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# HOUSE FILE No. 797

## *SECOND COMMITTEE ENGROSSMENT*

February 8, 2007

Authored by Rukavina, Welti and Murphy, M.

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

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*Referred by Chair to Education Finance and Economic Competitiveness Finance Division.*

March 29, 2007

*Returned to the Committee on Finance as Amended.*

### A bill for an act

1.1 relating to work force development; appropriating money for higher education;  
1.2 establishing the Minnesota GI Bill program; amending certain Minnesota  
1.3 Office of Higher Education provisions, establishing new grant and loan  
1.4 repayment programs; amending higher education programs; amending certain  
1.5 grant programs; amending certain higher education provisions; eliminating  
1.6 obsolete references, making technical changes; authorizing control of certain  
1.7 decreasing students' share of attendance; establishing a college readiness  
1.8 assessment; increasing revenue bond limits; authorizing control of certain  
1.9 deposits; authorizing lease agreements; authorizing interest rate swap; providing  
1.10 for the Textbook Disclosure, Pricing and Access Act; amending certain private  
1.11 postsecondary institution provisions; appropriating money for jobs and economic  
1.12 development; amending certain Department of Employment and Economic  
1.13 Development and the Department of Labor and Industry programs and creating  
1.14 new programs and grants; establishing the Packinghouse Workers Bill of Rights;  
1.15 providing for civil actions; providing civil penalties; establishing criminal  
1.16 penalties; requiring reports; authorizing the increase of certain fees; requiring  
1.17 assignment of certain inspectors to certain locations; regulating licenses and  
1.18 wages; requiring certain curriculum for hair braiding at accredited schools;  
1.19 amending certain licensing provisions; appropriating money for Iron Range  
1.20 Resources and Rehabilitation Board fund; making certain policy changes  
1.21 related to Iron Range Resources and Rehabilitation Board; establishing certain  
1.22 boards; amending certain board provisions; amending Minnesota Statutes 2006,  
1.23 sections 13.322, subdivision 3; 16B.70, by adding a subdivision; 41D.01,  
1.24 subdivision 1; 116J.401, by adding a subdivision; 116J.551, subdivision 1;  
1.25 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a;  
1.26 116J.966, subdivision 1; 116L.01, by adding a subdivision; 116L.04, subdivision  
1.27 1a; 116L.17, subdivision 1; 116L.20, subdivision 1; 116M.18, subdivision  
1.28 6a; 120B.023, subdivision 2; 120B.024; 135A.031, subdivision 7; 135A.053,  
1.29 subdivision 2; 135A.14, subdivision 1; 135A.51, subdivision 2; 135A.52,  
1.30 subdivisions 1, 2; 136A.01, subdivision 2; 136A.031, subdivision 5; 136A.0411;  
1.31 136A.08, subdivision 7; 136A.101, subdivision 4; 136A.121, subdivision 5;  
1.32 136A.125, subdivision 2; 136A.15, subdivisions 1, 6; 136A.233, subdivision 3;  
1.33 136A.29, subdivision 9; 136A.61; 136A.62, subdivision 3; 136A.63; 136A.64;  
1.34 136A.65; 136A.653; 136A.657; 136A.66; 136A.67; 136A.68; 136A.69;  
1.35 136A.71; 136A.861, subdivisions 1, 2, 3, 6; 136F.02, subdivision 1; 136F.42,  
1.36 subdivision 1; 136F.71, subdivision 2, by adding a subdivision; 136G.11,  
1.37 subdivision 5; 141.21, subdivisions 1a, 5; 141.25, subdivisions 1, 5, 7, 9, 10, 12;  
1.38 141.255, subdivision 2; 141.265, subdivision 2; 141.271, subdivisions 10, 12;  
1.39

2.1 141.28, subdivision 1; 141.32; 141.35; 177.27, subdivisions 1, 4, 5, 8, 9, 10, by  
 2.2 adding a subdivision; 177.28, subdivision 1; 177.30; 177.43, subdivisions 3, 4,  
 2.3 6, by adding a subdivision; 178.01; 178.02; 178.03, subdivision 3; 178.041,  
 2.4 subdivision 1; 181.78, by adding a subdivision; 181.932, subdivision 1; 181.935;  
 2.5 182.65, subdivision 2; 268.085, subdivision 3; 268.196, by adding a subdivision;  
 2.6 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1;  
 2.7 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 325E.37,  
 2.8 subdivision 6; 326.01, subdivision 6g; 326.241, subdivisions 1, 2; 326.242,  
 2.9 subdivisions 5, 11, by adding a subdivision; 326.37, subdivision 1; 326.38;  
 2.10 326.40, subdivision 1; 326.401, subdivision 2; 326.405; 326.42, subdivision 1;  
 2.11 326.46; 326.461, by adding a subdivision; 326.47, subdivisions 2, 6; 326.48,  
 2.12 subdivisions 1, 2, by adding a subdivision; 326.50; 326.51; 326.52; 341.28,  
 2.13 subdivision 2, by adding a subdivision; 341.32, subdivision 2; 341.321; 462.39,  
 2.14 by adding a subdivision; proposing coding for new law in Minnesota Statutes,  
 2.15 chapters 116J; 116O; 135A; 136A; 136F; 141; 154; 177; 179; 181; 181A; 182;  
 2.16 197; 270; 326; repealing Minnesota Statutes 2006, sections 16C.18, subdivision  
 2.17 2; 135A.031, subdivisions 1, 2, 3, 4, 5, 6; 135A.032; 135A.033; 136A.07;  
 2.18 136A.08, subdivision 8; 137.0245; 137.0246; 326.01, subdivision 4; 326.242,  
 2.19 subdivision 4; 326.45.

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

2.21 **ARTICLE 1**

2.22 **HIGHER EDUCATION APPROPRIATIONS**

2.23 Section 1. **SUMMARY OF APPROPRIATIONS.**

2.24 The amounts shown in this section summarize direct appropriations, by fund, made  
 2.25 in this article.

	<b><u>2008</u></b>		<b><u>2009</u></b>		<b><u>Total</u></b>
2.26					
2.27	<u>General</u>	\$ 1,561,498,000	\$	1,644,178,000	\$ 3,205,676,000
2.28	<u>Health Care Access</u>	2,157,000		2,157,000	4,314,000
2.29	<b><u>Total</u></b>	<b>\$ 1,563,655,000</b>	<b>\$</b>	<b>1,646,335,000</b>	<b>\$ 3,209,990,000</b>

2.30 Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

2.31 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.32 agencies and for the purposes specified in this article. The appropriations are from the  
 2.33 general fund, or another named fund, and are available for the fiscal years indicated  
 2.34 for each purpose. The figures "2008" and "2009" used in this article mean that the  
 2.35 appropriations listed under them are available for the fiscal year ending June 30, 2008, or  
 2.36 June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal  
 2.37 year 2009. "The biennium" is fiscal years 2008 and 2009.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2008</u></b>	<b><u>2009</u></b>
2.38		
2.39		
2.40		
2.41		



4.1 299A.45, to dependent children under age 23  
 4.2 and to the spouses of public safety officers  
 4.3 killed in the line of duty.

4.4 If the appropriation in this subdivision for  
 4.5 either year is insufficient, the appropriation  
 4.6 for the other year is available for it.

4.7 **Subd. 5. Interstate Tuition Reciprocity** 2,000,000 2,000,000

4.8 If the appropriation in this subdivision for  
 4.9 either year is insufficient, the appropriation  
 4.10 for the other year is available to meet  
 4.11 reciprocity contract obligations.

4.12 **Subd. 6. State Work Study** 12,444,000 12,444,000

4.13 **Subd. 7. Child Care Grants** 4,934,000 4,934,000

4.14 **Subd. 8. Minitex** 5,881,000 5,881,000

4.15 **Subd. 9. MnLINK Gateway** 400,000 400,000

4.16 **Subd. 10. Learning Network of Minnesota** 4,800,000 4,800,000

4.17 **Subd. 11. Minnesota College Savings Plan** 1,020,000 1,020,000

4.18 **Subd. 12. Midwest Higher Education Compact** 90,000 90,000

4.19 **Subd. 13. Other Small Programs** 2,010,000 1,670,000

4.20 This appropriation includes funding for  
 4.21 postsecondary service learning, student and  
 4.22 parent information, get ready, outreach, and  
 4.23 intervention for college attendance programs.

4.24 \$265,000 each year is for grants to increase  
 4.25 campus-community collaboration and service  
 4.26 learning statewide, including operations of  
 4.27 the Minnesota campus compact, grants to  
 4.28 member institutions and grants for member  
 4.29 institution initiatives. For every \$1 in state  
 4.30 funding, grant recipients must contribute \$2  
 4.31 in campus or community-based support.

5.1 \$100,000 each year is for a grant to the  
5.2 Loan Repayment Assistance Program  
5.3 of Minnesota, Inc. for loan repayment  
5.4 assistance awards.

5.5 \$500,000 each year is for the teacher  
5.6 education and compensation helps (TEACH)  
5.7 and the Minnesota early childhood teacher  
5.8 retention programs in Minnesota Statutes,  
5.9 section 136A.126. This is a onetime  
5.10 appropriation.

5.11 \$250,000 in the first year is for a grant to  
5.12 Augsburg College for the purpose of its  
5.13 Step UP program to provide educational  
5.14 opportunities to chemically dependent  
5.15 students and to work with other public  
5.16 and private colleges in Minnesota to help  
5.17 replicate this program. This is a onetime  
5.18 appropriation.

5.19 \$50,000 in the first year is for the speech  
5.20 pathologist loan forgiveness program for  
5.21 deposit in the account under Minnesota  
5.22 Statutes, section 136A.1704.

5.23 \$40,000 in the first year is for a grant to  
5.24 the Washington Center for Internships and  
5.25 Academic Seminars for a pilot program  
5.26 for scholarships for students enrolling in a  
5.27 Minnesota four-year college or university  
5.28 beginning in the fall semester of 2007. The  
5.29 grant is available only with a dollar-for-dollar  
5.30 match from nonstate sources.

5.31 **Subd. 14. Access to College and Helping**  
5.32 **Individuals Everywhere Value Education and**  
5.33 **Rural Pilot Programs**

1,000,000

1,000,000

5.34 For Access to College and Helping  
5.35 Individuals Everywhere Value Education

6.1 pilot projects that provide distance-learning  
6.2 opportunities through the Minnesota State  
6.3 Colleges and Universities for high school  
6.4 students living in remote and underserved  
6.5 areas where the school district lacks  
6.6 the resources to provide academically  
6.7 challenging educational opportunities,  
6.8 including Advanced Placement and  
6.9 International Baccalaureate programs.  
6.10 Students who successfully complete a course  
6.11 must receive college credit at no cost to the  
6.12 student or the participating school district.  
6.13 The office must report to the committees of  
6.14 the legislature with responsibility for higher  
6.15 education finance by January 15, 2009, on the  
6.16 program outcomes with recommendations on  
6.17 continuing and expanding the program.

6.18 **Subd. 15. United Family Medicine Residency**  
6.19 **Program**

360,000

360,000

6.20 For a grant to the united family medicine  
6.21 residency program. This appropriation  
6.22 must be used to support up to 18 resident  
6.23 physicians each year in family practice at  
6.24 united family medicine residency programs  
6.25 and must prepare doctors to practice family  
6.26 care medicine in underserved rural and  
6.27 urban areas of the state. The legislature  
6.28 intends this program to improve health  
6.29 care in underserved communities, provide  
6.30 affordable access to appropriate medical  
6.31 care, and manage the treatment of patients in  
6.32 a more cost-effective manner.

6.33 **Subd. 16. Agency Administration**

2,690,000

2,731,000

6.34 Of this appropriation, \$39,000 the first  
6.35 year and \$80,000 the second year are for

7.1 compensation-related costs associated with  
7.2 the delivery of the office's services and  
7.3 programs.

7.4 **Subd. 17. Balances Forward**

7.5 A balance in the first year under this section  
7.6 does not cancel, but is available for the  
7.7 second year.

7.8 **Subd. 18. Transfers**

7.9 The Minnesota Office of Higher Education  
7.10 may transfer unencumbered balances from  
7.11 the appropriations in subdivisions 2 to 15 to  
7.12 the state grant appropriation, the safety officer  
7.13 survivors appropriation, the interstate tuition  
7.14 reciprocity appropriation, the Minnesota  
7.15 college savings plan appropriation, the child  
7.16 care appropriation, and the state work study  
7.17 appropriation.

7.18 **Subd. 19. Reporting**

7.19 (a) By November 1 and February 15, the  
7.20 Minnesota Office of Higher Education  
7.21 must provide updated state grant spending  
7.22 projections, taking into account the most  
7.23 current and projected enrollment and tuition  
7.24 and fee information, economic conditions,  
7.25 and other relevant factors. Before submitting  
7.26 state grant spending projections, the office  
7.27 must meet and consult with representatives of  
7.28 public and private postsecondary education,  
7.29 the Department of Finance, the governor's  
7.30 office, legislative staff, and financial aid  
7.31 administrators.

7.32 (b) The Minnesota Office of Higher  
7.33 Education shall report to the higher education  
7.34 divisions of the house and senate finance



9.1 in the office of the chancellor or the shared  
9.2 services office. Any new positions funded  
9.3 from the technology and infrastructure  
9.4 appropriation must be at a campus.

9.5 (c) \$400,000 each year is for  
9.6 community-based energy development  
9.7 pilot projects at Mesabi Range Technical  
9.8 and Community College, the Minnesota  
9.9 West Community and Technical College,  
9.10 and Riverland Community College. Each  
9.11 campus must establish partnerships for  
9.12 community-based energy development pilot  
9.13 projects that involve students and faculty. An  
9.14 allocation for the pilot project is available  
9.15 to the participating institutions and the  
9.16 partnerships for the biennium ending June  
9.17 30, 2009.

9.18 (d) \$750,000 in the first year is for a modular  
9.19 clean-room research and training facility  
9.20 at St. Paul College. This is a onetime  
9.21 appropriation and is available until expended.

9.22 (e) \$300,000 the first year is for a grant to  
9.23 the Range Association of Municipalities  
9.24 and Schools for a study of student demand  
9.25 and employer needs for higher education in  
9.26 the Mesabi Range region of northeastern  
9.27 Minnesota including the cities of Grand  
9.28 Rapids through Eveleth to Ely. The  
9.29 association must coordinate and contract for  
9.30 a study in cooperation with the Board of  
9.31 Regents of the University of Minnesota and  
9.32 the Board of Trustees of the Minnesota State  
9.33 Colleges and Universities. The governing  
9.34 boards must advise on which of the identified  
9.35 needs can be met by University of Minnesota

10.1 courses and which can be met by the  
10.2 Minnesota State Colleges and Universities,  
10.3 and which degree programs may be offered  
10.4 jointly. The final report must be submitted to  
10.5 the committees of the legislature responsible  
10.6 for higher education finance by January 15,  
10.7 2008, with recommendations and plans for  
10.8 the region.

10.9 (f) \$120,000 in each year is for the Cook  
10.10 County Higher Education Board to provide  
10.11 educational programs and academic support  
10.12 services. The base appropriation for this  
10.13 program is \$120,000 in each year of the  
10.14 biennium ending June 30, 2011.

10.15 (g) \$2,000,000 the first year and \$1,000,000  
10.16 the second year are for a pilot project with  
10.17 the Northeast Minnesota Higher Education  
10.18 District and high schools in its area. Up to  
10.19 \$1,200,000 of the first year appropriation  
10.20 must be used to purchase equipment that is  
10.21 necessary to reestablish a technical education  
10.22 curriculum in the area high schools to  
10.23 provide the students with the technical  
10.24 skills necessary for the workforce. Students  
10.25 from area high schools may also access  
10.26 the facilities and faculty of the Northeast  
10.27 Minnesota Higher Education District  
10.28 for state-of-the-art technical education  
10.29 opportunities, including MnSCU's 2+2  
10.30 Pathways initiative. \$1,000,000 is added to  
10.31 the base for this project.

10.32 (h) \$50,000 in the first year is for St. Paul  
10.33 College to collaborate with the United Auto  
10.34 Workers Local 879 to purchase a Ford  
10.35 Ranger pickup truck to retrofit to run on a

- 11.1 battery-powered motor. This vehicle must  
11.2 be retrofitted to serve as a prototype that  
11.3 could be mass-produced at the St. Paul Ford  
11.4 assembly plant.
- 11.5 (i) \$100,000 each year is for a grant to a  
11.6 Minnesota public postsecondary institution  
11.7 with a total student enrollment under 7,000  
11.8 students, that has an existing women's  
11.9 hockey team competing in Division I in the  
11.10 Western Collegiate Hockey Association.
- 11.11 The institution may use the grant for  
11.12 equipment, facility improvements, travel and  
11.13 compensation for coaches, trainers, and other  
11.14 necessary personnel.
- 11.15 (j) \$450,000 each year is to establish a center  
11.16 for workforce and economic development  
11.17 at the Mesabi Range Community and  
11.18 Technical College and to enhance eFolio  
11.19 Minnesota. The board, in cooperation with  
11.20 the Iron Range Resources and Rehabilitation  
11.21 Board (IRRRB) and the Department of  
11.22 Employment and Economic Development,  
11.23 must establish the center to provide on-site  
11.24 and Internet-based support and technical  
11.25 assistance to users of the state's eFolio  
11.26 Minnesota system to promote workforce and  
11.27 economic development. The center must  
11.28 assist local economic development agencies  
11.29 and officials to enable them to access  
11.30 workforce information generated through the  
11.31 eFolio Minnesota system. The board must  
11.32 enhance the eFolio Minnesota system as  
11.33 necessary to serve these purposes. The center  
11.34 must report annually to the IRRRB and the  
11.35 Department of Employment and Economic

12.1 Development on the outcomes of the center's  
12.2 activities.

12.3 (k) \$1,000,000 the first year is to identify  
12.4 and improve on practices for selecting and  
12.5 purchasing textbooks and course materials  
12.6 that are used by students. The board, in  
12.7 collaboration with the Minnesota State  
12.8 University Student Association (MSUSA)  
12.9 and the Minnesota State College Student  
12.10 Association (MSCSA) must develop  
12.11 and implement pilot projects with this  
12.12 appropriation to address the financial burden  
12.13 that textbook prices and requirements place  
12.14 on students. These projects may include  
12.15 textbook rental programs, cooperative  
12.16 purchasing efforts, training, and education  
12.17 and awareness programs for students and  
12.18 faculty on cost considerations and textbook  
12.19 options. The student associations must  
12.20 be fully involved in the development and  
12.21 implementation of any project using this  
12.22 appropriation. Each student association  
12.23 must vote to approve a project before it is  
12.24 implemented. MSUSA and MSCSA must  
12.25 report to the committees of the legislature  
12.26 responsible for higher education finance by  
12.27 February 15, 2009, on the success of the pilot  
12.28 projects. This money is available until June  
12.29 30, 2009.

12.30 Subd. 4. **Board Policies**

12.31 (a) The board must adopt a policy that allows  
12.32 students to add the cost of textbooks and  
12.33 required course materials purchased at a  
12.34 campus bookstore, owned by or operated  
12.35 under a contract with the campus, to the

13.1 existing waivers or payment plans for tuition  
13.2 and fees.  
13.3 (b) The board must adopt a policy setting  
13.4 the maximum number of semester credits  
13.5 required for a baccalaureate degree at 120  
13.6 semester credits or the equivalent and the  
13.7 number of semester credits required for an  
13.8 associate degree at 60 semester credits or the  
13.9 equivalent.

13.10 **Sec. 5. BOARD OF REGENTS OF THE**  
13.11 **UNIVERSITY OF MINNESOTA**

13.12 **Subdivision 1. Total Appropriation**                    **\$     696,082,000**    **\$     742,143,000**

13.13 The amounts that may be spent for each  
13.14 purpose are specified in the following  
13.15 subdivisions.

13.16 **Subd. 2. Operations and Maintenance**                    **611,112,000**                    **667,550,000**

13.17 (a) This appropriation includes amounts for  
13.18 the board:

13.19 (1) to make investments in the university's  
13.20 technology and related infrastructure;

13.21 (2) to award faculty and staff compensation  
13.22 increases differentially;

13.23 (3) for the board's health workforce and  
13.24 clinical sciences initiative;

13.25 (4) initiatives in science and engineering;

13.26 (5) initiatives relating to the environment,  
13.27 agriculture, and renewable energy; and

13.28 (6) for advancing education, including an  
13.29 Ojibwe Indian language program on the  
13.30 Duluth campus.

13.31 (b) \$2,250,000 each year is to establish  
13.32 banded tuition at the Morris, Crookston, and

- 14.1 Duluth campuses to reduce tuition costs for  
14.2 students.
- 14.3 (c) \$7,000,000 for the biennium is for  
14.4 scholarships to mitigate the effects of rising  
14.5 tuition on Minnesota students and families.  
14.6 This appropriation must be matched with  
14.7 \$2 of nonstate money for each \$1 of state  
14.8 money.
- 14.9 (d) \$12,404,000 in the second year is to  
14.10 reduce the proposed tuition rate increase.  
14.11 Any of this amount that is not used by the  
14.12 board to reduce tuition cancels to the general  
14.13 fund.
- 14.14 (e) \$300,000 the first year is for the Center  
14.15 for Transportation Studies to complete a  
14.16 study to assess public policy options for  
14.17 reducing the volume of greenhouse gases  
14.18 emitted from the transportation sector in  
14.19 Minnesota. The Center for Transportation  
14.20 Studies must report its preliminary findings  
14.21 to the legislature by February 1, 2008, and  
14.22 must issue its full report by June 1, 2008.  
14.23 This is a onetime appropriation.
- 14.24 (f) \$250,000 each year is to establish an India  
14.25 Center to improve and promote relations with  
14.26 India and Southeast Asia. The center must  
14.27 partner with public and private organizations  
14.28 in Minnesota to:
- 14.29 (1) foster an understanding of the history,  
14.30 culture, and values of India;
- 14.31 (2) serve as a resource and catalyst to  
14.32 promote economic, governmental, and  
14.33 academic pursuits involving India; and

- 15.1 (3) facilitate educational and business  
15.2 exchanges and partnerships, collaborative  
15.3 research, and teaching and training activities  
15.4 for Minnesota students and teachers.
- 15.5 The Board of Regents may establish an  
15.6 advisory council to facilitate the mission  
15.7 and objectives of the India Center and must  
15.8 report on the progress of the India Center by  
15.9 February 15, 2008, to the governor and chairs  
15.10 of the legislative committees responsible for  
15.11 higher education finance. This is a onetime  
15.12 appropriation.
- 15.13 (g) \$750,000 in the first year is to assist in  
15.14 the formation of the neighborhood alliance  
15.15 and for projects identified in section 8. The  
15.16 alliance, the Board of Regents, and the city of  
15.17 Minneapolis may cooperate on the projects  
15.18 and may use a public services of other entities  
15.19 to complete all or a portion of a project.
- 15.20 (h) \$300,000 the first year is to establish a  
15.21 Dakota language teacher training immersion  
15.22 program on the Twin Cities campus to  
15.23 prepare teachers to teach in Dakota language  
15.24 immersion programs. This is a onetime  
15.25 appropriation.
- 15.26 (i) \$400,000 each year is for the Minnesota  
15.27 Institute for Sustainable Agriculture to  
15.28 provide funds for on-station and on-farm  
15.29 field scale research and outreach to develop  
15.30 and test the agronomic and economic  
15.31 requirements of diverse strands of prairie  
15.32 plants and other perennials for bioenergy  
15.33 systems including but not limited to  
15.34 multiple species selection and establishment,  
15.35 ecological management between planting

16.1	<u>and harvest, harvest technologies, financial</u>		
16.2	<u>and agronomic risk management, farmer</u>		
16.3	<u>goal setting and adoption of technologies,</u>		
16.4	<u>integration of wildlife habitat into</u>		
16.5	<u>management approaches, evaluation of</u>		
16.6	<u>carbon and other benefits, and robust polices</u>		
16.7	<u>needed to induce farmer conversion on</u>		
16.8	<u>marginal lands.</u>		
16.9	<b><u>Subd. 3. Health Care Access Fund</u></b>	<u>2,157,000</u>	<u>2,157,000</u>
16.10	<u>This appropriation is from the health care</u>		
16.11	<u>access fund and is for primary care education</u>		
16.12	<u>initiatives.</u>		
16.13	<b><u>Subd. 4. Special Appropriation</u></b>	<u>65,813,000</u>	<u>65,436,000</u>
16.14	<b><u>(a) Agriculture and Extension Service</u></b>	<u>52,625,000</u>	<u>52,275,000</u>
16.15	<u>(1) For the Agricultural Experiment</u>		
16.16	<u>Station, Minnesota Extension Service. This</u>		
16.17	<u>appropriation includes funding to promote</u>		
16.18	<u>alternative livestock research and outreach</u>		
16.19	<u>at the Minnesota Institute for Sustainable</u>		
16.20	<u>Agriculture, and to promote sustainable and</u>		
16.21	<u>organic agricultural research and education.</u>		
16.22	<u>(2) This appropriation includes funding</u>		
16.23	<u>for research efforts that demonstrate a</u>		
16.24	<u>renewed emphasis on the needs of the state's</u>		
16.25	<u>production agriculture community and a</u>		
16.26	<u>continued focus on renewable energy derived</u>		
16.27	<u>from Minnesota biomass resources including</u>		
16.28	<u>agronomic crops, plant and animal wastes,</u>		
16.29	<u>and native plants or trees, with priority for</u>		
16.30	<u>extending the Minnesota vegetable growing</u>		
16.31	<u>season; fertilizer and soil fertility research</u>		
16.32	<u>and development; treating and curing human</u>		
16.33	<u>diseases utilizing plant and livestock cells;</u>		
16.34	<u>using biofuel production coproducts as</u>		

17.1 feed for livestock; and a rapid agricultural  
17.2 response fund for current or emerging  
17.3 animal, plant, and insect problems affecting  
17.4 production or food safety. In addition, the  
17.5 appropriation may be used to secure a facility  
17.6 and retain current faculty levels for poultry  
17.7 research currently conducted at UMore Park.

17.8 (3) In the area of renewable energy, priority  
17.9 should be given to projects pertaining to:  
17.10 biofuel and other energy production from  
17.11 small grains; alternative bioenergy crops and  
17.12 cropping systems; and growing, harvesting,  
17.13 and transporting biomass plant material.

17.14 (4) This appropriation includes funding for  
17.15 the college of food, agricultural, and natural  
17.16 resources sciences to establish and maintain  
17.17 a statewide organic research and education  
17.18 initiative to provide leadership for organic  
17.19 agronomic, horticultural, livestock, and food  
17.20 systems research, education, and outreach  
17.21 and for the purchase of state-of-the-art  
17.22 laboratory, planting, tilling, harvesting, and  
17.23 processing equipment necessary for this  
17.24 project.

17.25 (5) By February 1, 2009, the Board  
17.26 of Regents must report to the legislative  
17.27 committees with responsibility for agriculture  
17.28 and higher education finance on the research  
17.29 and initiatives under this paragraph.

17.30 (6) The base appropriation is \$51,775,000  
17.31 each year of the biennium ending June 30,  
17.32 2011.

17.33 **(b) Health Sciences**

5,275,000

5,275,000

17.34 \$346,000 each year is to support up to 12  
17.35 resident physicians each year in the St.

18.1 Cloud Hospital family practice residency  
 18.2 program. The program must prepare doctors  
 18.3 to practice primary care medicine in the rural  
 18.4 areas of the state. The legislature intends  
 18.5 this program to improve health care in rural  
 18.6 communities, provide affordable access to  
 18.7 appropriate medical care, and manage the  
 18.8 treatment of patients in a more cost-effective  
 18.9 manner.

18.10 The remainder of this appropriation is for  
 18.11 the rural physicians associates program, the  
 18.12 Veterinary Diagnostic Laboratory, health  
 18.13 sciences research, dental care, and the  
 18.14 Biomedical Engineering Center.

18.15 **(c) Institute of Technology** 1,387,000 1,387,000

18.16 For the Geological Survey and the talented  
 18.17 youth mathematics program.

18.18 **(d) System Specials** 6,526,000 6,526,000

18.19 For general research, student loans matching  
 18.20 money, industrial relations education,  
 18.21 Natural Resources Research Institute, Center  
 18.22 for Urban and Regional Affairs, and the Bell  
 18.23 Museum of Natural History. \$100,000 is  
 18.24 added to the base appropriation for industrial  
 18.25 relations education.

18.26 **Subd. 5. University of Minnesota and Mayo**  
 18.27 **Foundation Partnership** 17,000,000 7,000,000

18.28 For the direct and indirect expenses of the  
 18.29 collaborative research partnership between  
 18.30 the University of Minnesota and the Mayo  
 18.31 Foundation for research in biotechnology  
 18.32 and medical genomics. \$7,000,000 is added  
 18.33 to the base. This appropriation is available  
 18.34 until expended. An annual report on the  
 18.35 expenditure of these funds must be submitted



20.1        **Sec. 7. LEGISLATIVE COMMISSION ON POSTSECONDARY FUNDING.**

20.2            Subdivision 1. **Membership.** A 12-member legislative commission on  
20.3 postsecondary funding is established consisting of six members of the house of  
20.4 representatives appointed by the speaker and six members of the senate appointed by  
20.5 the Subcommittee on Committees of the Committee on Rules and Administration. The  
20.6 commission may elect a chair and other officers as necessary.

20.7            Subd. 2. **Charge.** The commission must develop an alternative funding formula  
20.8 or funding method for postsecondary education that creates incentives for high quality  
20.9 postsecondary education while maintaining access for students. In developing the formula  
20.10 or funding method, the commission must consider and address:

20.11            (1) both institutional aid and direct student aid;

20.12            (2) the major cost drivers in postsecondary education, such as inflation and  
20.13 enrollment;

20.14            (3) federal postsecondary funding and tax incentives for postsecondary education;  
20.15 and

20.16            (4) funding the formula or funding method within the projected constraints on the  
20.17 state budget in the coming decade.

20.18            Subd. 3. **Report.** The commission must report its recommendations to the house  
20.19 Division on Higher Education and Workforce Development Policy and Finance, and the  
20.20 senate Higher Education Budget and Policy Division by June 30, 2008.

20.21            Subd. 4. **Expiration.** The commission expires June 30, 2008.

20.22        **Sec. 8. UNIVERSITY OF MINNESOTA MINNEAPOLIS AREA**  
20.23 **NEIGHBORHOOD ALLIANCE.**

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

20.26            (b) "Alliance" means a representative body of the constituencies, including, but  
20.27 not limited to, the University of Minnesota, the city of Minneapolis, and the recognized  
20.28 neighborhood organizations and business associations referenced in the report.

20.29            (c) "Board" means the Board of Regents of the University of Minnesota.

20.30            (d) "Report" means the report and appendix entitled Moving Forward Together:  
20.31 University of Minnesota Minneapolis Area Neighborhood Impact Report, submitted to  
20.32 the legislature in February 2007.

20.33            (e) "University partnership district" or "district" means the area located within the  
20.34 city that includes the neighborhoods of Cedar-Riverside, Marcy-Holmes, South East

21.1 Como, Prospect Park, and University, as they are defined by the city, and the university's  
21.2 Minneapolis campus.

21.3 (f) "Tier two impact zone" means the neighborhoods of northeast Minneapolis that  
21.4 house significant numbers of university students and staff. Transportation and housing  
21.5 policy analysis and planning must include these areas but they must not be included in  
21.6 the projects funded through the alliance.

21.7 (g) "University" means the University of Minnesota.

21.8 Subd. 2. **Alliance; functions.** The alliance may facilitate, initiate, or manage  
21.9 projects with the board, city, or other public or private entities that are intended to  
21.10 maintain the university partnership district as a viable place to study, research, and live.  
21.11 Projects may include, but are not limited to, those outlined in the report, as well as  
21.12 efforts to involve students in activities to maintain and improve the university partnership  
21.13 district; cooperative university and university partnership district long-term planning; and  
21.14 incentives to increase homeownership within the district with particular emphasis on  
21.15 employees of the university and of other major employers located within the district.

21.16 Subd. 3. **Report.** The board must report to the legislature by January 15, 2009, on  
21.17 the expenditure of funds appropriated under section 3.

## 21.18 **ARTICLE 2**

### 21.19 **MINNESOTA GI BILL FOR VETERANS**

21.20 Section 1. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to  
21.21 read:

21.22 Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible  
21.23 for:

21.24 (1) necessary state level administration of financial aid and Minnesota GI Bill  
21.25 programs, including accounting, auditing, and disbursing state and federal financial aid  
21.26 funds, and reporting on financial aid programs to the governor and the legislature;

21.27 (2) approval, registration, licensing, and financial aid eligibility of private collegiate  
21.28 and career schools, under sections 136A.61 to 136A.71 and chapter 141;

21.29 (3) administering the Learning Network of Minnesota;

21.30 (4) negotiating and administering reciprocity agreements;

21.31 (5) publishing and distributing financial aid information and materials, and other  
21.32 information and materials under section 136A.87, to students and parents;

21.33 (6) collecting and maintaining student enrollment and financial aid data and  
21.34 reporting data on students and postsecondary institutions to develop and implement a  
21.35 process to measure and report on the effectiveness of postsecondary institutions;

22.1 (7) administering the federal programs that affect students and institutions on a  
22.2 statewide basis; and

22.3 (8) prescribing policies, procedures, and rules under chapter 14 necessary to  
22.4 administer the programs under its supervision.

22.5 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to  
22.6 qualifying coursework taken on or after that date.

22.7 **Sec. 2. [197.791] MINNESOTA GI BILL PROGRAM.**

22.8 **Subdivision 1. Policy.** It is the policy of the state of Minnesota to provide  
22.9 postsecondary educational assistance to Minnesota veterans who have provided honorable  
22.10 service to this state and nation as members of the United States armed forces, whether  
22.11 in peacetime or in war, and to the spouses and children of Minnesota veterans who have  
22.12 become severely disabled or deceased during or as the direct result of military service.

22.13 **Subd. 2. Definitions.** (a) The definitions in this subdivision apply to this section.

22.14 (b) "Commissioner" means the commissioner of veterans affairs, unless otherwise  
22.15 specified.

22.16 (c) "Cost of attendance" for both undergraduate and graduate students has the  
22.17 meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2.

22.18 (d) "Child" means a natural or adopted child of a person described in subdivision 5,  
22.19 paragraph (a), clause (1), item (i) or (ii).

22.20 (e) "Director" means the director of the Minnesota Office of Higher Education.

22.21 (f) "Eligible institution" means a postsecondary institution located in this state  
22.22 that either (1) is operated by this state; or (2) is operated publicly or privately and, as  
22.23 determined by the office, maintains academic standards substantially equivalent to those  
22.24 of comparable institutions operated in this state.

22.25 (g) "Eligible student" means a person who:

22.26 (1) if the student is an undergraduate student, has applied for the federal Pell Grant  
22.27 and the Minnesota State Grant;

22.28 (2) is maintaining satisfactory academic progress as defined by the institution for  
22.29 students participating in federal Title IV programs;

22.30 (3) is enrolled in an education program leading to a certificate, diploma, or degree  
22.31 at an eligible institution;

22.32 (4) has applied for educational assistance under the Minnesota GI Bill program prior  
22.33 to the end of the academic term for which the assistance is being requested.

22.34 (5) is in compliance with child support payment requirements under section  
22.35 136A.121, subdivision 2, clause (5).

23.1 (h) "Part-time student" means an undergraduate student enrolled for fewer than 12  
23.2 credits in a semester or the equivalent, or a graduate student as defined by the student's  
23.3 eligible institution.

23.4 (i) "Program" means the Minnesota GI Bill program established in this section,  
23.5 unless otherwise specified.

23.6 (j) "Service-connected" has the meaning given by the United States Department  
23.7 of Veterans Affairs.

23.8 (k) "Veteran" has the meaning given in section 197.447, and also includes a service  
23.9 member who has fulfilled the requirements for being a veteran but is still serving actively  
23.10 in the United States armed forces.

23.11 Subd. 3. **Program established.** There is established a program to provide  
23.12 postsecondary educational assistance to eligible Minnesota veterans and to the children  
23.13 and spouses of deceased and severely disabled Minnesota veterans. This program may be  
23.14 cited as the "Minnesota GI Bill program."

23.15 The director, in consultation with the commissioner and in cooperation with  
23.16 eligible postsecondary educational institutions, shall expend a biennial appropriation  
23.17 for the purpose of providing postsecondary educational assistance to eligible persons  
23.18 in accordance with this program. Each public postsecondary educational institution in  
23.19 the state must participate in the program and each private postsecondary educational  
23.20 institution in the state is encouraged to participate in the program. Any participating  
23.21 private institution may suspend or terminate its participation in the program at the end  
23.22 of any semester or other academic term.

23.23 Subd. 4. **Duties; responsibilities.** (a) The director, in consultation with the  
23.24 commissioner, shall establish policies and procedures including, but not limited to,  
23.25 procedures for student application record keeping, information sharing, payment to  
23.26 participating eligible institutions, and other procedures the director considers appropriate  
23.27 and necessary for effective and efficient administration of the program established in  
23.28 this section.

23.29 (b) The director, in consultation with the commissioner, may delegate part or  
23.30 all of the administrative procedures for the program to responsible representatives of  
23.31 participating eligible institutions.

23.32 Subd. 5. **Eligibility.** (a) A person is eligible for educational assistance under this  
23.33 section if:

23.34 (1) the person is:

23.35 (i) a veteran who is serving or has served honorably in any branch or unit of the  
23.36 United States armed forces at any time on or after August 2, 1990;

24.1 (ii) a nonveteran who has served honorably for a total of 16 years or more  
24.2 cumulatively as a member of the Minnesota national guard or any other active or reserve  
24.3 component of the United States armed forces, and any part of that service occurred on  
24.4 or after August 2, 1990;

24.5 (iii) the surviving spouse or child of a person described in (i) or (ii) who has died as  
24.6 a direct result of that military service; or

24.7 (iv) the spouse or child of a person described in (i) or (ii) who has a total  
24.8 and permanent service-connected disability as rated by the United States veterans  
24.9 administration;

24.10 (2) the person described in clause (1), item (i) or (ii), had Minnesota as the person's  
24.11 state of residence at the time of the person's initial enlistment or any reenlistment in  
24.12 the United States armed forces;

24.13 (3) the person receiving the educational assistance is a Minnesota resident, as  
24.14 defined in section 136A.101, subdivision 8; and

24.15 (4) the person receiving the educational assistance is an eligible student.

24.16 (b) A person's eligibility terminates when the person becomes eligible for benefits  
24.17 under section 135A.52.

24.18 (c) As proof of honorable service and disability or death status for a veteran or  
24.19 service member, the director, by policy and in consultation with the commissioner, may  
24.20 require official documentation, including the person's federal form DD-214 or other official  
24.21 military discharge papers, correspondence from the United States veterans administration,  
24.22 birth certificate, marriage certificate, proof of enrollment at an eligible institution, signed  
24.23 affidavits, proof of residency, proof of identity, or any other official documentation the  
24.24 director considers necessary to determine an applicant's eligibility status.

24.25 (d) The director, in consultation with the commissioner, may deny eligibility or  
24.26 terminate benefits under this section to any person who has not provided sufficient proof of  
24.27 eligibility for the program. An applicant may appeal the director's eligibility determination  
24.28 in writing to the director at any time. The director must rule on any application or appeal  
24.29 within 30 days of receipt of all documentation that the director requires. Upon receiving  
24.30 an application with insufficient documentation, the director must notify the applicant  
24.31 within 30 days of receipt of the application that the application is being suspended pending  
24.32 receipt by the director of sufficient documentation from the applicant. The decision of the  
24.33 director regarding an appeal is final; however, an applicant whose appeal of an eligibility  
24.34 determination has been rejected by the director may submit an additional appeal of that  
24.35 determination in writing to the director at any time that the applicant is able to provide  
24.36 substantively significant additional information relating to the person's eligibility for the

25.1 program. An approval of an applicant's eligibility by the director following an appeal by  
25.2 the applicant is not retroactively effective beyond the later of one year previously or the  
25.3 semester of the person's original application.

25.4 Subd. 6. **Benefit amount.** (a) On approval by the director of an applicant's  
25.5 eligibility for the program, the applicant shall be awarded, on a funds-available basis, the  
25.6 educational assistance under the program for use at any time according to program rules  
25.7 at any eligible institution. Eligibility for the program terminates upon exhaustion of a  
25.8 person's benefits as specified in paragraph (c).

25.9 (b) The amount of educational assistance in any semester or term for an eligible  
25.10 person must be determined by subtracting from the eligible person's cost of attendance  
25.11 at that eligible public institution, or in the case of an eligible private institution the cost  
25.12 of attendance for a comparable program at the Twin Cities campus of the University of  
25.13 Minnesota, the amount the person received or was eligible to receive in that semester  
25.14 or term from:

25.15 (1) the federal Pell Grant;

25.16 (2) the state grant under section 136A.121; and

25.17 (3) any federal military or veterans educational benefits, including, but not limited  
25.18 to, the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,  
25.19 vocational rehabilitation benefits, and any other federal benefits associated with the  
25.20 person's status as a veteran, except veterans disability payments from the United States  
25.21 Department of Veterans Affairs.

25.22 (c) The amount of education assistance for any eligible person must not exceed any  
25.23 of the following amounts:

25.24 (1) \$1,250 per semester or term of enrollment, or in the case of a part-time student  
25.25 \$625 per semester or term of enrollment;

25.26 (2) \$3,570 per state fiscal year; and

25.27 (3) \$10,000 total.

25.28 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to  
25.29 qualifying coursework taken on or after that date.

25.30 Sec. 3. **ANNUAL REVIEW AND RECOMMENDATION.**

25.31 The commissioner of veterans affairs, in consultation with the director of higher  
25.32 education, must annually review veterans' participation level in and expenditures for the  
25.33 Minnesota GI Bill program in Minnesota Statutes, section 197.791, and, by January 15  
25.34 each year, must make recommendations to the chairs of the senate and house committees

26.1 having oversight responsibility for veterans affairs regarding adjustment of individual  
26.2 benefit levels and program funding.

26.3 **ARTICLE 3**  
26.4 **RELATED HIGHER EDUCATION**

26.5 Section 1. Minnesota Statutes 2006, section 13.322, subdivision 3, is amended to read:

26.6 Subd. 3. **Minnesota Office of Higher Education.** (a) **General.** Data sharing  
26.7 involving the Minnesota Office of Higher Education and other institutions is governed  
26.8 by ~~sections section 136A.05 and 136A.08, subdivision 8.~~

26.9 (b) **Student financial aid.** Data collected and used by the Minnesota Office of  
26.10 Higher Education on applicants for financial assistance are classified under section  
26.11 136A.162.

26.12 (c) **Minnesota college savings plan data.** Account owner data, account data, and  
26.13 data on beneficiaries of accounts under the Minnesota college savings plan are classified  
26.14 under section 136G.05, subdivision 10.

26.15 (d) **School financial records.** Financial records submitted by schools registering  
26.16 with the Minnesota Office of Higher Education are classified under section 136A.64.

26.17 (e) **Enrollment and financial aid data.** Data collected from eligible institutions on  
26.18 student enrollment and federal and state financial aid are governed by sections 136A.121,  
26.19 subdivision 18, and 136A.1701, subdivision 11.

26.20 Sec. 2. Minnesota Statutes 2006, section 16B.70, is amended by adding a subdivision  
26.21 to read:

26.22 Subd. 4. **Construction management education surcharge and account.** (a)  
26.23 For nonresidential construction building permits, the surcharge under subdivision 1  
26.24 is increased by an amount equal to one-quarter mill (.00025) of the fee or 25 cents,  
26.25 whichever amount is greater, and designated for and deposited in the construction  
26.26 management education account.

26.27 (b) The construction management education account is created as an account in the  
26.28 special revenue fund, administered by the Minnesota Office of Higher Education for  
26.29 the purpose of enhancing construction management education in public postsecondary  
26.30 institutions. Funds in the account are appropriated to the director of the Minnesota Office  
26.31 of Higher Education for the purposes of section 136A.127.

26.32 Sec. 3. Minnesota Statutes 2006, section 41D.01, subdivision 1, is amended to read:

27.1 Subdivision 1. **Establishment; membership.** (a) The Minnesota Agriculture  
27.2 Education Leadership Council is established. The council is composed of ~~16~~ 17 members  
27.3 as follows:

27.4 (1) the chair of the University of Minnesota agricultural education program;

27.5 (2) a representative of the commissioner of education;

27.6 (3) a representative of the Minnesota State Colleges and Universities recommended  
27.7 by the chancellor;

27.8 (4) the president and the president-elect of the Minnesota Association of Agriculture  
27.9 Educators;

27.10 (5) a representative of the Future Farmers of America Foundation;

27.11 (6) a representative of the commissioner of agriculture;

27.12 (7) the dean of the College of Agriculture, Food, and Environmental Sciences at the  
27.13 University of Minnesota;

27.14 (8) a representative of the Minnesota Private Colleges Council;

27.15 (9) two members representing agriculture education and agriculture business  
27.16 appointed by the governor;

27.17 ~~(9)~~ (10) the chair of the senate Committee on Agriculture, General Legislation  
27.18 and Veterans Affairs;

27.19 ~~(10)~~ (11) the chair of the house Committee on Agriculture;

27.20 ~~(11)~~ (12) the ranking minority member of the senate Committee on Agriculture,  
27.21 General Legislation and Veterans Affairs, and a member of the senate Education  
27.22 Committee designated by the Subcommittee on Committees of the Committee on Rules  
27.23 and Administration; and

27.24 ~~(12)~~ (13) the ranking minority member of the house Agriculture Committee, and a  
27.25 member of the house Education Committee designated by the speaker.

27.26 (b) An ex officio member of the council under paragraph (a), clause (1), (4), (7),  
27.27 ~~(9)~~; (10), (11), ~~or~~ (12), or (13), may designate a permanent or temporary replacement  
27.28 member representing the same constituency.

27.29 Sec. 4. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

27.30 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must  
27.31 revise and appropriately embed technology and information literacy standards consistent  
27.32 with recommendations from school media specialists into the state's academic standards  
27.33 and graduation requirements and implement a review cycle for state academic standards  
27.34 and related benchmarks, consistent with this subdivision. During each review cycle, the  
27.35 commissioner also must examine the alignment of each required academic standard and

28.1 related benchmark with the knowledge and skills students need for college readiness and  
28.2 advanced work in the particular subject area.

28.3 (b) The commissioner in the 2006-2007 school year must revise and align the state's  
28.4 academic standards and high school graduation requirements in mathematics to require  
28.5 that students satisfactorily complete the revised mathematics standards, beginning in the  
28.6 2010-2011 school year. Under the revised standards:

28.7 (1) students must satisfactorily complete an algebra I credit by the end of eighth  
28.8 grade; and

28.9 (2) students scheduled to graduate in the 2014-2015 school year or later must  
28.10 satisfactorily complete an algebra II credit or its equivalent.

28.11 The commissioner also must ensure that the statewide mathematics assessments  
28.12 administered to students in grades 3 through 8 and 11 beginning in the 2010-2011  
28.13 school year are aligned with the state academic standards in mathematics. The statewide  
28.14 11th grade mathematics test administered to students under clause (2) beginning in  
28.15 the 2013-2014 school year must include algebra II test items that are aligned with  
28.16 corresponding state academic standards in mathematics. The commissioner, in  
28.17 collaboration with the Minnesota State Colleges and Universities, must ensure that passing  
28.18 score for the statewide 11th grade mathematics test represents readiness for college so that  
28.19 a student who achieves a passing score on this test, upon graduation, is immediately ready  
28.20 to take college courses for college credit in a two-year or a four-year institution, consistent  
28.21 with section 135A.104. The commissioner must implement a review of the academic  
28.22 standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

28.23 (c) The commissioner in the 2007-2008 school year must revise and align the state's  
28.24 academic standards and high school graduation requirements in the arts to require that  
28.25 students satisfactorily complete the revised arts standards beginning in the 2010-2011  
28.26 school year. The commissioner must implement a review of the academic standards and  
28.27 related benchmarks in arts beginning in the 2016-2017 school year.

28.28 (d) The commissioner in the 2008-2009 school year must revise and align the state's  
28.29 academic standards and high school graduation requirements in science to require that  
28.30 students satisfactorily complete the revised science standards, beginning in the 2011-2012  
28.31 school year. Under the revised standards, students scheduled to graduate in the 2014-2015  
28.32 school year or later must satisfactorily complete a chemistry or physics credit. The  
28.33 commissioner must implement a review of the academic standards and related benchmarks  
28.34 in science beginning in the 2017-2018 school year.

28.35 (e) The commissioner in the 2009-2010 school year must revise and align the state's  
28.36 academic standards and high school graduation requirements in language arts to require

29.1 that students satisfactorily complete the revised language arts standards beginning in the  
29.2 2012-2013 school year. The commissioner, in collaboration with the Minnesota State  
29.3 Colleges and Universities, must ensure that the passing score for the statewide tenth  
29.4 grade reading and language arts test represents readiness for college so that a student who  
29.5 achieves a passing score on this test, upon graduation, is immediately ready to take college  
29.6 courses for college credit in a two-year or a four-year institution, consistent with section  
29.7 135A.104. The commissioner must implement a review of the academic standards and  
29.8 related benchmarks in language arts beginning in the 2018-2019 school year.

29.9 (f) The commissioner in the 2010-2011 school year must revise and align the state's  
29.10 academic standards and high school graduation requirements in social studies to require  
29.11 that students satisfactorily complete the revised social studies standards beginning in the  
29.12 2013-2014 school year. The commissioner must implement a review of the academic  
29.13 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

29.14 (g) School districts and charter schools must revise and align local academic  
29.15 standards and high school graduation requirements in health, physical education, world  
29.16 languages, and career and technical education to require students to complete the revised  
29.17 standards beginning in a school year determined by the school district or charter school.  
29.18 School districts and charter schools must formally establish a periodic review cycle for  
29.19 the academic standards and related benchmarks in health, physical education, world  
29.20 languages, and career and technical education.

29.21 Sec. 5. Minnesota Statutes 2006, section 120B.024, is amended to read:

29.22 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

29.23 (a) Students beginning 9th grade in the 2004-2005 school year and later must  
29.24 successfully complete the following high school level course credits for graduation:

29.25 (1) four credits of language arts;

29.26 (2) three credits of mathematics, encompassing at least algebra, geometry, statistics,  
29.27 and probability sufficient to satisfy the academic standard;

29.28 (3) three credits of science, including at least one credit in biology;

29.29 (4) three and one-half credits of social studies, encompassing at least United  
29.30 States history, geography, government and citizenship, world history, and economics or  
29.31 three credits of social studies encompassing at least United States history, geography,  
29.32 government and citizenship, and world history, and one-half credit of economics taught in  
29.33 a school's social studies, agriculture education, or business department;

29.34 (5) one credit in the arts; and

29.35 (6) a minimum of seven elective course credits.

30.1 A course credit is equivalent to a student successfully completing an academic  
30.2 year of study or a student mastering the applicable subject matter, as determined by the  
30.3 local school district.

30.4 (b) An agriculture science course may fulfill a science credit requirement in addition  
30.5 to the specified science credits in biology and chemistry or physics under paragraph (a),  
30.6 clause (3).

30.7 (c) The commissioner, in collaboration with the Minnesota State Colleges and  
30.8 Universities, must develop and implement a statewide plan to communicate with all  
30.9 Minnesota high school students no later than the beginning of ninth grade the state's  
30.10 expectations for college readiness, consistent with sections 120B.023, subdivision 2,  
30.11 paragraphs (b) and (e), and 135A.104.

30.12 Sec. 6. Minnesota Statutes 2006, section 135A.031, subdivision 7, is amended to read:

30.13 Subd. 7. **Reports.** Instructional expenditure and enrollment data ~~for each~~  
30.14 ~~instructional category~~ shall be submitted by the public postsecondary systems to the  
30.15 Minnesota Office of Higher Education and the Department of Finance and included in the  
30.16 biennial budget document. The specific data shall be submitted only after the director of  
30.17 the Minnesota Office of Higher Education has consulted with a data advisory task force to  
30.18 determine the need, content, and detail of the information.

30.19 Sec. 7. **[135A.043] RESIDENT TUITION.**

30.20 (a) A student shall qualify for a resident tuition rate or its equivalent at state  
30.21 universities and colleges, including the University of Minnesota, if the student meets  
30.22 all of the following requirements:

30.23 (1) high school attendance within the state for three or more years;

30.24 (2) graduation from a state high school or attainment within the state of the  
30.25 equivalent of high school graduation; and

30.26 (3) registration as an entering student at, or current enrollment in, a public institution  
30.27 of higher education.

30.28 (b) This section is in addition to any other statute, rule, or higher education  
30.29 institution regulation or policy providing eligibility for a resident tuition rate or its  
30.30 equivalent to a student.

30.31 (c) To qualify for resident tuition under this section an individual who is not a citizen  
30.32 or permanent resident of the United States must provide the college or university with  
30.33 an affidavit that the individual will file an application to become a permanent resident at  
30.34 the earliest opportunity the individual is eligible to do so.

31.1 **EFFECTIVE DATE.** This section is effective the day following final enactment  
31.2 and applies to tuition for school terms commencing on or after that date.

31.3 Sec. 8. Minnesota Statutes 2006, section 135A.053, subdivision 2, is amended to read:

31.4 Subd. 2. **Performance and accountability.** Higher education systems and  
31.5 campuses are expected to achieve the objectives in subdivision 1 and will be held  
31.6 accountable for doing so. The legislature is increasing the flexibility of the systems and  
31.7 campuses to provide greater responsibility to higher education in deciding how to achieve  
31.8 statewide objectives, and to decentralize authority so that those decisions can be made  
31.9 at the level where the education is delivered. ~~To demonstrate their accountability, the~~  
31.10 ~~legislature expects each system and campus to measure and report on its performance,~~  
31.11 ~~using meaningful indicators that are critical to achieving the objectives in subdivision 1,~~  
31.12 ~~as provided in section 135A.033.~~ Nothing in this section precludes a system or campus  
31.13 from determining its own objectives and performance measures beyond those identified  
31.14 in this section.

31.15 Sec. 9. **[135A.104] COLLEGE READINESS.**

31.16 (a) Minnesota State Colleges and Universities must collaborate with the  
31.17 commissioner of education in establishing passing scores on the Minnesota comprehensive  
31.18 assessments in reading for grade 10 and in mathematics for grade 11 under section  
31.19 120B.30 so that "passing score" performances on those two assessments represent a  
31.20 student's college readiness. For purposes of this section and chapter 120B, "college  
31.21 readiness" means that a student who graduates from a public high school is immediately  
31.22 ready to take college courses for college credit in a two-year or a four-year institution.  
31.23 Minnesota State Colleges and Universities also must collaborate with the commissioner of  
31.24 education to develop and implement a statewide plan to communicate with all Minnesota  
31.25 high school students no later than the beginning of ninth grade the state's expectations for  
31.26 college readiness.

31.27 (b) The entrance and admission materials that the Minnesota State Colleges and  
31.28 Universities provide to prospective students must clearly indicate the level of academic  
31.29 preparation that the students must have in order to be ready to immediately take college  
31.30 courses for college credit in two-year and four-year institutions.

31.31 Sec. 10. Minnesota Statutes 2006, section 135A.14, subdivision 1, is amended to read:

31.32 Subdivision 1. **Definitions.** As used in this section, the following terms have the  
31.33 meanings given them.

32.1 (a) "Administrator" means the administrator of the institution or other person with  
32.2 general control and supervision of the institution.

32.3 (b) "Public or private postsecondary educational institution" or "institution" means  
32.4 any of the following institutions having an enrollment of more than 100 persons during  
32.5 any quarter, term, or semester during the preceding year: (1) the University of Minnesota;  
32.6 (2) the state universities; (3) the state community colleges; (4) public technical colleges;  
32.7 (5) private four-year, professional and graduate institutions; (6) private two-year colleges;  
32.8 and (7) schools subject to either chapter 141, sections ~~136A.61~~ 136A.615 to 136A.71, or  
32.9 schools exempt under section 136A.657, and which offer educational programs within the  
32.10 state for an academic year greater than six consecutive months. An institution's report to  
32.11 the Minnesota Office of Higher Education or the Minnesota Department of Education may  
32.12 be considered when determining enrollment.

32.13 (c) "Student" means a person born after 1956 who did not graduate from a Minnesota  
32.14 high school in 1997 or later, and who is (1) registering for more than one class during  
32.15 a full academic term, such as a quarter or a semester or (2) housed on campus and is  
32.16 registering for one or more classes. Student does not include persons enrolled in extension  
32.17 classes only or correspondence classes only.

32.18 Sec. 11. Minnesota Statutes 2006, section 135A.51, subdivision 2, is amended to read:

32.19 Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached 62 years  
32.20 of age before the beginning of any term, semester or quarter, in which a course of study  
32.21 is pursued, or a person receiving a railroad retirement annuity who has reached 60 years  
32.22 of age before the beginning of the term.

32.23 Sec. 12. Minnesota Statutes 2006, section 135A.52, subdivision 1, is amended to read:

32.24 Subdivision 1. **Fees and tuition.** Except for an administration fee established by the  
32.25 governing board at a level to recover costs, to be collected only when a course is taken for  
32.26 credit, a senior citizen who is a legal resident of Minnesota is entitled without payment  
32.27 of tuition or activity fees to attend courses offered for credit, audit any courses offered  
32.28 for credit, or enroll in any noncredit courses in any state supported institution of higher  
32.29 education in Minnesota when space is available after all tuition-paying students have been  
32.30 accommodated. A senior citizen enrolled under this section must pay any materials,  
32.31 personal property, or service charges for the course. In addition, a senior citizen who is  
32.32 enrolled in a course for credit must pay an administrative fee in an amount established  
32.33 by the governing board of the institution to recover ~~the course~~ costs. There shall be no  
32.34 administrative fee charges to a senior citizen auditing a course. For the purposes of this

33.1 section and section 135A.51, the term "noncredit courses" shall not include those courses  
33.2 designed and offered specifically and exclusively for senior citizens.

33.3 The provisions of this section and section 135A.51 do not apply to noncredit courses  
33.4 designed and offered by the University of Minnesota, and the Minnesota State Colleges  
33.5 and Universities specifically and exclusively for senior citizens. Senior citizens enrolled  
33.6 under the provisions of this section and section 135A.51 shall not be included by such  
33.7 institutions in their computation of full-time equivalent students when requesting staff  
33.8 or appropriations.

33.9 Sec. 13. Minnesota Statutes 2006, section 135A.52, subdivision 2, is amended to read:

33.10 Subd. 2. **Term; income of senior citizens.** (a) Except under paragraph (b), there  
33.11 shall be no limit to the number of terms, quarters or semesters a senior citizen may attend  
33.12 courses, nor income limitation imposed in determining eligibility.

33.13 (b) A senior citizen enrolled in a closed enrollment contract training ~~or professional~~  
33.14 ~~continuing education~~ program is not eligible for benefits under subdivision 1.

33.15 Sec. 14. **[136A.002] DEFINITIONS.**

33.16 Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section  
33.17 have the meanings given them.

33.18 Subd. 2. **Office of Higher Education or office.** "Office of Higher Education" or  
33.19 "office" means the Minnesota Office of Higher Education.

33.20 Sec. 15. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to read:

33.21 Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible  
33.22 for:

33.23 (1) necessary state level administration of financial aid programs, including  
33.24 accounting, auditing, and disbursing state and federal financial aid funds, and reporting on  
33.25 financial aid programs to the governor and the legislature;

33.26 (2) approval, registration, licensing, and financial aid eligibility of private collegiate  
33.27 and career schools, under sections ~~136A.61~~ 136A.615 to 136A.71 and chapter 141;

33.28 (3) administering the Learning Network of Minnesota;

33.29 (4) negotiating and administering reciprocity agreements;

33.30 (5) publishing and distributing financial aid information and materials, and other  
33.31 information and materials under section 136A.87, to students and parents;

34.1 (6) collecting and maintaining student enrollment and financial aid data and  
34.2 reporting data on students and postsecondary institutions to develop and implement a  
34.3 process to measure and report on the effectiveness of postsecondary institutions;

34.4 (7) administering the federal programs that affect students and institutions on a  
34.5 statewide basis; and

34.6 (8) prescribing policies, procedures, and rules under chapter 14 necessary to  
34.7 administer the programs under its supervision.

34.8 Sec. 16. Minnesota Statutes 2006, section 136A.031, subdivision 5, is amended to read:

34.9 Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the advisory  
34.10 groups established in this section do not expire ~~on June 30, 2007.~~

34.11 Sec. 17. Minnesota Statutes 2006, section 136A.0411, is amended to read:

34.12 **136A.0411 COLLECTING FEES.**

34.13 The office may charge fees for seminars, conferences, workshops, services, and  
34.14 materials. The office may collect fees for registration and licensure of private institutions  
34.15 under sections ~~136A.61~~ 136A.615 to 136A.71 and chapter 141. The money is annually  
34.16 appropriated to the office.

34.17 Sec. 18. Minnesota Statutes 2006, section 136A.08, subdivision 7, is amended to read:

34.18 Subd. 7. **Reporting.** The Minnesota Office of Higher Education must annually,  
34.19 before the last day in January, submit a report to the committees in the house of  
34.20 representatives and the senate with responsibility for higher education finance on:

34.21 (1) participation in the tuition reciprocity program by Minnesota students and  
34.22 students from other states attending Minnesota postsecondary institutions under a  
34.23 reciprocity agreement;

34.24 (2) reciprocity and resident tuition rates at each institution; ~~and~~

34.25 (3) interstate payments and obligations for each state participating in the tuition  
34.26 reciprocity program in the prior year; and

34.27 (4) summary statistics on number of graduates by institution, degree granted, and  
34.28 year of graduation for reciprocity students who attended Minnesota postsecondary  
34.29 institutions.

34.30 Sec. 19. Minnesota Statutes 2006, section 136A.101, subdivision 4, is amended to read:

34.31 Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary  
34.32 educational institution located in this state or in a state with which the office has entered

35.1 into a higher education reciprocity agreement on state student aid programs that ~~either~~ (1)  
35.2 is operated by this state or the Board of Regents of the University of Minnesota, or (2) is  
35.3 operated ~~publicly or~~ privately and, as determined by the office, meets all of the following:  
35.4 (i) maintains academic standards substantially equivalent to those of comparable  
35.5 institutions operated in this state; (ii) is licensed or registered as a postsecondary institution  
35.6 by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal  
35.7 Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

35.8 Sec. 20. Minnesota Statutes 2006, section 136A.121, subdivision 5, is amended to read:

35.9 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of  
35.10 responsibility for covering the recognized cost of attendance by the applicant, the  
35.11 applicant's family, and the government. The amount of a financial stipend must not  
35.12 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after  
35.13 deducting the following:

- 35.14 (1) the assigned student responsibility of at least ~~46~~ 45.5 percent of the cost of  
35.15 attending the institution of the applicant's choosing;
- 35.16 (2) the assigned family responsibility as defined in section 136A.101; and
- 35.17 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.
- 35.18 The minimum financial stipend is \$100 per academic year.

35.19 Sec. 21. Minnesota Statutes 2006, section 136A.125, subdivision 2, is amended to read:

35.20 Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if  
35.21 the applicant:

- 35.22 (1) is a resident of the state of Minnesota;
- 35.23 (2) has a child 12 years of age or younger, or 14 years of age or younger who is  
35.24 disabled as defined in section 125A.02, and who is receiving or will receive care on a  
35.25 regular basis from a licensed or legal, nonlicensed caregiver;
- 35.26 (3) is income eligible as determined by the office's policies and rules, but is not a  
35.27 recipient of assistance from the Minnesota family investment program;
- 35.28 (4) has not earned a baccalaureate degree and has been enrolled full time less than  
35.29 eight semesters or the equivalent;
- 35.30 (5) is pursuing a nonsectarian program or course of study that applies to an  
35.31 undergraduate degree, diploma, or certificate;
- 35.32 (6) is enrolled at least half time in an eligible institution; and
- 35.33 (7) is in good academic standing and making satisfactory academic progress.

36.1 (b) A student who withdraws from enrollment for active military service is entitled  
36.2 to an additional semester or the equivalent of grant eligibility and will be considered to be  
36.3 in continuing enrollment status upon return.

36.4 Sec. 22. **[136A.126] TEACHER EDUCATION AND COMPENSATION HELPS;**  
36.5 **MINNESOTA EARLY CHILDHOOD TEACHER RETENTION PROGRAMS.**

36.6 Subdivision 1. **TEACH.** The teacher education and compensation helps program  
36.7 (TEACH) is established to provide tuition scholarships, education incentives, and an early  
36.8 childhood teacher retention program to provide retention incentives to early care and  
36.9 education providers. The director shall make a grant with appropriations for this purpose  
36.10 to a nonprofit organization licensed to administer the TEACH early childhood program.

36.11 Subd. 2. **Program components.** (a) The nonprofit organization must use the  
36.12 grant for:

36.13 (1) tuition scholarships up to \$5,000 per year for courses leading to the nationally  
36.14 recognized child development associate credential or college-level courses leading to an  
36.15 associate's or bachelor's degree in early childhood development and school-age care; and

36.16 (2) education incentives of a minimum of \$100 to participants in the tuition  
36.17 scholarship program if they complete a year of working in the early care and education  
36.18 field.

36.19 (b) Applicants for the scholarship must be employed by a licensed early childhood  
36.20 or child care program and working directly with children, a licensed family child care  
36.21 provider, or an employee in a school-age program exempt from licensing under section  
36.22 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority in  
36.23 awarding the tuition scholarships. Scholarship recipients must contribute ten percent of  
36.24 the total scholarship and must be sponsored by their employers, who must also contribute  
36.25 ten percent of the total scholarship. Scholarship recipients who are self-employed must  
36.26 contribute 20 percent of the total scholarship.

36.27 (c) The organization must also use the grant for teacher retention incentives of  
36.28 \$1,000 to \$3,500 annually to be paid biannually. Applicants for the retention incentives  
36.29 must be employed by a licensed early childhood or child care program and working  
36.30 directly with children, a licensed family child care provider, or an employee in a  
36.31 school-age program exempt from licensing under section 245A.03, subdivision 2, clause  
36.32 (12). Lower wage earners must be given priority for the retention incentives. The amount  
36.33 of the retention incentive must be based on the applicant's level of education at the time of  
36.34 application. A provider is eligible for the retention incentive if the provider:

37.1 (1) has worked in the field for at least one year and has been working at the same  
37.2 location for at least one year at the time of application;

37.3 (2) agrees to remain in the provider's current position for a period of at least one  
37.4 year; and

37.5 (3) has an associate's or bachelor's degree or a child development associate's degree.

37.6 Subd. 3. **Advisory committee.** The TEACH early childhood and Minnesota early  
37.7 childhood teacher retention programs must have an advisory board as prescribed by the  
37.8 national TEACH organization.

37.9 Sec. 23. **[136A.127] CONSTRUCTION MANAGEMENT EDUCATION**  
37.10 **PROGRAM.**

37.11 Subdivision 1. **Construction Management Education Account Advisory**  
37.12 **Committee.** The director must establish an advisory committee for the construction  
37.13 management education account. Members of the committee must include: the executive  
37.14 vice-president of the Minnesota Mechanical Contractors association or designee, a  
37.15 chapter manager of one of the Minnesota chapters of the National Electrical Contractors  
37.16 Association or designee, the executive director of the Associated General Contractors of  
37.17 Minnesota or designee, two members of the nonresidential construction industry, and a  
37.18 construction management program coordinator or director from an accredited construction  
37.19 management program in the Minnesota State Colleges and Universities. Members serve  
37.20 three-year terms. Advisory committee members are reimbursed for expenses related to  
37.21 committee activities. The director may accept funds from federal, state, or local public  
37.22 agencies, or from private foundations or individuals for deposit into the construction  
37.23 management education account under section 16B.70. All money in the account must  
37.24 be used for the purposes of this section.

37.25 Subd. 2. **Grants.** Grants from the construction management education account must  
37.26 be used to maintain and increase the quality and availability of education programs for  
37.27 the construction industry by awarding grants to accredited construction management  
37.28 programs in the Minnesota State Colleges and Universities. Grants must be used to  
37.29 maintain and upgrade facilities and provide greater industry access to modern construction  
37.30 standards and management practices. In making grants, the director, in consultation with  
37.31 the committee, must:

37.32 (1) confirm the qualifications of any program applying for a grant;

37.33 (2) affirm applications for American Council for Construction Education  
37.34 accreditation and, when funds are available, award grants to complete the accreditation  
37.35 process;

38.1 (3) promote close ties between technical and community colleges and four-year  
38.2 construction management programs; and

38.3 (4) support the development of new educational programs with specific emphasis on  
38.4 outreach to the construction industry at large.

38.5 Subd. 3. **Grant awards.** (a) The committee may award grants to a Minnesota State  
38.6 Colleges and Universities institution to support construction management education and to  
38.7 promote outreach and continuing education in the construction industry.

38.8 (b) An eligible institution must provide one of the following:

38.9 (1) a bachelor of science construction management degree accredited by the  
38.10 American Council for Construction Education;

38.11 (2) a degree with an American Council for Construction Education accredited  
38.12 option, including, but not limited to, Engineering Technology and Industrial Technology;

38.13 (3) a bachelor of science degree program documenting placement of more than 50  
38.14 percent of their graduates with Minnesota nonresidential contractors; and

38.15 (4) the development of a construction management curriculum to meet the American  
38.16 Council for Construction Education criteria.

38.17 (c) Grant awards may be made as follows:

38.18 (1) \$3,000 per graduate during the past academic year up to a maximum of \$100,000  
38.19 for institutions qualifying under paragraph (b), clause (1);

38.20 (2) \$3,000 per graduate during the past academic year up to a maximum of \$100,000  
38.21 for institutions qualifying under paragraph (b), clause (2);

38.22 (3) \$3,000 per graduate placed with Minnesota nonresidential contractors during the  
38.23 past academic year to a maximum of \$20,000 for institutions qualifying under paragraph  
38.24 (b), clause (3);

38.25 (4) up to \$25,000 for the purpose of becoming accredited by the American Council  
38.26 for Construction Education for two years which may be renewed if the institution is  
38.27 continuing progress towards accreditation; and

38.28 (5) for faculty recruitment and development in construction management programs,  
38.29 including support for postgraduate work leading to advanced degrees, visiting lecturer  
38.30 compensation and expenses, teaching assistant positions, and faculty positions; and

38.31 (6) to support general classroom and laboratory operating expenses.

38.32 Grants may only be awarded from the construction management education account  
38.33 to the extent that funds are available. No other state funding may be provided for these  
38.34 grants.

38.35 Subd. 4. **Reports.** (a) The director must annually report to the committees of the  
38.36 legislature responsible for higher education finance by January 15. The report must

39.1 include the names of the public postsecondary educational institutions receiving grants, the  
39.2 amount of the grant, the purposes for each grant, the number of students served, and the  
39.3 number of placements made to the construction industry for the previous academic year.

39.4 (b) After receiving an initial grant, the president of the public postsecondary  
39.5 educational institution must annually submit a report to the director listing the amount of  
39.6 all past grants awarded from the construction management education account and the uses  
39.7 of those funds. The report must be submitted with a request for a new or continuing grant  
39.8 and at a minimum must include the following:

39.9 (1) the number of graduates placed with the Minnesota contractors during the  
39.10 previous academic year;

39.11 (2) the expected enrollment in construction management courses in the upcoming  
39.12 academic year; and

39.13 (3) continuing education and extension courses offered in construction management  
39.14 during the previous academic year and their enrollments.

39.15 Subd. 5. **Administration.** Up to \$15,000 per year from the construction  
39.16 management education account may be used for the administration of this program.

39.17 Sec. 24. Minnesota Statutes 2006, section 136A.15, subdivision 1, is amended to read:

39.18 Subdivision 1. **Scope.** For purposes of sections 136A.15 to 136A.1702, the terms  
39.19 defined in this section have the meanings ~~ascribed to~~ given them.

39.20 Sec. 25. Minnesota Statutes 2006, section 136A.15, subdivision 6, is amended to read:

39.21 Subd. 6. **Eligible institution.** "Eligible institution" means a postsecondary  
39.22 educational institution that ~~either~~ (1) is operated or regulated by this state; or the Board of  
39.23 Regents of the University of Minnesota; (2) is operated publicly or privately in another  
39.24 state, is approved by the United States Secretary of Education, and, as determined by  
39.25 the office, maintains academic standards substantially equal to those of comparable  
39.26 institutions operated in this state; (3) is licensed or registered as a postsecondary institution  
39.27 by the office or another state agency; and (4) by July 1, 2011, is participating in the federal  
39.28 Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It  
39.29 also includes any institution chartered in a province.

39.30 Sec. 26. **[136A.1704] LOAN FORGIVENESS PROGRAM FOR**  
39.31 **SPEECH-LANGUAGE PATHOLOGISTS.**

39.32 Subdivision 1. **Creation of account.** A loan forgiveness program account is  
39.33 established in the special revenue fund in the state treasury to promote the recruitment and

40.1 retention of licensed speech-language pathologists to work with students with speech or  
40.2 hearing disorders. Money appropriated to this account does not cancel but is available  
40.3 until expended. Money in the account is appropriated to the director of the Minnesota  
40.4 Office of Higher Education for the purpose of this section.

40.5 Subd. 2. **Eligibility for loan forgiveness.** A student loan administered by the  
40.6 Minnesota Office of Higher Education under section 136A.16, subdivision 1, may be  
40.7 forgiven if the recipient graduates from a postsecondary institution with a degree in  
40.8 speech-language pathology, becomes licensed to work with students with speech and  
40.9 hearing disorders as defined in Minnesota Rules, part 3525.1343, and is employed as a  
40.10 speech-language pathologist with primary responsibilities to work with students who are  
40.11 diagnosed with speech or hearing disorders.

40.12 Subd. 3. **Loan forgiveness.** (a) To the extent of available appropriations, one-fourth  
40.13 of the principal of the outstanding loan amount shall be forgiven for each year of eligible  
40.14 employment or a pro rata amount for eligible employment during part of a school year,  
40.15 part-time employment, or other eligible part-time work. Loans for \$2,500 or less may be  
40.16 forgiven at the rate of up to \$1,250 per year. Employment with the following Minnesota  
40.17 schools and programs is eligible for determining loan forgiveness:

- 40.18 (1) a school or program operated by a school district or a group of school districts;  
40.19 (2) a tribal contract school eligible to receive aid according to section 124D.83;  
40.20 (3) a charter school;  
40.21 (4) a private school;  
40.22 (5) a Head Start program;  
40.23 (6) an early childhood family education program; or  
40.24 (7) a program providing early intervention services to children with disabilities  
40.25 who have not entered kindergarten.

40.26 (b) If an eligible recipient has an outstanding loan administered by the Minnesota  
40.27 Office of Higher Education, the duty to make payments of principal and interest may  
40.28 be deferred during any time period the person is enrolled at least one-half time in an  
40.29 advanced degree program in a field related to working with students with speech or  
40.30 hearing disabilities. To defer loan obligations, the person shall provide written notification  
40.31 to the Minnesota Office of Higher Education.

40.32 (c) The Minnesota Office of Higher Education shall approve the loan forgiveness  
40.33 and deferral, and develop procedures to administer the program.

40.34 Sec. 27. Minnesota Statutes 2006, section 136A.233, subdivision 3, is amended to read:

41.1 Subd. 3. **Payments.** Work-study payments shall be made to eligible students by  
41.2 postsecondary institutions as provided in this subdivision.

41.3 (a) Students shall be selected for participation in the program by the postsecondary  
41.4 institution on the basis of student financial need.

41.5 (b) In selecting students for participation, priority must be given to students enrolled  
41.6 for at least 12 credits. In each academic year, a student may be awarded work-study  
41.7 payments for one period of nonenrollment or less than half-time enrollment if the student  
41.8 will enroll on at least a half-time basis during the following academic term.

41.9 (c) Students will be paid for hours actually worked and the maximum hourly rate  
41.10 of pay shall not exceed the maximum hourly rate of pay permitted under the federal  
41.11 college work-study program.

41.12 (d) Minimum pay rates will be determined by an applicable federal or state law.

41.13 (e) The office shall annually establish a minimum percentage rate of student  
41.14 compensation to be paid by an eligible employer.

41.15 (f) Each postsecondary institution receiving money for state work-study grants  
41.16 shall make a reasonable effort to place work-study students in employment with eligible  
41.17 employers outside the institution. However, a public employer other than the institution  
41.18 may not terminate, lay off, or reduce the working hours of a permanent employee for the  
41.19 purpose of hiring a work-study student, or replace a permanent employee who is on layoff  
41.20 from the same or substantially the same job by hiring a work-study student.

41.21 (g) The percent of the institution's work-study allocation provided to graduate  
41.22 students shall not exceed the percent of graduate student enrollment at the participating  
41.23 institution.

41.24 (h) An institution may use up to 30 percent of its allocation for student internships  
41.25 with private, for-profit employers.

41.26 Sec. 28. Minnesota Statutes 2006, section 136A.29, subdivision 9, is amended to read:

41.27 Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered  
41.28 to issue revenue bonds whose aggregate principal amount at any time shall not exceed  
41.29 ~~\$800,000,000~~ \$950,000,000 and to issue notes, bond anticipation notes, and revenue  
41.30 refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42,  
41.31 to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling,  
41.32 renovating, improving, furnishing, or equipping one or more projects or parts thereof.

41.33 Sec. 29. Minnesota Statutes 2006, section 136A.861, subdivision 1, is amended to read:

42.1 Subdivision 1. **Grants.** The director of the Minnesota Office of Higher Education  
42.2 shall award grants to foster postsecondary attendance and retention by providing outreach  
42.3 services to historically underserved students in grades six through 12 and historically  
42.4 underrepresented college students. Grants must be awarded to programs that provide  
42.5 precollege services, including, but not limited to:

42.6 (1) academic counseling;

42.7 (2) mentoring;

42.8 (3) fostering and improving parental involvement in planning for and facilitating a  
42.9 college education;

42.10 (4) services for students with English as a second language;

42.11 (5) academic enrichment activities;

42.12 (6) tutoring;

42.13 (7) career awareness and exploration;

42.14 (8) orientation to college life;

42.15 (9) assistance with high school course selection and information about college  
42.16 admission requirements; and

42.17 (10) financial aid counseling.

42.18 Grants shall be awarded to postsecondary institutions, professional organizations,  
42.19 community-based organizations, or others deemed appropriate by the director.

42.20 Grants shall be awarded for one year and may be renewed for a second year with  
42.21 documentation to the Minnesota Office of Higher Education of successful program  
42.22 outcomes.

42.23 Sec. 30. Minnesota Statutes 2006, section 136A.861, subdivision 2, is amended to read:

42.24 Subd. 2. **Eligible students.** Eligible students include students in grades six through  
42.25 12 who meet one or more of the following criteria:

42.26 (1) are counted under section 1124(c) of the Elementary and Secondary Education  
42.27 Act of 1965 (Title I);

42.28 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;

42.29 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title  
42.30 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or

42.31 (4) are a member of a group traditionally underrepresented in higher education.

42.32 Eligible undergraduate students include those who met the student eligibility criteria  
42.33 as 6th through 12th graders.

42.34 Sec. 31. Minnesota Statutes 2006, section 136A.861, subdivision 3, is amended to read:

43.1 Subd. 3. **Application process.** The director of the Minnesota Office of Higher  
43.2 Education shall develop a grant application process. The director shall attempt to support  
43.3 projects in a manner that ensures that eligible students throughout the state have access  
43.4 to ~~precollege~~ program services.

43.5 The grant application must include, at a minimum, the following information:

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

43.8 (2) a description of the services to be provided and a timeline for implementation of  
43.9 the activities;

43.10 (3) a description of how the services provided will foster postsecondary attendance  
43.11 and support postsecondary retention;

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

43.14 (5) other information as identified by the director.

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

43.17 Sec. 32. Minnesota Statutes 2006, section 136A.861, subdivision 6, is amended to read:

43.18 Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report  
43.19 to the Minnesota Office of Higher Education delineating its program and student outcome  
43.20 goals, and activities implemented to achieve the stated outcomes. The goals must be  
43.21 clearly stated and measurable. Grant recipients are required to collect, analyze, and report  
43.22 on participation and outcome data that enable the office to verify that the program goals  
43.23 were met. The office shall maintain:

43.24 (1) information about successful precollege program and undergraduate student  
43.25 retention program activities for dissemination to individuals throughout the state interested  
43.26 in adopting or replicating successful program practices; and

43.27 (2) data on the success of the funded projects in increasing the high school  
43.28 graduation ~~and~~, college participation, and college graduation rates of students served  
43.29 by the grant recipients. The office may convene meetings of the grant recipients, as  
43.30 needed, to discuss issues pertaining to the implementation of precollege services and  
43.31 undergraduate retention programs.

43.32 Sec. 33. Minnesota Statutes 2006, section 136F.02, subdivision 1, is amended to read:

43.33 Subdivision 1. **Membership.** The board consists of ~~15~~ 17 members appointed by  
43.34 the governor with the advice and consent of the senate. At least one member of the board

44.1 must be a resident of each congressional district. Three members must be students who are  
44.2 enrolled at least half time in a degree, diploma, or certificate program or have graduated  
44.3 from an institution governed by the board within one year of the date of appointment. The  
44.4 student members shall include: one member from a community college, one member from  
44.5 a state university, and one member from a technical college. Two members must be  
44.6 members of the AFL-CIO. The remaining members must be appointed to represent the  
44.7 state at large.

44.8 Sec. 34. **[136F.045] UNION MEMBER SELECTION.**

44.9 Notwithstanding section 136F.03, the AFL-CIO has the responsibility for recruiting,  
44.10 screening, and recommending qualified candidates for their members of the board. The  
44.11 AFL-CIO must develop a statement of selection criteria for board membership and a  
44.12 process for recommending candidates. Beginning in 2008, and every six years thereafter,  
44.13 the AFL-CIO must recommend four candidates for the two board positions to the governor  
44.14 by April 15. The governor must appoint two of the candidates to the board of trustees.

44.15 Sec. 35. Minnesota Statutes 2006, section 136F.42, subdivision 1, is amended to read:

44.16 Subdivision 1. **Time reporting.** As provided in Executive Order 96-2, the board,  
44.17 in consultation with the commissioners of employee relations and finance, may develop  
44.18 policies to allow system office or campus employees on salaries, as defined in section  
44.19 43A.17, subdivision 1, to use negative time reporting in which employees report only that  
44.20 time for which leave is taken. ~~By the end of the 1997 fiscal year, the board, in consultation~~  
44.21 ~~with the commissioners of employee relations and finance, shall evaluate the use of~~  
44.22 ~~negative time reporting and its potential for use with other state employees.~~

44.23 Sec. 36. Minnesota Statutes 2006, section 136F.71, subdivision 2, is amended to read:

44.24 Subd. 2. **Activity funds.** All receipts attributable to the state colleges and  
44.25 universities activity funds ~~and deposited in the state treasury~~ are appropriated to the board  
44.26 and are not subject to budgetary control as exercised by the commissioner of finance.

44.27 Sec. 37. Minnesota Statutes 2006, section 136F.71, is amended by adding a subdivision  
44.28 to read:

44.29 Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall  
44.30 have authority to control the amount and manner of deposit of all receipts described in  
44.31 this section in depositories selected by the board. The board's authority shall include  
44.32 specifying the considerations, financial activities, and conditions required from the

45.1 depository, including the requirement of collateral security or a corporate surety bond  
45.2 as described in section 118A.03. The board may compensate the depository, including  
45.3 paying a reasonable charge to the depository, maintaining appropriate compensating  
45.4 balances with the depository, or purchasing non-interest-bearing certificates of deposit  
45.5 from the depository for performing depository-related services.

45.6 Sec. 38. Minnesota Statutes 2006, section 136G.11, subdivision 5, is amended to read:

45.7 Subd. 5. **Amount of matching grant.** The amount of the matching grant for a  
45.8 beneficiary equals:

45.9 (1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum  
45.10 of the contributions made to the beneficiary's account during the calendar year, not to  
45.11 exceed ~~\$300~~ \$400; and

45.12 (2) if the beneficiary's family income is more than \$50,000 but not more than  
45.13 \$80,000, ~~five~~ ten percent of the sum of the contributions made to the beneficiary's account  
45.14 during the calendar year, not to exceed ~~\$300~~ \$400.

45.15 Sec. 39. **MINNESOTA WEST COMMUNITY AND TECHNICAL COLLEGE**  
45.16 **AT WORTHINGTON; YMCA LEASE AGREEMENT.**

45.17 (a) The Board of Trustees of Minnesota State Colleges and Universities may enter  
45.18 into a lease agreement with the YMCA not to exceed 40 years, for the lease of land on  
45.19 the Minnesota West Community and Technical College at Worthington campus for the  
45.20 construction of a YMCA facility. The lease may also include the city of Worthington.

45.21 (b) Siting and design of the facility must be consistent with the college's master  
45.22 plan and Minnesota State Colleges and Universities' building standards. Minnesota  
45.23 West Community and Technical College may negotiate for use of the facility for college  
45.24 purposes. The lease must contain a provision that the lease shall terminate if the improved  
45.25 property is no longer used for the partial benefit of the students at the Worthington campus.

45.26 Sec. 40. **INTEREST RATE SWAP AND OTHER AGREEMENTS;**  
45.27 **IMPLEMENTATION PLAN.**

45.28 The Minnesota Office of Higher Education must develop a plan for implementing  
45.29 interest rate exchanges, swaps, or other interest rate protection agreements for its student  
45.30 loan programs. The plan must be presented in a report to the committees of legislature  
45.31 responsible for higher education finance by January 15, 2008. The report must address  
45.32 potential contracting arrangements and options, benefits and risks associated with these

46.1 agreements, and the potential impacts on the student loan program, its assets, and its  
46.2 objectives.

46.3 Sec. 41. **REPEALER.**

46.4 (a) Minnesota Statutes 2006, sections 135A.031, subdivisions 1, 2, 3, 4, 5, and 6;  
46.5 135A.032; 135A.033; 136A.07; and 136A.08, subdivision 8, are repealed.

46.6 (b) Minnesota Statutes 2006, sections 137.0245; and 137.0246, are repealed.

## 46.7 **ARTICLE 4**

### 46.8 **TEXTBOOK PRICING AND ACCESS**

46.9 Section 1. **[135A.25] TEXTBOOK DISCLOSURE, PRICING, AND ACCESS.**

46.10 Subdivision 1. **Short title.** This section may be cited as the Textbook Disclosure,  
46.11 Pricing, and Access Act.

46.12 Subd. 2. **Purpose and intent.** The purpose of this act is to ensure that every student  
46.13 in higher education is offered better and more timely access to affordable course materials  
46.14 by educating and informing faculty, students, administrators, institutions, bookstores, and  
46.15 publishers on all aspects of the selection, purchase, sales, and use of the materials. It is the  
46.16 policy of the state of Minnesota that all involved parties must work together to identify  
46.17 ways to decrease the cost of course materials for students while protecting the academic  
46.18 freedom of faculty members to provide high-quality course materials for students.

46.19 Subd. 3. **Definitions.** For the purposes of this section, the following definitions  
46.20 have the meanings given.

46.21 (1) "Bundled" means any course material packaged together to be sold for one price.

46.22 (2) "Bookstore" means a store that is affiliated with a postsecondary institution or  
46.23 has a contract with a postsecondary institution to sell course materials to students enrolled  
46.24 at the postsecondary institution.

46.25 (3) "Course material" means textbooks as defined in section 297A.67, subdivision  
46.26 13, custom course materials, and instructional materials as defined in section 297A.67,  
46.27 subdivision 13a, sold to students by a bookstore in a bundled or unbundled form.

46.28 (4) "Custom course materials" means any combination of textbooks, course  
46.29 materials, or any part thereof that has been customized, produced, and sold by a distributor  
46.30 or publisher specifically for a specific course, program, or field of study.

46.31 (5) "Distributor" means an independent contractor, including its employees or agents,  
46.32 that is in the business of selling, distributing, advertising, marketing, or maintaining an  
46.33 inventory of course materials for a postsecondary institution or bookstore.

47.1 (6) "Postsecondary institution" means a Minnesota institution defined under section  
47.2 136A.101, subdivision 4.

47.3 (7) "Publisher" means a publishing house, firm, or business, including its employees  
47.4 or agents, acting with authority of the publisher that publishes, sells, markets, or maintains  
47.5 an inventory of course materials to a postsecondary institution or bookstore.

47.6 Subd. 4. **Publisher disclosures.** (a) Beginning January 1, 2008, a publisher or  
47.7 distributor must post on its Web site, include in a catalog, or disclose in writing to a faculty  
47.8 member or other individual at a postsecondary institution responsible for selecting course  
47.9 material within seven days of a request, at least the following:

47.10 (1) the title, edition, author, and International Standard Book Number (ISBN) of all  
47.11 course material and custom course materials, if applicable;

47.12 (2) the price for the course material;

47.13 (3) whether the required course material is bundled with optional material, whether  
47.14 it can be unbundled, and the price for each bundled and unbundled component;

47.15 (4) whether the material is available in an alternative format and the cost for the  
47.16 alternatively formatted material; and

47.17 (5) summary of revisions to requested course material for the previous edition or  
47.18 release for materials that have been in circulation for five years or less and a detailed  
47.19 breakdown of revisions must be made available in writing within seven days of the request.

47.20 (b) A publisher or distributor must make all bundled course materials available to  
47.21 bookstores or postsecondary institutions in an unbundled form or provide written or verbal  
47.22 notice within seven days of a request under this subdivision if the unbundled materials are  
47.23 not available.

47.24 (c) A publisher or distributor must post on its Web site, include in its marketing  
47.25 materials, or disclose in writing when a request is made under this subdivision for the  
47.26 return policy for course material, including any penalties or conditions for returns.

47.27 (d) Disclosure under this section is not required for mass market and trade books that  
47.28 are not published, marketed, or sold primarily for use in or by postsecondary institutions.

47.29 Subd. 5. **Payment for course material.** Each postsecondary institution must adopt  
47.30 policies that allow students to add the costs of course material purchased at a bookstore  
47.31 to existing waivers or payment plans for tuition and fees.

47.32 Subd. 6. **Notice to purchase.** (a) An instructor shall make reasonable efforts to  
47.33 notify a bookstore of the final order for required and recommended course material  
47.34 including, but not limited to, alternative formats, previous editions, or custom course  
47.35 materials at least 30 days prior to the commencement of the term.

48.1 (b) The bookstore must notify students of the following information concerning the  
48.2 required and recommended course material at least 15 days prior to the commencement of  
48.3 the term for which the course material is required, including, but not limited to:

48.4 (1) the title, edition, author, and International Standard Book Number (ISBN) of  
48.5 the course material;

48.6 (2) the price for the course material;

48.7 (3) whether the required course material is bundled with optional material, whether  
48.8 it can be unbundled, and the price for each bundled and unbundled component; and

48.9 (4) whether the material is available in an alternative format and the cost for the  
48.10 alternatively formatted material.

48.11 Subd. 7. **Educational strategies.** (a) During the biennium ending June 30, 2009,  
48.12 the Minnesota Office of Higher Education shall work with postsecondary institutions  
48.13 to develop educational materials based upon the findings of the Minnesota Textbook  
48.14 Advisory Task Force recommendations and other relevant information, convene and  
48.15 sponsor meetings and workshops, and provide educational materials for faculty, students,  
48.16 administrators, institutions, bookstores, and publishers in order to educate all interested  
48.17 parties on strategies for reducing the costs of course materials for students attending  
48.18 postsecondary institutions.

48.19 (b) The Minnesota Office of Higher Education must develop and maintain a  
48.20 standardized request form for publisher disclosure under this section with all required  
48.21 information. The request form must be in an electronic format that can be downloaded  
48.22 from the office Web site.

## 48.23 **ARTICLE 5**

### 48.24 **PRIVATE INSTITUTIONS**

48.25 Section 1. Minnesota Statutes 2006, section 136A.61, is amended to read:

#### 48.26 **136A.61 POLICY.**

48.27 The legislature has found and hereby declares that the availability of legitimate  
48.28 courses and programs leading to academic degrees offered by responsible private not for  
48.29 profit and for profit institutions of postsecondary education and the existence of legitimate  
48.30 private colleges and universities are in the best interests of the people of this state. The  
48.31 legislature has found and declares that the state can provide assistance and protection  
48.32 for persons choosing private institutions and programs, by establishing policies and  
48.33 procedures to assure the authenticity and legitimacy of private postsecondary education  
48.34 institutions and programs. The legislature has also found and declares that this same  
48.35 policy applies to any private and public postsecondary educational institution located in

49.1 another state or country which offers or makes available to a Minnesota resident any  
49.2 course, program or educational activity which does not require the leaving of the state  
49.3 for its completion.

49.4 Sec. 2. **[136A.615] CITATION.**

49.5 Sections 136A.615 to 136A.71 may be cited as the "Minnesota Private and  
49.6 Out-of-State Public Postsecondary Education Act."

49.7 Sec. 3. Minnesota Statutes 2006, section 136A.62, subdivision 3, is amended to read:

49.8 Subd. 3. **School.** "School" means:

49.9 (1) any individual, partnership, company, firm, society, trust, association,  
49.10 corporation, or any combination thereof, which (a) (i) is, owns, or operates a private,  
49.11 nonprofit postsecondary education institution; (b) (ii) is, owns, or operates a private, for  
49.12 profit postsecondary education institution; (iii) provides a postsecondary instructional  
49.13 program or course leading to a degree whether or not for profit; (c) (iv) is, owns, or  
49.14 operates a private, postsecondary education institution which uses the term "college",  
49.15 "academy", "institute" or "university" in its name; or (d) operates for profit and provides  
49.16 programs or courses which are intended to allow an individual to fulfill in part or totally  
49.17 the requirements necessary to maintain a license to practice an occupation. School shall  
49.18 also mean

49.19 (2) any public postsecondary educational institution located in another state or  
49.20 country which offers or makes available to a Minnesota resident any course, program or  
49.21 educational activity which does not require the leaving of the state for its completion; or

49.22 (3) any individual, entity, or postsecondary institution located in another state  
49.23 that contracts with any school located within the state of Minnesota for the purpose of  
49.24 providing educational programs, training programs, or awarding postsecondary credits  
49.25 or continuing education credits to Minnesota residents that may be applied to a degree  
49.26 program.

49.27 Sec. 4. Minnesota Statutes 2006, section 136A.63, is amended to read:

49.28 **136A.63 REGISTRATION.**

49.29 Subdivision 1. Annual registration. All schools located within Minnesota and  
49.30 all schools located outside Minnesota which offer degree programs or courses within  
49.31 Minnesota shall register annually with the office.

49.32 Subd. 2. Sale of an institution. Within 30 days of a change of ownership the school  
49.33 must submit a registration renewal application, all usual and ordinary information and

50.1 materials for an initial registration, and applicable registration fees for a new institution.  
50.2 For purposes of this subdivision, "change of ownership" means a merger or consolidation  
50.3 with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of  
50.4 the assets of a school; the transfer of a controlling interest of at least 51 percent of the  
50.5 school's stock; or a change in the not-for-profit or for profit status of a school.

50.6 Sec. 5. Minnesota Statutes 2006, section 136A.64, is amended to read:

50.7 **136A.64 INFORMATION REQUIRED FOR REGISTRATION.**

50.8 Subdivision 1. **Schools to provide information.** As a basis for registration, schools  
50.9 shall provide the office with such information as the office needs to determine the nature  
50.10 and activities of the school, including but not limited to, ~~requirements for admission,~~  
50.11 ~~enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty~~  
50.12 ~~employed. The office shall have the authority to verify the accuracy of the information~~  
50.13 ~~submitted to it by inspection or any other means it deems necessary.~~ the following which  
50.14 shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

50.15 (1) articles of incorporation, constitution, bylaws, or other operating documents;

50.16 (2) a duly adopted statement of the school's mission and goals;

50.17 (3) evidence of current school or program licenses granted by departments or  
50.18 agencies of any state;

50.19 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate  
50.20 past fiscal year including any management letters provided by the independent auditor  
50.21 or, if the school is a public institution outside Minnesota, an income statement for the  
50.22 immediate past fiscal year;

50.23 (5) all current promotional and recruitment materials and advertisements; and

50.24 (6) the current school catalog and, if not contained in the catalog:

50.25 (i) the members of the board of trustees or directors, if any;

50.26 (ii) the current institutional officers;

50.27 (iii) current full-time and part-time faculty with degrees held or applicable  
50.28 experience;

50.29 (iv) a description of all school facilities;

50.30 (v) a description of all current course offerings;

50.31 (vi) all requirements for satisfactory completion of courses, programs, and degrees;

50.32 (vii) the school's policy about freedom or limitation of expression and inquiry;

50.33 (viii) a current schedule of fees, charges for tuition, required supplies, student  
50.34 activities, housing, and all other standard charges;

50.35 (ix) the school's policy about refunds and adjustments;

51.1 (x) the school's policy about granting credit for prior education, training, and  
51.2 experience; and

51.3 (xi) the school's policies about student admission, evaluation, suspension, and  
51.4 dismissal.

51.5 Subd. 2. **Financial records.** The office shall not disclose financial records or  
51.6 accreditation reports provided to it by a school pursuant to this section except for the  
51.7 purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its  
51.8 decision to approve or not to approve the granting of degrees or the use of a name by the  
51.9 school. Section 15.17, subdivision 4, shall not apply to such records.

51.10 Subd. 3. **Additional information.** If the office is unable to determine the nature  
51.11 and activities of a school on the basis of the information in subdivision 1, the office shall  
51.12 notify the school of additional information needed.

51.13 Subd. 4. **Verification of information.** The office may verify the accuracy of  
51.14 submitted information by inspection, visitation, or any other means it considers necessary.

51.15 Subd. 5. **Public information.** All information submitted to the office is public  
51.16 information except financial and accreditation records and information. The office may  
51.17 disclose financial records or information to defend its decision to approve or disapprove  
51.18 granting of degrees or the use of a name or its decisions to revoke the approval at a hearing  
51.19 under chapter 14 or other legal proceedings.

51.20 Subd. 6. **Late registration penalty.** Applications for renewal for any registration  
51.21 received after the deadline date specified in the renewal materials provided by the office  
51.22 are subject to a late fee equal to 20 percent of the annual registration renewal fee.

51.23 Subd. 7. **Out-of-state expenses.** A school shall reimburse the office for actual costs  
51.24 associated with a site evaluation visit outside Minnesota if the visit is necessary under  
51.25 section 136A.64, subdivision 1 or 3.

51.26 Sec. 6. **[136A.645] SCHOOL CLOSURE.**

51.27 (a) When a school decides to cease postsecondary education operations, or if its  
51.28 registration is refused, revoked, or suspended it must cooperate with the office in assisting  
51.29 students to find alternative means to complete their studies with a minimum of disruption,  
51.30 and inform the office of the following:

51.31 (1) the planned date for termination of postsecondary education operations;

51.32 (2) the planned date for the transfer of the student records;

51.33 (3) confirmation of the name and address of the organization to receive and hold  
51.34 the student records; and

52.1 (4) the official at the organization receiving the student records who is designated to  
52.2 provide official copies of records or transcripts upon request.

52.3 (b) Upon notice from a school of its intention to cease operations, or if a school's  
52.4 registration is revoked, refused, or suspended, the office shall notify the school of the date  
52.5 on which it must cease the enrollment of students and all postsecondary educational  
52.6 operations.

52.7 **Sec. 7. [136A.646] ADDITIONAL SECURITY.**

52.8 In the event any registered institution is notified by the United States Department  
52.9 of Education that it has fallen below minimum financial standards and that its continued  
52.10 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,  
52.11 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit  
52.12 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the  
52.13 institution shall provide a surety bond conditioned upon the faithful performance of all  
52.14 contracts and agreements with students in a sum equal to the "letter of credit" required by  
52.15 the United States Department of Education in the Letter of Credit Alternative, but in no  
52.16 event shall such bond be less than \$10,000 and not more than \$250,000.

52.17 **Sec. 8. Minnesota Statutes 2006, section 136A.65, is amended to read:**

52.18 **136A.65 APPROVAL OF DEGREES AND NAME.**

52.19 **Subdivision 1. Prohibition.** No school subject to registration shall grant a degree  
52.20 unless such degree ~~is~~ and its underlying curriculum are approved by the office, nor  
52.21 shall any school subject to registration use the name "college," "academy," "institute" or  
52.22 "university" in its name without approval by the office.

52.23 **Subd. 1a. Accreditation; requirement.** A school must not be registered or  
52.24 authorized to offer any degree at any level unless the school is accredited by an agency  
52.25 recognized by the United States Department of Education for purposes of eligibility to  
52.26 participate in Title IV federal financial aid programs. Any registered school undergoing  
52.27 institutional accreditation shall inform the office of site visits by the accrediting agency  
52.28 and provide office staff the opportunity to attend the visits, including any exit interviews.  
52.29 The institution must provide the office with a copy of the final report upon receipt.

52.30 **Subd. 2. Procedures.** The office shall establish procedures for approval, including  
52.31 notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not  
52.32 granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

52.33 **Subd. 3. Application.** A school subject to registration shall be granted approval to  
52.34 use the term "college," "academy," "institute" or "university" in its name whether or not it

53.1 offers a program leading to a degree, if it was organized, operating and using such term in  
53.2 its name on or before August 1, 1975, and if it meets the other policies and standards for  
53.3 approval established by the office.

53.4 Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have  
53.5 its degree or degrees and name approved must substantially meet the following criteria:

53.6 (1) the school has an organizational framework with administrative and teaching  
53.7 personnel to provide the educational programs offered;

53.8 (2) the school has financial resources sufficient to meet the school's financial  
53.9 obligations, including refunding tuition and other charges consistent with its stated policy  
53.10 if the institution is dissolved, or if claims for refunds are made, to provide service to the  
53.11 students as promised, and to provide educational programs leading to degrees as offered;

53.12 (3) the school operates in conformity with generally accepted budgeting and  
53.13 accounting procedures, such as the standards adopted by the National Association of  
53.14 College and University Business Officers, located at 1 Dupont Circle, Washington, D.C.,  
53.15 20036;

53.16 (4) the school provides an educational program leading to the degree it offers;

53.17 (5) the school provides appropriate and accessible library, laboratory, and other  
53.18 physical facilities to support the educational program offered;

53.19 (6) the school has a policy on freedom or limitation of expression and inquiry for  
53.20 faculty and students which is published or available on request;

53.21 (7) the school uses only publications and advertisements which are truthful and do  
53.22 not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the  
53.23 school, its personnel, programs, services, or occupational opportunities for its graduates  
53.24 for promotion and student recruitment;

53.25 (8) the school's compensated recruiting agents who are operating in Minnesota  
53.26 identify themselves as agents of the school when talking to or corresponding with students  
53.27 and prospective students; and

53.28 (9) the school provides information to students and prospective students concerning:

53.29 (i) comprehensive and accurate policies relating to student admission, evaluation,  
53.30 suspension, and dismissal;

53.31 (ii) clear and accurate policies relating to granting credit for prior education, training,  
53.32 and experience and for courses offered by the school;

53.33 (iii) current schedules of fees, charges for tuition, required supplies, student  
53.34 activities, housing, and all other standard charges;

53.35 (iv) policies regarding refunds and adjustments for withdrawal or modification  
53.36 of enrollment status; and

54.1 (v) procedures and standards used for selection of recipients and the terms of  
54.2 payment and repayment for any financial aid program.

54.3 (b) An application for degree approval must also include:

54.4 (i) title of degree and formal recognition awarded;

54.5 (ii) location where such degree will be offered;

54.6 (iii) proposed implementation date of the degree;

54.7 (iv) admissions requirements for the degree;

54.8 (v) length of the degree;

54.9 (vi) projected enrollment for a period of five years;

54.10 (vii) the curriculum required for the degree, including course syllabi or outlines;

54.11 (viii) statement of academic and administrative mechanisms planned for monitoring  
54.12 the quality of the proposed degree;

54.13 (ix) statement of satisfaction of professional licensure criteria, if applicable;

54.14 (x) documentation of the availability of clinical, internship, externship, or practicum  
54.15 sites, if applicable; and

54.16 (xi) statement of how the degree fulfills the institution's mission and goals,  
54.17 complements existing degrees, and contributes to the school's viability.

54.18 Subd. 5. **Requirements for degree approval.** For each degree a school offers to a  
54.19 student, where the student does not leave Minnesota for the major portion of the program  
54.20 or course leading to the degree, the school must have:

54.21 (1) qualified teaching personnel to provide the educational programs for each degree  
54.22 for which approval is sought;

54.23 (2) appropriate educational programs leading to each degree for which approval  
54.24 is sought;

54.25 (3) appropriate and accessible library, laboratory, and other physical facilities to  
54.26 support the educational program for each degree for which approval is sought; and

54.27 (4) a rationale showing that degree programs are consistent with the school's mission  
54.28 and goals.

54.29 Subd. 6. **Name.** A school may use the term "academy" or "institute" in its name  
54.30 without meeting any additional requirements. A school may use the term "college" in its  
54.31 name if it offers at least one program leading to an associate degree. A school may use  
54.32 the term "university" in its name if it offers at least one program leading to a master's  
54.33 or doctorate degree.

54.34 Subd. 7. **Grandfathered names.** Names used before August 1, 2007, by a school,  
54.35 organized, operating, and using the term "academy," "institute," "college," or "university"

55.1 in its name on or before August 1, 2007, may continue using such term whether or not it  
55.2 offers a program leading to a degree.

55.3 Subd. 8. **Conditional approval.** The office may grant conditional approval for a  
55.4 degree or use of a term in its name for a period of less than one year if doing so would be  
55.5 in the best interests of currently enrolled students or prospective students.

55.6 Subd. 9. **Disapproval of registration appeal.** If a school's degree or use of a term  
55.7 in its name is disapproved by the office, the school may request a hearing under chapter  
55.8 14. The request must be in writing and made to the office within 30 days of the date  
55.9 the school is notified of the disapproval.

55.10 (a) The office may refuse to renew, revoke, or suspend registration, approval of  
55.11 a school's degree, or use of a regulated term in its name by giving written notice and  
55.12 reasons to the school. The school may request a hearing under chapter 14. If a hearing is  
55.13 requested, no revocation or suspension shall take effect until after the hearing.

55.14 (b) Reasons for revocation or suspension of registration or approval may be for one  
55.15 or more of the following reasons:

55.16 (1) violating the provisions of sections 136A.615 to 136A.71;

55.17 (2) providing false, misleading, or incomplete information to the office;

55.18 (3) presenting information about the school which is false, fraudulent, misleading,  
55.19 deceptive, or inaccurate in a material respect to prospective students; or

55.20 (4) refusing to allow reasonable inspection or to supply reasonable information after  
55.21 a written request by the office has been received.

55.22 Sec. 9. Minnesota Statutes 2006, section 136A.653, is amended to read:

55.23 **136A.653 EXEMPTIONS.**

55.24 Subdivision 1. **Exemption.** A school that is subject to licensing by the office under  
55.25 chapter 141, is exempt from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.  
55.26 The determination of the office as to whether a particular school is subject to regulation  
55.27 under chapter 141 is final for the purposes of this exemption.

55.28 Subd. 2. **Educational program; nonprofit organizations.** Educational programs  
55.29 which are sponsored by a bona fide and nonprofit trade, labor, business, professional  
55.30 or fraternal organization, which programs are conducted solely for that organization's  
55.31 membership or for the members of the particular industries or professions served by that  
55.32 organization, and which are not available to the public on a fee basis, are exempted from  
55.33 the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

55.34 Subd. 3. **Educational program; business firms.** Educational programs which are  
55.35 sponsored by a business firm for the training of its employees or the employees of other

56.1 business firms with which it has contracted to provide educational services at no cost to the  
56.2 employees are exempted from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

56.3 Subd. 4. **Voluntary submission.** Any school or program exempted from the  
56.4 provisions of sections ~~136A.61~~ 136A.615 to 136A.71 by the provisions of this section  
56.5 may voluntarily submit to the provisions of those sections.

56.6 Sec. 10. Minnesota Statutes 2006, section 136A.657, is amended to read:

56.7 **136A.657 EXEMPTION; RELIGIOUS SCHOOLS.**

56.8 Subdivision 1. **Exemption.** Any school or any department or branch of a school (a)  
56.9 which is substantially owned, operated or supported by a bona fide church or religious  
56.10 organization; (b) whose programs are primarily designed for, aimed at and attended by  
56.11 persons who sincerely hold or seek to learn the particular religious faith or beliefs of that  
56.12 church or religious organization; and (c) whose programs are primarily intended to prepare  
56.13 its students to become ministers of, to enter into some other vocation closely related to, or  
56.14 to conduct their lives in consonance with, the particular faith of that church or religious  
56.15 organization, is exempt from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

56.16 Subd. 2. **Limitation.** This exemption shall not extend to any school or to any  
56.17 department or branch of a school which through advertisements or solicitations represents  
56.18 to any students or prospective students that the school, its aims, goals, missions or  
56.19 purposes or its programs are different from those described in subdivision 1. This  
56.20 exemption shall not extend to any school which represents to any student or prospective  
56.21 student that the major purpose of its programs is to prepare the student for a vocation not  
56.22 closely related to that particular religious faith, or to provide the student with a general  
56.23 educational program recognized by other schools or the broader educational, business or  
56.24 social community as being substantially equivalent to the educational programs offered  
56.25 by schools or departments or branches of schools which are not exempt from sections  
56.26 ~~136A.61~~ 136A.615 to 136A.71, and rules adopted pursuant thereto.

56.27 Subd. 3. **Scope.** Nothing in sections ~~136A.61~~ 136A.615 to 136A.71, or the rules  
56.28 adopted pursuant thereto, shall be interpreted as permitting the office to determine the  
56.29 truth or falsity of any particular set of religious beliefs.

56.30 Subd. 4. **Statement required; religious nature.** Any degree awarded upon  
56.31 completion of a religiously exempt program shall include descriptive language to make  
56.32 the religious nature of the award clear.

56.33 Sec. 11. Minnesota Statutes 2006, section 136A.66, is amended to read:

56.34 **136A.66 LIST.**

57.1 The office shall maintain a list of ~~schools~~ registered institutions authorized to grant  
57.2 degrees and schools authorized to use the name "college," "academy," "institute" or  
57.3 "university," and shall make such list available to the public.

57.4 Sec. 12. Minnesota Statutes 2006, section 136A.67, is amended to read:

57.5 **136A.67 UNAUTHORIZED REPRESENTATIONS.**

57.6 ~~No school and none of its officials or employees shall advertise or represent in any~~  
57.7 ~~manner that such school is approved or accredited by the office or state of Minnesota~~  
57.8 ~~except that any~~ A school which is duly registered with the office, or any of its officials or  
57.9 employees, may represent in advertising and shall disclose in catalogues, applications,  
57.10 and enrollment materials that the school is registered with the office: by prominently  
57.11 displaying the following statement: "(Name of school) is registered as a private institution  
57.12 with the Minnesota Office of Higher Education pursuant to sections 136A.615 to 136A.71.  
57.13 Registration is not an endorsement of the institution. Credits earned at the institution  
57.14 may not transfer to all other institutions."

57.15 Sec. 13. **[136A.675] RISK ANALYSIS.**

57.16 The office shall develop a set of financial and programmatic evaluation metrics to  
57.17 aid in the detection of the failure or potential failure of a school to meet the standards  
57.18 established under sections 136A.61 to 136A.71. These metrics shall include indicators  
57.19 of financial stability, changes in the senior management or the financial aid and senior  
57.20 administrative staff of an institution, changes in enrollment, changes in program offerings,  
57.21 and changes in faculty staffing patterns. The development of financial standards shall use  
57.22 industry standards as benchmarks. The development of the nonfinancial standards shall  
57.23 include a measure of trends and dramatic changes in trends or practice. The agency must  
57.24 specify the metrics and standards for each area and provide a copy to each registered  
57.25 institution and post them on the agency Web site. The agency shall use regularly reported  
57.26 data submitted to the federal government or other regulatory or accreditation agencies  
57.27 wherever possible. The agency may require more frequent data reporting by an institution  
57.28 to ascertain whether the standards are being met.

57.29 Sec. 14. Minnesota Statutes 2006, section 136A.68, is amended to read:

57.30 **136A.68 RECORDS.**

57.31 ~~After August 1, 1975, all schools located in this state must maintain permanent~~  
57.32 ~~records of all students enrolled therein at any time. The office may require schools to~~  
57.33 ~~provide a plan acceptable to the office for preserving all such records for at least ten years:~~

58.1 ~~The office may require that such plan include the filing of a continuous surety bond or a~~  
58.2 ~~deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving~~  
58.3 ~~records after such school ceases to exist.~~ A registered school shall maintain a permanent  
58.4 record for each student for 50 years from the last date of the student's attendance. A  
58.5 registered school offering distance instruction to a student located in Minnesota shall  
58.6 maintain a permanent record for each Minnesota student for 50 years from the last date of  
58.7 the student's attendance. Records include a student's academic transcript, documents, and  
58.8 files containing student data about academic credits earned, courses completed, grades  
58.9 awarded, degrees awarded, and periods of attendance. To preserve permanent records, a  
58.10 school shall submit a plan that meets the following requirements:

58.11 (1) at least one copy of the records must be held in a secure, fireproof depository  
58.12 or duplicate records must be maintained off site in a secure location and in a manner  
58.13 approved by the office;

58.14 (2) an appropriate official must be designated to provide a student with copies of  
58.15 records or a transcript upon request;

58.16 (3) an alternative method approved by the office of complying with clauses (1) and  
58.17 (2) must be established if the school ceases to exist; and

58.18 (4) if the school has no binding agreement approved by the office for preserving  
58.19 student records, a continuous surety bond must be filed with the office in an amount not to  
58.20 exceed \$20,000. The bond shall run to the state of Minnesota.

58.21 Sec. 15. Minnesota Statutes 2006, section 136A.69, is amended to read:

58.22 **136A.69 FEES.**

58.23 Subdivision 1. **Registration fees.** The office shall collect reasonable registration  
58.24 fees that are sufficient to recover, but do not exceed, its costs of administering the  
58.25 registration program. The office shall charge \$1,100 for initial registration fees and \$950  
58.26 for annual renewal fees.

58.27 Subd. 2. **Degree level addition fee.** The office processing fee for adding a degree  
58.28 level to an existing program is \$2,000 per program.

58.29 Subd. 3. **Program addition fee.** The office processing fee for adding a program  
58.30 that represents a significant departure in the objectives, content, or method of delivery of  
58.31 programs that are currently offered by the school is \$500 per program.

58.32 Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit  
58.33 or outside consultant is necessary to review or evaluate any new or revised program, the  
58.34 office shall be reimbursed for the expenses incurred related to the review as follows:

59.1 (1) \$300 for the team base fee or for a paper review conducted by a consultant if the  
59.2 office determines that a fact-finding visit is not required;

59.3 (2) \$300 for each day or part thereof on site per team member; and

59.4 (3) the actual cost of customary meals, lodging, and related travel expenses incurred  
59.5 by team members.

59.6 Subd. 5. **Modification fee.** The fee for modification of any existing program is  
59.7 \$100 and is due if there is:

59.8 (1) an increase or decrease of 25 percent or more from the original date of program  
59.9 approval, in clock hours, credit hours, or calendar length of an existing program;

59.10 (2) a change in academic measurement from clock hours to credit hours or vice  
59.11 versa; or

59.12 (3) an addition or alteration of courses that represent a 25 percent change or more in  
59.13 the objectives, content, or methods of delivery.

59.14 **Sec. 16. [136A.705] PENALTY.**

59.15 The director may assess fines for violations of a provision of sections 136A.615 to  
59.16 136A.71. Each day's failure to comply with a provision of sections 136A.615 to 136A.71  
59.17 shall be a separate violation and fines shall not exceed \$500 per day per violation.

59.18 Amounts received under this section must be deposited in the special revenue fund and are  
59.19 appropriated for the purposes in sections 136A.615 to 136A.71.

59.20 **Sec. 17. Minnesota Statutes 2006, section 136A.71, is amended to read:**

59.21 **136A.71 INJUNCTION.**

59.22 **Upon application of the attorney general the district courts shall have jurisdiction to**  
59.23 **enjoin any violations of sections ~~136A.61~~ 136A.615 to 136A.71.**

59.24 **Sec. 18. Minnesota Statutes 2006, section 141.21, subdivision 1a, is amended to read:**

59.25 **Subd. 1a. Office of Higher Education or office. "Office of Higher Education" or**  
59.26 **"office" means the Minnesota Office of Higher Education.**

59.27 **Sec. 19. Minnesota Statutes 2006, section 141.21, subdivision 5, is amended to read:**

59.28 **Subd. 5. School. "School" means any person, within or outside the state, who**  
59.29 **maintains, advertises, administers, solicits for, or conducts any program ~~for profit~~ at**  
59.30 **any less than an associate degree level other than baccalaureate or graduate programs,**  
59.31 **and is not specifically exempted by sections 141.21 to and is not registered as a private**

60.1 institution under sections 136A.615 to 136A.71 and is not specifically exempted by  
60.2 section 141.35 or 141.37.

60.3 Sec. 20. Minnesota Statutes 2006, section 141.25, subdivision 1, is amended to read:

60.4 Subdivision 1. **Required.** A school must not maintain, advertise, solicit for,  
60.5 administer, or conduct any program in Minnesota without first obtaining a license from  
60.6 the office.

60.7 Sec. 21. Minnesota Statutes 2006, section 141.25, subdivision 5, is amended to read:

60.8 Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains,  
60.9 conducts, solicits for, or advertises within the state of Minnesota any program, unless the  
60.10 applicant files with the office a continuous corporate surety bond written by a company  
60.11 authorized to do business in Minnesota conditioned upon the faithful performance of all  
60.12 contracts and agreements with students made by the applicant.

60.13 (b) The amount of the surety bond shall be ten percent of the preceding year's gross  
60.14 income from student tuition, fees, and other required institutional charges, but in no event  
60.15 less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater  
60.16 amount at its own discretion. A school in each annual application for licensure must  
60.17 compute the amount of the surety bond and verify that the amount of the surety bond  
60.18 complies with this subdivision, unless the school maintains a surety bond equal to at least  
60.19 \$250,000. A school that operates at two or more locations may combine gross income  
60.20 from student tuition, fees, and other required institutional charges for all locations for the  
60.21 purpose of determining the annual surety bond requirement. The gross tuition and fees  
60.22 used to determine the amount of the surety bond required for a school having a license for  
60.23 the sole purpose of recruiting students in Minnesota shall be only that paid to the school  
60.24 by the students recruited from Minnesota.

60.25 (c) The bond shall run to the state of Minnesota and to any person who may have a  
60.26 cause of action against the applicant arising at any time after the bond is filed and before it  
60.27 is canceled for breach of any contract or agreement made by the applicant with any student.  
60.28 The aggregate liability of the surety for all breaches of the conditions of the bond shall not  
60.29 exceed the principal sum deposited by the school under paragraph (b). The surety of any  
60.30 bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved  
60.31 of liability for any breach of condition occurring after the effective date of cancellation.

60.32 (d) In lieu of bond, the applicant may deposit with the commissioner of finance a  
60.33 sum equal to the amount of the required surety bond in cash, or securities as may be

61.1 legally purchased by savings banks or for trust funds in an aggregate market value equal  
61.2 to the amount of the required surety bond.

61.3 (e) Failure of a school to post and maintain the required surety bond or deposit under  
61.4 paragraph (d) ~~may~~ shall result in denial, suspension, or revocation of the school's license.

61.5 Sec. 22. Minnesota Statutes 2006, section 141.25, subdivision 7, is amended to read:

61.6 Subd. 7. **Minimum standards.** A license shall be issued if the office first  
61.7 determines:

61.8 (1) that the applicant has a sound financial condition with sufficient resources  
61.9 available to:

61.10 (i) meet the school's financial obligations;

61.11 (ii) refund all tuition and other charges, within a reasonable period of time, in the  
61.12 event of dissolution of the school or in the event of any justifiable claims for refund against  
61.13 the school by the student body;

61.14 (iii) provide adequate service to its students and prospective students; and

61.15 (iv) maintain and support the school;

61.16 (2) that the applicant has satisfactory facilities with sufficient tools and equipment  
61.17 and the necessary number of work stations to prepare adequately the students currently  
61.18 enrolled, and those proposed to be enrolled;

61.19 (3) that the applicant employs a sufficient number of qualified teaching personnel to  
61.20 provide the educational programs contemplated;

61.21 (4) that the school has an organizational framework with administrative and  
61.22 instructional personnel to provide the programs and services it intends to offer;

61.23 (5) that the premises and conditions under which the students work and study are  
61.24 sanitary, healthful, and safe, according to modern standards;

61.25 (6) that the quality and content of each occupational course or program of study  
61.26 provides education and adequate preparation to enrolled students for entry level positions  
61.27 in the occupation for which prepared;

61.28 (7) that the living quarters which are owned, maintained, recommended, or approved  
61.29 by the applicant for students are sanitary and safe;

61.30 (8) that the contract or enrollment agreement used by the school complies with  
61.31 the provisions in section 141.265;

61.32 (9) that contracts and agreements do not contain a wage assignment provision or a  
61.33 confession of judgment clause; and

62.1 (10) that there has been no adjudication of fraud or misrepresentation in any  
62.2 criminal, civil, or administrative proceeding in any jurisdiction against the school or its  
62.3 owner, officers, agents, or sponsoring organization.

62.4 Sec. 23. Minnesota Statutes 2006, section 141.25, subdivision 9, is amended to read:

62.5 Subd. 9. **Catalog, brochure, or electronic display.** Before a license is issued to  
62.6 a school, the school shall furnish to the office a catalog, brochure, or electronic display  
62.7 including:

62.8 (1) identifying data, such as volume number and date of publication;

62.9 (2) name and address of the school and its governing body and officials;

62.10 (3) a calendar of the school showing legal holidays, beginning and ending dates of  
62.11 each course quarter, term, or semester, and other important dates;

62.12 (4) the school policy and regulations on enrollment including dates and specific  
62.13 entrance requirements for each program;

62.14 (5) the school policy and regulations about leave, absences, class cuts, make-up  
62.15 work, tardiness, and interruptions for unsatisfactory attendance;

62.16 (6) the school policy and regulations about standards of progress for the student  
62.17 including the grading system of the school, the minimum grades considered satisfactory,  
62.18 conditions for interruption for unsatisfactory grades or progress, a description of any  
62.19 probationary period allowed by the school, and conditions of reentrance for those  
62.20 dismissed for unsatisfactory progress;

62.21 (7) the school policy and regulations about student conduct and conditions for  
62.22 dismissal for unsatisfactory conduct;

62.23 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student  
62.24 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

62.25 (9) the school policy and regulations, including an explanation of section 141.271,  
62.26 about refunding tuition, fees, and other charges if the student does not enter the program,  
62.27 withdraws from the program, or the program is discontinued;

62.28 (10) a description of the available facilities and equipment;

62.29 (11) a course outline syllabus for each course offered showing course objectives,  
62.30 subjects or units in the course, type of work or skill to be learned, and approximate time,  
62.31 hours, or credits to be spent on each subject or unit;

62.32 (12) the school policy and regulations about granting credit for previous education  
62.33 and preparation;

62.34 (13) a notice to students relating to the transferability of any credits earned at the  
62.35 school to other institutions;

63.1 (14) a procedure for investigating and resolving student complaints; and  
63.2 ~~(14)~~ (15) the name and address of the Minnesota Office of Higher Education.

63.3 A school that is exclusively a distance education school is exempt from clauses  
63.4 (3) and (5).

63.5 Sec. 24. Minnesota Statutes 2006, section 141.25, subdivision 10, is amended to read:

63.6 Subd. 10. **Placement records.** (a) Before a license is ~~issued~~ reissued to a school  
63.7 that offers, advertises or implies a placement service, the school shall file with the office  
63.8 for the past year and thereafter at reasonable intervals determined by the office, a certified  
63.9 copy of the school's placement record, containing a list of graduates, a description of their  
63.10 jobs, names of their employers, and other information as the office may prescribe.

63.11 (b) Each school that offers a placement service shall furnish to each prospective  
63.12 student, upon request, prior to enrollment, written information concerning the percentage  
63.13 of the previous year's graduates who were placed in the occupation for which prepared or  
63.14 in related employment.

63.15 Sec. 25. Minnesota Statutes 2006, section 141.25, subdivision 12, is amended to read:

63.16 Subd. 12. **Permanent records.** A school licensed under this chapter and located  
63.17 in Minnesota shall maintain a permanent record for each student for 50 years from the  
63.18 last date of the student's attendance. A school licensed under this chapter and offering  
63.19 distance instruction to a student located in Minnesota shall maintain a permanent record  
63.20 for each Minnesota student for 50 years from the last date of the student's attendance.  
63.21 Records include school transcripts, documents, and files containing student data about  
63.22 academic credits earned, courses completed, grades awarded, degrees awarded, and  
63.23 periods of attendance. To preserve permanent records, a school shall submit a plan that  
63.24 meets the following requirements:

63.25 (1) at least one copy of the records must be held in a secure, fireproof depository;

63.26 (2) an appropriate official must be designated to provide a student with copies of  
63.27 records or a transcript upon request;

63.28 (3) an alternative method, approved by the office, of complying with clauses (1) and  
63.29 (2) must be established if the school ceases to exist; and

63.30 (4) a continuous surety bond must be filed with the office in an amount not to exceed  
63.31 \$20,000 if the school has no binding agreement approved by the office, for preserving  
63.32 student records ~~or a trust must be arranged if the school ceases to exist.~~ The bond shall run  
63.33 to the state of Minnesota.

64.1 Sec. 26. Minnesota Statutes 2006, section 141.255, subdivision 2, is amended to read:

64.2 Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a  
64.3 renewal licensure application is:

64.4 (1) for a category A school, as determined by the office, the fee is \$865 if the school  
64.5 offers one program or \$1,150 if the school offers two or more programs; and

64.6 (2) for a category B or C school, as determined by the office, the fee is \$430 if the  
64.7 school offers one program or \$575 if the school offers two or more programs.

64.8 (b) If a license renewal application is not received by the office by the close of  
64.9 business at least 60 days before the expiration of the current license, a late fee of \$100  
64.10 per business day, not to exceed \$3,000, shall be assessed.

64.11 Sec. 27. Minnesota Statutes 2006, section 141.265, subdivision 2, is amended to read:

64.12 Subd. 2. **Contract information.** A contract or enrollment agreement used by a  
64.13 school must include at least the following:

64.14 (1) the name and address of the school, clearly stated;

64.15 (2) a clear and conspicuous disclosure that the agreement is a legally binding  
64.16 instrument upon written acceptance of the student by the school unless canceled under  
64.17 section 141.271;

64.18 (3) the school's cancellation and refund policy that shall be clearly and conspicuously  
64.19 entitled "Buyer's Right to Cancel";

64.20 (4) a clear statement of total cost of the program including tuition and all other  
64.21 charges;

64.22 (5) the name and description of the program, including the number of hours or  
64.23 credits of classroom instruction, or distance instruction, that shall be included; and

64.24 (6) a clear and conspicuous explanation of the form and means of notice the student  
64.25 should use in the event the student elects to cancel the contract or sale, the effective  
64.26 date of cancellation, and the name and address of the seller to which the notice should  
64.27 be sent or delivered.

64.28 The contract or enrollment agreement must not include a wage assignment provision or a  
64.29 confession of judgment clause.

64.30 Sec. 28. Minnesota Statutes 2006, section 141.271, subdivision 10, is amended to read:

64.31 Subd. 10. **Cancellation occurrence.** Written notice of cancellation shall take place  
64.32 on the date the letter of cancellation is postmarked or, in the cases where the notice is hand  
64.33 carried, it shall occur on the date the notice is delivered to the school. If a student has not  
64.34 attended ~~classes~~ class for a period of 21 consecutive days without contacting the school to

65.1 indicate an intent to continue in school or otherwise making arrangements concerning the  
65.2 absence, the student is considered to have withdrawn from school for all purposes as of  
65.3 the student's last documented date of attendance.

65.4 Sec. 29. Minnesota Statutes 2006, section 141.271, subdivision 12, is amended to read:

65.5 Subd. 12. **Instrument not to be negotiated.** A school shall not negotiate any  
65.6 promissory instrument received as payment of tuition or other charge prior to completion  
65.7 of 50 percent of the program; except that prior to that time, instruments may be transferred  
65.8 by assignment to purchasers who shall be subject to all defenses available against the  
65.9 school named as payee.

65.10 Sec. 30. Minnesota Statutes 2006, section 141.28, subdivision 1, is amended to read:

65.11 Subdivision 1. ~~Not to advertise state approval~~ **Disclosure required.** ~~Schools,~~  
65.12 ~~agents of schools, and solicitors may not advertise or represent in writing or orally that~~  
65.13 ~~such school is approved or accredited by the state of Minnesota, except that any~~ A  
65.14 school, agent, or solicitor may ~~advertise~~ represent in advertisements and shall disclose  
65.15 in catalogues, applications, and enrollment materials that the school ~~and solicitor have~~  
65.16 ~~been~~ is duly licensed by the state ~~using~~ by prominently displaying the following ~~language~~  
65.17 statement:

65.18 "(Name of school) is licensed as a private career school with the Minnesota Office of  
65.19 Higher Education. Licensure is not an endorsement of the institution. Credits earned at the  
65.20 institution may not transfer to all other institutions. ~~The educational programs may not~~  
65.21 ~~meet the needs of every student or employer."~~

65.22 Sec. 31. Minnesota Statutes 2006, section 141.32, is amended to read:

65.23 **141.32 PENALTY.**

65.24 ~~Violation of a provision of this chapter shall be a misdemeanor. Each day's failure~~  
65.25 ~~to comply with this chapter shall be a separate violation. The office shall adopt rules~~  
65.26 ~~establishing a list of civil penalties and the fine associated with each violation. Fines for~~  
65.27 ~~violations shall not exceed \$500 per day per violation.~~ The director may assess fines for  
65.28 violations of a provision of this chapter. Each day's failure to comply with a provision  
65.29 of sections 136A.615 to 136A.71 shall be a separate violation and fines shall not exceed  
65.30 \$500 per day per violation. Amounts received under this section must be deposited in the  
65.31 special revenue fund and are appropriated for the purposes of this chapter.

66.1 Sec. 32. Minnesota Statutes 2006, section 141.35, is amended to read:

66.2 **141.35 EXEMPTIONS.**

66.3 Sections 141.21 to ~~141.35~~ 141.32 shall not apply to the following:

66.4 (1) public postsecondary institutions;

66.5 (2) ~~private~~ postsecondary institutions registered under sections ~~136A.61~~ 136A.615  
66.6 to 136A.71 ~~that are nonprofit, or that are for profit and registered under sections 136A.61~~  
66.7 ~~to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate~~  
66.8 ~~or postbaccalaureate programs;~~

66.9 (3) schools of nursing accredited by the state Board of Nursing or an equivalent  
66.10 public board of another state or foreign country;

66.11 (4) private schools complying with the requirements of section 120A.22, subdivision  
66.12 4;

66.13 (5) courses taught to students in a valid apprenticeship program taught by or  
66.14 required by a trade union;

66.15 (6) schools exclusively engaged in training physically or mentally disabled persons  
66.16 for the state of Minnesota;

66.17 (7) schools licensed by boards authorized under Minnesota law to issue licenses;

66.18 (8) schools and educational programs, or training programs, contracted for by  
66.19 persons, firms, corporations, government agencies, or associations, for the training of their  
66.20 own employees, for which no fee is charged the employee;

66.21 (9) schools engaged exclusively in the teaching of purely avocational, recreational,  
66.22 or remedial subjects as determined by the office;

66.23 ~~(10) driver training schools and instructors as defined in section 171.33, subdivisions~~  
66.24 ~~1 and 2;~~

66.25 ~~(11)~~ classes, courses, or programs conducted by a bona fide trade, professional, or  
66.26 fraternal organization, solely for that organization's membership;

66.27 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation  
66.28 under section 290.05 and registered with the attorney general under chapter 309. For  
66.29 the purposes of this clause, "fine arts" means activities resulting in artistic creation or  
66.30 artistic performance of works of the imagination which are engaged in for the primary  
66.31 purpose of creative expression rather than commercial sale or employment. In making  
66.32 this determination the office may seek the advice and recommendation of the Minnesota  
66.33 Board of the Arts;

66.34 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education  
66.35 requirements for licensure or certification in a profession, that have been approved by  
66.36 a legislatively or judicially established board or agency responsible for regulating the

67.1 practice of the profession, and that are offered exclusively to an individual practicing  
67.2 the profession;

67.3 ~~(14)~~ (13) classes, courses, or programs intended to prepare students to sit for  
67.4 undergraduate, graduate, postgraduate, or occupational licensing and occupational  
67.5 entrance examinations;

67.6 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of  
67.7 instruction that are not part of the curriculum for an occupation or entry level employment;

67.8 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal  
67.9 development, modeling, or acting;

67.10 ~~(17)~~ (16) training or instructional programs, in which one instructor teaches an  
67.11 individual student, that are not part of the curriculum for an occupation or are not intended  
67.12 to prepare a person for entry level employment; and

67.13 ~~(18)~~ (17) schools with no physical presence in Minnesota, as determined by the  
67.14 office, engaged exclusively in offering distance instruction that are located in and  
67.15 regulated by other states or jurisdictions.

67.16 Sec. 33. **[141.37] EXEMPTION; RELIGIOUS SCHOOLS.**

67.17 Subdivision 1. **Exemption.** Any school or any department or branch of a school:

67.18 (1) which is substantially owned, operated, or supported by a bona fide church  
67.19 or religious organization;

67.20 (2) whose programs are primarily designed for, aimed at, and attended by persons  
67.21 who sincerely hold or seek to learn the particular religious faith or beliefs of that church or  
67.22 religious organization; and

67.23 (3) whose programs are primarily intended to prepare its students to become  
67.24 ministers of, to enter into some other vocation closely related to, or to conduct their lives  
67.25 in consonance with the particular faith of that church or religious organization,  
67.26 is exempt from the provisions of sections 141.21 to 141.32.

67.27 Subd. 2. **Limitations.** (a) An exemption shall not extend to any school, department  
67.28 or branch of a school, or program of a school which through advertisements or solicitations  
67.29 represents to any students or prospective students that the school, its aims, goals, missions,  
67.30 purposes, or programs are different from those described in subdivision 1.

67.31 (b) An exemption shall not extend to any school which represents to any student or  
67.32 prospective student that the major purpose of its programs is to:

67.33 (1) prepare the student for a vocation not closely related to that particular religious  
67.34 faith; or

68.1 (2) provide the student with a general educational program recognized by other  
 68.2 schools or the broader educational, business, or social community as being substantially  
 68.3 equivalent to the educational programs offered by schools or departments or branches of  
 68.4 schools which are not religious in nature and are not exempt from chapter 141 and from  
 68.5 rules adopted pursuant under this chapter.

68.6 Subd. 3. **Scope.** Nothing in this chapter or the rules adopted under it shall be  
 68.7 interpreted as permitting the office to determine the truth or falsity of any particular set  
 68.8 of religious beliefs.

68.9 Subd. 4. **Descriptive language required.** Any certificate, diploma, degree, or other  
 68.10 formal recognition awarded upon completion of any religiously exempt program shall  
 68.11 include such descriptive language as to make the religious nature of the award clear.

68.12 **Sec. 34. EFFECTIVE DATE; TRANSITION PROCESS.**

68.13 Changes in Minnesota Statutes, chapter 141, and sections 136A.615 to 136A.71,  
 68.14 shall be effective July 1, 2007. Schools currently licensed pursuant to Minnesota Statutes,  
 68.15 chapter 141, that qualify for private institution registration after July 1, 2007, shall apply  
 68.16 for and complete the process for registration prior to the expiration of their current private  
 68.17 career school license. Schools currently registered as private institutions pursuant to  
 68.18 Minnesota Statutes, sections 136A.61 to 136A.71, that are required to obtain a private  
 68.19 career school license after August 1, 2007, shall apply for and complete the process for  
 68.20 licensure prior to the expiration of the current registration, but in any event no later than  
 68.21 December 31, 2007. The office is authorized to extend existing license or registration for a  
 68.22 reasonable period of time to allow for the completion of the new processes when necessary.

68.23 **ARTICLE 6**

68.24 **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS**

68.25 **Section 1. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

68.26 The amounts shown in this section summarize direct appropriations, by fund, made  
 68.27 in this article.

	<u>2008</u>		<u>2009</u>		<u>Total</u>
68.28 <u>General</u>	\$ 94,435,000	\$	60,084,000	\$	154,519,000
68.29 <u>Workforce Development</u>	14,935,000		14,951,000		29,886,000
68.30 <u>Remediation</u>	700,000		700,000		1,400,000
68.31 <u>State Government Special</u>					
68.32 <u>Revenue</u>	1,877,000		1,925,000		3,802,000
68.33 <u>Workers' Compensation</u>	23,379,000		23,763,000		47,142,000
68.34 <b><u>Total</u></b>	<b>\$ 135,326,000</b>	<b>\$</b>	<b>101,423,000</b>	<b>\$</b>	<b>236,749,000</b>



70.1 issues in rural Minnesota, to serve as a  
70.2 policy resource center for rural Minnesota  
70.3 communities, to encourage collaboration  
70.4 across higher education institutions, to  
70.5 provide interdisciplinary team approaches  
70.6 to research and problem-solving in rural  
70.7 communities, and to administer overall  
70.8 operations of the center.

70.9 (2) The grant shall be provided upon the  
70.10 condition that each state-appropriated  
70.11 dollar be matched with a nonstate dollar.  
70.12 Acceptable matching funds are nonstate  
70.13 contributions that the center has received and  
70.14 have not been used to match previous state  
70.15 grants. Any funds not spent the first year are  
70.16 available the second year.

70.17 (b) \$200,000 each year is for a grant to  
70.18 WomenVenture for women's business  
70.19 development programs.

70.20 (c) \$500,000 the first year is for a grant to  
70.21 University Enterprise Laboratories (UEL)  
70.22 for its direct and indirect expenses to support  
70.23 efforts to encourage the growth of early-stage  
70.24 and emerging bioscience companies. UEL  
70.25 must provide a report by June 30 each year  
70.26 to the commissioner on the expenditures  
70.27 until the appropriation is expended. This is a  
70.28 onetime appropriation and is available until  
70.29 expended.

70.30 (d) \$1,990,000 the first year is for grants  
70.31 under Minnesota Statutes, section 116J.571,  
70.32 for the redevelopment grant program. This is  
70.33 a onetime appropriation.

70.34 (e) \$100,000 each year is to the Public  
70.35 Facilities Authority for the small community

- 71.1 wastewater treatment program under  
71.2 Minnesota Statutes, chapter 446A.
- 71.3 (f) \$510,000 the first year is for the urban  
71.4 initiative program under Minnesota Statutes,  
71.5 chapter 116M, of which, \$255,000 is for  
71.6 a grant to the Metropolitan Economic  
71.7 Development Association for continuing  
71.8 minority business development programs  
71.9 in the metropolitan area. This is a onetime  
71.10 appropriation.
- 71.11 (g) \$85,000 each year is for a grant to the  
71.12 Minnesota Inventors Congress, of which  
71.13 \$10,000 must be used for youth inventors.
- 71.14 (h) \$151,000 the first year is for a grant to the  
71.15 city of Faribault to design, construct, furnish,  
71.16 and equip renovations to accommodate  
71.17 handicapped accessibility at the Paradise  
71.18 Center for the Arts.
- 71.19 (i) \$3,000,000 the first year is for loans  
71.20 authorized under Minnesota Statutes, section  
71.21 116J.417. This appropriation is available  
71.22 until expended.
- 71.23 (j) \$1,000,000 each year is to Minnesota  
71.24 Technology, Inc. for the small business  
71.25 growth acceleration program established  
71.26 under Minnesota Statutes, section 116O.115.  
71.27 This is a onetime appropriation.
- 71.28 (k) \$350,000 the first year is for a grant to  
71.29 the city of Northome for the construction  
71.30 of a new municipal building to replace the  
71.31 structures damaged by fire on July 22, 2006.  
71.32 This appropriation is available when the  
71.33 commissioner determines that a sufficient  
71.34 match is available from nonstate sources to  
71.35 complete the project.

72.1 (l) \$325,000 each year is for a technology  
72.2 and commercialization unit established  
72.3 under article 7, section 32. This is a onetime  
72.4 appropriation.

72.5 (m) \$500,000 in the first year is for a  
72.6 grant to the city of Worthington for an  
72.7 agricultural-based bioscience training and  
72.8 testing center. Funds appropriated under this  
72.9 section must be used to provide a training  
72.10 and testing facility for incubator firms  
72.11 developing new agricultural processes and  
72.12 products. This is a onetime appropriation  
72.13 and is available until expended.

72.14 (n) \$2,200,000 in the first year is for a grant  
72.15 to BioBusiness Alliance of Minnesota for  
72.16 bioscience business development programs  
72.17 to promote and position the state as a global  
72.18 leader in bioscience business activities.

72.19 These funds may be used for:

72.20 (1) completion and periodic updating of  
72.21 a statewide bioscience business industry  
72.22 assessment of business technology  
72.23 enterprises and Minnesota's competitive  
72.24 position employing annual updates to federal  
72.25 industry classification data;

72.26 (2) long-term strategic planning that includes  
72.27 projections of market changes resulting  
72.28 from developments in biotechnology and the  
72.29 development of 20-year goals, strategies, and  
72.30 identified objectives for renewable energy,  
72.31 medical devices, biopharma, and biologics  
72.32 business development in Minnesota;

72.33 (3) the design and construction of a  
72.34 Minnesota focused bioscience business  
72.35 model to test competing strategies and

- 73.1 scenarios, evaluate options, and forecast  
73.2 outcomes; and  
73.3 (4) creation of a bioscience business  
73.4 resources network that includes development  
73.5 of a statewide bioscience business economic  
73.6 development framework to encourage  
73.7 bioscience business development and  
73.8 encourage spin-off activities, attract  
73.9 bioscience business location or expansion in  
73.10 Minnesota, and establish a local capability to  
73.11 support strategic system level planning for  
73.12 industry, government, and academia.  
73.13 This appropriation is available until June 30,  
73.14 2009.  
73.15 (o) \$325,000 is for a grant to the Walker  
73.16 Area Community Center, Inc., to construct,  
73.17 furnish, and equip the Walker Area  
73.18 Community Center. This appropriation is  
73.19 not available until the commissioner has  
73.20 determined that an amount sufficient to  
73.21 complete the project has been committed  
73.22 from nonstate sources.  
73.23 (p) \$120,000 the first year is for a grant  
73.24 to the Pine Island Economic Development  
73.25 Authority for predesign to upgrade and  
73.26 extend utilities to serve Elk Run Bioscience  
73.27 Research Park and The Falls - Healthy  
73.28 Living By Nature, an integrated medicine  
73.29 facility. This is a onetime appropriation and  
73.30 is available until expended.  
73.31 (q) \$300,000 the first year is for a grant  
73.32 to Thomson Township for infrastructure  
73.33 improvements for the industrial park. This is  
73.34 a onetime appropriation.

74.1 (r) \$75,000 the first year for a grant to  
74.2 Le Sueur County for the cost of cleaning  
74.3 debris from lakes in Le Sueur County,  
74.4 caused by the August 24, 2006, tornado in  
74.5 southern Le Sueur County. This is a onetime  
74.6 appropriation.

74.7 (s) \$3,000,000 the second year is for  
74.8 bioscience business development and  
74.9 commercialization grants. The commissioner  
74.10 shall designate an evaluation team to accept  
74.11 grant applications, review and evaluate  
74.12 grant proposals, and select up to five grant  
74.13 proposals to receive funding each year.

74.14 The evaluation team shall be comprised  
74.15 of not more than 12 members including:  
74.16 the commissioner or the commissioner's  
74.17 designee; representatives of bioscience  
74.18 businesses; public and private institutions  
74.19 of higher education; private investment  
74.20 companies; a nonprofit entity that qualifies as  
74.21 a 501(c)6 under the Internal Revenue Code  
74.22 and is a trade association representing the  
74.23 life sciences industry; and a bio business  
74.24 alliance that qualifies as a 501(c)3 under the  
74.25 Internal Revenue Code. The criteria used  
74.26 by the evaluation team in evaluating grant  
74.27 proposals must include, but is not limited  
74.28 to: the potential to create and sustain jobs  
74.29 within the state of Minnesota; the potential  
74.30 for long-term business activity, growth,  
74.31 and expansion in Minnesota; the level of  
74.32 technological maturity; the potential to attract  
74.33 private investment; and the availability and  
74.34 readiness of markets. The commissioner  
74.35 must report to the standing committees of  
74.36 the house of representatives and the senate

75.1 having jurisdiction over bioscience and  
75.2 technology issues by February 1 each year  
75.3 on the number, type, and amounts of grants  
75.4 awarded and the activities of the grant  
75.5 recipients. This is a onetime appropriation  
75.6 and is available until expended.

75.7 (t) \$1,500,000 the first year is for the urban  
75.8 challenge grant program under Minnesota  
75.9 Statutes, section 116M.18, of which  
75.10 \$1,000,000 is for a grant to the Neighborhood  
75.11 Development Center for assistance necessary  
75.12 to retain minority business enterprises  
75.13 at the Global Market. This is a onetime  
75.14 appropriation.

75.15 (u) \$375,000 each year is to develop and  
75.16 operate a bioscience business marketing  
75.17 program to market Minnesota bioscience  
75.18 businesses and business opportunities  
75.19 to other states and other countries. The  
75.20 bioscience business marketing program must  
75.21 emphasize bioscience business location and  
75.22 expansion opportunities in communities  
75.23 outside of the seven-county metropolitan  
75.24 area as defined in Minnesota Statutes,  
75.25 section 473.121, subdivision 2, that have  
75.26 established collaborative plans among two  
75.27 or more municipal units for bioscience  
75.28 business activities, and that are within 15  
75.29 miles of a four-year, baccalaureate degree  
75.30 granting institution or a two-year technical  
75.31 or community college that offers bioscience  
75.32 curricula. The commissioner must report  
75.33 to the committees of the senate and house  
75.34 of representatives having jurisdiction  
75.35 over bioscience and technology issues by  
75.36 February 1 of each year on the expenditures

76.1 of these funds and the promotional activities  
76.2 undertaken to market the Minnesota  
76.3 bioscience industry to persons outside of the  
76.4 state. This is a onetime appropriation and is  
76.5 available until expended.

76.6 (v) \$225,000 each year is for the purposes  
76.7 of the nanotechnology development fund  
76.8 (NDF) established in section 12, for grants  
76.9 to promote increased use of advanced  
76.10 instrumentation for nanomaterials analysis,  
76.11 to be awarded on a one-to-one matching basis  
76.12 to qualifying Minnesota small businesses.  
76.13 This is a onetime appropriation.

76.14 (w) \$50,000 the first year is for a contract  
76.15 with a public higher education institution  
76.16 in Minnesota jointly entered into with the  
76.17 Center for Rural Development to study the  
76.18 needs of the renewable energy economy for  
76.19 trained employees and the training required  
76.20 for those employees. The study must include  
76.21 extensive consultation and involvement of  
76.22 representatives of the renewable energy  
76.23 industry, environmental interests, labor, the  
76.24 University of Minnesota, and the Minnesota  
76.25 State Colleges and Universities. The  
76.26 commissioner shall report the results of the  
76.27 study to the chairs of the finance divisions  
76.28 of the legislature with jurisdiction over  
76.29 economic development, energy, and higher  
76.30 education by November 1, 2007. This is a  
76.31 onetime appropriation.

76.32 (x) \$25,000,000 is for the Minnesota  
76.33 minerals 21st century fund created in  
76.34 Minnesota Statutes, section 116J.423,  
76.35 to restore the money unallotted by the

77.1 commissioner of finance in 2003 pursuant  
77.2 to Minnesota Statutes, section 16A.152.  
77.3 This appropriation may be used as provided  
77.4 in Minnesota Statutes, section 116J.423,  
77.5 subdivision 2. This appropriation is available  
77.6 until expended.

77.7 (y) \$900,000 each year is for a grant to the  
77.8 city of St. Paul to be used to pay debt service  
77.9 on bond obligations issued by the city of St.  
77.10 Paul in 1996 for the convention center.

77.11 (z) \$189,000 each year is appropriated from  
77.12 the general fund to the commissioner of  
77.13 employment and economic development for  
77.14 grants of \$63,000 to eligible organizations  
77.15 each year and for the purposes of this  
77.16 paragraph. Each state grant dollar must be  
77.17 matched with \$1 of nonstate funds. Any  
77.18 balance in the first year does not cancel but is  
77.19 available in the second year.

77.20 The commissioner of employment and  
77.21 economic development must make grants to  
77.22 organizations to assist in the development  
77.23 of entrepreneurs and small businesses.

77.24 Three grants must be awarded to continue  
77.25 or to develop a program. One grant must  
77.26 be awarded to the Riverbend Center for  
77.27 Entrepreneurial Facilitation in Blue Earth  
77.28 County, and two to other organizations  
77.29 serving Faribault and Martin Counties. Grant  
77.30 recipients must report to the commissioner  
77.31 by February 1 of each year that the  
77.32 organization receives a grant with the  
77.33 number of customers served; the number of  
77.34 businesses started, stabilized, or expanded;  
77.35 the number of jobs created and retained; and

78.1 business success rates. The commissioner  
 78.2 must report to the house of representatives  
 78.3 and senate committees with jurisdiction  
 78.4 over economic development finance on the  
 78.5 effectiveness of these programs for assisting  
 78.6 in the development of entrepreneurs and  
 78.7 small businesses.

78.8 (aa) \$10,000 for the biennium is to the  
 78.9 commissioner of employment and economic  
 78.10 development for the Minnesota investment  
 78.11 fund. This grant is not subject to grant  
 78.12 limitations under section 116J.8731,  
 78.13 subdivision 5.

78.14	<u>Subd. 3. Workforce Development</u>	<u>48,896,000</u>	<u>48,622,000</u>
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78.15		<u>Appropriations by Fund</u>	
78.16	<u>General</u>	<u>34,726,000</u>	<u>34,452,000</u>
78.17	<u>Workforce</u>		
78.18	<u>Development</u>	<u>14,170,000</u>	<u>14,170,000</u>

78.19 (a) \$6,785,000 each year is for the Minnesota  
 78.20 job skills partnership program under  
 78.21 Minnesota Statutes, sections 116L.01 to  
 78.22 116L.17. If the appropriation for either  
 78.23 year is insufficient, the appropriation for the  
 78.24 other year is available. This appropriation is  
 78.25 available until spent.

78.26 (b) \$305,000 each year is for a grant under  
 78.27 Minnesota Statutes, section 116J.8747, to  
 78.28 Twin Cities RISE! to provide training to  
 78.29 hard-to-train individuals.

78.30 (c) \$1,375,000 each year is from  
 78.31 the workforce development fund for  
 78.32 Opportunities Industrialization Center  
 78.33 programs.

78.34 (d) \$5,864,000 each year is from the general  
 78.35 fund and \$6,920,000 each year is from the

79.1 workforce development fund for extended  
79.2 employment services for persons with  
79.3 severe disabilities or related conditions under  
79.4 Minnesota Statutes, section 268A.15. Of this,  
79.5 \$125,000 each year and in the base for fiscal  
79.6 years 2010 and 2011 is to supplement funds  
79.7 paid for wage incentive for the community  
79.8 support fund established in Minnesota Rules,  
79.9 part 3300.2045.

79.10 (e) \$1,900,000 each year is for grants for  
79.11 programs that provide employment support  
79.12 services to persons with mental illness under  
79.13 Minnesota Statutes, sections 268A.13 and  
79.14 268A.14. Up to \$77,000 each year may be  
79.15 used for administrative and salary expenses.

79.16 (f) \$2,190,000 each year is for grants under  
79.17 Minnesota Statutes, section 268A.11, for the  
79.18 eight centers for independent living. Money  
79.19 not expended the first year is available the  
79.20 second year.

79.21 (g) \$5,940,000 each year is for State Services  
79.22 for the Blind activities.

79.23 (h) \$150,000 each year is from the general  
79.24 fund and \$175,000 each year is from the  
79.25 workforce development fund for grants under  
79.26 Minnesota Statutes, section 268A.03, to Rise,  
79.27 Inc. for the Minnesota Employment Center  
79.28 for People Who are Deaf or Hard-of-Hearing.  
79.29 Money not expended the first year is  
79.30 available the second year.

79.31 (i) \$9,021,000 each year from the general  
79.32 fund is for the vocational rehabilitation  
79.33 program and \$325,000 each year from  
79.34 the workforce development fund is for  
79.35 interpreters for a regional transition program

- 80.1 specializing in culturally appropriate  
80.2 transition services leading to employment  
80.3 for deaf, hard-of-hearing, and deaf-blind  
80.4 students.
- 80.5 (j) \$150,000 each year is for a grant to  
80.6 Advocating Change Together for training,  
80.7 technical assistance, and resource materials  
80.8 to persons with developmental and mental  
80.9 illness disabilities.
- 80.10 (k) \$250,000 each year for a grant to  
80.11 Lifetrack Resources for its immigrant/refugee  
80.12 collaborative programs, including those  
80.13 related to job-seeking skills and workplace  
80.14 orientation, intensive job development,  
80.15 functional work English, and on-site job  
80.16 coaching.
- 80.17 (l) \$1,075,000 each year is for the youthbuild  
80.18 program under Minnesota Statutes, sections  
80.19 116L.361 to 116L.366.
- 80.20 (m) \$1,350,000 each year is from the  
80.21 workforce development fund for grants  
80.22 to fund summer youth employment in  
80.23 Minneapolis. The grants shall be used to  
80.24 fund up to 500 jobs for youth each summer.  
80.25 Of this appropriation, \$350,000 each year is  
80.26 for a grant to the learn-to-earn summer youth  
80.27 employment program. The commissioner  
80.28 shall establish criteria for awarding the  
80.29 grants. This appropriation is available in  
80.30 either year of the biennium and is available  
80.31 until spent.
- 80.32 (n) \$50,000 each year is for a grant  
80.33 to Northern Connections in Perham to  
80.34 implement and operate a pilot workforce  
80.35 program that provides one-stop supportive

81.1 services to assist individuals as they transition  
81.2 into the workforce. This appropriation is  
81.3 available to the extent it is matched by \$1 of  
81.4 nonstate money for each \$1 of state money.

81.5 (o) \$100,000 each year is for a grant to  
81.6 Ramsey County Workforce Investment Board  
81.7 for the development of the building lives  
81.8 program. This is a onetime appropriation.

81.9 (p) \$300,000 each year is for a grant to the  
81.10 Hennepin-Carver Workforce Investment  
81.11 Board (WIB) to coordinate with the Partners  
81.12 for Progress Regional Skills Consortium  
81.13 to provide employment and training as  
81.14 demonstrated by the Twin Cities regional  
81.15 health care training partnership project.

81.16 (q) \$160,000 the first year is for a grant  
81.17 to Workforce Development, Inc., for a  
81.18 pilot project to provide demand-driven  
81.19 employment and training services to  
81.20 welfare recipients and other economically  
81.21 disadvantaged populations in Mower,  
81.22 Freeborn, Dodge, and Steele Counties. This  
81.23 is a onetime appropriation.

81.24 (r) \$200,000 each year is for a grant to  
81.25 HIRED to operate its industry sector training  
81.26 initiatives, which provide employee training  
81.27 developed in collaboration with employers in  
81.28 specific, high-demand industries. This is a  
81.29 onetime appropriation.

81.30 (s) \$200,000 the first year is for a grant  
81.31 to a nonprofit organization. The nonprofit  
81.32 organization must work on behalf of all  
81.33 licensed vendors to coordinate their efforts  
81.34 to respond to solicitations or other requests  
81.35 from private and governmental units as

82.1 defined in Minnesota Statutes, section  
82.2 471.59, subdivision 1, in order to increase  
82.3 employment opportunities for persons with  
82.4 disabilities.

82.5 (t) \$3,500,000 each year from the workforce  
82.6 development fund is for the Minnesota youth  
82.7 program under Minnesota Statutes, section  
82.8 116L.56 and 116L.561.

82.9 (u) \$500,000 each year from the workforce  
82.10 development fund is for a grant to the  
82.11 Minnesota Alliance of Boys and Girls  
82.12 Clubs to administer a statewide project  
82.13 of youth job skills development. This  
82.14 project, which may have career guidance  
82.15 components, including health and life skills,  
82.16 is to encourage, train, and assist youth in  
82.17 job-seeking skills, workplace orientation,  
82.18 and job site knowledge through coaching.

82.19 This grant requires a 25 percent match from  
82.20 nonstate resources.

82.21 (v) \$350,000 in each year from the workforce  
82.22 development fund is for a grant to Ramsey  
82.23 County for a summer youth employment  
82.24 program to place at-risk youth, ages 14 to 21,  
82.25 in subsidized summer employment.

82.26 The commissioner must provide funding  
82.27 for the Minnesota Conservation Corps to  
82.28 provide learning stipends for deaf students  
82.29 and wages for interpreters participating in  
82.30 the MCC summer youth program.

82.31 Subd. 4. **State-Funded Administration** 2,998,000 3,020,000

82.32 The first \$1,450,000 deposited in each  
82.33 year of the biennium and in each year of  
82.34 subsequent bienniums into the contingent  
82.35 account created under Minnesota Statutes,



84.1	<u>grants under Minnesota Statutes, section</u>		
84.2	<u>182.6553.</u>		
84.3	<u>\$100,000 each year is from the workers'</u>		
84.4	<u>compensation fund for the operation of</u>		
84.5	<u>the meatpacking industry workers' rights</u>		
84.6	<u>ombudsman under Minnesota Statutes,</u>		
84.7	<u>section 179.87.</u>		
84.8	<b><u>Subd. 4. Labor Standards/Apprenticeship</u></b>	<u>2,629,000</u>	<u>2,995,000</u>
84.9	<u>Appropriations by Fund</u>		
84.10	<u>General</u>	<u>1,864,000</u>	<u>2,214,000</u>
84.11	<u>Workforce</u>		
84.12	<u>Development</u>	<u>765,000</u>	<u>781,000</u>
84.13	<u>The appropriation from the workforce</u>		
84.14	<u>development fund is for the apprenticeship</u>		
84.15	<u>program under Minnesota Statutes, chapter</u>		
84.16	<u>178, and includes \$100,000 each year for</u>		
84.17	<u>labor education and advancement program</u>		
84.18	<u>grants.</u>		
84.19	<u>\$360,000 the first year and \$300,000 the</u>		
84.20	<u>second year from the general fund are for</u>		
84.21	<u>prevailing wage enforcement of which</u>		
84.22	<u>\$60,000 in the first year is for outreach and</u>		
84.23	<u>survey participation improvements.</u>		
84.24	<u>\$800,000 the first year and \$1,200,000 the</u>		
84.25	<u>second year from the general fund are for</u>		
84.26	<u>the independent contractor licensing under</u>		
84.27	<u>Minnesota Statutes, section 181.723.</u>		
84.28	<b><u>Subd. 5. General Support</u></b>	<u>6,043,000</u>	<u>6,006,000</u>
84.29	<u>This appropriation is from the workers'</u>		
84.30	<u>compensation fund.</u>		
84.31	<b><u>Sec. 5. BUREAU OF MEDIATION</u></b>		
84.32	<b><u>SERVICES</u></b>		
84.33	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 1,850,000</u></b>	<b><u>\$ 1,877,000</u></b>

85.1 The amounts that may be spent for each  
85.2 purpose are specified in the following  
85.3 subdivisions.

85.4 Subd. 2. **Mediation Services** 1,700,000 1,727,000

85.5 Subd. 3. **Labor Management Cooperation**  
85.6 **Grants** 150,000 150,000

85.7 \$150,000 each year is for grants to area labor  
85.8 management committees. Grants may be  
85.9 awarded for a 12-month period beginning  
85.10 July 1 each year. Any unencumbered balance  
85.11 remaining at the end of the first year does not  
85.12 cancel but is available for the second year.

85.13 Sec. 6. **WORKERS' COMPENSATION**  
85.14 **COURT OF APPEALS** \$ 1,663,000 \$ 1,710,000

85.15 This appropriation is from the workers'  
85.16 compensation fund.

85.17 Sec. 7. **BOARD OF ACCOUNTANCY** \$ 493,000 \$ 499,000

85.18 Sec. 8. **BOARD OF ARCHITECTURE,**  
85.19 **ENGINEERING, LAND SURVEYING,**  
85.20 **LANDSCAPE ARCHITECTURE,**  
85.21 **GEOSCIENCE, AND INTERIOR DESIGN** \$ 795,000 \$ 805,000

85.22 Sec. 9. **BOARD OF BARBER EXAMINERS** \$ 711,000 \$ 724,000

85.23 Sec. 10. **MINNESOTA BOXING**  
85.24 **COMMISSION** \$ 50,000 \$ -0-

85.25 To transition the commission to being a  
85.26 self-funded entity.

85.27 Sec. 11. **BIOSCIENCE ZONES DESIGNATION.**

85.28 The commissioner of employment and economic development must establish a  
85.29 criteria for expanding the zones. The criteria must limit designating a new zone to a  
85.30 community that has adequate resources and infrastructure to support bioindustry, including  
85.31 postsecondary institutions, strong health care systems, and existing bioscience companies.  
85.32 It must also require that a new zone be located on a transportation corridor.

86.1       Sec. 12. **NANOTECHNOLOGY DEVELOPMENT FUND.**

86.2           Subdivision 1. Nanotechnology development fund created. The nanotechnology  
86.3 development fund (NDF) is created in the state treasury. Money in the fund is appropriated  
86.4 to the commissioner of employment and economic development for the purposes of this  
86.5 section.

86.6           Subd. 2. Program established; purpose. The nanotechnology development  
86.7 fund program is established to develop a collaborative economic development initiative  
86.8 between the state of Minnesota, the private sector, and multiple academic institutions  
86.9 to promote by small businesses an increased use of advanced nanoinstrumentation for  
86.10 characterization, fabrication, and other related processes; provide research consulting  
86.11 by knowledgeable specialists; and provide student internship opportunities to increase  
86.12 nanotechnology experience by working with small, medium, or large Minnesota  
86.13 companies. The NDF program shall be administered by the Department of Employment  
86.14 and Economic Development and is not a state agency.

86.15           Subd. 3. Definition; qualifying Minnesota small business. "Qualifying Minnesota  
86.16 small business" means:

86.17           (1) a Minnesota small business corporation, sole proprietorship, or partnership that  
86.18 has fewer than 50 employees; or

86.19           (2) a Minnesota business corporation, sole proprietorship, or partnership that:

86.20           (i) has 51 to 100 employees; and

86.21           (ii) demonstrates current financial adversity or risk or a major prospect of aiding  
86.22 the business's long-term outlook by significant use of nanotechnology in the business's  
86.23 offerings.

86.24           Subd. 4. Use of fund; grants. The commissioner shall extend onetime matching  
86.25 grants from the NDF to qualifying Minnesota small businesses located throughout the  
86.26 state to:

86.27           (1) add nanotechnology applications to products that are being developed by  
86.28 Minnesota small businesses to enhance distinctiveness;

86.29           (2) promote the depth, breadth, and value of technologies being developed by  
86.30 Minnesota businesses with the aid of nanotechnology;

86.31           (3) encourage more frequent use of nanoinstrumentation to speed businesses' product  
86.32 time-to-market, with higher incidence of distinct product characteristics;

86.33           (4) provide Minnesota small businesses with broader access to experienced research  
86.34 consultants; and

86.35           (5) increase the number of researchers experienced in working with  
86.36 nanoinstrumentation.

87.1 Subd. 5. **Grant application and award procedure.** (a) The commissioner may  
87.2 give priority to applicants:

87.3 (1) whose intellectual property would benefit from utilization of nanoinstrumentation  
87.4 not possessed in-house;

87.5 (2) who are currently utilizing nanoinstrumentation either at the University of  
87.6 Minnesota or a private sector location on a leased, hourly basis; and

87.7 (3) who wish to increase their access to experienced research consultants.

87.8 (b) The commissioner shall decide whether to award a grant to an eligible applicant  
87.9 based on:

87.10 (1) the applicant's planned frequency of usage of nanoinstrumentation for  
87.11 characterization, fabrication, and other related processes; and

87.12 (2) the applicant's demonstration of rental of nanoinstrumentation, in the form  
87.13 of a signed affidavit from a certified facility to confirm the one-to-one private sector  
87.14 investment has been met.

87.15 (c) A grant made under this section must:

87.16 (1) include verification of matching rental fees or internship stipends paid by the  
87.17 grantee; and

87.18 (2) be for a total amount paid to each grantee of not less than \$500 nor more than  
87.19 \$20,000 within the biennium.

87.20 Subd. 6. **Administration.** The commissioner of employment and economic  
87.21 development must develop and maintain a record-keeping system that specifies how  
87.22 funds from the NDF are applied for and distributed. Businesses receiving grants  
87.23 from the NDF must provide contact information, the date and time of the use of the  
87.24 nanoinstrumentation, proof of their matching contribution to meet the rental costs or  
87.25 provide an internship's stipend, and a general statement of the expected outcome from  
87.26 the use of the nanoinstrumentation, to the extent documentation can be made without  
87.27 divulging proprietary information.

87.28 Subd. 7. **Gifts and donations.** Gifts and donations, including land or interests  
87.29 in land, may be made to NDF. Noncash gifts and donations must be disposed of for  
87.30 cash as soon as the commissioner of employment and economic development can  
87.31 prudently maximize the value of the gift or donation. All funds must be credited to the  
87.32 nanotechnology development fund. All interest earned by the fund must be credited to  
87.33 the NDF.

87.34 Subd. 8. **Report to legislature.** By June 30 of each odd-numbered year, the  
87.35 commissioner of employment and economic development must submit a report to the  
87.36 legislature with statistics about the use of the NDF.



89.1 loans to eligible organizations for the purpose of providing capital to new and expanding  
89.2 businesses in the form of debt or equity, or both.

89.3 Subd. 4. **Investment authorized.** The commissioner may make investments in  
89.4 eligible organizations under the following terms:

89.5 (1) the organization seeking an investment of funds must guarantee repayment of not  
89.6 less than 100 percent of the funds invested in the eligible organization;

89.7 (2) the investments are to be made in the form of a loan to the eligible organization  
89.8 for a term of ten years, at an interest rate of one percent;

89.9 (3) during the ten-year term of the loan, the eligible organization shall make annual  
89.10 interest-only payments;

89.11 (4) at the end of the ten-year term, the eligible organization is required to make a  
89.12 payment in the entire principal amount of the initial loan;

89.13 (5) the state investment by the commissioner in any eligible organization may not  
89.14 exceed \$2,000,000;

89.15 (6) the full amount of state investment will be advanced to the approved eligible  
89.16 organization upon execution of a formal investment agreement, specifying the terms of the  
89.17 loan, as well as reporting and other requirements outlined in subdivision 5;

89.18 (7) the eligible organization must maintain the funds in accounts that allow the funds  
89.19 to be readily available for business investments;

89.20 (8) the eligible organization must make business investments totaling the entire  
89.21 amount of funds loaned by the state within three years of the execution of the investment  
89.22 agreement and subsequent transmittal of the funds; and

89.23 (9) an eligible organization that receives an investment under this section shall  
89.24 report annually, in a format prescribed by the commissioner, the nature and amount of  
89.25 the business investments made, including, for each financing transaction involving funds  
89.26 received pursuant to this section, all forms and amounts of financing provided by the  
89.27 eligible organization from sources other than the investment fund established pursuant to  
89.28 this section, along with the number of jobs created and private sector investment leveraged.

89.29 Subd. 5. **Requirements for state investments.** All investments are subject to an  
89.30 investment agreement which must include:

89.31 (1) a description of the eligible organization, including business finance experience,  
89.32 qualifications, and investment history;

89.33 (2) a description of the uses of investment proceeds by the eligible organization;

89.34 (3) an explanation of the investment objectives;

89.35 (4) a description of accounting and reporting standards to be used by the eligible  
89.36 organization; and

90.1 (5) a copy of the most recent audited financial statements of the eligible organization.

90.2 Sec. 3. Minnesota Statutes 2006, section 116J.551, subdivision 1, is amended to read:

90.3 Subdivision 1. **Grant account.** A contaminated site cleanup and development  
90.4 grant account is created in the general fund. Money in the account may be used, as  
90.5 appropriated by law, to make grants as provided in section 116J.554 and to pay for the  
90.6 commissioner's costs in reviewing applications and making grants. Notwithstanding  
90.7 section 16A.28, money appropriated to the account for this program from any source is  
90.8 available ~~for four years~~ until spent.

90.9 Sec. 4. Minnesota Statutes 2006, section 116J.554, subdivision 2, is amended to read:

90.10 Subd. 2. **Qualifying sites.** A site qualifies for a grant under this section, if the  
90.11 following criteria are met:

90.12 (1) the site is not scheduled for funding during the current or next fiscal year under  
90.13 the Comprehensive Environmental Response, Compensation, and Liability Act, United  
90.14 States Code, title 42, section 9601, et seq. or under the Environmental Response, and  
90.15 Liability Act under sections 115B.01 to 115B.20;

90.16 ~~(2) the appraised value of the site after adjusting for the effect on the value of the~~  
90.17 ~~presence or possible presence of contaminants using accepted appraisal methodology, or~~  
90.18 ~~the current market value of the site as issued under section 273.121, separately taking into~~  
90.19 ~~account the effect of the contaminants on the market value, (i) is less than 75 percent of~~  
90.20 ~~the estimated project costs for the site or (ii) is less than or equal to the estimated cleanup~~  
90.21 ~~costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and~~

90.22 ~~(3)~~ (2) if the proposed cleanup is completed, it is expected that the site will be  
90.23 improved with buildings or other improvements and these improvements will provide a  
90.24 substantial increase in the property tax base within a reasonable period of time or the site  
90.25 will be used for an important publicly owned or tax-exempt facility.

90.26 Sec. 5. Minnesota Statutes 2006, section 116J.555, subdivision 1, is amended to read:

90.27 Subdivision 1. **Priorities.** (a) The legislature expects that applications for grants  
90.28 will exceed the available appropriations and the agency will be able to provide grants to  
90.29 only some of the applicant development authorities.

90.30 (b) If applications for grants for qualified sites exceed the available appropriations,  
90.31 the agency shall make grants for sites that, in the commissioner's judgment, provide  
90.32 the highest return in public benefits for the public costs incurred and that meet all the

91.1 requirements provided by law. In making this judgment, the commissioner shall consider  
91.2 the following factors:

91.3 (1) the recommendations or ranking of projects by the commissioner of the Pollution  
91.4 Control Agency regarding the potential threat to public health and the environment that  
91.5 would be reduced or eliminated by completion of each of the response action plans;

91.6 (2) the potential increase in the property tax base of the local taxing jurisdictions,  
91.7 considered relative to the fiscal needs of the jurisdictions, that will result from  
91.8 developments that will occur because of completion of each of the response action plans;

91.9 (3) the social value to the community of the cleanup and redevelopment of the site,  
91.10 including the importance of development of the proposed public facilities on each of  
91.11 the sites;

91.12 (4) the probability that each site will be cleaned up without use of government  
91.13 money in the reasonably foreseeable future by considering but not limited to the current  
91.14 market value of the site versus the cleanup cost;

91.15 (5) the amount of cleanup costs for each site; and

91.16 (6) the amount of the commitment of municipal or other local resources to pay for  
91.17 the cleanup costs.

91.18 The factors are not listed in a rank order of priority; rather the commissioner may  
91.19 weigh each factor, depending upon the facts and circumstances, as the commissioner  
91.20 considers appropriate. The commissioner may consider other factors that affect the net  
91.21 return of public benefits for completion of the response action plan. The commissioner,  
91.22 notwithstanding the listing of priorities and the goal of maximizing the return of public  
91.23 benefits, shall make grants that distribute available money to sites both within and outside  
91.24 of the metropolitan area. The commissioner shall provide a written statement of the  
91.25 supporting reasons for each grant. Unless sufficient applications are not received for  
91.26 qualifying sites outside of the metropolitan area, at least 25 percent of the money provided  
91.27 as grants must be made for sites located outside of the metropolitan area.

91.28 Sec. 6. Minnesota Statutes 2006, section 116J.575, subdivision 1, is amended to read:

91.29 Subdivision 1. **Commissioner discretion.** The commissioner may make a grant for  
91.30 up to 50 percent of the eligible costs of a project. The determination of whether to make a  
91.31 grant for a site is within the discretion of the commissioner, subject to this section and  
91.32 sections 116J.571 to 116J.574 and available unencumbered money in the redevelopment  
91.33 account. For grants made in fiscal years 2008 and 2009, at least 75 percent of the available  
91.34 grant funds must be used for grants in greater Minnesota. For grants made in fiscal year  
91.35 2010 and later, at least 50 percent of the available grant funds must be used for grants

92.1 in greater Minnesota. If the commissioner determines that the applications for grants  
92.2 for projects in greater Minnesota are less than the amount of grant funds available, the  
92.3 commissioner may make grants for projects anywhere in Minnesota. The commissioner's  
92.4 decisions and application of the priorities under this section are not subject to judicial  
92.5 review, except for abuse of discretion.

92.6 Sec. 7. Minnesota Statutes 2006, section 116J.575, subdivision 1a, is amended to read:

92.7 Subd. 1a. **Priorities.** (a) If applications for grants exceed the available  
92.8 appropriations, grants shall be made for sites that, in the commissioner's judgment, provide  
92.9 the highest return in public benefits for the public costs incurred. "Public benefits" include  
92.10 job creation, bioscience development, environmental benefits to the state and region,  
92.11 efficient use of public transportation, efficient use of existing infrastructure, provision of  
92.12 affordable housing, multiuse development that constitutes community rebuilding rather  
92.13 than single-use development, crime reduction, blight reduction, community stabilization,  
92.14 and property tax base maintenance or improvement. In making this judgment, the  
92.15 commissioner shall give priority to redevelopment projects with one or more of the  
92.16 following characteristics:

92.17 (1) the need for redevelopment in conjunction with contamination remediation needs;

92.18 (2) the redevelopment project meets current tax increment financing requirements

92.19 for a redevelopment district and tax increments will contribute to the project;

92.20 (3) the redevelopment potential within the municipality;

92.21 (4) proximity to public transit if located in the metropolitan area; ~~and~~

92.22 (5) redevelopment costs related to expansion of a bioscience business in Minnesota;

92.23 and

92.24 ~~(5)~~ (6) multijurisdictional projects that take into account the need for affordable  
92.25 housing, transportation, and environmental impact.

92.26 (b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the  
92.27 commissioner may weigh each factor, depending upon the facts and circumstances, as  
92.28 the commissioner considers appropriate. The commissioner may consider other factors  
92.29 that affect the net return of public benefits for completion of the redevelopment plan. The  
92.30 commissioner, notwithstanding the listing of priorities and the goal of maximizing the  
92.31 return of public benefits, shall make grants that distribute available money to sites both  
92.32 within and outside of the metropolitan area. Unless sufficient applications are not received  
92.33 for qualifying sites outside of the metropolitan area, at least 25 percent of the money  
92.34 provided as grants must be made for sites located outside of the metropolitan area.

93.1 Sec. 8. Minnesota Statutes 2006, section 116J.966, subdivision 1, is amended to read:

93.2 Subdivision 1. **Generally.** (a) The commissioner shall promote, develop, and  
93.3 facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in  
93.4 addition to the powers granted by section 116J.035, the commissioner may:

93.5 (1) locate, develop, and promote international markets for Minnesota products  
93.6 and services;

93.7 (2) arrange and lead trade missions to countries with promising international markets  
93.8 for Minnesota goods, technology, services, and agricultural products;

93.9 (3) promote Minnesota products and services at domestic and international trade  
93.10 shows;

93.11 (4) organize, promote, and present domestic and international trade shows featuring  
93.12 Minnesota products and services;

93.13 (5) host trade delegations and assist foreign traders in contacting appropriate  
93.14 Minnesota businesses and investments;

93.15 (6) develop contacts with Minnesota businesses and gather and provide information  
93.16 to assist them in locating and communicating with international trading or joint venture  
93.17 counterparts;

93.18 (7) provide information, education, and counseling services to Minnesota businesses  
93.19 regarding the economic, commercial, legal, and cultural contexts of international trade;

93.20 (8) provide Minnesota businesses with international trade leads and information  
93.21 about the availability and sources of services relating to international trade, such as  
93.22 export financing, licensing, freight forwarding, international advertising, translation, and  
93.23 custom brokering;

93.24 (9) locate, attract, and promote foreign direct investment and business development  
93.25 in Minnesota to enhance employment opportunities in Minnesota;

93.26 (10) provide foreign businesses and investors desiring to locate facilities in  
93.27 Minnesota information regarding sources of governmental, legal, real estate, financial, and  
93.28 business services;

93.29 (11) enter into contracts or other agreements with private persons and public entities,  
93.30 including agreements to establish and maintain offices and other types of representation in  
93.31 foreign countries, to carry out the purposes of promoting international trade and attracting  
93.32 investment from foreign countries to Minnesota and to carry out this section, without  
93.33 regard to section 16C.06; and

93.34 (12) market trade-related materials to businesses and organizations, and the proceeds  
93.35 of which must be placed in a special revolving account and are appropriated to the  
93.36 commissioner to prepare and distribute trade-related materials.

94.1 (b) The programs and activities of the commissioner of employment and economic  
94.2 development and the Minnesota Trade Division may not duplicate programs and activities  
94.3 of the commissioner of agriculture.

94.4 (c) The commissioner shall notify the chairs of the senate Finance and house Ways  
94.5 and Means Committees of each agreement under this subdivision to establish and maintain  
94.6 an office or other type of representation in a foreign country.

94.7 (d) The Minnesota Trade Office shall serve as the state's office of protocol providing  
94.8 assistance to official visits by foreign government representatives and shall serve as liaison  
94.9 to the foreign diplomatic corps in Minnesota.

94.10 Sec. 9. Minnesota Statutes 2006, section 116L.01, is amended by adding a subdivision  
94.11 to read:

94.12 Subd. 4. **Workforce development intermediaries.** "Workforce development  
94.13 intermediaries" means public, private, or nonprofit entities that provide employment  
94.14 services to low-income individuals and have a demonstrated track record bringing together  
94.15 employers and workers, private and public funding streams, and other stakeholders to  
94.16 implement pathways to career advancement for low-income individuals. Entities may  
94.17 include, but are not limited to, nonprofit organizations, educational institutions, or the  
94.18 administrative entity of a local workforce service area.

94.19 Sec. 10. Minnesota Statutes 2006, section 116L.04, subdivision 1a, is amended to read:

94.20 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid  
94.21 for developing programs which assist in the transition of persons from welfare to work and  
94.22 assist individuals at or below 200 percent of the federal poverty guidelines. The program  
94.23 is to be operated by the board. The board shall consult and coordinate with program  
94.24 administrators at the Department of Employment and Economic Development to design  
94.25 and provide services for temporary assistance for needy families recipients.

94.26 Pathways grants-in-aid may be awarded to educational or other nonprofit training  
94.27 institutions or to workforce development intermediaries for education and training  
94.28 programs and services supporting education and training programs that serve eligible  
94.29 recipients.

94.30 Preference shall be given to projects that:

94.31 (1) provide employment with benefits paid to employees;

94.32 (2) provide employment where there are defined career paths for trainees;

94.33 (3) pilot the development of an educational pathway that can be used on a continuing  
94.34 basis for transitioning persons from welfare to work; and

95.1 (4) demonstrate the active participation of Department of Employment and  
95.2 Economic Development workforce centers, Minnesota State College and University  
95.3 institutions and other educational institutions, and local welfare agencies.

95.4 Pathways projects must demonstrate the active involvement and financial  
95.5 commitment of private business. Pathways projects must be matched with cash or in-kind  
95.6 contributions on at least a ~~one-to-one~~ one-half-to-one ratio by participating private  
95.7 business.

95.8 A single grant to any one institution shall not exceed \$400,000. A portion of a grant  
95.9 may be used for preemployment training.

95.10 Sec. 11. Minnesota Statutes 2006, section 116L.17, subdivision 1, is amended to read:

95.11 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms  
95.12 have the meanings given them in this subdivision.

95.13 (b) "Commissioner" means the commissioner of employment and economic  
95.14 development.

95.15 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the  
95.16 time employment ceased or was working in the state at the time employment ceased and:

95.17 (1) has been permanently separated or has received a notice of permanent separation  
95.18 from public or private sector employment and is eligible for or has exhausted entitlement  
95.19 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

95.20 (2) has been long-term unemployed and has limited opportunities for employment  
95.21 or reemployment in the same or a similar occupation in the area in which the individual  
95.22 resides, including older individuals who may have substantial barriers to employment by  
95.23 reason of age;

95.24 (3) has been terminated or has received a notice of termination of employment as a  
95.25 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

95.26 (4) has been self-employed, including farmers and ranchers, and is unemployed as a  
95.27 result of general economic conditions in the community in which the individual resides or  
95.28 because of natural disasters; or

95.29 ~~(4)~~ (5) is a displaced homemaker. A "displaced homemaker" is an individual who  
95.30 has spent a substantial number of years in the home providing homemaking service and  
95.31 (i) has been dependent upon the financial support of another; and now due to divorce,  
95.32 separation, death, or disability of that person, must find employment to self support; or (ii)  
95.33 derived the substantial share of support from public assistance on account of dependents  
95.34 in the home and no longer receives such support.

96.1 To be eligible under this clause, the support must have ceased while the worker  
96.2 resided in Minnesota.

96.3 (d) "Eligible organization" means a state or local government unit, nonprofit  
96.4 organization, community action agency, business organization or association, or labor  
96.5 organization.

96.6 (e) "Plant closing" means the announced or actual permanent shutdown of a single  
96.7 site of employment, or one or more facilities or operating units within a single site of  
96.8 employment.

96.9 (f) "Substantial layoff" means a permanent reduction in the workforce, which is  
96.10 not a result of a plant closing, and which results in an employment loss at a single site  
96.11 of employment during any 30-day period for at least 50 employees excluding those  
96.12 employees that work less than 20 hours per week.

96.13 Sec. 12. Minnesota Statutes 2006, section 116L.20, subdivision 1, is amended to read:

96.14 Subdivision 1. **Determination and collection of special assessment.** (a) In addition  
96.15 to amounts due from an employer under the Minnesota unemployment insurance program,  
96.16 each employer, except an employer making reimbursements is liable for a special  
96.17 assessment levied at the rate of .10 percent per year for calendar years 2006 and 2007 on  
96.18 all taxable wages, as defined in section 268.035, subdivision 24. ~~Beginning January 1,~~  
96.19 ~~2008, the special assessment shall be levied at a rate of .085 percent per year on all taxable~~  
96.20 ~~wages.~~ The assessment shall become due and be paid by each employer on the same  
96.21 schedule and in the same manner as other amounts due from an employer under section  
96.22 268.051, subdivision 1.

96.23 (b) The special assessment levied under this section shall be subject to the same  
96.24 requirements and collection procedures as any amounts due from an employer under the  
96.25 Minnesota unemployment insurance program.

96.26 Sec. 13. Minnesota Statutes 2006, section 116M.18, subdivision 6a, is amended to read:

96.27 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit  
96.28 corporation with which it has entered into an agreement under subdivision 1. These  
96.29 loans must be used to support a new or expanding business. This support may include  
96.30 such forms of financing as the sale of goods to the business on installment or deferred  
96.31 payments, lease purchase agreements, or royalty investments in the business. The interest  
96.32 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed  
96.33 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the  
96.34 nonprofit corporation may charge a loan origination fee equal to or less than one percent

97.1 of the loan value. The nonprofit corporation may retain the amount of the origination fee.  
97.2 The nonprofit corporation must provide at least an equal match to the loan received by the  
97.3 board. The maximum loan available to the nonprofit corporation under this subdivision is  
97.4 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made  
97.5 without interest. Repayments made by the nonprofit corporation must be deposited in the  
97.6 revolving fund created for urban initiative grants.

97.7 Sec. 14. **[1160.115] SMALL BUSINESS GROWTH ACCELERATION**  
97.8 **PROGRAM.**

97.9 Subdivision 1. **Establishment; purpose.** The small business growth acceleration  
97.10 program is established. The purpose of the program is to (1) help qualified companies  
97.11 implement technology and business improvements; and (2) bridge the gap between  
97.12 standard market pricing for technology and business improvements and what qualified  
97.13 companies can afford to pay.

97.14 Subd. 2. **Qualified company.** A company is qualified to receive assistance under  
97.15 the small business growth acceleration program if it is a manufacturing company or a  
97.16 manufacturing-related service company that employs 100 or fewer full-time equivalent  
97.17 employees.

97.18 Subd. 3. **Applications for assistance.** A company seeking assistance under the  
97.19 small business growth acceleration program must file an application according to the  
97.20 requirements of the corporation. A company's application for small business growth  
97.21 acceleration program assistance must include documentation of the company's overall plan  
97.22 for technology and business improvement and prioritize the components of the overall  
97.23 plan. The application must also document the company's need for small business growth  
97.24 acceleration program funds in order to carry forward the highest priority components of  
97.25 the plan.

97.26 Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish  
97.27 procedures for determining which applicants for assistance under the small business  
97.28 growth acceleration program will receive program funding. Funding shall be awarded  
97.29 only to accelerate a qualified company's adoption of needed technology or business  
97.30 improvements when the corporation concludes that it is unlikely the improvements could  
97.31 be accomplished in any other way.

97.32 (b) The maximum amount of funds awarded to a qualified company under the small  
97.33 business growth acceleration program for a particular project must not exceed 50 percent  
97.34 of the total cost of a project and must not under any circumstances exceed \$25,000 during

98.1 a calendar year. The corporation shall not award to a qualified company small business  
98.2 growth acceleration program funds in excess of \$50,000 per year.

98.3 (c) Any funds awarded to a qualified company under the small business growth  
98.4 acceleration program must be used for business services and products that will enhance the  
98.5 operation of the company. These business services and products must come either directly  
98.6 from the corporation or from a network of expert providers identified and approved by  
98.7 the corporation. No company receiving small business growth acceleration program  
98.8 funds may use the funds for refinancing, overhead costs, new construction, renovation,  
98.9 equipment, or computer hardware.

98.10 (d) Any funds awarded must be disbursed to the qualified company as reimbursement  
98.11 documented according to requirements of the corporation.

98.12 Subd. 5. **Service agreements.** The corporation shall enter a written service  
98.13 agreement with each company awarded funds under the small business growth acceleration  
98.14 program. Each service agreement shall clearly articulate the company's need for service,  
98.15 state the cost of the service, identify who will provide the service, and define the scope of  
98.16 the service that will be provided. The service agreement must also include an estimate  
98.17 of the financial impact of the service on the company and require the company to report  
98.18 the actual financial impact of the service to the corporation 24 months after the service is  
98.19 provided.

98.20 Subd. 6. **Reporting.** The corporation shall report annually to the legislative  
98.21 committees with fiscal jurisdiction over the Department of Employment and Economic  
98.22 Development:

98.23 (1) the funds awarded under the small business growth acceleration program during  
98.24 the past 12 months;

98.25 (2) the estimated financial impact of the funds awarded to each company receiving  
98.26 service under the program; and

98.27 (3) the actual financial impact of funds awarded during the past 24 months.

98.28 **Sec. 15. [179.86] PACKINGHOUSE WORKERS BILL OF RIGHTS.**

98.29 Subdivision 1. **Definitions.** For the purposes of this section and section 179.87:

98.30 (1) "employer" means any person or business entity having 25 or more employees  
98.31 in the meatpacking industry; and

98.32 (2) "meatpacking industry" means business operations in which slaughtering,  
98.33 butchering, meat canning, meat packing, meat manufacturing, poultry canning, poultry  
98.34 packing, poultry manufacturing, pet food manufacturing, processing of meatpacking

99.1 products, or rendering is carried on. Meatpacking products include livestock and poultry  
99.2 products.

99.3 Subd. 2. **Right to adequate facilities.** An employer must provide its employees:

99.4 (1) adequate and working restroom facilities;

99.5 (2) adequate room for meal and rest breaks;

99.6 (3) adequate locker facilities; and

99.7 (4) adequate time for necessary restroom and meal breaks as required under chapter  
99.8 177; United States Code, title 29, chapter 15; and United States Code, title 42, chapter  
99.9 126, or a valid collective bargaining agreement.

99.10 Subd. 3. **Right to adequate equipment and training.** An employer must furnish its  
99.11 employees with equipment and training that is adequate to perform the job task assigned.  
99.12 An employer must make ongoing skill development and training opportunities, including  
99.13 supervisory training, available to employees.

99.14 Subd. 4. **Information provided to employee by employer.** (a) An employer must  
99.15 provide an explanation in an employee's native language of the employee's rights and  
99.16 duties as an employee either person-to-person or through written materials as required  
99.17 by state or federal law, or a valid collective bargaining agreement that, at a minimum,  
99.18 includes:

99.19 (1) a complete description of the salary and benefits plans as they relate to the  
99.20 employee as required under chapter 181;

99.21 (2) a job description for the employee's position as required under chapter 181;

99.22 (3) a description of leave policies as required under chapter 181 and United States  
99.23 Code, title 29, chapter 28;

99.24 (4) a description of the work hours and work hours policy as required under chapter  
99.25 181; United States Code, title 29, chapter 201; or a valid collective bargaining agreement;  
99.26 and

99.27 (5) a description of the occupational hazards known to exist for the position as  
99.28 required under chapters 181 and 182 and United States Code, title 29, chapter 15.

99.29 (b) The explanation must also include information on the following employee rights  
99.30 as protected by state or federal law and a description of where additional information  
99.31 about those rights may be obtained:

99.32 (1) the right to organize and bargain collectively as required under this chapter and  
99.33 chapter 177, and United States Code, title 29, chapter 7;

99.34 (2) the right to a safe workplace as required under chapters 181 and 182 and United  
99.35 States Code, title 29, chapter 15; and

100.1 (3) the right to be free from discrimination as required under this chapter and  
100.2 chapters 181, 182, and 363A, and United States Code, title 42, chapter 21.

100.3 Subd. 5. **Civil action.** A person aggrieved as a result of a violation of this section  
100.4 may file suit in any district court of this state. If the court finds that the respondent has  
100.5 intentionally violated this section, the court may award damages up to and including an  
100.6 amount equal to the original damages and may provide injunctive relief.

100.7 Subd. 6. **Criminal penalty.** An employer who violates this section is guilty of a  
100.8 misdemeanor.

100.9 Sec. 16. [179.87] MEATPACKING INDUSTRY WORKERS RIGHTS  
100.10 OMBUDSMAN.

100.11 Subdivision 1. **Position established.** The position of meatpacking industry workers  
100.12 rights ombudsman is established within the Department of Labor and Industry. The  
100.13 ombudsman shall be an employee of the department. The ombudsman shall be appointed  
100.14 by the commissioner in consultation with the chairs of the standing committees of the  
100.15 senate and house of representatives with jurisdiction over labor and employment issues in  
100.16 accordance with the preference established in subdivision 5.

100.17 Subd. 2. **Duties.** The ombudsman shall inspect and review the practices and  
100.18 procedures of meatpacking operations in the state. The ombudsman shall work to ensure  
100.19 workers rights under section 179.86 are protected.

100.20 Subd. 3. **Access.** The ombudsman or designated representatives of the ombudsman  
100.21 shall have access to all meatpacking operations in the state at any time meatpacking  
100.22 products are being processed and industry workers are on the job.

100.23 Subd. 4. **Office.** Necessary office space, furniture, equipment, and supplies as  
100.24 well as necessary assistance for the ombudsman shall be provided by the Department of  
100.25 Labor and Industry.

100.26 Subd. 5. **Language preference.** Preference shall be given to applicants for the  
100.27 ombudsman position who are fluent in languages in addition to English.

100.28 Subd. 6. **Report.** The ombudsman shall, on or before December 1 of each year,  
100.29 submit a report to the members of the legislature and the governor regarding any  
100.30 recommended actions the ombudsman deems necessary or appropriate to provide for the  
100.31 fair treatment of workers in the meatpacking industry.

100.32 Sec. 17. Minnesota Statutes 2006, section 181.78, is amended by adding a subdivision  
100.33 to read:

101.1            Subd. 4. **Forfeiture of employer rights.** (a) This subdivision applies to an  
101.2 invention or proposal by an employee in which the employer has an enforceable interest  
101.3 by contract or otherwise.

101.4            (b) An employer who has a right to develop or utilize an invention or proposal  
101.5 must make a substantial investment in the invention or proposal within five years of the  
101.6 submission of the invention or proposal or forfeit all rights and interests in the invention  
101.7 or proposal to the employee.

101.8            (c) An employee who has acquired the rights and interests of an employer under  
101.9 paragraph (b) may transfer that interest in the invention or proposal to anyone.

101.10           (d) An employer must notify in writing an employee who submits an invention or  
101.11 proposal to the employer of the employee's right under this subdivision within ten days of  
101.12 the submission. The employer must date and describe the proposal or invention received  
101.13 by the employer and provide a copy to the employee.

101.14           **Sec. 18. [181A.115] PROHIBITED EMPLOYMENT RELATING TO THE**  
101.15 **PRESENCE OF LIQUOR.**

101.16            No minor under the age of 18 shall be employed in any rooms constituting the place  
101.17 in which intoxicating liquors or 3.2 percent malt liquors are served or consumed or in any  
101.18 tasks involving the serving, dispensing, or handling of such liquors that are consumed on  
101.19 the premises except that:

101.20            (1) minors who have reached the age of 16 may be employed to perform busing or  
101.21 dishwashing services in those rooms or areas of a restaurant, hotel, motel, or resort where  
101.22 the presence of intoxicating liquor is incidental to food service or preparation;

101.23            (2) minors who have reached the age of 16 may be employed to perform busing or  
101.24 dishwashing services or to provide waiter or waitress service in rooms or areas where the  
101.25 presence of 3.2 percent malt liquor is incidental to food service or preparation;

101.26            (3) minors who have reached the age of 16 may be employed to provide musical  
101.27 entertainment in those rooms or areas where the presence of intoxicating liquor and 3.2  
101.28 percent malt liquor is incidental to food service or preparation; and

101.29            (4) minors are not prevented from working at tasks which are not prohibited by law  
101.30 in establishments where liquor is sold, served, dispensed, or handled in those rooms or  
101.31 areas where no liquor is consumed or served.

101.32            Sec. 19. Minnesota Statutes 2006, section 182.65, subdivision 2, is amended to read:

101.33            Subd. 2. **Legislative findings and purpose.** The legislature finds that the burden on  
101.34 employers and employees of this state resulting from personal injuries and illnesses arising

102.1 out of work situations is substantial; that the prevention of these injuries and illnesses is an  
102.2 important objective of the government of this state; that the greatest hope of attaining this  
102.3 objective lies in programs of research and education, and in the earnest cooperation of  
102.4 government, employers and employees; and that a program of regulation and enforcement  
102.5 is a necessary supplement to these more basic programs.

102.6 The legislature declares it to be its purpose and policy through the exercise of its  
102.7 powers to assure so far as possible every worker in the state of Minnesota safe and  
102.8 healthful working conditions and to preserve our human resources by:

102.9 (a) authorizing the Occupational Safety and Health Advisory Council to advise,  
102.10 consult with or recommend on any matters relating to the Minnesota occupational  
102.11 safety and health plan to the commissioner of labor and industry and by authorizing the  
102.12 commissioner of labor and industry to promulgate and enforce mandatory occupational  
102.13 safety and health standards applicable to employers and employees in the state of  
102.14 Minnesota;

102.15 (b) encouraging employers and employees to increase their efforts to reduce the  
102.16 number of occupational safety and health hazards at their places of employment, and to  
102.17 stimulate employers and employees to institute new and to perfect existing programs for  
102.18 providing safe and healthful working conditions;

102.19 (c) providing that employers and employees have separate but dependent  
102.20 responsibilities and rights with respect to achieving safe and healthful working conditions;

102.21 (d) providing for research in the field of occupational safety and health; including  
102.22 the psychological factors involved, and by developing innovative methods, techniques,  
102.23 and approaches for dealing with occupational safety and health problems;

102.24 (e) exploring ways to discover latent diseases, establishing causal connections  
102.25 between diseases and work in environmental conditions, and conducting other research  
102.26 relating to health problems, in recognition of the fact that occupational health standards  
102.27 present problems often different from those involved in occupational safety;

102.28 (f) utilizing advances already made by federal laws and regulations providing safe  
102.29 and healthful working conditions;

102.30 (g) providing criteria which will assure insofar as practicable that no employee  
102.31 will suffer diminished health, functional capacity, or life expectancy as a result of work  
102.32 experience;

102.33 (h) providing an effective enforcement program which shall include locating  
102.34 enforcement personnel in areas of the state with a higher incidence of workplace fatalities,  
102.35 injuries, and complaints and a prohibition against giving advance notice of an inspection  
102.36 and sanctions for any individual violating this prohibition;

103.1 (i) providing for appropriate reporting procedures with respect to occupational  
103.2 safety and health, which procedures will help achieve the objectives of this chapter and  
103.3 accurately describe the nature of the occupational safety and health problem;

103.4 (j) encouraging joint labor-management efforts to reduce injuries and diseases  
103.5 arising out of employment;

103.6 (k) providing consultation to employees and employers which will aid them in  
103.7 complying with their responsibilities under this chapter where such consultation does not  
103.8 interfere with the effective enforcement of this chapter; and

103.9 (l) providing for training programs to increase the number and competence of  
103.10 personnel engaged in the field of occupational safety and health.

103.11 Sec. 20. **[182.6551] CITATION.**

103.12 Sections 182.6551 to 182.6553 may be cited as the "Safe Patient Handling Act."

103.13 Sec. 21. **[182.6552] DEFINITIONS.**

103.14 Subdivision 1. **Direct patient care worker.** "Direct patient care worker" means an  
103.15 individual doing the job of directly providing physical care to patients including nurses, as  
103.16 defined by section 148.171, who provide physical care to patients.

103.17 Subd. 2. **Health care facility.** "Health care facility" means a hospital as defined in  
103.18 section 144.50, subdivision 2; an outpatient surgical center as defined in section 144.55,  
103.19 subdivision 2; and a nursing home as defined in section 144A.01, subdivision 5.

103.20 Subd. 3. **Safe patient handling.** "Safe patient handling" means a process, based on  
103.21 scientific evidence on causes of injuries, that uses safe patient handling equipment rather  
103.22 than people to transfer, move, and reposition patients in all health care facilities to reduce  
103.23 workplace injuries. This process also reduces the risk of injury to patients.

103.24 Subd. 4. **Safe patient handling equipment.** "Safe patient handling equipment"  
103.25 means engineering controls, lifting and transfer aids, or mechanical assistive devices used  
103.26 by nurses and other direct patient care workers instead of manual lifting to perform the  
103.27 acts of lifting, transferring, and repositioning health care facility patients and residents.

103.28 Sec. 22. **[182.6553] SAFE PATIENT HANDLING PROGRAM.**

103.29 Subdivision 1. **Safe patient handling program required.** (a) By July 1, 2008,  
103.30 every licensed health care facility in the state shall adopt a written safe patient handling  
103.31 policy establishing the facility's plan to achieve by January 1, 2011, the goal of minimizing  
103.32 manual lifting of patients by nurses and other direct patient care workers by utilizing  
103.33 safe patient handling equipment.

104.1 (b) The program shall address:

104.2 (1) assessment of hazards with regard to patient handling;

104.3 (2) the acquisition of an adequate supply of appropriate safe patient handling  
104.4 equipment;

104.5 (3) initial and ongoing training of nurses and other direct patient care workers on  
104.6 the use of this equipment;

104.7 (4) procedures to ensure that physical plant modifications and major construction  
104.8 projects are consistent with program goals; and

104.9 (5) periodic evaluations of the safe patient handling program.

104.10 Subd. 2. **Safe patient handling committee.** (a) By July 1, 2008, every licensed  
104.11 health care facility in the state shall establish a safe patient handling committee either by  
104.12 creating a new committee or assigning the functions of a safe patient handling committee  
104.13 to an existing committee.

104.14 (b) Membership of a safe patient handling committee or an existing committee must  
104.15 meet the following requirements:

104.16 (1) at least half the members shall be nonmanagerial nurses and other direct patient  
104.17 care workers; and

104.18 (2) in a health care facility where nurses and other direct patient care workers  
104.19 are covered by a collective bargaining agreement, the union shall select the committee  
104.20 members proportionate to its representation of nonmanagerial workers, nurses, and other  
104.21 direct patient care workers.

104.22 (c) A health care organization with more than one covered health care facility may  
104.23 establish a committee at each facility or one committee to serve this function for all the  
104.24 facilities. If the organization chooses to have one overall committee for multiple facilities,  
104.25 at least half of the members of the overall committee must be nonmanagerial nurses and  
104.26 other direct patient care workers and each facility must be represented on the committee.

104.27 (d) Employees who serve on a safe patient handling committee must be compensated  
104.28 by their employer for all hours spent on committee business.

104.29 Subd. 3. **Facilities with existing programs.** A facility that has already adopted a  
104.30 safe patient handling policy that satisfies the requirements of subdivision 1, and established  
104.31 a safe patient handling committee by July 1, 2008, is considered to be in compliance  
104.32 with those requirements. The committee must continue to satisfy the requirements of  
104.33 subdivision 2, paragraph (b), on an ongoing basis.

104.34 Subd. 4. **Committee duties.** A safe patient handling committee shall:

104.35 (1) complete a patient handling hazard assessment that:

- 105.1 (i) considers patient handling tasks, types of nursing units, patient populations, and  
105.2 the physical environment of patient care areas;
- 105.3 (ii) identifies problems and solutions;
- 105.4 (iii) identifies areas of highest risk for lifting injuries; and
- 105.5 (iv) recommends a mechanism to report, track, and analyze injury trends;
- 105.6 (2) make recommendations on the purchase, use, and maintenance of an adequate  
105.7 supply of appropriate safe patient handling equipment;
- 105.8 (3) make recommendations on training of nurses and other direct patient care  
105.9 workers on use of safe patient handling equipment, initially when the equipment arrives at  
105.10 the facility and periodically afterwards;
- 105.11 (4) conduct annual evaluations of the safe patient handling implementation plan and  
105.12 progress toward goals established in the safe patient handling policy; and
- 105.13 (5) recommend procedures to ensure that, when remodeling of patient care areas  
105.14 occurs, the plans incorporate safe patient handling equipment or the physical space and  
105.15 construction design needed to accommodate safe patient handling equipment at a later date.
- 105.16 Subd. 5. **Training materials.** The commissioner shall make training materials on  
105.17 implementation of this section available to all health care facilities at no cost as part of the  
105.18 training and education duties of the commissioner under section 182.673.
- 105.19 Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under  
105.20 section 182.661. A violation of this section is subject to the penalties provided under  
105.21 section 182.666.
- 105.22 Subd. 7. **Grant program.** The commissioner may make grants to health care  
105.23 facilities to acquire safe patient handling equipment and for training on safe patient  
105.24 handling and safe patient handling equipment. Grants to any one facility may not exceed  
105.25 \$40,000. A grant must be matched on a dollar-for-dollar basis by the grantee. The  
105.26 commissioner shall establish a grant application process. The commissioner may give  
105.27 priority for grants to facilities that demonstrate that acquiring safe patient handling  
105.28 equipment will impose a financial hardship on the facility. For health care facilities  
105.29 that provide evidence of hardship, the commissioner may waive the 50 percent match  
105.30 requirement and may grant such a facility more than \$40,000. Health care facilities that  
105.31 the commissioner determines are experiencing hardship shall not be required to meet the  
105.32 safe patient handling requirements until July 1, 2012.

105.33 Sec. 23. Minnesota Statutes 2006, section 268.085, subdivision 3, is amended to read:

105.34 Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant shall not  
105.35 be eligible to receive unemployment benefits for any week with respect to which the

106.1 applicant is receiving, has received, or has filed for payment, equal to or in excess of the  
106.2 applicant's weekly unemployment benefit amount, in the form of:

106.3 (1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause  
106.4 shall not apply to vacation pay paid upon a permanent separation from employment;

106.5 (2) severance pay, bonus pay, sick pay, and any other money payments, except  
106.6 earnings under subdivision 5, and back pay under subdivision 6, paid by an employer  
106.7 because of, upon, or after separation from employment, but only if the money payment is  
106.8 considered wages at the time of payment under section 268.035, subdivision 29, or United  
106.9 States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act;

106.10 This clause does not apply to the first \$10,000 of any amount of severance pay, bonus  
106.11 pay, sick pay, or any other payments paid to an employee with annual salary or wages  
106.12 under \$75,000; or

106.13 (3) pension, retirement, or annuity payments from any plan contributed to by a base  
106.14 period employer including the United States government, except Social Security benefits  
106.15 which are provided for in subdivision 4. The base period employer contributed to the  
106.16 plan if the contribution is excluded from the definition of wages under section 268.035,  
106.17 subdivision 29, clause (1), or United States Code, title 26, section 3121, clause (2), of  
106.18 the Federal Insurance Contribution Act.

106.19 An applicant shall not be considered to have received the lump sum payment if the  
106.20 applicant immediately deposits that payment in a qualified pension plan or account; or

106.21 (4) holiday pay.

106.22 (b) This subdivision shall apply to all the weeks of payment and shall be applied to  
106.23 the period immediately following the last day of employment. The number of weeks of  
106.24 payment shall be determined as follows:

106.25 (1) if the payments are made periodically, the total of the payments to be received  
106.26 shall be divided by the applicant's last level of regular weekly pay from the employer; or

106.27 (2) if the payment is made in a lump sum, that sum shall be divided by the applicant's  
106.28 last level of regular weekly pay from the employer.

106.29 (c) If the payment is less than the applicant's weekly unemployment benefit amount,  
106.30 unemployment benefits shall be reduced by the amount of the payment. If the computation  
106.31 of reduced unemployment benefits is not a whole dollar, it shall be rounded down to the  
106.32 next lower whole dollar.

106.33 **EFFECTIVE DATE.** This section is effective for unemployment benefits paid on  
106.34 or after January 1, 2006, regardless of when the continued request was filed or the week  
106.35 for which the unemployment benefits are paid.

107.1 Sec. 24. Minnesota Statutes 2006, section 268.196, is amended by adding a subdivision  
107.2 to read:

107.3 Subd. 5. **Unemployment insurance benefits telephone system.** The commissioner  
107.4 must ensure that the telephone system used for unemployment insurance benefits provides  
107.5 an option for any caller to speak to an unemployment insurance specialist. An individual  
107.6 who calls any of the publicized telephone numbers seeking information about applying for  
107.7 benefits or on the status of a claim must have the option to speak on the telephone to a  
107.8 specialist who can provide direct assistance or can direct the caller to the person or office  
107.9 that is able to respond to the caller's needs.

107.10 Sec. 25. Minnesota Statutes 2006, section 268A.01, subdivision 13, is amended to read:

107.11 Subd. 13. **Supported employment.** (a) "Supported employment" means  
107.12 employment of a person with a disability so severe that the person needs ongoing training  
107.13 and support to get and keep a job in which:

107.14 (1) the person engages in paid work in a position removed from the service vendor's  
107.15 site where individuals without disabilities who do not require public subsidies also may  
107.16 be employed;

107.17 (2) public funds are necessary to provide ongoing training and support services  
107.18 throughout the period of the person's employment; and

107.19 (3) the person has the opportunity for social interaction with individuals who do not  
107.20 have disabilities and who are not paid caregivers.

107.21 (b) If the commissioner has certified a rehabilitation facility setting as integrated,  
107.22 then employment at that site may be considered supported employment.

107.23 Sec. 26. Minnesota Statutes 2006, section 268A.01, is amended by adding a  
107.24 subdivision to read:

107.25 Subd. 14. **Affirmative business enterprise employment.** "Affirmative business  
107.26 enterprise employment" means employment which provides paid work on the premises of  
107.27 an affirmative business enterprise as certified by the commissioner.

107.28 Affirmative business enterprise employment is considered community employment  
107.29 for purposes of funding under Minnesota Rules, parts 3300.1000 to 3300.2055, provided  
107.30 that the wages for individuals reported must be at or above customary wages for the  
107.31 same employer. The employer must also provide one benefit package that is available to  
107.32 all employees.

107.33 Sec. 27. Minnesota Statutes 2006, section 268A.085, subdivision 1, is amended to read:

108.1           Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit  
 108.2 corporation, or combination thereof establishing a rehabilitation facility shall appoint a  
 108.3 rehabilitation facility board of no fewer than ~~nine~~ seven voting members before becoming  
 108.4 eligible for the assistance provided by sections 268A.06 to 268A.15. When any city,  
 108.5 town, or county singly establishes such a rehabilitation facility, the board shall be  
 108.6 appointed by the chief executive officer of the city or the chair of the governing board  
 108.7 of the county or town. When any combination of cities, towns, counties, or nonprofit  
 108.8 corporations establishes a rehabilitation facility, the chief executive officers of the cities,  
 108.9 nonprofit corporations, and the chairs of the governing bodies of the counties or towns  
 108.10 shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation  
 108.11 facility, the corporation shall appoint the board of directors. Membership on a board  
 108.12 shall be representative of the community served and shall include a person with a  
 108.13 disability. ~~One-third to one-half of the board shall be representative of industry or~~  
 108.14 ~~business. The remaining members should be representative of lay associations for persons~~  
 108.15 ~~with a disability, labor, the general public, and education, welfare, medical, and health~~  
 108.16 ~~professions. Nothing in sections 268A.06 to 268A.15 shall be construed to preclude~~  
 108.17 ~~the appointment of elected or appointed public officials or members of the board of~~  
 108.18 ~~directors of the sponsoring nonprofit corporation to the board, so long as the representation~~  
 108.19 ~~described above is preserved.~~ If a county establishes an extended employment program  
 108.20 and manages the program with county employees, the governing board shall be the county  
 108.21 board of commissioners, and other provisions of this chapter pertaining to membership on  
 108.22 the governing board do not apply.

108.23           Sec. 28. Minnesota Statutes 2006, section 268A.15, is amended by adding a  
 108.24 subdivision to read:

108.25           Subd. 9. **Integrated setting.** At the commissioner's discretion, paid work on the  
 108.26 premises of a rehabilitation facility may be certified as an integrated setting after a site  
 108.27 review by the department.

108.28           Sec. 29. Minnesota Statutes 2006, section 462.39, is amended by adding a subdivision  
 108.29 to read:

108.30           Subd. 5. **Local planning assistance.** A regional development commission or,  
 108.31 in regions not served by regional development commissions, a regional organization  
 108.32 selected by the commissioner of employment and economic development, may develop a  
 108.33 program to support planning on behalf of local units of government. The local planning

109.1 must be related to issues of regional or statewide significance and may include, but is not  
109.2 limited to, the following:

109.3 (1) local planning and development assistance, which may include local zoning  
109.4 ordinances and land use plans;

109.5 (2) community or economic development plans, which may include workforce  
109.6 development plans, housing development plans and market analysis, JOBZ administration,  
109.7 grant writing assistance, and grant administration;

109.8 (3) environment and natural resources plans, which may include solid waste  
109.9 management plans, wastewater management plans, and renewable energy development  
109.10 plans;

109.11 (4) rural community health services; and

109.12 (5) development of geographical information systems to serve regional needs,  
109.13 including hardware and software purchases and related labor costs.

109.14 Each regional development commission or organization shall submit to the  
109.15 commissioner of employment and economic development an annual work program  
109.16 that outlines the work items for the upcoming year and establishes the relationship of  
109.17 the work items to development issues of regional or statewide significance. The entity  
109.18 completing the annual work program and identifying the statewide development issues  
109.19 shall consider input from the Departments of Employment and Economic Development,  
109.20 Natural Resources, Transportation, Agriculture, Commerce, and other state agencies as  
109.21 appropriate to the issues.

109.22 **Sec. 30. WORKFORCE ENHANCEMENT FEE.**

109.23 If the commissioner of employment and economic development determines that  
109.24 the need for services under the dislocated worker program substantially exceeds the  
109.25 resources that will be available for the program, the commissioner may increase the  
109.26 special assessment levied under Minnesota Statutes, section 116L.20, subdivision 1, to no  
109.27 more than .12 percent of taxable wages.

109.28 **Sec. 31. FEDERAL PROCUREMENT LIAISON.**

109.29 The commissioner of employment and economic development must establish and  
109.30 operate a technology and commercialization unit in the Department of Employment and  
109.31 Economic Development. Appropriation for this purpose must be used to: coordinate  
109.32 public and private efforts to procure federal funding for collaborative research and  
109.33 development projects of primary benefit to small- and medium-sized businesses; promote  
109.34 contractual relationships between Minnesota businesses who, as recipients of federal

110.1 grants, are prime contractors, and appropriate Minnesota-based subcontractors; assess  
110.2 the research and development capabilities of small- and medium-sized businesses;  
110.3 undertake referral activities to link Minnesota companies with federal requests for  
110.4 proposal opportunities; and develop a framework for Minnesota companies to establish  
110.5 sole-sourcing relationships with federal agencies.

110.6 The commissioner must report to the committees in the house of representatives and  
110.7 the senate having jurisdiction over bioscience and technology issues on the activities of  
110.8 the technology and commercialization unit by June 30 of each year.

110.9 **Sec. 32. LOCATION OF NORTHERN MINNESOTA INSPECTORS.**

110.10 By December 31, 2007, the commissioner of labor and industry must assign three  
110.11 occupational safety and health inspectors to one or more offices on the Iron Range and one  
110.12 inspector to an office in Bemidji.

110.13 **Sec. 33. ROLE OF STATE LEGISLATURE IN TRADE POLICY.**

110.14 (a) It shall be the policy of the state that approval for the state to be bound by any  
110.15 trade agreement requires the consent of the state legislature.

110.16 (b) Four state legislative contacts must be informed by the governor when any trade  
110.17 agreement arrives in the governor's office. The four contacts are the majority and minority  
110.18 leader of the senate or their designated legislators, and the speaker and minority leader in  
110.19 the house of representatives or their designated legislators. The legislature declares that  
110.20 the purposes of the state contacts are to:

110.21 (1) serve as the state's official legislative liaisons with the governor and the state  
110.22 legislature on trade-related matters;

110.23 (2) serve as the legislature's designated recipients from the governor of federal  
110.24 requests for consent to consultation regarding investment, procurement, services, or other  
110.25 provisions of international trade agreements, which impinge on state law or regulatory  
110.26 authority reserved to the states;

110.27 (3) transmit information regarding federal requests from the governor to all  
110.28 appropriate legislative committees;

110.29 (4) issue a formal request to the Department of Employment and Economic  
110.30 Development and all appropriate state agencies to provide analysis of all proposed trade  
110.31 agreements' impact on state legislative authority and the economy of the state;

110.32 (5) inform all members of the legislature on a regular basis about ongoing trade  
110.33 negotiations and dispute settlement proceedings with implications for the state more  
110.34 generally;

111.1 (6) communicate the concerns of the legislature to the governor and the United  
111.2 States trade representative regarding ongoing and proposed trade negotiations; and

111.3 (7) notify the governor and the United States trade representative of the outcome  
111.4 of any legislative action.

111.5 (c) The following actions are required before the state shall consent to the terms of  
111.6 a trade agreement:

111.7 (1) when a federal trade request has been received, the governor must submit the  
111.8 request to the legislative contacts on a day both houses are in session. The request must  
111.9 contain a copy of the final legal text of the agreement together with:

111.10 (i) a report by the Department of Employment and Economic Development in  
111.11 consultation with, at a minimum, the following agencies: Department of Administration,  
111.12 Department of Labor and Industry, Department of Agriculture, Department of Natural  
111.13 Resources, and the Minnesota Pollution Control Agency. The report shall include an  
111.14 analysis of how the agreement of the state to the specific provisions of the agreement  
111.15 will change or affect existing state law;

111.16 (ii) a statement of any administrative action proposed to implement these trade  
111.17 agreement provisions in the state; and

111.18 (iii) a draft of legislation authorizing the state to sign on to the specific listed  
111.19 provisions of the agreement in question;

111.20 (2) at least one public hearing, with adequate public notice, shall occur before the  
111.21 legislature votes on the bill; and

111.22 (3) the bill authorizing the state to sign on to specific listed provisions of an  
111.23 agreement is enacted into law.

111.24 (d) It is the sense of this legislature that Congress should pass legislation instructing  
111.25 the United States trade representative to fully and formally consult individual state  
111.26 legislatures regarding procurement, services, investment, or any other trade agreement  
111.27 rules that impact state laws or authority before negotiations begin and as they develop,  
111.28 and to seek consent from state legislatures in addition to governors prior to binding  
111.29 states to conform their laws to the terms of international commercial agreements. Such  
111.30 legislation is necessary to ensure the prior informed consent of the state with regard to  
111.31 future international trade and investment agreements.

111.32 (e) The state attorney general shall notify the United States trade representative of  
111.33 the policies in paragraph (d) in writing no later than 30 days after its effective date, and  
111.34 shall provide copies of the notice to the president of the senate, speaker of the house of  
111.35 representatives, the governor, and the state's congressional delegation.

112.1       Sec. 34. **STUDY; SAFE PATIENT HANDLING.**

112.2           (a) The commissioner of labor and industry shall study ways to require workers'  
112.3 compensation insurers to recognize compliance with Minnesota Statutes, section  
112.4 182.6553, in the workers' compensation premiums of health care and long-term care  
112.5 facilities. The commissioner shall report by January 15, 2008, the results of the study  
112.6 to the chairs of the policy committees of the legislature with primary jurisdiction over  
112.7 workers' compensation issues.

112.8           (b) By January 15, 2008, the commissioner must make recommendations to the  
112.9 legislature regarding funding sources available to health care facilities for safe patient  
112.10 handling programs and equipment, including, but not limited to, low interest loans, interest  
112.11 free loans, and federal, state, or county grants.

112.12       Sec. 35. **WORK GROUP; SAFE PATIENT HANDLING.**

112.13           The Minnesota State Council on Disability shall convene a work group comprised  
112.14 of representatives from the Minnesota Medical Association and other organizations  
112.15 representing clinics, disability advocates, and direct care workers, to do the following:

112.16           (1) assess the current options for and use of safe patient handling equipment in  
112.17 unlicensed outpatient clinics, physician offices, and dental settings;

112.18           (2) identify barriers to the use of safe patient handling equipment in these settings;

112.19 and

112.20           (3) define clinical settings that move patients to determine applicability of the Safe  
112.21 Patient Handling Act.

112.22           The work group must report to the legislature by January 15, 2008, including  
112.23 reports to the chairs of the senate and house of representatives committees on workforce  
112.24 development.

112.25       Sec. 36. **EFFECT ON RULES.**

112.26           The commissioner of labor and industry shall amend Minnesota Rules, part  
112.27 5200.0910, to conform to Minnesota Statutes, section 181A.115. The commissioner  
112.28 may use the good cause exemption in Minnesota Statutes, section 14.388, in adopting  
112.29 the amendment required by this section.

112.30       Sec. 37. **PUBLIC FACILITIES AUTHORITY FUNDING.**

112.31           To the greatest practical extent, projects on the Public Facilities Authority's 2007  
112.32 intended use plan, the listings for which were based on the Pollution Control Agency's  
112.33 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that

113.1 qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258,  
113.2 section 21, that could not be certified by the Pollution Control Agency by the applicable  
113.3 deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court  
113.4 issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to  
113.5 obtain the required certification from the Pollution Control Agency.

113.6 Sec. 38. **REPEALER.**

113.7 Minnesota Statutes 2006, section 16C.18, subdivision 2, is repealed.

113.8 **ARTICLE 8**  
113.9 **LICENSING AND WAGES**

113.10 Section 1. **[154.465] HAIR BRAIDING.**

113.11 Subdivision 1. **Registration.** Any person engaged in hair braiding solely for  
113.12 compensation as a profession, except persons licensed as cosmetologists, shall register  
113.13 with the Minnesota Board of Barber and Cosmetology Examiners in a form determined  
113.14 by the board.

113.15 Subd. 2. **Definition.** "Hair braiding" means a natural form of hair manipulation that  
113.16 results in tension on hair strands by beading, braiding, cornrowing, extending, lacing,  
113.17 locking, sewing, twisting, weaving, or wrapping human hair, natural fibers, synthetic  
113.18 fibers, and hair extensions into a variety of shapes, patterns, and textures predominantly by  
113.19 hand and by only using simple braiding devices, and maintenance thereof. Hair braiding  
113.20 includes what is commonly known as "African-style hair braiding" or "natural hair care"  
113.21 but is not limited to any particular cultural, ethnic, racial, or religious forms of hair styles.  
113.22 Hair braiding includes the making of customized wigs from natural hair, natural fibers,  
113.23 synthetic fibers, and hair extensions. Hair braiding includes the use of topical agents such  
113.24 as conditioners, gels, moisturizers, oils, pomades, and shampoos. Hair braiding does not  
113.25 involve the use of penetrating chemical hair treatments, chemical hair coloring agents,  
113.26 chemical hair straightening agents, chemical hair joining agents, permanent wave styles,  
113.27 or chemical hair bleaching agents applied to growing human hair. For purposes of this  
113.28 section, "simple hair braiding devices" means clips, combs, curlers, curling irons, hairpins,  
113.29 rollers, scissors, needles, thread, and hair binders including adhesives, if necessary, that  
113.30 are required solely for hair braiding.

113.31 Subd. 3. **Requirements.** In order to qualify for initial registration, any person  
113.32 engaged in hair braiding solely for compensation as a profession shall satisfactorily  
113.33 complete instruction at either an accredited school or by an individual, except persons  
113.34 licensed as cosmetologists approved by the board. Instruction includes coursework

114.1 covering the topics of health, safety, sanitation, and state laws related to cosmetology not  
114.2 to exceed 30 hours. The coursework is encouraged to be provided in a foreign language  
114.3 format and such availability shall be reported to and posted by the Minnesota Board  
114.4 of Barber and Cosmetology Examiners.

114.5 Subd. 4. **Curriculum.** An accredited school or an individual approved by the board  
114.6 desiring to provide the coursework required under subdivision 3 shall have curriculum in  
114.7 place by January 1, 2008.

114.8 **EFFECTIVE DATE.** This section is effective July 1, 2008, except subdivision 4 is  
114.9 effective the day following final enactment.

114.10 Sec. 2. Minnesota Statutes 2006, section 177.27, subdivision 1, is amended to read:

114.11 Subdivision 1. **Examination of records.** The commissioner may enter during  
114.12 reasonable office hours or upon request and inspect the place of business or employment of  
114.13 any employer of employees working in the state, to examine and inspect books, registers,  
114.14 payrolls, and other records of any employer that in any way relate to wages, hours, and  
114.15 other conditions of employment of any employees. The commissioner may transcribe any  
114.16 or all of the books, registers, payrolls, and other records as the commissioner deems  
114.17 necessary or appropriate and may question the employees to ascertain compliance with  
114.18 sections 177.21 to ~~177.35~~ 177.435. The commissioner may investigate wage claims or  
114.19 complaints by an employee against an employer if the failure to pay a wage may violate  
114.20 Minnesota law or an order or rule of the department.

114.21 Sec. 3. Minnesota Statutes 2006, section 177.27, subdivision 4, is amended to read:

114.22 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
114.23 employer to comply with sections 177.21 to ~~177.35~~ 177.435, 181.02, 181.03, 181.031,  
114.24 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, ~~and 181.79, 181.932,~~  
114.25 and 181.9325, or with any rule promulgated under section 177.28. The department shall  
114.26 serve the order upon the employer or the employer's authorized representative in person or  
114.27 by certified mail at the employer's place of business. An employer who wishes to contest  
114.28 the order must file written notice of objection to the order with the commissioner within  
114.29 15 calendar days after being served with the order. A contested case proceeding must then  
114.30 be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being  
114.31 served with the order, the employer fails to file a written notice of objection with the  
114.32 commissioner, the order becomes a final order of the commissioner.

114.33 Sec. 4. Minnesota Statutes 2006, section 177.27, subdivision 5, is amended to read:

115.1 Subd. 5. **Civil actions.** (a) The commissioner may bring an action in the district  
115.2 court where an employer resides or where the commissioner maintains an office to enforce  
115.3 or require compliance with orders issued under subdivision 4.

115.4 (b) If the district court determines that a violation of section 181.932 or 181.9325  
115.5 occurred, the court may order any appropriate relief, including but not limited to  
115.6 reinstatement, back pay, restoration of lost service credit, if appropriate, compensatory  
115.7 damages, and the expungement of any adverse records of a state employee or applicant  
115.8 for state employment who was the subject of the alleged acts of misconduct, and any  
115.9 appropriate relief as described in section 181.936.

115.10 Sec. 5. Minnesota Statutes 2006, section 177.27, subdivision 8, is amended to read:

115.11 Subd. 8. **Court actions; suits brought by private parties.** An employee may bring  
115.12 a civil action seeking redress for a violation or violations of sections 177.21 to ~~177.35~~  
115.13 177.44 directly to district court. An employer who pays an employee less than the wages  
115.14 and overtime compensation to which the employee is entitled under sections 177.21 to  
115.15 ~~177.35~~ 177.44 is liable to the employee for the full amount of the wages, gratuities, and  
115.16 overtime compensation, less any amount the employer is able to establish was actually  
115.17 paid to the employee and for an additional equal amount as liquidated damages. In  
115.18 addition, in an action under this subdivision the employee may seek damages and other  
115.19 appropriate relief provided by subdivision 7 and otherwise provided by law. An agreement  
115.20 between the employee and the employer to work for less than the applicable wage is not  
115.21 a defense to the action.

115.22 Sec. 6. Minnesota Statutes 2006, section 177.27, subdivision 9, is amended to read:

115.23 Subd. 9. **District court jurisdiction.** Any action brought under subdivision 8 may  
115.24 be filed in the district court of the county wherein a violation or violations of sections  
115.25 177.21 to ~~177.35~~ 177.44 are alleged to have been committed, where the respondent resides  
115.26 or has a principal place of business, or any other court of competent jurisdiction. The  
115.27 action may be brought by one or more employees.

115.28 Sec. 7. Minnesota Statutes 2006, section 177.27, subdivision 10, is amended to read:

115.29 Subd. 10. **Attorney fees and costs.** In any action brought pursuant to subdivision 8,  
115.30 the court shall order an employer who is found to have committed a violation or violations  
115.31 of sections 177.21 to ~~177.35~~ 177.44 to pay to the employee or employees reasonable costs,  
115.32 disbursements, witness fees, and attorney fees.

116.1 Sec. 8. Minnesota Statutes 2006, section 177.27, is amended by adding a subdivision  
116.2 to read:

116.3 Subd. 11. **Investigation of certain complaints.** (a) The commissioner shall conduct  
116.4 an investigation of any matter that alleges a violation of sections 181.932 and 181.9325.  
116.5 The identity of the person providing the information that initiated the investigation shall  
116.6 be classified as private data, pursuant to section 13.02, subdivision 12, except that the  
116.7 identity may be disclosed to a law enforcement agency that is conducting a criminal  
116.8 investigation of the matter.

116.9 (b) For each investigation completed, if the commissioner determines that there is  
116.10 reasonable cause to believe that an employer has violated section 181.932 or 181.9325,  
116.11 the commissioner shall report the nature and details of the alleged violation to the head  
116.12 of the employing agency or the appropriate appointing authority. If appropriate, the  
116.13 commissioner shall report this information to the attorney general, the policy committees  
116.14 of the house of representatives and senate having jurisdiction over the subject involved,  
116.15 and to any other authority that the commissioner deems appropriate. In any case  
116.16 in which the commissioner submits a report of alleged violations to the head of the  
116.17 employing agency or appropriate appointing authority, that individual shall report to the  
116.18 commissioner with respect to any action taken by the individual regarding the activity, the  
116.19 first report being transmitted no later than 30 days after the date of the auditor's report,  
116.20 and monthly thereafter until final action has been taken.

116.21 (c) This subdivision shall not limit any authority conferred upon the attorney general  
116.22 or other department or agency of government to investigate and prosecute any matter.

116.23 (d) The commissioner shall have all the powers and authority described in this  
116.24 section to conduct investigations pursuant to this subdivision.

116.25 Sec. 9. **[177.275] INVESTIGATION PROCEDURE.**

116.26 (a) The commissioner shall initiate an investigation of a written complaint of  
116.27 reprisal or retaliation in public employment as prohibited by section 181.932 or 181.9325  
116.28 within ten working days of its submission. The commissioner shall complete findings  
116.29 of the investigation within 60 working days thereafter, and shall provide a copy of the  
116.30 findings to the complaining employee or applicant for employment and to the appropriate  
116.31 supervisor, manager, employee, or appointing authority. When the allegations contained  
116.32 in a complaint of reprisal or retaliation are the same as, or similar to, those contained in  
116.33 another appeal, the commissioner may consolidate the appeals into the most appropriate  
116.34 format. In these cases, the time limits described in this subdivision shall not apply.

117.1 (b) If the commissioner finds that the supervisor, manager, employee, or appointing  
117.2 power retaliated against the complainant for engaging in protected whistle-blower  
117.3 activities, the commissioner may issue a compliance order under section 177.27,  
117.4 subdivision 4.

117.5 (c) In order for the governor and the legislature to determine the need to continue  
117.6 or modify state personnel procedures as they relate to the investigations of reprisals or  
117.7 retaliation for the disclosure of information by public employees, the commissioner, by  
117.8 June 30 of each year, shall submit a report to the governor and the legislature regarding  
117.9 complaints filed, hearings held, and legal actions taken under this section.

117.10 Sec. 10. Minnesota Statutes 2006, section 177.28, subdivision 1, is amended to read:

117.11 Subdivision 1. **General authority.** The commissioner may adopt rules, including  
117.12 definitions of terms, to carry out the purposes of sections 177.21 to ~~177.35~~ 177.44, to  
117.13 prevent the circumvention or evasion of those sections, and to safeguard the minimum  
117.14 wage and overtime rates established by sections 177.24 and 177.25.

117.15 Sec. 11. Minnesota Statutes 2006, section 177.30, is amended to read:

117.16 **177.30 KEEPING RECORDS; PENALTY.**

117.17 Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must make and keep a  
117.18 record of:

117.19 (1) the name, address, and occupation of each employee;

117.20 (2) the rate of pay, and the amount paid each pay period to each employee;

117.21 (3) the hours worked each day and each workweek by the employee; ~~and~~

117.22 (4) for each employer subject to sections 177.41 to 177.44, and while performing  
117.23 work on public works projects funded in whole or in part with state funds, the prevailing  
117.24 wage master job classification of each employee working on the project for each hour  
117.25 worked; and

117.26 ~~(4)~~ (5) other information the commissioner finds necessary and appropriate to  
117.27 enforce sections 177.21 to 177.35. The records must be kept for three years in or near the  
117.28 premises where an employee works except each employer subject to sections 177.41 to  
117.29 177.44, and while performing work on public works projects funded in whole or in part  
117.30 with state funds, the records must be kept for three years after the contracting authority  
117.31 has made final payment on the public works project.

117.32 The commissioner may fine an employer up to \$1,000 for each failure to maintain  
117.33 records as required by this section. This penalty is in addition to any penalties provided  
117.34 under section 177.32, subdivision 1. In determining the amount of a civil penalty under

118.1 this subdivision, the appropriateness of such penalty to the size of the employer's business  
118.2 and the gravity of the violation shall be considered.

118.3 Sec. 12. Minnesota Statutes 2006, section 177.43, subdivision 3, is amended to read:

118.4 Subd. 3. **Contract requirements.** The contract must specifically state the prevailing  
118.5 wage rates, prevailing hours of labor, and hourly basic rates of pay. The contract must also  
118.6 provide that the contracting authority may demand and the contractor or subcontractor  
118.7 shall furnish to the contracting authority, copies of any and all payrolls, and that the  
118.8 contracting authority may examine all records relating to wages paid laborers or mechanics  
118.9 on work to which sections 177.41 to 177.44 apply. The requirements of this subdivision  
118.10 are in addition to any other requirements or authority set forth in other laws or rules for  
118.11 work to which sections 177.41 to 177.44 apply.

118.12 Sec. 13. Minnesota Statutes 2006, section 177.43, subdivision 4, is amended to read:

118.13 Subd. 4. **Determination by commissioner; posting; petition for reconsideration.**  
118.14 The prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all  
118.15 trades and occupations required in any project must be ascertained before the state asks for  
118.16 bids. The commissioner of labor and industry shall investigate as necessary to ascertain  
118.17 the information. ~~The commissioner~~ Each contractor and subcontractor performing work  
118.18 on a public project shall keep the information posted on the project in at least one  
118.19 conspicuous place for the information of the employees working on the project. A person  
118.20 aggrieved by a final determination of the commissioner may petition the commissioner for  
118.21 reconsideration of findings. A person aggrieved by a decision of the commissioner after  
118.22 reconsideration may, within 20 days after the decision, petition the commissioner for a  
118.23 public hearing in the manner of a contested case under sections 14.57 to 14.61.

118.24 Sec. 14. Minnesota Statutes 2006, section 177.43, subdivision 6, is amended to read:

118.25 Subd. 6. **Examination of records; investigation by the department.** The  
118.26 Department of Labor and Industry shall enforce this section. The department may  
118.27 demand, and the contractor and subcontractor shall furnish to the department, copies  
118.28 of any or all payrolls. The department may examine all records relating to wages paid  
118.29 laborers or mechanics on work to which sections 177.41 to 177.44 apply. The department  
118.30 shall employ at least three investigators to perform on-site project reviews, receive and  
118.31 investigate complaints of violations of this section, and conduct training and outreach to  
118.32 contractors and contracting authorities for public works projects financed in whole or  
118.33 in part with state funds.

119.1 Sec. 15. Minnesota Statutes 2006, section 177.43, is amended by adding a subdivision  
119.2 to read:

119.3 Subd. 6a. **Prevailing wage violations.** Upon issuing a compliance order to an  
119.4 employer pursuant to section 177.27, subdivision 4, for violation of sections 177.41 to  
119.5 177.44, the commissioner shall issue a withholding order to the contracting authority  
119.6 ordering the contracting authority to withhold payment of sufficient sum to the prime  
119.7 or general contractor on the project to satisfy the back wages assessed or otherwise  
119.8 cure the violation, and the contracting authority must withhold the sum ordered until  
119.9 the compliance order has become a final order of the commissioner and has been fully  
119.10 paid or otherwise resolved by the employer.

119.11 During an investigation of a violation of sections 177.41 to 177.44 which the  
119.12 commissioner reasonably determines is likely to result in the finding of a violation of  
119.13 sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section  
119.14 177.27, subdivision 4, the commissioner may notify the contracting authority of the  
119.15 determination and the amount expected to be assessed and the contracting authority shall  
119.16 give the commissioner 90 days' prior notice of the date the contracting authority intends to  
119.17 make final payment.

119.18 Sec. 16. **[181.723] DEFINITIONS.**

119.19 Subdivision 1. **Scope.** The definitions in this subdivision apply to this section.

119.20 (a) "Person" means any individual, limited liability corporation, corporation,  
119.21 partnership, incorporated or unincorporated association, sole proprietorship, joint stock  
119.22 company, or any other legal or commercial entity.

119.23 (b) "Department" means the Department of Labor and Industry.

119.24 (c) "Commissioner" means the commissioner of labor and industry or a duly  
119.25 designated representative of the commissioner who is either an employee of the  
119.26 Department of Labor and Industry or person working under contract with the Department  
119.27 of Labor and Industry.

119.28 (d) "Individual" means a human being.

119.29 (e) "Day" means calendar day unless otherwise provided.

119.30 (f) "Knowingly" means knew or could have known with the exercise of reasonable  
119.31 diligence.

119.32 (g) "Document" or "documents" includes papers; books; records; memoranda; data;  
119.33 contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings;  
119.34 records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars  
119.35 maintained in any form or manner.

120.1           Subd. 2. **Limited application.** This section only applies to individuals performing  
120.2 public or private sector commercial or residential building construction or improvement  
120.3 services.

120.4           Subd. 3. **Employee-employer relationship.** Except as provided in subdivision  
120.5 4, for purposes of chapters 176, 177, 181A, 182, and 268, as of January 1, 2009, an  
120.6 individual who performs services for a person that are in the course of the person's trade,  
120.7 business, profession, or occupation is an employee of that person and that person is an  
120.8 employer of the individual.

120.9           Subd. 4. **Independent contractor.** An individual is an independent contractor and  
120.10 not an employee of the person for whom the individual is performing services in the course  
120.11 of the person's trade, business, profession, or occupation only if (a) the individual holds  
120.12 a current independent contractor exemption certificate issued by the commissioner; and  
120.13 (b) the individual is performing services for the person under the independent contractor  
120.14 exemption certificate as provided in subdivision 6. The requirements in clauses (a) and (b)  
120.15 must be met in order to qualify as an independent contractor and not as an employee of  
120.16 the person for whom the individual is performing services in the course of the person's  
120.17 trade, business, profession, or occupation.

120.18           Subd. 5. **Application.** To obtain an independent contractor exemption certificate,  
120.19 the individual must submit, in the manner prescribed by the commissioner, a complete  
120.20 application and the certificate fee required under subdivision 14.

120.21           (a) A complete application must include all of the following information:

120.22           (1) the individual's full name;

120.23           (2) the individual's residence address and telephone number;

120.24           (3) the individual's business name, address, and telephone number;

120.25           (4) the services for which the individual is seeking an independent contractor  
120.26 exemption certificate;

120.27           (5) the individual's Social Security number;

120.28           (6) the individual's or the individual's business federal employer identification  
120.29 number, if a number has been issued to the individual or the individual's business;

120.30           (7) any information or documentation that the commissioner requires by rule that  
120.31 will assist the department in determining whether to grant or deny the individual's  
120.32 application; and

120.33           (8) The individual's sworn statement that the individual meets all of the following  
120.34 conditions:

120.35           (i) the individual maintains a separate business with the individual's own office,  
120.36 equipment, materials, and other facilities;

- 121.1 (ii) the individual holds or has applied for a federal employer identification number  
121.2 or has filed business or self-employment income tax returns with the federal Internal  
121.3 Revenue Service if the person has performed services in the previous year for which the  
121.4 individual is seeking the independent contractor exemption certificate;
- 121.5 (iii) the individual operates under contracts to perform specific services for specific  
121.6 amounts of money and under which the individual controls the means of performing the  
121.7 services;
- 121.8 (iv) the individual incurs the main expenses related to the service that the individual  
121.9 performs under contract;
- 121.10 (v) the individual is responsible for the satisfactory completion of services that the  
121.11 individual contracts to perform and is liable for a failure to complete the service;
- 121.12 (vi) the individual receives compensation for service performed under a contract on  
121.13 a commission or per-job or competitive bid basis and not on any other basis;
- 121.14 (vii) the individual may realize a profit or suffer a loss under contracts to perform  
121.15 service;
- 121.16 (viii) the individual has continuing or recurring business liabilities or obligations; and  
121.17 (ix) the success or failure of the individual's business depends on the relationship of  
121.18 business receipts to expenditures.
- 121.19 (b) Within 30 days of receiving a complete application and the certificate fee, the  
121.20 commissioner must either grant or deny the application. The commissioner may deny  
121.21 an application for an independent contractor exemption certificate if the individual has  
121.22 not submitted a complete application and certificate fee or if the individual does not  
121.23 meet all of the conditions for holding the independent contractor exemption certificate.  
121.24 The commissioner may revoke an independent contractor exemption certificate if the  
121.25 commissioner determines that the individual no longer meets all of the conditions for  
121.26 holding the independent contractor exemption certificate, commits any of the actions  
121.27 set out in subdivision 7, or fails to cooperate with a department investigation into the  
121.28 continued validity of the individual's certificate. Once issued, an independent contractor  
121.29 exemption certificate remains in effect for two years unless:
- 121.30 (1) revoked by the commissioner; or  
121.31 (2) canceled by the individual.
- 121.32 (c) If the department denies an individual's original or renewal application for  
121.33 an independent contractor exemption certificate or revokes an independent contractor  
121.34 exemption certificate, the commissioner shall issue to the individual an order denying or  
121.35 revoking the certificate. The commissioner may issue an administrative penalty order to  
121.36 an individual or person who commits any of the actions set out in subdivision 7.

122.1 (d) An individual or person to whom the commissioner issues an order under  
122.2 paragraph (c) shall have 30 days after service of the order to request a hearing. The request  
122.3 for hearing must be in writing and must be served on or faxed to the commissioner at the  
122.4 address or fax number specified in the order by the 30th day after service of the order.  
122.5 If the individual does not request a hearing or if the individual's request for a hearing is  
122.6 not served on or faxed to the commissioner by the 30th day after service of the order, the  
122.7 order shall become a final order of the commissioner and will not be subject to review  
122.8 by any court or agency. The date on which a request for hearing is served by mail shall  
122.9 be the postmark date on the envelope in which the request for hearing is mailed. If the  
122.10 individual serves or faxes a timely request for hearing, the hearing shall be a contested  
122.11 case hearing and shall be held in accordance with chapter 14.

122.12 Subd. 6. **Qualifications for exemption certificate.** An individual is performing  
122.13 services for a person under an independent contractor exemption certificate if:

122.14 (a) the individual is performing services listed on the individual's independent  
122.15 contractor exemption certificate;

122.16 (b) at the time the individual is performing services listed on the individual's  
122.17 independent contractor exemption certificate, the individual meets all of the following  
122.18 conditions:

122.19 (1) the individual maintains a separate business with the individual's own office,  
122.20 equipment, materials, and other facilities;

122.21 (2) the individual holds or has applied for a federal employer identification number  
122.22 or has filed business or self-employment income tax returns with the federal Internal  
122.23 Revenue Service if the individual performed services in the previous year for which the  
122.24 individual has the independent contractor exemption certificate;

122.25 (3) the individual is operating under contract to perform the specific services for  
122.26 the person for specific amounts of money and under which the individual controls the  
122.27 means of performing the services;

122.28 (4) the individual is incurring the main expenses related to the services that the  
122.29 individual is performing for the person under the contract;

122.30 (5) the individual is responsible for the satisfactory completion of the services  
122.31 that the individual has contracted to perform for the person and is liable for a failure  
122.32 to complete the services;

122.33 (6) the individual receives compensation from the person for the services performed  
122.34 under the contract on a commission or per-job or competitive bid basis and not on any  
122.35 other basis;

123.1 (7) the individual may realize a profit or suffers a loss under the contract to perform  
123.2 services for the person;

123.3 (8) the individual has continuing or recurring business liabilities or obligations; and

123.4 (9) the success or failure of the individual's business depends on the relationship of  
123.5 business receipts to expenditures.

123.6 **Subd. 7. Prohibited activities.** (a) An individual shall not:

123.7 (1) perform work as an independent contractor without first obtaining from the  
123.8 department an independent contractor exemption certificate;

123.9 (2) perform work as an independent contractor when the department has denied or  
123.10 revoked the individual's independent contractor exemption certificate;

123.11 (3) transfer to another individual or allow another individual to use the individual's  
123.12 independent contractor exemption certificate;

123.13 (4) alter or falsify an independent contractor exemption certificate;

123.14 (5) misrepresent the individual's status as an independent contractor; or

123.15 (6) make a false material statement, representation, or certification; omit material  
123.16 information; or alter, conceal, or fail to file a document required by this section or any rule  
123.17 promulgated by the commissioner under rulemaking authority set out in this section.

123.18 (b) A person for whom an individual is performing services shall not:

123.19 (1) require an individual through coercion, misrepresentation, or fraudulent means to  
123.20 adopt independent contractor status;

123.21 (2) knowingly misrepresent that an individual who has not been issued an  
123.22 independent contractor exemption certificate or is not performing services for the person  
123.23 under an independent contractor exemption certificate is an independent contractor; or

123.24 (3) make a false material statement, representation, or certification; omit material  
123.25 information; or alter, conceal, or fail to file a document required by this section or any rule  
123.26 promulgated by the commissioner under rulemaking authority set out in this section.

123.27 (c) A person for whom an individual is performing services must obtain a copy of the  
123.28 individual's independent contractor exemption certificate before services may commence.

123.29 A copy of the independent contractor exemption certificate must be retained for five years  
123.30 from the date of receipt by the person for whom an individual is performing services.

123.31 **Subd. 8. Remedies.** (a) An individual or person who violates any provision of  
123.32 subdivision 7 is subject to a penalty to be assessed by the department of up to \$1,000 for  
123.33 each violation. The department shall deposit penalties in the assigned risk safety account.

123.34 (b) An individual who has been injured by a violation of subdivision 7, paragraph  
123.35 (b), may bring a civil action for damages against the violator. If the individual is  
123.36 determined to be an employee or an independent contractor considered an employee of

124.1 the violator of subdivision 7, paragraph (b), the employee's representative as defined in  
124.2 section 179.01, subdivision 5, may bring a civil action for damages against the violator  
124.3 on behalf of the employee. In addition to damages the court may award attorney fees,  
124.4 costs, and disbursements to a recovery under this provision.

124.5 (c) Any court finding that a violation of subdivision 7 has occurred shall  
124.6 transmit a copy of its findings of fact and conclusion of law to the commissioner. The  
124.7 commissioner shall report the findings to the relevant state and federal agencies, including  
124.8 the commissioner of commerce, the commissioner of employment and economic  
124.9 development, the commissioner of revenue, the federal Internal Revenue Service, and the  
124.10 United States Department of Labor.

124.11 Subd. 9. **Commissioner's powers.** (a) In order to carry out the purposes of this  
124.12 section, the commissioner may:

124.13 (1) administer oaths and affirmations, certify official acts, interview, question, take  
124.14 oral or written statements, and take depositions;

124.15 (2) request, examine, take possession of, photograph, record, and copy any  
124.16 documents, equipment, or materials;

124.17 (3) at a time and place indicated by the commissioner, request persons to appear  
124.18 before the commissioner to give testimony and produce documents, equipment, or  
124.19 materials;

124.20 (4) issue subpoenas to compel persons to appear before the commissioner to give  
124.21 testimony and produce documents, equipment, or materials; and

124.22 (5) with or without notice, enter without delay upon any property, public or private,  
124.23 for the purpose of taking any action authorized under this subdivision or the applicable  
124.24 law, including obtaining information or conducting inspections or investigations.

124.25 (b) Persons requested by the commissioner to give testimony or produce documents,  
124.26 equipment, or materials shall respond within the time and in the manner specified by the  
124.27 commissioner. If no time to respond is specified in the request, then a response shall be  
124.28 submitted within 30 days of the commissioner's service of the request.

124.29 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property  
124.30 owner's representative, or lessee's representative to permit the commissioner's entry onto  
124.31 property as provided in paragraph (a), the commissioner may apply for an administrative  
124.32 inspection order in the Ramsey County District Court or, at the commissioner's discretion,  
124.33 in the district court in the county in which the property is located. The commissioner may  
124.34 anticipate that a property owner or lessee will refuse entry if the property owner, lessee,  
124.35 property owner's representative, or lessee's representative has refused to permit entry on a  
124.36 prior occasion or has informed the commissioner that entry will be refused. Upon showing

125.1 of administrative probable cause by the commissioner, the district court shall issue an  
125.2 administrative inspection order that compels the property owner or lessee to permit the  
125.3 commissioner to enter the property for the purposes specified in paragraph (a).

125.4 (d) Upon the application of the commissioner, a district court shall treat the failure of  
125.5 any person to obey a subpoena lawfully issued by the commissioner under this subdivision  
125.6 as a contempt of court.

125.7 Subd. 10. **Notice requirements.** Unless otherwise specified, service of a document  
125.8 on a person under this section or section 326B.083 may be by mail, by personal service,  
125.9 or in accordance with any consent to service filed with the commissioner. Service by  
125.10 mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550,  
125.11 subpart 2. Personal service shall be accomplished in the manner provided in Minnesota  
125.12 Rules, part 1400.5550, subpart 3.

125.13 Subd. 11. **Facsimile; timely service.** When this section or section 326B.083  
125.14 permits a request for reconsideration or request for hearing to be served by facsimile on  
125.15 the commissioner, the facsimile shall not exceed 15 pages in length. The request shall be  
125.16 considered timely served if the facsimile is received by the commissioner, at the facsimile  
125.17 number identified by the commissioner in the order or notice of violation, no later than  
125.18 4:30 p.m. central time on the last day permitted for faxing the request. Where the quality  
125.19 or authenticity of the faxed request is at issue, the commissioner may require the original  
125.20 request to be filed. Where the commissioner has not identified quality or authenticity  
125.21 of the faxed request as an issue and the request has been faxed in accordance with this  
125.22 subdivision, the person faxing the request does not need to file the original request with  
125.23 the commissioner.

125.24 Subd. 12. **Time period computation.** In computing any period of time prescribed  
125.25 or allowed by this section, the day of the act, event, or default from which the designated  
125.26 period of time begins to run shall not be included. The last day of the period so computed  
125.27 shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the  
125.28 period runs until the next day which is not a Saturday, Sunday, or legal holiday.

125.29 Subd. 13. **Rulemaking.** The commissioner may, in consultation with the  
125.30 commissioner of revenue and the commissioner of employment and economic  
125.31 development, adopt, amend, suspend, and repeal rules under the rulemaking provisions  
125.32 of chapter 14 that relate to the commissioner's responsibilities under this section. This  
125.33 subdivision is effective the day following final enactment.

125.34 Subd. 14. **Fee.** The certificate fee for the original application and for the renewal  
125.35 of an independent contractor exemption certificate shall be \$150. If an individual  
125.36 simultaneously submits an application for both an independent contractor exemption

126.1 certificate under this section and a license under section 326.98, the application fee for  
126.2 the independent contractor exemption certificate shall be reduced to \$100. Fees collected  
126.3 under this subdivision are deposited in the general fund.

126.4 Subd. 15. **Notice to commissioner; review by commissioner of revenue.** When  
126.5 the commissioner has reason to believe that an individual who holds a certificate has failed  
126.6 to maintain all the conditions required by subdivision 3 or is not performing services for a  
126.7 person under the independent contractor exemption certificate, the commissioner must  
126.8 notify the commissioner of revenue and the commissioner of employment and economic  
126.9 development. Upon receipt of notification from the commissioner that an individual who  
126.10 holds a certificate has failed to maintain all the conditions required by subdivision 3  
126.11 or is not performing services for a person under the independent contractor exemption  
126.12 certificate, the commissioner of revenue must review the information returns required  
126.13 under section 6041A of the Internal Revenue Code. The commissioner of revenue shall  
126.14 also review the submitted certification that is applicable to returns audited or investigated  
126.15 under section 289A.35.

126.16 Subd. 16. **Data classified.** Certifications issued by the commissioner are public  
126.17 data. Applications and required documentation submitted by an individual is private  
126.18 data on an individual. Upon request of the Department of Revenue or the Department  
126.19 of Employment and Economic Development, the commissioner may release to the  
126.20 Department of Revenue and the Department of Employment and Economic Development  
126.21 applications and required documentation submitted by individuals and investigative data  
126.22 that relates to the department's issuance or denial of applications and the department's  
126.23 revocations of certificates. Except as otherwise provided by this subdivision, the  
126.24 department's investigative data shall be classified as provided in chapter 13.

126.25 **EFFECTIVE DATE.** This section is effective July 1, 2008.

126.26 Sec. 17. Minnesota Statutes 2006, section 181.932, subdivision 1, is amended to read:

126.27 Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline,  
126.28 threaten, otherwise discriminate against, or penalize an employee regarding the employee's  
126.29 compensation, terms, conditions, location, or privileges of employment because:

126.30 (a) the employee, or a person acting on behalf of an employee, in good faith, reports  
126.31 a violation or suspected violation of any federal or state law or rule adopted pursuant  
126.32 to law to an employer or to any governmental body or law enforcement official and  
126.33 the alleged violation involves a matter of public concern, including, but not limited to,  
126.34 violations that create a specific danger to the public health, safety, or environment;

127.1 (b) the employee is requested by a public body or office to participate in an  
127.2 investigation, hearing, inquiry;

127.3 (c) the employee refuses an employer's order to perform an action that the employee  
127.4 has an objective basis in fact to believe violates any state or federal law or rule or  
127.5 regulation adopted pursuant to law which violation the employee reasonably believes  
127.6 is a matter of public concern, including, but not limited to, violations that create a  
127.7 specific danger to the public health, safety, or environment, and the employee informs the  
127.8 employer that the order is being refused for that reason; ~~or~~

127.9 (d) the employee, in good faith, reports a situation in which the quality of health care  
127.10 services provided by a health care facility, organization, or health care provider violates a  
127.11 standard established by federal or state law or a professionally recognized national clinical  
127.12 or ethical standard and potentially places the public at risk of harm;

127.13 (e) a public employee refuses to alter, dilute, or suppress the objective representation  
127.14 or communication of scientific or technical data or findings, including but not limited to,  
127.15 findings of economic or environmental impact, or findings indicating consequences for  
127.16 the public's health or safety; or

127.17 (f) a public employee communicates the findings of a scientific or technical study  
127.18 that the employee, in good faith, believes to be truthful and accurate, including reports to a  
127.19 governmental body or law enforcement official.

127.20 The disclosures protected pursuant to this section do not authorize the disclosure of trade  
127.21 secret information otherwise protected by law.

127.22 Sec. 18. **[181.9325] USE OF AUTHORITY TO INFLUENCE OR INTERFERE**  
127.23 **WITH DISCLOSURE OF INFORMATION.**

127.24 (a) A public employer may not directly or indirectly use or attempt to use the  
127.25 employer's official authority or influence for the purpose of intimidating, threatening,  
127.26 coercing, or attempting to intimidate, threaten, or coerce any person for the purpose of  
127.27 interfering with the rights described in section 181.932, or for the purpose of persuading  
127.28 the person to waive or disclaim any other legal rights related to the person's employment.

127.29 (b) For purposes of this section, "use of official authority or influence" includes:  
127.30 promising to confer, or conferring, any benefit; effecting, or threatening to effect, any  
127.31 reprisal; or taking, or directing others to take, or recommending, processing, or approving,  
127.32 any personnel action, including but not limited to appointment, promotion, transfer,  
127.33 assignment, performance evaluation, suspension, or other disciplinary action.

128.1 Sec. 19. Minnesota Statutes 2006, section 181.935, is amended to read:

128.2 **181.935 INDIVIDUAL REMEDIES; PENALTY.**

128.3 (a) In addition to any remedies otherwise provided by law, an employee injured  
128.4 by a violation of section 181.932 or 181.9325 may bring a civil action to recover any  
128.5 and all damages recoverable at law, together with costs and disbursements, including  
128.6 reasonable attorney's fees, and may receive such injunctive and other equitable relief as  
128.7 determined by the court.

128.8 (b) An employer who failed to notify, as required under section 181.933 or 181.934,  
128.9 an employee injured by a violation of section 181.932 is subject to a civil penalty of \$25  
128.10 per day per injured employee not to exceed \$750 per injured employee.

128.11 Sec. 20. **181.936 REPRISALS FOR DISCLOSURE OF IMPROPER**  
128.12 **GOVERNMENTAL ACTIVITIES; COMPLAINT PROCEDURE; PENALTIES.**

128.13 (a) A public employee or applicant for public employment who files a written  
128.14 complaint with the employee's or applicant's supervisor, manager, or the appointing  
128.15 power alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or  
128.16 similar improper acts prohibited by section 181.9325, may also file a copy of the written  
128.17 complaint with the commissioner of labor and industry, together with a sworn statement  
128.18 that the contents of the written complaint are true, or are believed by the affiant to be true,  
128.19 under penalty of perjury. The complaint filed with the commissioner shall be filed within  
128.20 12 months of the most recent act of reprisal complained about.

128.21 (b) Any person who intentionally engages in acts of reprisal, retaliation, threats,  
128.22 coercion, or similar acts against a public employee or applicant for public employment  
128.23 for having made a protected disclosure under section 181.932, is subject to a fine not to  
128.24 exceed \$10,000 and imprisonment in the county jail for a period not to exceed one year.

128.25 (c) In addition to all other penalties provided by law, any person who intentionally  
128.26 engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a public  
128.27 employee or applicant for public employment for having made a protected disclosure shall  
128.28 be liable in an action for damages brought against the person by the injured party. Punitive  
128.29 damages may be awarded by the court where the acts of the offending party are proven to  
128.30 be malicious. Where liability has been established, the injured party shall also be entitled  
128.31 to reasonable attorney fees as provided by law. However, any action for damages shall not  
128.32 be available to the injured party unless the injured party has first filed a complaint with the  
128.33 commissioner of labor and industry under paragraph (a), and the department has issued, or  
128.34 failed to issue, findings under section 177.275.

129.1 (d) This section is not intended to prevent an appointing power, manager, or  
129.2 supervisor from taking, directing others to take, recommending, or approving any  
129.3 personnel action or from taking or failing to take a personnel action with respect to any  
129.4 public employee or applicant for public employment if the appointing power, manager, or  
129.5 supervisor reasonably believes any action or inaction is justified on the basis of evidence  
129.6 separate and apart from the fact that the person has made a protected disclosure under  
129.7 section 181.932.

129.8 (e) In any civil action or administrative proceeding, once it has been demonstrated  
129.9 by a preponderance of evidence that an activity protected by sections 177.27, 177.275,  
129.10 181.932, and 181.9325 was a contributing factor in the alleged retaliation against a former,  
129.11 current, or prospective employee, the burden of proof shall be on the supervisor, manager,  
129.12 or appointing power to demonstrate by clear and convincing evidence that the alleged  
129.13 action would have occurred for legitimate, independent reasons even if the employee had  
129.14 not engaged in protected disclosures or refused an illegal order. If the supervisor, manager,  
129.15 or appointing power fails to meet this burden of proof in an adverse action against the  
129.16 employee in any administrative review, challenge, or adjudication in which retaliation  
129.17 has been demonstrated to be a contributing factor, the employee shall have a complete  
129.18 affirmative defense in the adverse action.

129.19 (f) Nothing in sections 177.27, 177.275, 181.932, and 181.9325 shall be deemed to  
129.20 diminish the rights, privileges, or remedies of any employee under any other federal or  
129.21 state law or under any employment contract or collective bargaining agreement.

129.22 Sec. 21. Minnesota Statutes 2006, section 325E.37, subdivision 6, is amended to read:

129.23 Subd. 6. **Scope; limitations.** (a) This section applies to a sales representative who,  
129.24 during some part of the period of the sales representative agreement:

129.25 (1) is a resident of Minnesota or maintains that person's principal place of business  
129.26 in Minnesota; or

129.27 (2) whose geographical territory specified in the sales representative agreement  
129.28 includes part or all of Minnesota.

129.29 (b) To be effective, any demand for arbitration under subdivision 5 must be made  
129.30 in writing and delivered to the principal on or before one year after the effective date of  
129.31 the termination of the agreement.

129.32 (c) A provision in any contract between a sales representative dealing in plumbing  
129.33 equipment or supplies and a principal purporting to waive any provision of this act,  
129.34 whether by express waiver or by a provision stipulating that the contract is subject to the  
129.35 laws of another state, shall be void.

130.1 Sec. 22. Minnesota Statutes 2006, section 326.37, subdivision 1, is amended to read:

130.2 Subdivision 1. **Rules.** The state ~~commissioner of health~~ Plumbing Board may, by  
130.3 rule, prescribe minimum standards which shall be uniform, and which standards shall  
130.4 thereafter be effective for all new plumbing installations, including additions, extensions,  
130.5 alterations, and replacements connected with any water or sewage disposal system owned  
130.6 or operated by or for any municipality, institution, factory, office building, hotel, apartment  
130.7 building, or any other place of business regardless of location or the population of the  
130.8 city or town in which located. Notwithstanding the provisions of Minnesota Rules, part  
130.9 4715.3130, as they apply to review of plans and specifications, the commissioner may  
130.10 allow plumbing construction, alteration, or extension to proceed without approval of the  
130.11 plans or specifications by the commissioner.

130.12 Except for powers granted to the Plumbing Board, the commissioner of labor and  
130.13 industry shall administer the provisions of sections 326.37 to 326.45 and for such purposes  
130.14 may employ plumbing inspectors and other assistants.

130.15 Sec. 23. **[326.372] PLUMBING BOARD.**

130.16 Subdivision 1. **Composition.** (a) The Plumbing Board shall consist of 12 voting  
130.17 members who must be residents of the state, appointed by the governor, and confirmed  
130.18 by the senate. The commissioner of labor and industry or the commissioner's designee  
130.19 shall be a voting member. The first appointed board members shall serve an initial term  
130.20 of four years, except where designated otherwise. The governor shall then reappoint the  
130.21 current members or appoint replacement members, all or in part, to subsequent three-year  
130.22 terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies  
130.23 occurring with less than six months time remaining in the term shall be filled for the  
130.24 existing term and the following three-year term. Of the 11 appointed members, the  
130.25 composition shall be as follows:

130.26 (1) two members shall be municipal plumbing inspectors, one from the seven-county  
130.27 metro area and one from greater Minnesota;

130.28 (2) one member shall be a licensed mechanical engineer;

130.29 (3) two members serving an initial term of three years shall be plumbing contractors  
130.30 or the representative of the contractor, engaged in a commercial scope of plumbing  
130.31 contracting, one from the metropolitan area and one from greater Minnesota;

130.32 (4) two members serving an initial term of three years shall be plumbing contractors  
130.33 or their representatives, engaged in the residential scope of plumbing contracting, one  
130.34 from the metro area and one from greater Minnesota;

131.1 (5) two members serving an initial term of two years shall be plumbing  
131.2 journeypersons engaged in a commercial scope of plumbing systems installation, one  
131.3 from the metro area and one from greater Minnesota; and

131.4 (6) two members serving an initial term of two years shall be plumbing  
131.5 journeypersons engaged in a residential scope of plumbing systems installation, one from  
131.6 the metro area and one from greater Minnesota.

131.7 (b) Except for the licensed mechanical engineer, all persons appointed to the  
131.8 council must possess a current Minnesota plumbing license and maintain the license for  
131.9 the duration of their term.

131.10 Subd. 2. **Powers.** (a) The board shall have the power to:

131.11 (1) elect its chair;

131.12 (2) specify the plumbing code that must be followed in this state;

131.13 (3) maintain a review process to make determinations regarding any complaints,  
131.14 code amendments, code compliance, and code clarifications filed with the board;

131.15 (4) adopt rules necessary for the regulation and licensing of contractors,  
131.16 journeypersons, apprentices, and other persons engaged in the design, installation, and  
131.17 alteration of plumbing systems that would include the issuing, renewing, revoking,  
131.18 refusing to renew, and suspending a plumbing license, except for persons licensed under  
131.19 sections 326.02 to 326.15;

131.20 (5) adopt rules necessary for continuing education for individuals regulated and  
131.21 licensed under this section;

131.22 (6) make recommendations to the commissioner regarding educational requirements  
131.23 for plumbing inspectors; and

131.24 (7) pay expenses deemed necessary in the performance of board duties, including:

131.25 (i) rent, utilities, and supplies in the manner and amount specified in section 43A.18,  
131.26 subdivision 2; and

131.27 (ii) per diem and expenses for its members as provided in section 15.0575,  
131.28 subdivision 3.

131.29 (b) Requests under the review process in paragraph (a), clause (3), may originate  
131.30 with the municipal inspectors, the plumbing contractors or their employees, and other  
131.31 persons engaged in the design, installation, and alteration of plumbing systems. The board  
131.32 shall make its findings known to all parties and the commissioner of labor and industry  
131.33 within the time period specified by the board.

131.34 Subd. 3. **Fees and finances.** The board shall submit an annual budget to the  
131.35 commissioner of labor and industry. The commissioner shall collect fees under section  
131.36 326.42 necessary for the operation and continuance of the board. The commissioner is

132.1 responsible for the enforcement of the codes and licensing requirements determined by  
132.2 the board. The board shall set the fees for licenses and certification under this section.  
132.3 The commissioner of finance shall make a quarterly certification of the amount necessary  
132.4 to pay expenses required for operation of the board under subdivision 2, paragraph (a),  
132.5 clause (6). The certified amount is appropriated to the board for those purposes from  
132.6 the fees collected under section 326.42.

132.7 Sec. 24. Minnesota Statutes 2006, section 326.38, is amended to read:

132.8 **326.38 LOCAL REGULATIONS.**

132.9 Any city having a system of waterworks or sewerage, or any town in which reside  
132.10 over 5,000 people exclusive of any statutory cities located therein, or the metropolitan  
132.11 airports commission, may, by ordinance, adopt local regulations providing for plumbing  
132.12 permits, bonds, approval of plans, and inspections of plumbing, which regulations are  
132.13 not in conflict with the plumbing standards on the same subject prescribed by the state  
132.14 ~~commissioner of health~~ Plumbing Board. No city or such town shall prohibit plumbers  
132.15 licensed by the state commissioner of ~~health~~ labor and industry from engaging in or  
132.16 working at the business, except cities and statutory cities which, prior to April 21, 1933,  
132.17 by ordinance required the licensing of plumbers. No city or town may require a license  
132.18 for persons performing building sewer or water service installation who have completed  
132.19 pipe laying training as prescribed by the commissioner of labor and industry. Any city  
132.20 by ordinance may prescribe regulations, reasonable standards, and inspections and grant  
132.21 permits to any person, firm, or corporation engaged in the business of installing water  
132.22 softeners, who is not licensed as a master plumber or journeyman plumber by the state  
132.23 commissioner of ~~health~~ labor and industry, to connect water softening and water filtering  
132.24 equipment to private residence water distribution systems, where provision has been  
132.25 previously made therefor and openings left for that purpose or by use of cold water  
132.26 connections to a domestic water heater; where it is not necessary to rearrange, make any  
132.27 extension or alteration of, or addition to any pipe, fixture or plumbing connected with  
132.28 the water system except to connect the water softener, and provided the connections so  
132.29 made comply with minimum standards prescribed by the state ~~commissioner of health~~  
132.30 Plumbing Board.

132.31 Sec. 25. Minnesota Statutes 2006, section 326.40, subdivision 1, is amended to read:

132.32 Subdivision 1. **License required; master and journeyman plumbers.** ~~In any city~~  
132.33 ~~now or hereafter having 5,000 or more population, according to the last federal census,~~  
132.34 ~~and having a system of waterworks or sewerage, (a)~~ No person, firm, or corporation shall

133.1 engage in or work at the business of a master plumber ~~or, restricted master plumber,~~  
 133.2 journeyman plumber, and restricted journeyman plumber unless licensed to do so by the  
 133.3 state commissioner of ~~health~~ labor and industry. A license is not required for persons  
 133.4 performing building sewer or water service installation who have completed pipe laying  
 133.5 training as prescribed by the commissioner of labor and industry. A master plumber may  
 133.6 also work as a journeyman plumber, a restricted journeyman plumber, and a restricted  
 133.7 master plumber. A journeyman plumber may also work as a restricted journeyman  
 133.8 plumber. Anyone not so licensed may do plumbing work which complies with the  
 133.9 provisions of the minimum standard prescribed by the state ~~commissioner of health~~  
 133.10 Plumbing Board on premises or that part of premises owned and actually occupied by the  
 133.11 worker as a residence, unless otherwise forbidden to do so by a local ordinance.

133.12 ~~In any such city~~ (b) No person, firm, or corporation shall engage in the business of  
 133.13 installing plumbing nor install plumbing in connection with the dealing in and selling  
 133.14 of plumbing material and supplies unless at all times a licensed master plumber, or in  
 133.15 cities and towns with a population of fewer than 5,000 according to the federal census a  
 133.16 restricted master plumber, who shall be responsible for proper installation, is in charge  
 133.17 of the plumbing work of the person, firm, or corporation.

133.18 The ~~Department of Health~~ Plumbing Board shall prescribe rules, not inconsistent  
 133.19 herewith, for the examination and licensing of plumbers.

133.20 Sec. 26. Minnesota Statutes 2006, section 326.401, subdivision 2, is amended to read:

133.21 Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years  
 133.22 of practical plumbing experience is eligible to take the journeyman plumbing examination.  
 133.23 Up to 24 months of practical plumbing experience prior to registration as an apprentice  
 133.24 may be applied to the four-year experience requirement. However, none of this practical  
 133.25 plumbing experience may be applied if the person did not have any practical plumbing  
 133.26 experience in the 12-month period immediately prior to registration. The ~~commissioner~~  
 133.27 Plumbing Board may adopt rules to evaluate whether the person's past practical plumbing  
 133.28 experience is applicable in preparing for the journeyman's examination. If two years  
 133.29 after completing the training the person has not taken the examination, the four years  
 133.30 of experience shall be forfeited.

133.31 The commissioner may allow an extension of the two-year period for taking the  
 133.32 exam for cases of hardship or other appropriate circumstances.

133.33 Sec. 27. **[326.402] RESTRICTED PLUMBER LICENSE.**

134.1 Subdivision 1. **Licensure.** The commissioner of labor and industry shall grant a  
134.2 restricted journeyman or master plumber license to an individual if:

134.3 (1) the individual completes an application with information required by the  
134.4 commissioner of labor and industry;

134.5 (2) the completed application is accompanied by a fee of \$90;

134.6 (3) the commissioner of labor and industry receives the completed application and  
134.7 fee before January 1, 2008;

134.8 (4) the completed application demonstrates that the applicant has had at least two  
134.9 years for a restricted journeyman plumber license or four years for a restricted master  
134.10 plumber license of practical plumbing experience in the plumbing trade prior to the  
134.11 application; and

134.12 (5) during the entire time for which the applicant is claiming experience in  
134.13 contracting for plumbing work under clause (4), the applicant was in compliance with all  
134.14 applicable requirements of section 326.40.

134.15 Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman  
134.16 plumber may engage in the plumbing trade in all areas of the state except in cities and  
134.17 towns with a population of more than 5,000 according to the federal census.

134.18 Subd. 3. **Application period.** Applications for restricted master plumber and  
134.19 restricted journeyman plumber licenses must be submitted to the commissioner prior  
134.20 to January 1, 2008.

134.21 Subd. 4. **Renewal; use period for license.** A restricted master plumber and  
134.22 restricted journeyman plumber license must be renewed annually for as long as that  
134.23 licensee engages in the plumbing trade. Failure to renew a restricted master plumber and  
134.24 restricted journeyman plumber license within 12 months after the expiration date will  
134.25 result in permanent forfeiture of the restricted master plumber and restricted journeyman  
134.26 plumber license.

134.27 Subd. 5. **Prohibition of transference.** A restricted master plumber and restricted  
134.28 journeyman plumber license may not be transferred or sold to any other person.

134.29 Subd. 6. **Bond; insurance.** A restricted master plumber licensee is subject to the  
134.30 bond and insurance requirements of section 326.40, subdivision 2, unless the exemption  
134.31 provided by section 326.40, subdivision 3, applies.

134.32 Subd. 7. **Fee.** The annual fee for the restricted master plumber and restricted  
134.33 journeyman plumber licenses is the same fee as for a master or journeyman plumber  
134.34 license, respectively.

135.1 Sec. 28. Minnesota Statutes 2006, section 326.405, is amended to read:

135.2 **326.405 RECIPROCITY WITH OTHER STATES.**

135.3 ~~The commissioner of health may license without examination, upon payment of the~~  
135.4 ~~required fee, nonresident applicants who are licensed under the laws of a state having~~  
135.5 ~~standards for licensing plumbers which the commissioner determines are substantially~~  
135.6 ~~equivalent to the standards of this state if the other state grants similar privileges to~~  
135.7 ~~Minnesota residents duly licensed in this state. The commissioner may issue a temporary~~  
135.8 license without examination, upon payment of the required fee, nonresident applicants  
135.9 who are licensed under the laws of a state having standards for licensing which the  
135.10 commissioner determines are substantially equivalent to the standards of this state if  
135.11 the other state grants similar privileges to Minnesota residents duly licensed in this  
135.12 state. Applicants who receive a temporary license under this section may acquire an  
135.13 aggregate of 24 months of experience before they have to apply and pass the licensing  
135.14 examination. Applicants must register with the commissioner of labor and industry and  
135.15 the commissioner shall set a fee for a temporary license. Applicants have five years in  
135.16 which to comply with this section.

135.17 Sec. 29. Minnesota Statutes 2006, section 326.42, subdivision 1, is amended to read:

135.18 Subdivision 1. **Application.** Applications for plumber's license shall be made to the  
135.19 state commissioner of ~~health~~ labor and industry, with fee. Unless the applicant is entitled  
135.20 to a renewal, the applicant shall be licensed by the state commissioner of ~~health~~ labor and  
135.21 industry only after passing a satisfactory examination administered by the ~~examiners~~  
135.22 commissioner of labor and industry, based upon rules adopted by the Plumbing Board  
135.23 showing fitness. Examination fees for both journeyman and master plumbers shall be in  
135.24 an amount prescribed by the state commissioner of ~~health~~ labor and industry pursuant to  
135.25 section 144.122. Upon being notified that of having successfully passed the examination  
135.26 for original license the applicant shall submit an application, with the license fee herein  
135.27 provided. License fees shall be in an amount prescribed by the state commissioner of  
135.28 ~~health~~ labor and industry pursuant to section 144.122. Licenses shall expire and be  
135.29 renewed as prescribed by the commissioner pursuant to section 144.122.

135.30 Sec. 30. Minnesota Statutes 2006, section 341.28, subdivision 2, is amended to read:

135.31 Subd. 2. **Regulatory authority; tough person contests.** All tough person contests,  
135.32 including amateur tough person contests, are subject to this chapter. All tough person  
135.33 contests are subject to American Boxing Commission (ABC) rules. Every contestant  
135.34 in a tough person contest shall have a physical examination prior to their bouts. Every

136.1 contestant in a tough person contest shall wear padded gloves that weigh at least 12  
136.2 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four  
136.3 total rounds. Officials at tough person bouts shall be licensed under this chapter.

136.4 Sec. 31. Minnesota Statutes 2006, section 341.28, is amended by adding a subdivision  
136.5 to read:

136.6 Subd. 3. **Regulatory authority; similar sporting events.** All mixed martial arts,  
136.7 ultimate fight contests, and similar sporting events are subject to this chapter.

136.8 Sec. 32. Minnesota Statutes 2006, section 341.32, subdivision 2, is amended to read:

136.9 Subd. 2. **Expiration and renewal.** A license ~~expires December 31 at midnight in~~  
136.10 ~~the year of its issuance~~ issued after the effective date of this act is valid for one year from  
136.11 the date it is issued and may be renewed by filing an application for renewal with the  
136.12 commission and payment of the license fee. An application for a license and renewal of a  
136.13 license must be on a form provided by the commission. There is a 30-day grace period  
136.14 during which a license may be renewed if a late filing penalty fee equal to the license fee  
136.15 is submitted with the regular license fee. A licensee that files late shall not conduct any  
136.16 activity regulated by this chapter until the commission has renewed the license. If the  
136.17 licensee fails to apply to the commission within the 30-day grace period, the licensee must  
136.18 apply for a new license under subdivision 1.

136.19 Sec. 33. Minnesota Statutes 2006, section 341.321, is amended to read:

136.20 **341.321 FEE SCHEDULE.**

136.21 (a) The fee schedule for licenses issued by the Minnesota Boxing Commission  
136.22 is as follows:

- 136.23 (1) referees, ~~\$35~~ \$45 for each initial license and each renewal;  
136.24 (2) promoters, \$400 for each initial license and each renewal;  
136.25 (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;  
136.26 (4) trainers, ~~\$35~~ \$45 for each initial license and each renewal;  
136.27 (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;  
136.28 (6) boxers' seconds, ~~\$25~~ \$45 for each initial license and each renewal;  
136.29 (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal; ~~and~~  
136.30 (8) boxers, ~~\$35~~ \$45 for each initial license and each renewal;  
136.31 (9) managers, \$45 for each initial license and each renewal; and  
136.32 (10) ringside physicians, \$45 for each initial license and each renewal.

137.1 (b) The commission shall establish and assess an event fee for each sporting event.

137.2 The event fee is set at a minimum of \$1,500 per event or a percentage of the ticket sales as  
137.3 determined by the commission when the sporting event is scheduled.

137.4 (c) All fees collected by the Minnesota Boxing Commission must be deposited in  
137.5 the Boxing Commission account in the special revenue fund.

137.6 Sec. 34. **REPEALER.**

137.7 Minnesota Statutes 2006, section 326.45, is repealed.

137.8 **ARTICLE 9**

137.9 **HIGH PRESSURE PIPING**

137.10 Section 1. Minnesota Statutes 2006, section 326.46, is amended to read:

137.11 **326.46 SUPERVISION OF HIGH PRESSURE PIPING.**

137.12 The Department of Labor and Industry shall supervise all high pressure piping  
137.13 used on all projects in this state, ~~and may prescribe minimum standards which shall be~~  
137.14 ~~uniform~~ under rules adopted by the board.

137.15 The department shall employ inspectors and other assistants to carry out the  
137.16 provisions of sections 326.46 to 326.52.

137.17 Sec. 2. Minnesota Statutes 2006, section 326.461, is amended by adding a subdivision  
137.18 to read:

137.19 Subd. 1a. **Board.** "Board" means the Board of High Pressure Piping Systems.

137.20 Sec. 3. Minnesota Statutes 2006, section 326.47, subdivision 2, is amended to read:

137.21 Subd. 2. **Permissive municipal regulation.** A municipality may, by ordinance,  
137.22 provide for the inspection of high pressure piping system materials and construction, and  
137.23 provide that it shall not be constructed or installed except in accordance with minimum  
137.24 state standards. The authority designated by the ordinance for issuing high pressure piping  
137.25 permits and assuring compliance with state standards must report to the Department of  
137.26 Labor and Industry all violations of state high pressure piping standards.

137.27 A municipality may not adopt an ordinance with high pressure piping standards that  
137.28 does not conform to the uniform standards prescribed by the ~~Department of Labor and~~  
137.29 ~~Industry board.~~ The Department of Labor and Industry board shall specify by rule the  
137.30 minimum qualifications for municipal inspectors.

137.31 Sec. 4. Minnesota Statutes 2006, section 326.47, subdivision 6, is amended to read:

138.1 Subd. 6. **Filing and inspection fees.** The Department of Labor and Industry  
138.2 must charge a filing fee set by the ~~commissioner~~ board under section 16A.1285 for all  
138.3 applications for permits to construct or install high pressure piping systems. The fee for  
138.4 inspection of high pressure piping system construction or installation shall be set by the  
138.5 ~~commissioner~~ board under section 16A.1285. This subdivision does not apply where a  
138.6 permit is issued by a municipality complying with subdivision 2.

138.7 Sec. 5. **[326.471] BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

138.8 Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall  
138.9 consist of 12 members who must be residents of the state, appointed by the governor, and  
138.10 confirmed by the senate. The commissioner of the Department of Labor and Industry or  
138.11 the commissioner's designee shall be a voting member. The first appointed board members  
138.12 shall serve an initial term of four years, except where designated otherwise. The governor  
138.13 shall then reappoint the current members or appoint replacement members, all or in part, to  
138.14 subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion  
138.15 of the term. Vacancies occurring with less than six months time remaining in the term  
138.16 shall be filled for the existing term and the following three-year term. Of the 11 appointed  
138.17 members, the composition shall be as follows:

138.18 (1) one member shall be a high pressure piping inspector;

138.19 (2) one member shall be a licensed mechanical engineer;

138.20 (3) one member shall be a representative of the piping industry;

138.21 (4) four members shall be high pressure piping contractors or their representatives,  
138.22 engaged in the scope of high pressure piping, two from the metro area and two from  
138.23 greater Minnesota;

138.24 (5) two members shall be high pressure piping journeypersons engaged in the scope  
138.25 of high pressure piping systems installation, one from the metro area and one from greater  
138.26 Minnesota; and

138.27 (6) two members shall be representatives from utility companies in Minnesota  
138.28 who shall serve an initial term of two years.

138.29 (b) Except for the licensed mechanical engineer and the members from utilities  
138.30 companies, all persons appointed to the board must possess a current license or  
138.31 competency credential required for contractors and persons engaged in the design,  
138.32 installation, alteration, and inspection of high pressure piping systems.

138.33 Subd. 2. **Powers.** (a) The board shall have the power to:

138.34 (1) elect its chair;

138.35 (2) specify the high pressure piping code that must be followed in Minnesota;

139.1 (3) maintain an appeals committee to make determinations regarding any complaints,  
139.2 code amendments, code compliance, and code clarifications filed with the board;

139.3 (4) adopt rules necessary for the regulation and licensing of contractors,  
139.4 journeypersons, trainees, and persons engaged in the design, installation, alteration, and  
139.5 inspection of high pressure piping systems, except for persons licensed under sections  
139.6 326.02 to 326.15;

139.7 (5) adopt rules necessary for continuing education for individuals regulated and  
139.8 licensed under this section; and

139.9 (6) pay expenses deemed necessary in the performance of board duties, including:

139.10 (i) rent, utilities, and supplies in the manner and amount specified in section 43A.18,  
139.11 subdivision 2; and

139.12 (ii) per diem and expenses for its members as provided in section 15.0575,  
139.13 subdivision 3.

139.14 (b) Complaints filed under this section may originate with high pressure piping  
139.15 inspectors, contractors, or their employees, or other persons engaged in the design,  
139.16 installation, and alteration of a high pressure piping system. The board shall make their  
139.17 findings known to all parties and the commissioner of the Department of Labor and  
139.18 Industry within the time period specified by the board.

139.19 Subd. 3. **Fee and finances.** The board shall submit an annual budget to the  
139.20 commissioner of the Department of Labor and Industry. The commissioner shall collect  
139.21 fees under section 326.47, subdivision 6, necessary for the operation and continuance  
139.22 of the board. The commissioner is responsible for the enforcement of the codes and  
139.23 licensing requirements determined by the board. The board shall set the fees for licenses  
139.24 and certification under this section and for all high pressure piping system permits and  
139.25 submit the fee structure to the commissioner of labor and industry. The commissioner  
139.26 of finance shall make a quarterly certification of the amount necessary to pay expenses  
139.27 required for operation of the board under subdivision 2, paragraph (a), clause (6). The  
139.28 certified amount is appropriated to the board for those purposes from the fees collected  
139.29 under section 326.50.

139.30 Sec. 6. Minnesota Statutes 2006, section 326.48, subdivision 1, is amended to read:

139.31 Subdivision 1. **License required; rules; time credit.** No person shall engage in  
139.32 or work at the business of a contracting pipefitter unless issued an individual contracting  
139.33 pipefitter license to do so by the Department of Labor and Industry under rules prescribed  
139.34 by the board. No license shall be required for repairs on existing installations. No  
139.35 person shall engage in or work at the business of journeyman pipefitter unless issued an

140.1 individual journeyman pipefitter competency license to do so by the Department of Labor  
140.2 and Industry under rules prescribed by the board. A person possessing an individual  
140.3 contracting pipefitter competency license may also work as a journeyman pipefitter.

140.4 No person, partnership, firm, or corporation shall install high pressure piping, nor  
140.5 install high pressure piping in connection with the dealing in and selling of high pressure  
140.6 pipe material and supplies, unless, at all times, a person possessing a contracting pipefitter  
140.7 individual competency license or a journeyman pipefitter individual competency license is  
140.8 responsible for the high pressure pipefitting work conducted by the person, partnership,  
140.9 firm, or corporation being in conformity with Minnesota Statutes and Minnesota Rules.

140.10 The ~~Department of Labor and Industry~~ board shall prescribe rules, not inconsistent  
140.11 herewith, for the examination and individual competency licensing of contracting  
140.12 pipefitters and journeyman pipefitters and for issuance of permits by the department and  
140.13 municipalities for the installation of high pressure piping.

140.14 An employee performing the duties of inspector for the Department of Labor and  
140.15 Industry in regulating pipefitting shall not receive time credit for the inspection duties  
140.16 when making an application for a license required by this section.

140.17 Sec. 7. Minnesota Statutes 2006, section 326.48, subdivision 2, is amended to read:

140.18 Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit  
140.19 for high pressure piping work, a person, partnership, firm, or corporation must obtain or  
140.20 utilize a business with a high pressure piping business license.

140.21 A person, partnership, firm, or corporation must have at all times as a full-time  
140.22 employee at least one individual holding an individual contracting pipefitter competency  
140.23 license. Only full-time employees who hold individual contracting pipefitter licenses  
140.24 are authorized to obtain high pressure piping permits in the name of the business. The  
140.25 individual contracting pipefitter competency license holder can be the employee of only  
140.26 one high pressure piping business at a time.

140.27 To retain its business license without reapplication, a person, partnership, firm, or  
140.28 corporation holding a high pressure piping business license that ceases to employ a person  
140.29 holding an individual contracting pipefitter competency license shall have 60 days from  
140.30 the last day of employment of its previous individual contracting pipefitter competency  
140.31 license holder to employ another license holder. The Department of Labor and Industry  
140.32 must be notified no later than five days after the last day of employment of the previous  
140.33 license holder.

140.34 No high pressure pipefitting work may be performed during any period when the  
140.35 high pressure pipefitting business does not have an individual contracting pipefitter

141.1 competency license holder on staff. If a license holder is not employed within 60 days,  
141.2 the pipefitting business license shall lapse.

141.3 The ~~Department of Labor and Industry~~ board shall prescribe by rule procedures for  
141.4 application for and issuance of business licenses and fees.

141.5 Sec. 8. Minnesota Statutes 2006, section 326.48, is amended by adding a subdivision  
141.6 to read:

141.7 Subd. 6. **Reciprocity with other states.** The commissioner may issue a temporary  
141.8 license without examination, upon payment of the required fee, nonresident applicants  
141.9 who are licensed under the laws of a state having standards for licensing which the  
141.10 commissioner determines are substantially equivalent to the standards of this state if  
141.11 the other state grants similar privileges to Minnesota residents duly licensed in this  
141.12 state. Applicants who receive a temporary license under this section may acquire an  
141.13 aggregate of 24 months of experience before they have to apply and pass the licensing  
141.14 examination. Applicants must register with the commissioner of labor and industry and  
141.15 the commissioner shall set a fee for a temporary license. Applicants have five years in  
141.16 which to comply with this section.

141.17 Sec. 9. Minnesota Statutes 2006, section 326.50, is amended to read:

141.18 **326.50 APPLICATION; FEES.**

141.19 Application for an individual contracting pipefitter competency or an individual  
141.20 journeyman pipefitter competency license shall be made to the Department of Labor and  
141.21 Industry, with fees. The applicant shall be licensed only after passing an examination  
141.22 administered by the Department of Labor and Industry in accordance with rules adopted  
141.23 by the board.

141.24 Sec. 10. Minnesota Statutes 2006, section 326.51, is amended to read:

141.25 **326.51 DEPARTMENT MAY REVOKE LICENSES.**

141.26 The ~~department~~ board may revoke or suspend, for cause, any license obtained  
141.27 through error or fraud, or if the licensee is shown to be incompetent, or for a violation  
141.28 of any of its rules and regulations applicable to high pressure pipefitting work. The  
141.29 licensee shall have notice, in writing, enumerating the charges, and be entitled to a hearing  
141.30 on at least ten days' notice, with the right to produce testimony. The hearing shall be  
141.31 held pursuant to chapter 14. The ~~commissioner~~ board shall issue a final order based on  
141.32 testimony and the record at hearing. One year from the date of revocation application  
141.33 may be made for a new license.

142.1 Sec. 11. Minnesota Statutes 2006, section 326.52, is amended to read:

142.2 **326.52 DEPOSIT OF FEES.**

142.3 All fees received under sections 326.46 to 326.52 shall be deposited by the  
142.4 Department of Labor and Industry to the credit of the general fund in the state treasury.  
142.5 The salaries and per diem of the inspectors and examiners hereinbefore provided, their  
142.6 expenses, and all incidental expenses of the department and board in carrying out the  
142.7 provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the  
142.8 Department of Labor and Industry. The ~~commissioner~~ board by rule shall set the amount  
142.9 of the fees at a level that approximates, to the greatest extent possible, the salaries, per  
142.10 diem, and incidental expenses of the department.

142.11 Sec. 12. **TRANSFER OF AUTHORITY; BOARD OF HIGH PRESSURE PIPING**  
142.12 **SYSTEMS.**

142.13 The authority of the commissioner of labor and industry to adopt rules relating to  
142.14 high pressure piping systems is transferred to the Board of High Pressure Piping Systems.  
142.15 Licenses and permits currently in effect remain in effect according to their terms unless  
142.16 affected by board action. Rules adopted by the commissioner of labor and industry remain  
142.17 in effect until amended or repealed by the board. The commissioner of administration  
142.18 may not use the authority under Minnesota Statutes, section 16B.37, to modify transfers of  
142.19 authority in this act.

142.20 Sec. 13. **FIRST MEETING; APPOINTMENTS FOR BOARD OF HIGH**  
142.21 **PRESSURE PIPING SYSTEMS.**

142.22 The governor must complete the appointments required by Minnesota Statutes,  
142.23 section 326.471, no later than July 1, 2007. The commissioner of labor and industry  
142.24 shall convene the first meeting of the Board of High Pressure Piping Systems no later  
142.25 than September 1, 2007.

142.26 Sec. 14. **TRANSFER OF AUTHORITY; PLUMBING BOARD.**

142.27 The authority of the commissioners of health and labor and industry to adopt rules  
142.28 relating to plumbers is transferred to the Plumbing Board. Licenses and permits currently  
142.29 in effect remain in effect according to their terms unless affected by board action. Rules  
142.30 adopted by the commissioner of health or labor and industry remain in effect until amended  
142.31 or repealed by the board. The commissioner of administration may not use the authority  
142.32 under Minnesota Statutes, section 16B.37, to modify the transfers of authority in this act.

143.1 Sec. 15. **FIRST MEETING; APPOINTMENTS FOR PLUMBING BOARD.**

143.2 The governor must complete the appointments required by Minnesota Statutes,  
143.3 section 326.372, no later than July 1, 2007. The commissioner of labor and industry shall  
143.4 convene the first meeting of the Plumbing Board no later than September 1, 2007.

143.5 **ARTICLE 10**

143.6 **IRON RANGE RESOURCES AND REHABILITATION BOARD**

143.7 Section 1. **[270.99] HOCKEY HERITAGE SURCHARGE.**

143.8 Subdivision 1. **Imposition.** A surcharge of 25 cents is imposed on the sale of every  
143.9 ticket to an NCAA Division I men's hockey event in the state.

143.10 Subd. 2. **Collection; remittance.** The surcharge imposed in this section shall be  
143.11 collected by all sellers of these tickets with nexus in the state of Minnesota. The seller  
143.12 shall report the surcharge on a return proscribed by the commissioner of revenue and  
143.13 shall remit the surcharge with the return.

143.14 Subd. 3. **Administration.** Unless specifically provided otherwise in this section, the  
143.15 audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and  
143.16 administrative provisions in this chapter and chapter 289A that are applicable to taxes  
143.17 imposed under chapter 297A apply to the surcharge imposed under this section.

143.18 Subd. 4. **Deposit of revenues.** The commissioner of revenue shall deposit all  
143.19 revenues, including penalty and interest, derived from the surcharge imposed in this  
143.20 section in the hockey surcharge account in the special revenue fund. The amount deposited  
143.21 under this section is appropriated to the Iron Range Resources and Rehabilitation Board  
143.22 for payment to the city of Eveleth to be used for the support of the Hockey Hall of Fame  
143.23 Museum provided that it continues to operate in the city. Payments under this section for  
143.24 the Hockey Hall of Fame Museum are in addition to and must not be used to supplant  
143.25 funding under section 298.28, subdivision 9c.

143.26 Sec. 2. Minnesota Statutes 2006, section 298.22, subdivision 2, is amended to read:

143.27 Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby  
143.28 created the Iron Range Resources and Rehabilitation Board, consisting of ~~13~~ ten members,  
143.29 five of whom are state senators appointed by the Subcommittee on Committees of the  
143.30 Rules Committee of the senate, and five of whom are representatives, appointed by the  
143.31 speaker of the house of representatives. ~~The remaining members shall be appointed one~~  
143.32 ~~each by the senate majority leader, the speaker of the house of representatives, and the~~  
143.33 ~~governor and must be nonlegislators who reside in a taconite assistance area as defined in~~  
143.34 ~~section 273.1341.~~ The members shall be appointed in January of every odd-numbered

144.1 year, ~~except that the initial nonlegislator members shall be appointed by July 1, 1999,~~ and  
 144.2 shall serve until January of the next odd-numbered year. Vacancies on the board shall be  
 144.3 filled in the same manner as the original members were chosen. At least a majority of  
 144.4 the legislative members of the board shall be elected from state senatorial or legislative  
 144.5 districts in which over 50 percent of the residents reside within a taconite assistance area  
 144.6 as defined in section 273.1341. All expenditures and projects made by the commissioner  
 144.7 of Iron Range resources and rehabilitation shall be consistent with the priorities  
 144.8 established in subdivision 8 and shall first be submitted to the Iron Range Resources and  
 144.9 Rehabilitation Board for approval by a majority of the board of expenditures and projects  
 144.10 for rehabilitation purposes as provided by this section, and the method, manner, and time  
 144.11 of payment of all funds proposed to be disbursed shall be first approved or disapproved by  
 144.12 the board. The board shall biennially make its report to the governor and the legislature on  
 144.13 or before November 15 of each even-numbered year. The expenses of the board shall be  
 144.14 paid by the state from the funds raised pursuant to this section.

144.15 Sec. 3. Minnesota Statutes 2006, section 298.227, is amended to read:

144.16 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

144.17 An amount equal to that distributed pursuant to each taconite producer's taxable  
 144.18 production and qualifying sales under section 298.28, subdivision 9a, shall be held by  
 144.19 the Iron Range Resources and Rehabilitation Board in a separate taconite economic  
 144.20 development fund for each taconite and direct reduced ore producer. Money from the  
 144.21 fund for each producer shall be released by the commissioner after review by a joint  
 144.22 committee consisting of an equal number of representatives of the salaried employees and  
 144.23 the nonsalaried production and maintenance employees of that producer. The District 11  
 144.24 director of the United States Steelworkers of America, on advice of each local employee  
 144.25 president, shall select the employee members. In nonorganized operations, the employee  
 144.26 committee shall be elected by the nonsalaried production and maintenance employees.  
 144.27 The review must be completed no later than six months after the producer presents a  
 144.28 proposal for expenditure of the funds to the committee. The funds held pursuant to this  
 144.29 section may be released only for acquisition of plant and stationary mining equipment  
 144.30 and facilities for the producer or for research and development in Minnesota on new  
 144.31 mining, or taconite, iron, or steel production technology, but only if the producer provides  
 144.32 a matching expenditure to be used for the same purpose of at least 50 percent of the  
 144.33 distribution based on 14.7 cents per ton beginning with distributions in 2002. Effective for  
 144.34 proposals for expenditures of money from the fund approved beginning the day following  
 144.35 final enactment, the commissioner may release the funds only if the proposed expenditure

145.1 is approved by a majority of the members of the Iron Range Resources and Rehabilitation  
145.2 Board. If a producer uses money which has been released from the fund prior to the day  
145.3 following final enactment to procure haulage trucks, mobile equipment, or mining shovels,  
145.4 and the producer removes the piece of equipment from the taconite tax relief area defined  
145.5 in section 273.134 within ten years from the date of receipt of the money from the fund,  
145.6 a portion of the money granted from the fund must be repaid to the taconite economic  
145.7 development fund. The portion of the money to be repaid is 100 percent of the grant if the  
145.8 equipment is removed from the taconite tax relief area within 12 months after receipt of  
145.9 the money from the fund, declining by ten percent for each of the subsequent nine years  
145.10 during which the equipment remains within the taconite tax relief area. If a taconite  
145.11 production facility is sold after operations at the facility had ceased, any money remaining  
145.12 in the fund for the former producer may be released to the purchaser of the facility on  
145.13 the terms otherwise applicable to the former producer under this section. If a producer  
145.14 fails to provide matching funds for a proposed expenditure within six months after the  
145.15 commissioner approves release of the funds, the funds are available for release to another  
145.16 producer in proportion to the distribution provided and under the conditions of this section.  
145.17 Any portion of the fund which is not released by the commissioner within two years of its  
145.18 deposit in the fund shall be divided between the taconite environmental protection fund  
145.19 created in section 298.223 and the Douglas J. Johnson economic protection trust fund  
145.20 created in section 298.292 for placement in their respective special accounts. Two-thirds  
145.21 of the unreleased funds shall be distributed to the taconite environmental protection fund  
145.22 and one-third to the Douglas J. Johnson economic protection trust fund.

145.23 **EFFECTIVE DATE.** This section is effective for proposals for expenditures of  
145.24 money from the fund the day following final enactment.

145.25 Sec. 4. **APPROPRIATION; IRON RANGE RESOURCES AND**  
145.26 **REHABILITATION BOARD.**

145.27 \$500,000 is appropriated from the Iron Range Resources and Rehabilitation Board  
145.28 fund for fiscal year 2008 for allocation in this section:

145.29 (1) \$225,000 is for Aitkin County Growth, Inc. to extend electric service and other  
145.30 infrastructure to a peat project in Spencer Township in Aitkin County;

145.31 (2) \$75,000 is for a nonprofit organization for the preservation of the B'nai Abraham  
145.32 Synagogue in Virginia, of which \$50,000 is for renovation and \$25,000 is for a permanent  
145.33 endowment for the preservation;

145.34 (3) \$150,000 is for a grant to the Iron Range youth in action program to assist the  
145.35 organization to employ youth for the construction of community centers; and

146.1 (4) \$50,000 is for a grant to the Iron Range retriever club for pond and field  
146.2 construction.

146.3 These are onetime appropriations.

146.4 Sec. 5. **IRRRB BUILDING.**

146.5 The Iron Range Resources and Rehabilitation Board office building in Eveleth,  
146.6 Minnesota is designated and named the Joe Begich Building and shall be signed as such  
146.7 at every entrance.

146.8 **ARTICLE 11**  
146.9 **ELECTRICAL**

146.10 Section 1. Minnesota Statutes 2006, section 326.01, subdivision 6g, is amended to read:

146.11 Subd. 6g. **Personal direct supervision.** ~~The term "personal "Direct supervision"~~  
146.12 ~~means that a person licensed to perform electrical work oversees and directs the electrical~~  
146.13 ~~work performed by an unlicensed person such that:~~

146.14 (1) ~~the licensed person actually reviews the electrical work performed by the~~  
146.15 ~~unlicensed person~~ an unlicensed individual is being supervised by an individual licensed  
146.16 to perform the electrical work being supervised;

146.17 (2) during the entire working day of the unlicensed individual, the licensed  
146.18 individual is physically present at the location where the unlicensed individual is  
146.19 performing electrical work and immediately available to the unlicensed individual;

146.20 (3) ~~the licensed person~~ individual is physically present and immediately available to  
146.21 the unlicensed person individual at all times for assistance and direction; and

146.22 (4) electronic supervision does not meet the requirement of physically present and  
146.23 immediately available;

146.24 (5) the licensed individual shall review the electrical work performed by the  
146.25 unlicensed individual before the electrical work is operated; and

146.26 ~~(3)~~ (6) ~~the licensed person~~ individual is able to and does determine that all electrical  
146.27 work performed by the unlicensed person individual is performed in compliance with  
146.28 section 326.243.

146.29 The licensed ~~person~~ individual is responsible for the compliance with section  
146.30 326.243 of all electrical work performed by the unlicensed ~~person~~ individual.

146.31 Sec. 2. Minnesota Statutes 2006, section 326.241, subdivision 1, is amended to read:

146.32 Subdivision 1. **Composition.** (a) The Board of Electricity shall consist of ~~11~~ 12  
146.33 members, residents of the state, appointed by the governor ~~of whom~~ and confirmed by

147.1 the senate. The commissioner of labor and industry or the commissioner's designee shall  
147.2 be a nonvoting member. The first appointed board members shall serve an initial term  
147.3 of four years, except where designated otherwise. The governor shall then reappoint the  
147.4 current members or appoint replacement members, all or in part, to subsequent three-year  
147.5 terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies  
147.6 occurring with less than six months time remaining in the term shall be filled for the  
147.7 existing term and the following three-year term. Of the 11 appointed members, the  
147.8 composition shall be as follows:

147.9       (1) two shall be representatives of the electrical suppliers in the rural areas of the  
147.10 state,

147.11       (2) two shall be master electricians, who shall be contractors,

147.12       (3) two journeyman electricians,

147.13       (4) one registered consulting electrical engineer,

147.14       (5) two power limited technicians, who shall be technology system contractors  
147.15 primarily engaged in the business of installing technology circuits or systems, and

147.16       (6) two public members as defined by section 214.02.

147.17       (b) Except as provided herein, membership terms, compensation of members,  
147.18 removal of members, the filling of membership vacancies, and fiscal year and reporting  
147.19 requirements shall be as provided in sections 214.07 to 214.09. The provision of staff,  
147.20 administrative services and office space; the review and processing of complaints; the  
147.21 setting of board fees; and other provisions relating to board operations shall be as provided  
147.22 in chapter 214.

147.23       Sec. 3. Minnesota Statutes 2006, section 326.241, subdivision 2, is amended to read:

147.24       Subd. 2. **Powers.** (a) The board, or the complaint committee on behalf of the board  
147.25 where authorized by law, shall have power to:

147.26       (1) Elect its own officers.

147.27       ~~(2) Engage and fix the compensation of inspectors, and hire employees. The salary~~  
147.28 ~~of the executive secretary shall be established pursuant to chapter 43A. All agents and~~  
147.29 ~~employees other than contract inspectors shall be in the classified service and shall be~~  
147.30 ~~compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or~~  
147.31 ~~journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give~~  
147.32 ~~bond in an amount fixed by the board, conditioned upon the faithful performance of~~  
147.33 ~~their duties:~~

147.34       ~~(3)~~(2) Pay such other expenses as it may deem necessary in the performance of its  
147.35 duties, including rent, supplies, and such like.

148.1 (3) Select from its members individuals to serve on any other state advisory councils,  
148.2 boards, or committees.

148.3 (4) Enforce the provisions of sections 326.241 to 326.248, and provide, upon  
148.4 request, such additional voluntary inspections and reviews as it may deem appropriate.

148.5 ~~(5) Issue, renew, refuse to renew, suspend, temporarily suspend, and revoke licenses;~~  
148.6 ~~censure licensees, assess civil penalties, issue cease and desist orders, and seek injunctive~~  
148.7 ~~relief and civil penalties in court as authorized by section 326.242 and other provisions of~~  
148.8 ~~Minnesota law.~~ Establish the committees required herein and any others deemed necessary  
148.9 by the board or requested by the commissioner.

148.10 (6) Adopt reasonable rules to carry out its duties under sections 326.241 to 326.248  
148.11 and to provide for the amount and collection of fees for inspection and other services. All  
148.12 rules shall be adopted in accordance with chapter 14.

148.13 (7) Advise the commissioner on issues related to sections 326.241 to 326.248 or as  
148.14 requested by the commissioner.

148.15 (b) Except for the powers granted to the Electricity Board the commissioner of labor  
148.16 and industry shall administer the provisions of sections 326.241 to 326.248 and for such  
148.17 purposes may employ electrical inspectors and other assistants.

148.18 Sec. 4. Minnesota Statutes 2006, section 326.242, subdivision 5, is amended to read:

148.19 Subd. 5. **Unlicensed persons individuals.** (a) An unlicensed ~~person~~ individual  
148.20 means an individual who has not been licensed by the Board of Electricity as a Class A  
148.21 master electrician or as a Class A journeyman electrician. An unlicensed individual shall  
148.22 not perform electrical work required to be performed by a licensed individual unless the  
148.23 individual has first registered with the Board of Electricity as an unlicensed individual.  
148.24 Thereafter, an unlicensed individual shall not perform electrical work required to be  
148.25 performed by a licensed individual unless the work is performed under the ~~personal~~ direct  
148.26 supervision of a ~~person~~ an individual actually licensed to perform such work and. The  
148.27 licensed ~~electrician~~ individual and unlicensed ~~persons~~ are individual must be employed  
148.28 by the same employer. Licensed ~~persons~~ individuals shall not permit unlicensed ~~persons~~  
148.29 individuals to perform electrical work except under the ~~personal~~ direct supervision of  
148.30 a ~~person~~ an individual actually licensed to perform such work. Unlicensed ~~persons~~  
148.31 individuals shall not supervise the performance of electrical work or make assignments  
148.32 of electrical work to unlicensed ~~persons~~ individuals. Except for technology circuit or  
148.33 system work, licensed ~~persons~~ individuals shall supervise no more than two unlicensed  
148.34 ~~persons~~ individuals. For technology circuit or system work, licensed ~~persons~~ individuals  
148.35 shall supervise no more than three unlicensed ~~persons~~ individuals.

149.1 (b) Notwithstanding any other provision of this section, no ~~person~~ individual other  
149.2 than a master electrician or power limited technician shall plan or lay out electrical wiring,  
149.3 apparatus, or equipment for light, heat, power, or other purposes, except circuits or  
149.4 systems exempted from personal licensing by subdivision 12, paragraph (b).

149.5 (c) Contractors employing unlicensed ~~persons performing~~ individuals to perform  
149.6 electrical work shall maintain records establishing compliance with this subdivision,  
149.7 ~~which that~~ shall ~~designate~~ identify all unlicensed ~~persons~~ individuals performing electrical  
149.8 work, except for persons working on circuits or systems exempted from personal licensing  
149.9 by subdivision 12, paragraph (b), and shall permit the board to examine and copy all such  
149.10 records as provided for in section 326.244, subdivision 6.

149.11 (d) When a licensed individual supervises the electrical work of an unlicensed  
149.12 individual, the licensed individual is responsible for ensuring that the electrical work  
149.13 complies with sections 326.241 to 326.248 and rules adopted.

149.14 Sec. 5. Minnesota Statutes 2006, section 326.242, is amended by adding a subdivision  
149.15 to read:

149.16 Subd. 5a. **Registration of unlicensed individuals.** Unlicensed individuals  
149.17 performing electrical work for a contractor or employer shall register with the department  
149.18 in the manner prescribed by the commissioner. Experience credit for electrical work  
149.19 performed after January 1, 2008, by an applicant for a license identified in this section  
149.20 shall not be granted where the applicant has not registered with or is not licensed by  
149.21 the department.

149.22 Sec. 6. Minnesota Statutes 2006, section 326.242, subdivision 11, is amended to read:

149.23 Subd. 11. **Reciprocity.** ~~To the extent that any other state which provides for the~~  
149.24 ~~licensing of electricians provides for similar action the board may grant licenses, without~~  
149.25 ~~examination, of the same grade and class to an electrician who has been licensed by such~~  
149.26 ~~other state for at least one year, upon payment by the applicant of the required fee and~~  
149.27 ~~upon the board being furnished with proof that the required fee and upon the board being~~  
149.28 ~~furnished with proof that the qualifications of the applicant are equal to the qualifications~~  
149.29 ~~of holders of similar licenses in Minnesota.~~ The commissioner may enter into reciprocity  
149.30 agreements for personal licenses with another state if approved by the board. Once  
149.31 approved by the board, the commissioner may issue a personal license without requiring  
149.32 the applicant to pass an examination provided the applicant:

149.33 (a) submits an application under section 326.242;

149.34 (b) pays the fee required under section 326.242; and

150.1 (c) holds a valid comparable license in the state participating in the agreement.

150.2 Agreements are subject to the following:

150.3 (1) The parties to the agreement must administer a statewide licensing program that  
150.4 includes examination and qualifying experience or training comparable to Minnesota's.

150.5 (2) The experience and training requirements under which an individual applicant  
150.6 qualified for examination in the qualifying state must be deemed equal to or greater than  
150.7 required for an applicant making application in Minnesota at the time the applicant  
150.8 acquired the license in the qualifying state.

150.9 (3) The applicant must have acquired the license in the qualifying state through an  
150.10 examination deemed equivalent to the same class of license examination in Minnesota.  
150.11 A lesser class of license may be granted where the applicant has acquired a greater  
150.12 class of license in the qualifying state and the applicant otherwise meets the conditions  
150.13 of this subdivision.

150.14 (4) At the time of application, the applicant must hold a valid license in the  
150.15 qualifying state and have held the license continuously for at least one year before making  
150.16 application in Minnesota.

150.17 (5) An applicant is not eligible for a license under this subdivision if the applicant  
150.18 has failed the same or greater class of license examination in Minnesota, or if the  
150.19 applicant's license of the same or greater class has been revoked or suspended.

150.20 (6) An applicant who has failed to renew a personal license for two years or more  
150.21 after its expiration is not eligible for a license under this subdivision.

150.22 **Sec. 7. REPEALER.**

150.23 Minnesota Statutes 2006, sections 326.01, subdivision 4; and 326.242, subdivision  
150.24 4, are repealed.

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

150.26 **ARTICLE 12**  
150.27 **APPRENTICESHIP BOARD**

150.28 Section 1. Minnesota Statutes 2006, section 178.01, is amended to read:

150.29 **178.01 PURPOSES.**

150.30 The purposes of this chapter are: to open to young people regardless of race, sex,  
150.31 creed, color or national origin, the opportunity to obtain training that will equip them for  
150.32 profitable employment and citizenship; to establish as a means to this end, a program  
150.33 of voluntary apprenticeship under approved apprentice agreements providing facilities

151.1 for their training and guidance in the arts, skills, and crafts of industry and trade, with  
151.2 concurrent, supplementary instruction in related subjects; to promote employment  
151.3 opportunities under conditions providing adequate training and reasonable earnings;  
151.4 to relate the supply of skilled workers to employment demands; to establish standards  
151.5 for apprentice training; to establish an Apprenticeship ~~Advisory Council Board~~ and  
151.6 apprenticeship committees to assist in effectuating the purposes of this chapter; to provide  
151.7 for a Division of Labor Standards and Apprenticeship within the Department of Labor  
151.8 and Industry; to provide for reports to the legislature regarding the status of apprentice  
151.9 training in the state; to establish a procedure for the determination of apprentice agreement  
151.10 controversies; and to accomplish related ends.

151.11 Sec. 2. Minnesota Statutes 2006, section 178.02, is amended to read:

151.12 **178.02 APPRENTICESHIP ~~ADVISORY COUNCIL BOARD~~.**

151.13 Subdivision 1. **Members.** The commissioner of labor and industry, hereinafter  
151.14 called the commissioner, shall appoint an Apprenticeship ~~Advisory Council Board~~,  
151.15 hereinafter referred to as the ~~council board~~, composed of three representatives each from  
151.16 employer and employee organizations, and two representatives of the general public. The  
151.17 director of education responsible for career and technical education or designee shall be an  
151.18 ex officio member of the ~~council board~~ and shall serve in an advisory capacity only.

151.19 Subd. 2. **Terms.** The ~~council board~~ shall expire and the terms, compensation, and  
151.20 removal of appointed members shall be as provided in section 15.059, ~~except that the~~  
151.21 ~~council shall not expire before June 30, 2003.~~

151.22 Subd. 4. **Duties.** The ~~council board~~ shall meet at the call of the commissioner. It  
151.23 shall propose occupational classifications for apprenticeship programs; propose minimum  
151.24 standards for apprenticeship programs and agreements; and advise on the establishment  
151.25 of such policies, procedures, and rules as the ~~commissioner board~~ deems necessary in  
151.26 implementing the intent of this chapter.

151.27 Sec. 3. Minnesota Statutes 2006, section 178.03, subdivision 3, is amended to read:

151.28 Subd. 3. **Duties and functions.** The director, under the supervision of the  
151.29 commissioner, and with the advice and oversight of the Apprenticeship ~~Advisory~~  
151.30 ~~Council Board~~, is authorized: to administer the provisions of this chapter; to promote  
151.31 apprenticeship and other forms of on the job training; to establish, in cooperation and  
151.32 consultation with the Apprenticeship ~~Advisory Council Board~~ and with the apprenticeship  
151.33 committees, conditions and training standards for the approval of apprenticeship programs  
151.34 and agreements, which conditions and standards shall in no case be lower than those

152.1 prescribed by this chapter; to promote equal employment opportunity in apprenticeship  
 152.2 and other on the job training and to establish a Minnesota plan for equal employment  
 152.3 opportunity in apprenticeship which shall be consistent with standards established  
 152.4 under Code of Federal Regulations, title 29, part 30, as amended; to issue certificates of  
 152.5 registration to sponsors of approved apprenticeship programs; to act as secretary of the  
 152.6 ~~Apprenticeship Advisory Council Board~~; to approve, if of the opinion that approval is  
 152.7 for the best interest of the apprentice, any apprenticeship agreement which meets the  
 152.8 standards established hereunder; to terminate any apprenticeship agreement in accordance  
 152.9 with the provisions of such agreement; to keep a record of apprenticeship agreements and  
 152.10 their disposition; to issue certificates of completion of apprenticeship; and to perform  
 152.11 such other duties as the commissioner deems necessary to carry out the intent of this  
 152.12 chapter; provided, that the administration and supervision of supplementary instruction in  
 152.13 related subjects for apprentices; coordination of instruction on a concurrent basis with  
 152.14 job experiences, and the selection and training of teachers and coordinators for such  
 152.15 instruction shall be the function of state and local boards responsible for vocational  
 152.16 education. The director shall have the authority to make wage determinations applicable  
 152.17 to the graduated schedule of wages and journeyman wage rate for apprenticeship  
 152.18 agreements, giving consideration to the existing wage rates prevailing throughout the  
 152.19 state, except that no wage determination by the director shall alter an existing wage  
 152.20 provision for apprentices or journeymen that is contained in a bargaining agreement in  
 152.21 effect between an employer and an organization of employees, nor shall the director  
 152.22 make any determination for the beginning rate for an apprentice that is below the wage  
 152.23 minimum established by federal or state law.

152.24 Sec. 4. Minnesota Statutes 2006, section 178.041, subdivision 1, is amended to read:

152.25 Subdivision 1. **Rules.** The commissioner may, upon receipt of the ~~council's~~ board's  
 152.26 proposals, accept, adopt, and issue them by rule with any modifications or amendments  
 152.27 the commissioner finds appropriate. The commissioner may refer them back to the  
 152.28 ~~council~~ board with recommendations for further study, consideration and revision. If  
 152.29 the commissioner refuses to accept, adopt, and issue by rule or other appropriate action  
 152.30 a board proposal, the commissioner must provide a written explanation of the reason  
 152.31 for the refusal to the board within 30 days after the board submitted the proposal to the  
 152.32 commissioner. Additional rules may be issued as the commissioner may deem necessary.