crisis housing assistance program is  
 598.2 decreased by \$300,000 in fiscal year 2017.  
 598.3 The general fund appropriation is increased  
 598.4 by \$300,000 in fiscal year 2017 for expanding  
 598.5 eligibility to include persons with serious  
 598.6 mental illness under Minnesota Statutes,  
 598.7 section 245.99, subdivision 2.

598.8 **Integrated Behavioral Health Care**

598.9 **Coordination Demonstration Project.**

598.10 \$200,000 in fiscal year 2017 is for a grant  
 598.11 to the Zumbro Valley Health Center. The  
 598.12 grant shall be used to continue a pilot  
 598.13 project to test an integrated behavioral  
 598.14 health care coordination model. The grant  
 598.15 recipient must report measurable outcomes  
 598.16 to the commissioner of human services  
 598.17 by December 1, 2018. This is a onetime  
 598.18 appropriation and is available until June 30,  
 598.19 2018.

598.20 **Base Adjustment.** The general fund base is  
 598.21 decreased by \$200,000 in fiscal year 2018 and  
 598.22 is decreased by \$200,000 in fiscal year 2019.

598.23 **(g) Child Mental Health Grants**

-0-

2,500,000

598.24 **Child and Adolescent Behavioral Health**

598.25 **Services Grant.** The child mental health

598.26 grants base includes \$1,500,000 in fiscal  
 598.27 year 2018 and \$1,500,000 in fiscal year  
 598.28 2019 for children's mental health grants to  
 598.29 sustain extended-stay inpatient psychiatric  
 598.30 hospital services for children and adolescents  
 598.31 under Minnesota Statutes, section 245.4889,  
 598.32 subdivision 1, paragraph (a), clause (17).

598.33 **School-Linked Mental Health Grants.**

598.34 \$1,500,000 in fiscal year 2017 is for children's  
 598.35 mental health grants under Minnesota

599.1 Statutes, section 245.4889, subdivision 1,  
 599.2 paragraph (b), clause (8), for current grantees  
 599.3 to expand services to school buildings,  
 599.4 school districts, or counties that do not have  
 599.5 school-linked mental health available, and  
 599.6 to provide training to grantees on the use of  
 599.7 evidence-based practices. The general fund  
 599.8 base for this appropriation is \$2,250,000 in  
 599.9 fiscal year 2018 and \$2,250,000 in fiscal year  
 599.10 2019. The amount in fiscal year 2019 shall  
 599.11 be awarded through a competitive process  
 599.12 open to all eligible grantees as part of a new  
 599.13 grant cycle. This appropriation does not  
 599.14 include additional administrative money.

599.15 **Children's Mental Health Collaboratives;**

599.16 **Youth and Young Adult Mental Health**

599.17 **Demonstration Project. \$1,000,000**

599.18 in fiscal year 2017 is for a grant to a  
 599.19 children's mental health collaborative  
 599.20 under Minnesota Statutes, section 245.493,  
 599.21 that serves Kandiyohi, McLeod, Meeker,  
 599.22 Renville, and Yellow Medicine Counties  
 599.23 for a rural demonstration project to assist  
 599.24 transition-aged youth and young adults with  
 599.25 emotional behavioral disturbance (EBD)  
 599.26 or mental illnesses in making a successful  
 599.27 transition into adulthood. This is a onetime  
 599.28 appropriation and is available until June 30,  
 599.29 2019.

599.30 **Base Adjustment.** The general fund base is  
 599.31 increased by \$1,250,000 in fiscal years 2018  
 599.32 and 2019.

599.33 **Subd. 5. DCT State-Operated Services**

599.34 **(a) DCT State-Operated Services Mental**  
 599.35 **Health**

-0-

30,942,000

600.1 **Restore Funds Transferred to Minnesota**  
600.2 **State-Operated Community Services.**  
600.3 \$14,000,000 in fiscal year 2017 is to restore  
600.4 funds transferred to the enterprise fund for  
600.5 state-operated community services in fiscal  
600.6 year 2016. This is a onetime appropriation.

600.7 **Community Behavioral Health Hospitals**  
600.8 **Full Capacity Staffing.** \$13,723,000 in  
600.9 fiscal year 2017 is to increase staffing to a  
600.10 level sufficient to operate the community  
600.11 behavioral health hospitals at full licensed  
600.12 capacity. The base for this appropriation  
600.13 is \$16,450,000 in fiscal year 2018 and  
600.14 \$16,450,000 in fiscal year 2019.

600.15 **Anoka Metro Regional Treatment Center**  
600.16 **Nursing Float Pool.** \$788,000 in fiscal  
600.17 year 2017 is for a nursing float pool for  
600.18 weekend coverage at the Anoka Metro  
600.19 Regional Treatment Center. The base for this  
600.20 appropriation is \$1,526,000 in fiscal year  
600.21 2018 and \$1,526,000 in fiscal year 2019.

600.22 **Anoka Metro Regional Treatment Center**  
600.23 **Increased Clinical Oversight.** \$336,000  
600.24 in fiscal year 2017 is for increased clinical  
600.25 oversight at the Anoka Metro Regional  
600.26 Treatment Center. The base for this  
600.27 appropriation is \$632,000 in fiscal year 2018  
600.28 and \$632,000 in fiscal year 2019.

600.29 **Child and Adolescent Behavioral Health**  
600.30 **Services Closure.** The child and adolescent  
600.31 behavioral health services program in  
600.32 Willmar shall discontinue operations no later  
600.33 than June 30, 2017.



601.1	<b><u>Base Adjustment.</u></b> The general fund base is		
601.2	<u>decreased by \$12,852,000 in fiscal year 2018</u>		
601.3	<u>and \$13,715,000 in fiscal year 2019.</u>		
601.4	<b><u>(b) DCT State-Operated Services Enterprise</u></b>		
601.5	<b><u>Services</u></b>	<u>-0-</u>	<u>3,000,000</u>
601.6	<b><u>State-Operated Community Services.</u></b>		
601.7	<u>\$3,000,000 in fiscal year 2017 is for the</u>		
601.8	<u>Minnesota state-operated community</u>		
601.9	<u>services program. This is a onetime</u>		
601.10	<u>appropriation. The commissioner must</u>		
601.11	<u>transfer \$3,000,000 in fiscal year 2017 to the</u>		
601.12	<u>enterprise fund for Minnesota state-operated</u>		
601.13	<u>community services. This is a onetime</u>		
601.14	<u>transfer.</u>		
601.15	<b><u>Base Adjustment.</u></b> The general fund base is		
601.16	<u>decreased by \$3,000,000 in fiscal year 2018</u>		
601.17	<u>and \$3,000,000 in fiscal year 2019.</u>		
601.18	<b><u>(c) DCT State-Operated Services Minnesota</u></b>		
601.19	<b><u>Security Hospital</u></b>	<u>-0-</u>	<u>17,754,000</u>
601.20	<b><u>Competency Restoration Program.</u></b>		
601.21	<u>\$6,296,000 in fiscal year 2017 is for</u>		
601.22	<u>the development of a new residential</u>		
601.23	<u>competency restoration program to be</u>		
601.24	<u>operated by state-operated forensic</u>		
601.25	<u>services. The commissioner shall use this</u>		
601.26	<u>appropriation to make available 20 hospital</u>		
601.27	<u>beds at Anoka Metro Regional Treatment</u>		
601.28	<u>Center and 12 secure beds at the Minnesota</u>		
601.29	<u>Security Hospital.</u>		
601.30	<b><u>Base Adjustment.</u></b> The general fund base is		
601.31	<u>increased by \$3,169,000 in fiscal year 2018</u>		
601.32	<u>and \$3,169,000 in fiscal year 2019.</u>		
601.33	<b><u>Subd. 6. DCT Minnesota Sex Offender</u></b>		
601.34	<b><u>Program</u></b>	<u>-0-</u>	<u>3,807,000</u>

602.1 **Base Adjustment.** The general fund base is  
 602.2 decreased by \$1,306,000 in fiscal year 2018  
 602.3 and \$1,306,000 in fiscal year 2019.

602.4 Sec. 3. **COMMISSIONER OF HEALTH**

602.5 **Subdivision 1. Total Appropriation**                    **\$                    -0- \$                    4,709,000**

602.6                    **Appropriations by Fund**

	<u>2016</u>	<u>2017</u>
602.7 <u>General</u>	<u>-0-</u>	<u>1,291,000</u>
602.8 <u>State Government</u>		
602.9 <u>Special Revenue</u>	<u>-0-</u>	<u>873,000</u>
602.10 <u>Health Care Access</u>	<u>-0-</u>	<u>2,545,000</u>

602.11                    The appropriations for each purpose are  
 602.12 shown in the following subdivisions.

602.13                    **Subd. 2. Health Improvement**

602.14                    **Appropriations by Fund**

602.15 <u>General</u>	<u>-0-</u>	<u>1,067,000</u>
602.16 <u>Health Care Access</u>	<u>-0-</u>	<u>2,545,000</u>

602.17                    **Medical Cannabis Patient Registry.**

602.18                    \$50,000 in fiscal year 2017 is from the  
 602.19 general fund for updates to the medical  
 602.20 cannabis patient registry. This is a onetime  
 602.21 appropriation.

602.22                    **Health Care System Study.** \$500,000 in  
 602.23 fiscal year 2017 is from the health care access  
 602.24 fund for a health care system study. This is a  
 602.25 onetime appropriation and is available until  
 602.26 June 30, 2018.

602.27                    **Safe Harbor for Sexually Exploited Youth.**

602.28                    \$500,000 in fiscal year 2017 is from the  
 602.29 general fund for trauma-informed, culturally  
 602.30 specific services for exploited youth. The  
 602.31 base for this appropriation is \$625,000  
 602.32 in fiscal year 2018 and \$625,000 in fiscal  
 602.33 year 2019. Neither the appropriation in  
 602.34 fiscal year 2017 nor the base amounts in

603.1 fiscal years 2018 and 2019 may be used for  
603.2 administration.

603.3 **Greater Minnesota Family Medicine**

603.4 **Residency.** \$1,035,000 in fiscal year 2017  
603.5 is from the health care access fund for the  
603.6 greater Minnesota family medicine residency  
603.7 grant program under Minnesota Statutes,  
603.8 section 144.1912. The commissioner may  
603.9 use up to \$35,000 for administration.

603.10 **Health Care Grants for Uninsured**

603.11 **Individuals.** (a) \$50,000 in fiscal year  
603.12 2017 is from the health care access fund for  
603.13 dental provider grants in Minnesota Statutes,  
603.14 section 145.929, subdivision 1.

603.15 (b) \$175,000 in fiscal year 2017 is from  
603.16 the health care access fund for community  
603.17 mental health program grants in Minnesota  
603.18 Statutes, section 145.929, subdivision 2.

603.19 (c) \$600,000 in fiscal year 2017 is from the  
603.20 health care access fund for the emergency  
603.21 medical assistance outlier grant program  
603.22 in Minnesota Statutes, section 145.929,  
603.23 subdivision 3.

603.24 (d) \$175,000 in fiscal year 2017 is from the  
603.25 health care access fund for community health  
603.26 center grants under Minnesota Statutes,  
603.27 section 145.9269. A community health center  
603.28 that receives a grant from this appropriation  
603.29 is not eligible for a grant under paragraph (b).

603.30 **Statewide School-Based Sealant Grant**

603.31 **Program.** \$517,000 in fiscal year 2017  
603.32 is from the general fund to implement the  
603.33 statewide school-based sealant program  
603.34 under Minnesota Statutes, section 144.0615.  
603.35 The base for this appropriation is \$615,000

604.1 in fiscal year 2018 and \$717,000 in fiscal  
 604.2 year 2019.

604.3 **Base Adjustment for Early Dental**

604.4 **Prevention Initiative.** The general fund  
 604.5 base for the early dental prevention initiative  
 604.6 is increased by \$64,000 in fiscal year 2018  
 604.7 and \$64,000 in fiscal year 2019. The  
 604.8 commissioner shall not use any portion of  
 604.9 this base increase for administration. This  
 604.10 paragraph does not expire.

604.11 **Base-Level Adjustments.** The general fund  
 604.12 base is increased by \$237,000 in fiscal year  
 604.13 2018 and \$339,000 in fiscal year 2019. The  
 604.14 health care access fund base is decreased by  
 604.15 \$510,000 in fiscal year 2018 and \$510,000 in  
 604.16 fiscal year 2019.

604.17 **Subd. 3. Health Protection**

	<u>Appropriations by Fund</u>	
604.18		
604.19	<u>General</u>	<u>-0-      224,000</u>
604.20	<u>State Government</u>	
604.21	<u>Special Revenue</u>	<u>-0-      873,000</u>

604.22 **Drinking Water Revolving Fund. \$230,000**  
 604.23 in fiscal year 2017 is from the general fund  
 604.24 for administration of the drinking water  
 604.25 revolving fund.

604.26 **Quality of Care Complaints. \$180,000**  
 604.27 in fiscal year 2017 is from the state  
 604.28 government special revenue fund for  
 604.29 managed care organization quality of care  
 604.30 complaint investigations. This is a onetime  
 604.31 appropriation.

604.32 **Spoken Language Health Care Interpreter**  
 604.33 **Registry.** \$358,000 is from the state  
 604.34 government special revenue fund for the  
 604.35 spoken language health care interpreter

605.1 registry and registration activities under  
 605.2 Minnesota Statutes, chapter 146C. Of this  
 605.3 amount, \$280,000 is for onetime start-up  
 605.4 costs for the registry and is available  
 605.5 until June 30, 2019. The base for this  
 605.6 appropriation is \$241,000 in fiscal year 2018  
 605.7 and \$156,000 in fiscal year 2019.

605.8 **Clinical Lactation Services Licensing.**  
 605.9 \$174,000 in fiscal year 2017 is from the state  
 605.10 government special revenue fund for clinical  
 605.11 lactation services licensure activities under  
 605.12 Minnesota Statutes, sections 148.9801 to  
 605.13 148.9812. The base for this appropriation is  
 605.14 \$54,000 in fiscal year 2018 and \$54,000 in  
 605.15 fiscal year 2019.

605.16 **Base Level Adjustment.** The state  
 605.17 government special revenue fund base is  
 605.18 decreased by \$636,000 in fiscal year 2018  
 605.19 and \$658,000 in fiscal year 2019.

605.20 Sec. 4. **HEALTH-RELATED BOARDS**

605.21 <b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>195,000</u></b>	<b><u>\$</u></b>	<b><u>609,000</u></b>
---	------------------	-----------------------	------------------	-----------------------

605.22 This appropriation is from the state  
 605.23 government special revenue fund.

605.24 <b><u>Subd. 2. Board of Dentistry</u></b>		<b><u>(850,000)</u></b>		<b><u>(864,000)</u></b>
--	--	-------------------------	--	-------------------------

605.25 <b><u>Subd. 3. Board of Marriage and Family</u></b> 605.26 <b><u>Therapy</u></b>		<b><u>40,000</u></b>		<b><u>50,000</u></b>
--	--	----------------------	--	----------------------

605.27 <b><u>Subd. 4. Board of Medical Practice</u></b>		<b><u>-0-</u></b>		<b><u>22,000</u></b>
---	--	-------------------	--	----------------------

605.28 **Genetic Counselor Licensing.** \$22,000 in  
 605.29 fiscal year 2017 is from the state government  
 605.30 special revenue fund for genetic counselor  
 605.31 licensure activities under Minnesota Statutes,  
 605.32 chapter 147F.

605.33 <b><u>Subd. 5. Board of Nursing</u></b>		<b><u>-0-</u></b>		<b><u>257,000</u></b>
--	--	-------------------	--	-----------------------

606.1 **Massage and Bodywork Therapist**

606.2 **Registration.** \$257,000 in fiscal year 2017

606.3 is from the state government special revenue

606.4 fund for massage and bodywork therapist

606.5 registration activities under Minnesota

606.6 Statutes, sections 148.982 to 148.9885. The

606.7 base appropriation in fiscal year 2018 is

606.8 \$275,000 and \$276,000 in fiscal year 2019.

606.9 **Base Level Adjustment.** The state

606.10 government special revenue fund base is

606.11 increased by \$18,000 in fiscal year 2018 and

606.12 \$19,000 in fiscal year 2019.

606.13 Subd. 6. **Board of Pharmacy**

115,000

145,000

606.14 Subd. 7. **Board of Physical Therapy**

890,000

924,000

606.15 **Health Professional Services Program. Of**

606.16 this appropriation, \$850,000 in fiscal year

606.17 2016 and \$864,000 in fiscal year 2017 are

606.18 from the state government special revenue

606.19 fund for the health professional services

606.20 program.

606.21 Subd. 8. **Board of Podiatric Medicine**

-0-

75,000

606.22 **Orthotist, Prosthetist, and Pedorthist**

606.23 **Licensing.** \$75,000 in fiscal year 2017 is

606.24 from the state government special revenue

606.25 fund for licensure activities under the

606.26 Minnesota Orthotists, Prosthetist, and

606.27 Pedorthist Practice Act, Minnesota Statutes,

606.28 chapter 153B. The base appropriation is

606.29 \$112,000 in fiscal year 2018 and \$112,000 in

606.30 fiscal year 2019.

606.31 **Base Level Adjustment.** The state

606.32 government special revenue fund base is

606.33 increased by \$37,000 in fiscal year 2018 and

606.34 \$37,000 in fiscal year 2019.

607.1 **Sec. 5. OMBUDSMAN FOR MENTAL**  
 607.2 **HEALTH AND DEVELOPMENTAL**  
 607.3 **DISABILITIES**

**\$ 100,000 \$ 209,000**

607.4 **Base Level Adjustment.** The general fund  
 607.5 base is increased by \$41,000 in fiscal year  
 607.6 2018 and \$41,000 in fiscal year 2019.

607.7 **Sec. 6. DEPARTMENT OF COMMERCE** **\$ (210,000) \$ (190,000)**

607.8 Sec. 7. Laws 2015, chapter 71, article 14, section 4, subdivision 3, is amended to read:

607.9 Subd. 3. **Board of Dentistry** 2,192,000 2,206,000

607.10 ~~This appropriation includes \$864,000 in fiscal~~  
 607.11 ~~year 2016 and \$878,000 in fiscal year 2017~~  
 607.12 ~~for the health professional services program.~~

607.13 Sec. 8. Laws 2015, chapter 71, article 14, section 9, is amended to read:

607.14 **Sec. 9. COMMISSIONER OF COMMERCE** **\$ 210,000 \$ 213,000**

607.15 ~~The commissioner of commerce shall~~  
 607.16 ~~develop a proposal to allow individuals~~  
 607.17 ~~to purchase qualified health plans outside~~  
 607.18 ~~of MNsure directly from health plan~~  
 607.19 ~~companies and to allow eligible individuals~~  
 607.20 ~~to receive advanced premium tax credits and~~  
 607.21 ~~cost-sharing reductions when purchasing~~  
 607.22 ~~qualified health plans outside of MNsure.~~

607.23 **Sec. 9. EXPIRATION OF UNCODIFIED LANGUAGE.**

607.24 All uncodified language contained in this article expires on June 30, 2017, unless a  
 607.25 different expiration date is explicit.

607.26 **Sec. 10. EFFECTIVE DATE.**

607.27 This article is effective the day following final enactment.

APPENDIX  
Article locations in S2356-1

ARTICLE 1	HIGHER EDUCATION APPROPRIATIONS .....	Page.Ln 3.17
ARTICLE 2	ECONOMIC DEVELOPMENT .....	Page.Ln 21.24
ARTICLE 3	AGRICULTURE .....	Page.Ln 51.7
ARTICLE 4	NATURAL RESOURCES .....	Page.Ln 75.17
ARTICLE 5	BROADBAND .....	Page.Ln 96.23
ARTICLE 6	EQUITY .....	Page.Ln 99.22
ARTICLE 7	ENVIRONMENT AND ENERGY .....	Page.Ln 158.27
ARTICLE 8	STATE GOVERNMENT .....	Page.Ln 173.2
ARTICLE 9	PUBLIC SAFETY AND CORRECTIONS .....	Page.Ln 188.1
ARTICLE 10	TRANSPORTATION APPROPRIATIONS .....	Page.Ln 195.26
ARTICLE 11	TRANSPORTATION FISCAL PROVISIONS .....	Page.Ln 209.9
ARTICLE 12	GENERAL EDUCATION .....	Page.Ln 251.16
ARTICLE 13	EDUCATION EXCELLENCE .....	Page.Ln 262.26
ARTICLE 14	CHARTER SCHOOLS .....	Page.Ln 307.14
ARTICLE 15	SPECIAL EDUCATION .....	Page.Ln 310.14
ARTICLE 16	FACILITIES AND TECHNOLOGY .....	Page.Ln 319.10
ARTICLE 17	EARLY CHILDHOOD EDUCATION .....	Page.Ln 324.27
ARTICLE 18	SELF-SUFFICIENCY AND LIFELONG LEARNING .....	Page.Ln 327.20
ARTICLE 19	STATE AGENCIES .....	Page.Ln 328.26
ARTICLE 20	FORECAST ADJUSTMENTS .....	Page.Ln 333.27
ARTICLE 21	CHILDREN AND FAMILIES .....	Page.Ln 340.9
ARTICLE 22	MENTAL HEALTH .....	Page.Ln 389.15
ARTICLE 23	DIRECT CARE AND TREATMENT .....	Page.Ln 404.25
ARTICLE 24	CONTINUING CARE .....	Page.Ln 410.9
ARTICLE 25	HEALTH CARE .....	Page.Ln 449.8
ARTICLE 26	HEALTH DEPARTMENT .....	Page.Ln 509.10
ARTICLE 27	HEALTH-RELATED OCCUPATIONAL LICENSING .....	Page.Ln 533.30
ARTICLE 28	HUMAN SERVICES FORECAST ADJUSTMENTS .....	Page.Ln 589.20
ARTICLE 29	HEALTH AND HUMAN SERVICES APPROPRIATIONS .....	Page.Ln 591.1



**115B.48 DEFINITIONS.**

Subd. 9. **Owner or operator.** "Owner or operator" means a person who:

- (1) owns or has owned a dry cleaning facility; or
- (2) owns or owned real property on which a dry cleaning facility operates or operated.

**144.058 INTERPRETER SERVICES QUALITY INITIATIVE.**

(a) The commissioner of health shall establish a voluntary statewide roster, and develop a plan for a registry and certification process for interpreters who provide high quality, spoken language health care interpreter services. The roster, registry, and certification process shall be based on the findings and recommendations set forth by the Interpreter Services Work Group required under Laws 2007, chapter 147, article 12, section 13.

(b) By January 1, 2009, the commissioner shall establish a roster of all available interpreters to address access concerns, particularly in rural areas.

(c) By January 15, 2010, the commissioner shall:

- (1) develop a plan for a registry of spoken language health care interpreters, including:
  - (i) development of standards for registration that set forth educational requirements, training requirements, demonstration of language proficiency and interpreting skills, agreement to abide by a code of ethics, and a criminal background check;
  - (ii) recommendations for appropriate alternate requirements in languages for which testing and training programs do not exist;
  - (iii) recommendations for appropriate fees; and
  - (iv) recommendations for establishing and maintaining the standards for inclusion in the registry; and

(2) develop a plan for implementing a certification process based on national testing and certification processes for spoken language interpreters 12 months after the establishment of a national certification process.

(d) The commissioner shall consult with the Interpreter Stakeholder Group of the Upper Midwest Translators and Interpreters Association for advice on the standards required to plan for the development of a registry and certification process.

(e) The commissioner shall charge an annual fee of \$50 to include an interpreter in the roster. Fee revenue shall be deposited in the state government special revenue fund.

**256B.059 TREATMENT OF ASSETS WHEN A SPOUSE IS INSTITUTIONALIZED.**

Subd. 1a. **Institutionalized spouse.** The provisions of this section apply only when a spouse begins the first continuous period of institutionalization on or after October 1, 1989.

**256L.04 ELIGIBLE PERSONS.**

Subd. 2a. **Applications for other benefits.** To be eligible for MinnesotaCare, individuals and families must take all necessary steps to obtain other benefits as described in Code of Federal Regulations, title 42, section 435.608. Applicants and enrollees must apply for other benefits within 30 days of notification.

Subd. 8. **Applicants potentially eligible for medical assistance.** (a) Individuals who receive Supplemental Security Income or retirement, survivors, or disability benefits due to a disability, or other disability-based pension, who qualify under subdivision 7, but who are potentially eligible for medical assistance without a spenddown shall be allowed to enroll in MinnesotaCare, so long as the applicant meets all other conditions of eligibility. The commissioner shall identify and refer the applications of such individuals to their county social service agency. The county and the commissioner shall cooperate to ensure that the individuals obtain medical assistance coverage for any months for which they are eligible.

(b) The enrollee must cooperate with the county social service agency in determining medical assistance eligibility. Enrollees who do not cooperate with medical assistance shall be disenrolled from the plan within one calendar month. Persons disenrolled for nonapplication for medical assistance may not reenroll until they have obtained a medical assistance eligibility determination. Persons disenrolled for noncooperation with medical assistance may not reenroll until they have cooperated with the county agency and have obtained a medical assistance eligibility determination.

APPENDIX

Repealed Minnesota Statutes: S2356-1

(c) Counties that choose to become MinnesotaCare enrollment sites shall consider MinnesotaCare applications to also be applications for medical assistance.

(d) The commissioner shall redetermine provider payments made under MinnesotaCare to the appropriate medical assistance payments for those enrollees who subsequently become eligible for medical assistance.

**256L.22 DEFINITION; CHILDREN'S HEALTH PROGRAM.**

For purposes of sections 256L.22 to 256L.28, "children's health program" means the medical assistance and MinnesotaCare programs to the extent medical assistance and MinnesotaCare provide health coverage to children.

**256L.24 HEALTH CARE ELIGIBILITY FOR CHILDREN.**

Subdivision 1. **Applicability.** This section applies to children who are enrolled in a children's health program.

Subd. 2. **Application procedure.** The commissioner shall develop an application form for children's health programs for children that is easily understandable and does not exceed four pages in length. The provisions of section 256L.05, subdivision 1, apply.

Subd. 3. **Premiums.** Children enrolled in MinnesotaCare shall pay premiums as provided in section 256L.15.

Subd. 4. **Eligibility renewal.** The commissioner shall require children enrolled in MinnesotaCare to renew eligibility every 12 months.

**256L.26 ASSISTANCE TO APPLICANTS.**

The commissioner shall assist children in choosing a managed care organization to receive services under a children's health program, by:

(1) establishing a Web site to provide information about managed care organizations and to allow online enrollment;

(2) making applications and information on managed care organizations available to applicants and enrollees according to Title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Department of Health and Human Services; and

(3) making benefit educators available to assist applicants in choosing a managed care organization.

**256L.28 FEDERAL APPROVAL.**

The commissioner shall seek all federal waivers and approvals necessary to implement sections 256L.22 to 256L.28, including, but not limited to, waivers and approvals necessary to:

(1) coordinate medical assistance and MinnesotaCare coverage for children; and

(2) maximize receipt of the federal medical assistance match for covered children, by increasing income standards through the use of more liberal income methodologies as provided under United States Code, title 42, sections 1396a and 1396u-1.

*Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 8*

**Sec. 2. DEPARTMENT OF EMPLOYMENT  
AND ECONOMIC DEVELOPMENT**

**Subd. 8. Competitive Grant Limitations**

An organization that receives a direct appropriation under this section is not eligible to participate in competitive grant programs under this section during the fiscal years in which the direct appropriations are received.