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# HOUSE FILE NO. 3722

## *FIRST COMMITTEE ENGROSSMENT*

March 3, 2008

Authored by Rukavina, Doty, Olin, Mahoney and Slocum  
The bill was read for the first time and referred to the Committee on Finance

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*Referred by Chair to Higher Education and Work Force Development Policy and Finance Division.*

March 25, 2008

*Returned to the Education Finance and Economic Competitiveness Finance Division as Amended.*

### A bill for an act

1.1 relating to workforce development; amending economic development provisions;  
1.2 amending higher education provisions; making technical changes; establishing  
1.3 and amending certain financial aid programs; regulating certain industries;  
1.4 amending licensing and fee provisions; establishing a bond program; providing  
1.5 civil penalties; requiring a report; appropriating money; amending Minnesota  
1.6 Statutes 2006, sections 13.32, subdivision 3; 116J.423, by adding a subdivision;  
1.7 116L.17, by adding a subdivision; 136A.101, subdivision 8; 136A.121,  
1.8 subdivision 5; 136F.90, subdivision 1; 141.25, by adding a subdivision;  
1.9 144.1501, subdivision 2; 268.125, subdivisions 1, 2, by adding a subdivision;  
1.10 298.2214, subdivisions 1, 2, as amended; 298.223, subdivision 2; 298.28,  
1.11 subdivisions 9b, 9d, as added; 298.292, subdivision 2, as amended; 298.2961,  
1.12 subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29;  
1.13 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37;  
1.14 446A.12, subdivision 1; Minnesota Statutes 2007 Supplement, sections 116L.17,  
1.15 subdivision 1; 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by  
1.16 adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67;  
1.17 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5;  
1.18 141.28, subdivision 1; 141.35; 197.791, subdivisions 1, 4, 5; 214.04, subdivision  
1.19 3; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 16; 268.125, subdivision  
1.20 3; 298.227; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a;  
1.21 446A.086; Laws 1999, chapter 223, article 2, section 72; Laws 2007, chapter  
1.22 135, article 1, section 3, subdivisions 2, 3; Laws 2007, chapter 144, article 1,  
1.23 sections 3, subdivisions 2, 18; 5, subdivisions 2, 5; proposing coding for new  
1.24 law in Minnesota Statutes, chapters 116J; 127A; 135A; 136F; 268; 341; 446A;  
1.25 repealing Minnesota Statutes 2006, sections 298.28, subdivision 9a; 341.31;  
1.26 Laws 2004, chapter 188, section 2.

1.27  
1.28 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

### **ARTICLE 1**

### **HIGHER EDUCATION**

#### 1.31 Section 1. **SUMMARY OF APPROPRIATIONS**

1.32 The sums shown in the columns marked "Appropriations" are added to or, if shown  
1.33 in parentheses, subtracted from the appropriations in Laws 2007, chapter 144, article 1, to

2.1 the agencies and for the purposes specified in this act. The appropriations are from the  
 2.2 general fund, or another named fund, and are available for the fiscal years indicated for  
 2.3 each purpose. The figures "2008" and "2009" used in this act mean that the addition to  
 2.4 or subtraction from the appropriation listed under them is available for the fiscal year  
 2.5 ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and  
 2.6 reductions to appropriations for the fiscal year ending June 30, 2008, are effective the  
 2.7 day following final enactment.

2.8 The amounts shown in this section summarize direct appropriations, by fund, made  
 2.9 in this act.

	<u>2008</u>		<u>2009</u>		<u>Total</u>
2.10					
2.11	<u>General</u>	\$	<u>0</u>	\$	<u>(19,456,000)</u>
2.12	<u>Total</u>	\$	<u>0</u>	\$	<u>(19,456,000)</u>

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2008</u>	<u>2009</u>

2.17 Sec. 2. **MINNESOTA OFFICE OF HIGHER**  
 2.18 **EDUCATION** \$ -0- \$ (7,111,000)

2.19 \$111,000 in the second year is an operating  
 2.20 base reduction.

2.21 \$7,000,000 in the second year is a reduction  
 2.22 to the Achieve scholarship program under  
 2.23 Minnesota Statutes, section 136A.127.

2.24 Sec. 3. **BOARD OF TRUSTEES OF THE**  
 2.25 **MINNESOTA STATE COLLEGES AND**  
 2.26 **UNIVERSITIES** \$ -0- \$ (6,173,000)

2.27 Of this reduction, \$5,000,000 is from the  
 2.28 appropriations for technology. The remainder  
 2.29 is from the Office of the Chancellor budget.

2.30 The reductions in this subdivision must not  
 2.31 result in reductions to any of the campuses  
 2.32 of the Minnesota State Colleges and  
 2.33 Universities, must not reduce the technology  
 2.34 expenditures or grants to the campuses, and



4.1 (e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1),  
4.2 (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal  
4.3 Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, ~~and 99.35, and 99.39~~;

4.4 (f) to appropriate health authorities to the extent necessary to administer  
4.5 immunization programs and for bona fide epidemiologic investigations which the  
4.6 commissioner of health determines are necessary to prevent disease or disability to  
4.7 individuals in the public educational agency or institution in which the investigation  
4.8 is being conducted;

4.9 (g) when disclosure is required for institutions that participate in a program under  
4.10 title IV of the Higher Education Act, United States Code, title 20, section 1092;

4.11 (h) to the appropriate school district officials to the extent necessary under  
4.12 subdivision 6, annually to indicate the extent and content of remedial instruction, including  
4.13 the results of assessment testing and academic performance at a postsecondary institution  
4.14 during the previous academic year by a student who graduated from a Minnesota school  
4.15 district within two years before receiving the remedial instruction;

4.16 (i) to appropriate authorities as provided in United States Code, title 20, section  
4.17 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the  
4.18 system to effectively serve, prior to adjudication, the student whose records are released;  
4.19 provided that the authorities to whom the data are released submit a written request for  
4.20 the data that certifies that the data will not be disclosed to any other person except as  
4.21 authorized by law without the written consent of the parent of the student and the request  
4.22 and a record of the release are maintained in the student's file;

4.23 (j) to volunteers who are determined to have a legitimate educational interest in  
4.24 the data and who are conducting activities and events sponsored by or endorsed by the  
4.25 educational agency or institution for students or former students;

4.26 (k) to provide student recruiting information, from educational data held by colleges  
4.27 and universities, as required by and subject to Code of Federal Regulations, title 32,  
4.28 section 216;

4.29 (l) to the juvenile justice system if information about the behavior of a student who  
4.30 poses a risk of harm is reasonably necessary to protect the health or safety of the student  
4.31 or other individuals;

4.32 (m) with respect to Social Security numbers of students in the adult basic education  
4.33 system, to Minnesota State Colleges and Universities and the Department of Employment  
4.34 and Economic Development for the purpose and in the manner described in section  
4.35 124D.52, subdivision 7; ~~or~~

5.1 (n) to the commissioner of education for purposes of an assessment or investigation  
5.2 of a report of alleged maltreatment of a student as mandated by section 626.556. Upon  
5.3 request by the commissioner of education, data that are relevant to a report of maltreatment  
5.4 and are from charter school and school district investigations of alleged maltreatment of a  
5.5 student must be disclosed to the commissioner, including, but not limited to, the following:

5.6 (1) information regarding the student alleged to have been maltreated;

5.7 (2) information regarding student and employee witnesses;

5.8 (3) information regarding the alleged perpetrator; and

5.9 (4) what corrective or protective action was taken, if any, by the school facility in  
5.10 response to a report of maltreatment by an employee or agent of the school or school  
5.11 district;

5.12 (o) when the disclosure is of the final results of a disciplinary proceeding on a charge  
5.13 of a crime of violence or nonforcible sex offense to the extent authorized under United  
5.14 States Code, title 20, section 1232g(b)(6)(A) and (B) and Code of Federal Regulations,  
5.15 title 34, sections 99.31(a)(13) and (14);

5.16 (p) when the disclosure is information provided to the institution under United States  
5.17 Code, title 42, section 14071, concerning registered sex offenders to the extent authorized  
5.18 under United States Code, title 20, section 1232g(b)(7); or

5.19 (q) when the disclosure is to a parent of a student at an institution of postsecondary  
5.20 education regarding the student's violation of any federal, state, or local law or of any  
5.21 rule or policy of the institution, governing the use or possession of alcohol or of a  
5.22 controlled substance, to the extent authorized under United States Code, title 20, section  
5.23 1232g(i), and Code of Federal Regulations, title 34, section 99.31(a)(15), and provided the  
5.24 institution has an information release form signed by the student authorizing disclosure  
5.25 to a parent. The institution must notify parents about the purpose and availability of the  
5.26 information release forms. At a minimum, the institution must distribute the information  
5.27 release forms at parent orientation meetings.

5.28 **Sec. 6. [127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.**

5.29 Subdivision 1. **Establishment; membership.** (a) A P-20 education partnership  
5.30 is established to create a seamless education system that maximizes achievements of  
5.31 all students, from early childhood through elementary, secondary, and postsecondary  
5.32 education, while promoting the effective and efficient use of financial and human  
5.33 resources. The partnership shall consist of major statewide educational groups or  
5.34 constituencies or noneducational statewide organizations with a stated interest in P-20  
5.35 education. Upon enactment of this legislation, the partnership members shall be those

6.1 currently serving on the Minnesota P-16 Education Partnership plus four legislators as  
6.2 follows:

6.3 (1) one senator from the majority party and one senator from the minority party,  
6.4 appointed by the Subcommittee on Committees of the Committee on Rules and  
6.5 Administration; and

6.6 (2) one member of the house of representatives appointed by the speaker of the  
6.7 house and one member of the house of representatives appointed by the minority leader  
6.8 of the house.

6.9 Prospective members may be nominated by any partnership member and new  
6.10 members must be added with the approval of a two-thirds majority of the partnership  
6.11 members.

6.12 The partnership must seek input from nonmember organizations having expertise to  
6.13 help inform the partnership's work.

6.14 (b) Each partnership member must be represented by its formally designated leader  
6.15 or the leader's designee. The partnership must meet at least three times each calendar year.

6.16 Subd. 2. **Powers and duties; report.** (a) The partnership must develop and submit  
6.17 to the governor and the legislative committees with jurisdiction over education policy and  
6.18 finance recommendations for maximizing the achievement of all P-20 students while  
6.19 promoting the effective and efficient use of state resources, and maximizing the value of  
6.20 the state's educational investment. Partnership recommendations must at least include a  
6.21 focus on strategies, policies, and actions that:

6.22 (1) improve the quality of and access to education for all students from preschool  
6.23 through graduate education;

6.24 (2) improve preparation for and transitions to postsecondary education and work; and

6.25 (3) ensure educator quality by creating rigorous standards for teacher recruitment,  
6.26 teacher preparation, induction and mentoring of beginning teachers, and continuous  
6.27 professional development for career teachers.

6.28 (b) Annually, by January 15, the partnership must submit a report to the governor  
6.29 and the legislative committees with jurisdiction over education policy and finance  
6.30 summarizing the partnership's progress in meeting its goals and recommending any  
6.31 legislation needed to further partnership goals related to maximizing student achievement  
6.32 and promoting effective and efficient use of resources.

6.33 Subd. 3. **Expiration.** The partnership expires on June 30, 2019.

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

7.1       Sec. 7. [135A.27] EQUAL ACCESS TO INSTRUCTIONAL MATERIALS IN  
7.2 HIGHER EDUCATION.

7.3       Subdivision 1. **Short title.** This section may be cited as the "Equal Access to  
7.4 Instructional Materials in Higher Education Act."

7.5       Subd. 2. **Purpose.** The Equal Access to Instructional Materials in Higher Education  
7.6 Act provides instructional materials in an accessible format to blind and other eligible  
7.7 students as defined in this act at the same time as the corresponding printed instructional  
7.8 material is made available. The Equal Access to Instructional Materials in Higher  
7.9 Education Act benefits blind and other eligible students by:

7.10       (1) improving literacy;

7.11       (2) enhancing performance in higher education;

7.12       (3) improving employability; and

7.13       (4) reducing the cost of acquiring instructional materials in accessible formats,  
7.14 including Braille.

7.15       Subd. 3. **Definitions.** (a) The following terms have the meaning given to them  
7.16 for the purposes of this section.

7.17       (b) "Accessible format" means one of several alternatives to traditional print,  
7.18 including Braille, audio recordings, large print, and computer text files.

7.19       (c) "Braille" means the tactile system of reading and writing used by persons who  
7.20 are blind, as defined by the Braille Authority of North America.

7.21       (d) "Educational institution" means all public and private postsecondary educational  
7.22 institutions in Minnesota.

7.23       (e) "Eligible student" means a person who is accepted by, enrolled at, or attending  
7.24 an educational institution and who is also eligible to receive services from the National  
7.25 Library Service for the Blind and Physically Handicapped of the Library of Congress.

7.26       (f) "Instructional materials" means commercially produced textbooks and other  
7.27 materials that are required in a course of study, including computerized, electronic, or  
7.28 Internet-based course materials.

7.29       (g) "Publisher" means a publishing house, firm or business that publishes, sells or  
7.30 contracts for the sale of course materials to an educational institution.

7.31       (h) "Structural integrity" means the entire contents of the printed instructional  
7.32 materials, including the text of the material, sidebars, table of contents, chapter headings  
7.33 and subheadings, footnotes, captions, indexes, glossaries, bibliographies, pictures,  
7.34 illustrations, graphs, and charts, organized in a manner consistent with the original printed  
7.35 instructional materials.

8.1 (i) "Textbook" means a book, a system of instructional materials, or a combination  
8.2 of a book and supplementary instructional material that conveys information to the student  
8.3 or otherwise contributes to the learning process, including electronic textbooks.

8.4 Subd. 4. **Instructional materials.** (a) A publisher that prints instructional materials  
8.5 for eligible students attending educational institutions must provide:

8.6 (1) an electronic file of printed instructional materials in a computer or electronic  
8.7 file that can be easily converted to the accessible format of the student's choice to the  
8.8 educational institution's designated coordinator, upon request of the eligible student; or

8.9 (2) an accessible copy of the electronic file of the instructional materials directly  
8.10 to the eligible student in a format of the student's choice.

8.11 (b) The format used by the publisher must include any nationally recognized or  
8.12 generally accepted standard for conversion of files to Braille, such as DAISY 3.0.

8.13 (c) If no nationally recognized or generally accepted standard is appropriate,  
8.14 publishers must provide the file in another mutually agreed upon computer or electronic  
8.15 format, such as Microsoft Word or LaTeX.

8.16 (d) The computer or electronic version of the printed instructional materials supplied  
8.17 by the publisher must:

8.18 (1) comply with any applicable federal standard;

8.19 (2) otherwise maintain the structural integrity of the printed instructional materials;

8.20 (3) include copies of all pictures, illustrations, graphs, and charts, organized in a  
8.21 manner consistent with the original printed instructional materials; and

8.22 (4) include corrections and revisions as necessary.

8.23 (e) The publisher must provide the computer or electronic version of the printed  
8.24 instructional materials to the eligible student or educational institution at no additional cost  
8.25 and within ten business days after receipt of a written request that does all of the following:

8.26 (1) certifies that the eligible student has purchased the printed instructional materials;

8.27 (2) certifies that the student is an eligible student as defined in subdivision 3; and

8.28 (3) certifies that the printed instructional materials are for use by the eligible student  
8.29 in connection with a course at the educational institution.

8.30 (f) A publisher may require that the request include a statement signed by the eligible  
8.31 student agreeing that the eligible student will not copy, publish, or in any other way  
8.32 distribute the accessible version of the printed instructional materials to any other person.

8.33 (g) A publisher who manufactures instructional materials using any type of video or  
8.34 audio format, CD ROM, or other digital format for eligible students attending educational  
8.35 institutions shall, upon request, provide an accessible version of the instructional materials,  
8.36 subject to the same conditions and limitations for printed instructional materials.

9.1 (h) Nothing in this act shall be deemed to authorize any use of instructional  
9.2 materials that would constitute an infringement of copyright pursuant to applicable federal  
9.3 copyright law.

9.4 Subd. 5. **Private right of action.** An eligible student who contends that a publisher  
9.5 has violated the Equal Access to Instructional Materials in Higher Education Act has the  
9.6 right to pursue a private right of action in a court of competent jurisdiction. If the eligible  
9.7 student should prevail in a lawsuit, the eligible student shall be entitled to injunctive and  
9.8 monetary relief and attorney fees and costs incurred in the litigation.

9.9 Sec. 8. Minnesota Statutes 2006, section 136A.101, subdivision 8, is amended to read:

9.10 Subd. 8. **Resident student.** "Resident student" means a student who meets one of  
9.11 the following conditions:

9.12 (1) a student who has resided in Minnesota for purposes other than postsecondary  
9.13 education for at least 12 months without being enrolled at a postsecondary educational  
9.14 institution for more than five credits in any term;

9.15 (2) a dependent student whose parent or legal guardian resides in Minnesota at the  
9.16 time the student applies;

9.17 (3) a student who graduated from a Minnesota high school, if the student was a  
9.18 resident of Minnesota during the student's period of attendance at the Minnesota high  
9.19 school and the student is physically attending a Minnesota postsecondary educational  
9.20 institution;

9.21 (4) a student who, after residing in the state for a minimum of one year, earned a  
9.22 high school equivalency certificate in Minnesota;

9.23 (5) a member, spouse, or dependent of a member of the armed forces of the United  
9.24 States stationed in Minnesota on active federal military service as defined in section  
9.25 190.05, subdivision 5c;

9.26 (6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran  
9.27 is a Minnesota resident;

9.28 (7) a person or spouse of a person who relocated to Minnesota from an area that  
9.29 is declared a presidential disaster area within the preceding 12 months if the disaster  
9.30 interrupted the person's postsecondary education; or

9.31 ~~(7)~~ (8) a person defined as a refugee under United States Code, title 8, section  
9.32 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has  
9.33 continued to reside in Minnesota.

9.34 Sec. 9. Minnesota Statutes 2006, section 136A.121, subdivision 5, is amended to read:

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

- 10.6 (1) the assigned student responsibility of at least ~~46~~ 44.5 percent of the cost of  
 10.7 attending the institution of the applicant's choosing;
- 10.8 (2) the assigned family responsibility as defined in section 136A.101; and
- 10.9 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

10.10 The minimum financial stipend is \$100 per academic year.

10.11 Sec. 10. Minnesota Statutes 2007 Supplement, section 136A.121, subdivision 7a,  
 10.12 is amended to read:

10.13 Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the  
 10.14 office to be more than sufficient to fund projected grant demand in the second year of the  
 10.15 biennium, the office may increase the living and miscellaneous expense allowance in the  
 10.16 second year of the biennium by up to an amount that retains sufficient appropriations  
 10.17 to fund the projected grant demand. The adjustment may be made one or more times.  
 10.18 In making the determination that there are more than sufficient funds, the office shall  
 10.19 balance the need for sufficient resources to meet the projected demand for grants with the  
 10.20 goal of fully allocating the appropriation for state grants. An increase in the living and  
 10.21 miscellaneous expense allowance under this subdivision does not carry forward into a  
 10.22 subsequent biennium. ~~This subdivision expires June 30, 2009.~~

10.23 Sec. 11. Minnesota Statutes 2007 Supplement, section 136A.126, is amended to read:

10.24 **136A.126 INDIAN SCHOLARSHIPS.**

10.25 Subdivision 1. Student eligibility. The director of the Office of Higher Education  
 10.26 shall establish procedures for the distribution of scholarships to ~~any~~ a Minnesota resident  
 10.27 student who:

- 10.28 (1) is of one-fourth or more Indian ancestry, ~~who;~~
- 10.29 (2) has applied for other existing state and federal scholarship and grant programs;  
 10.30 ~~and who;~~
- 10.31 (3) if enrolled in an undergraduate program, is eligible or would be eligible to  
 10.32 receive a federal Pell Grant or a state grant based on the federal needs analysis;

11.1 (4) is an undergraduate enrolled for nine semester credits per term or more, or the  
11.2 equivalent, or a graduate student enrolled on a half-time basis or more according to the  
11.3 postsecondary institution; and

11.4 (5) in the opinion of the director of the Office of Higher Education, based upon  
11.5 postsecondary institution recommendations, has the capabilities to benefit from further  
11.6 education.

11.7 Subd. 2. **Eligible programs.** Scholarships must be for accredited degree programs  
11.8 in accredited Minnesota colleges or universities or for courses in accredited Minnesota  
11.9 business, technical, or vocational schools. Scholarships may also be given to students  
11.10 attending Minnesota colleges that are in candidacy status for obtaining full accreditation,  
11.11 and are eligible for and receiving federal financial aid programs. Students are also eligible  
11.12 for scholarships when enrolled as students in Minnesota higher education institutions that  
11.13 have joint programs with other accredited higher education institutions. ~~Scholarships shall~~  
11.14 ~~be used to defray the total cost of education including tuition, incidental fees, books,~~  
11.15 ~~supplies, transportation, other related school costs and the cost of board and room and~~  
11.16 ~~shall be paid directly to the college or school concerned where the student receives federal~~  
11.17 ~~financial aid.~~

11.18 Subd. 3. **Cost of attendance.** The total cost of ~~education includes all~~ attendance  
11.19 shall include tuition and required fees for each student enrolling in a public institution  
11.20 ~~and the portion of tuition and fees for each student enrolling in a private institution that~~  
11.21 ~~does not exceed the tuition and fees at a comparable public institution. Each student shall~~  
11.22 ~~be awarded a scholarship based on a federal standardized need analysis. Applicants are~~  
11.23 ~~encouraged to apply for all other sources of financial aid~~ charged by the institution and the  
11.24 campus-based budget used for federal financial aid for food and shelter, books, supplies,  
11.25 transportation, and miscellaneous expenses.

11.26 ~~When an Indian student satisfactorily completes the work required by a certain~~  
11.27 ~~college or school in a school year the student is eligible for additional scholarships, if~~  
11.28 ~~additional training is necessary to reach the student's educational and vocational objective.~~

11.29 Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based  
11.30 on the federal need analysis. Applicants are encouraged to apply for all other sources of  
11.31 financial aid. The amount of the award must not exceed the applicant's cost of attendance,  
11.32 as defined in subdivision 3, after deducting:

- 11.33 (1) the expected family contribution as calculated by the federal need analysis;  
11.34 (2) the amount of a federal Pell Grant award for which the applicant is eligible;  
11.35 (3) the amount of the state grant;

12.1 (4) the sum of all federal Supplemental Educational Opportunity Grant, federal  
12.2 Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain  
12.3 Talent Grant (SMART Grant) awards;

12.4 (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition  
12.5 remission amounts;

12.6 (6) the sum of all tribal scholarships;

12.7 (7) the amount of any other state and federal gift aid; and

12.8 (8) the amount of any private grants or scholarships.

12.9 (b) The award shall be paid directly to the postsecondary institution where the  
12.10 student receives federal financial aid.

12.11 (c) Awards are limited as follows:

12.12 (1) the maximum award for an undergraduate is \$4,000 per academic year;

12.13 (2) the maximum award for a graduate student is \$6,000 per academic year; and

12.14 (3) the minimum award for all students is \$100 per academic year.

12.15 (d) Scholarships may not be given to any Indian student for more than ~~five~~ three  
12.16 years of study for a two-year degree, certificate, or diploma program or five years of study  
12.17 for a four-year degree program at the undergraduate level and for more than ~~five~~ three  
12.18 years at the graduate level. Students may acquire only one degree per level and one terminal  
12.19 graduate degree. Scholarships may not be given to any student for more than ten years  
12.20 including five years of undergraduate study and five years of graduate study.

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

12.22 Sec. 12. Minnesota Statutes 2007 Supplement, section 136A.127, is amended to read:

12.23 **136A.127 ACHIEVE SCHOLARSHIP PROGRAM.**

12.24 Subdivision 1. **Establishment.** The Achieve Scholarship Program is established  
12.25 to provide scholarships to eligible students within the limits of appropriations for the  
12.26 program.

12.27 Subd. 2. **Definition; qualifying program.** For the purposes of this section, a  
12.28 "qualifying program" means a rigorous secondary school program of study defined by  
12.29 the Department of Education under agreement with the Secretary of Education for the  
12.30 purposes of determining eligibility for the federal Academic Competitiveness Grant  
12.31 Program under Title IV of the Higher Education Act of 1965, as amended.

12.32 Subd. 3. **Documentation of qualifying programs.** The student shall request a  
12.33 transcript from the high school. The high school shall provide a transcript to the Office  
12.34 of Higher Education or to the eligible institution in which the student is enrolling,

13.1 documenting the qualifying program. The student may be required to provide additional  
13.2 documentation such as:

13.3 (1) official postsecondary transcript; and

13.4 (2) official IB/AP test scores.

13.5 Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this  
13.6 section, in addition to the requirements listed under section 136A.121, a student must:

13.7 (1) submit a Free Application for Federal Student Aid (FAFSA);

13.8 (2) take and receive at least a grade of C for courses that comprise a rigorous  
13.9 secondary school program of study in a high school or in a home-school setting under  
13.10 section 120A.22, and graduate from a Minnesota high school;

13.11 (3) have a family adjusted gross income of less than \$75,000 in the last complete  
13.12 calendar year prior to the academic year of postsecondary attendance ~~of less than \$75,000~~  
13.13 in which the scholarship is used;

13.14 (4) be a United States citizen or eligible noncitizen, as defined in section 484 of the  
13.15 Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and  
13.16 Code of Federal Regulations, title 34, section 668.33; ~~and~~

13.17 (5) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and

13.18 (6) be enrolled for at least three credits per quarter or semester or the equivalent at  
13.19 an eligible institution as defined under section 136A.101, subdivision 4.

13.20 Subd. 5. **Administration.** The Achieve Scholarship Program shall be administered  
13.21 by the Minnesota Office of Higher Education. The director shall develop forms and  
13.22 procedures necessary to administer the program.

13.23 Subd. 6. **Application.** A student must complete and submit an application for  
13.24 the Achieve scholarship.

13.25 Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve  
13.26 scholarships is ~~30 days after the beginning of the academic term for which the application~~  
13.27 ~~is submitted~~ the same as that used for the state grant in section 136A.121, subdivision 13.

13.28 Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship  
13.29 Program applicants must certify on the application that they meet the income eligibility  
13.30 requirement in subdivision ~~5~~ 4, clause ~~(2)~~ (3). The Office of Higher Education or the  
13.31 postsecondary institution may request documentation needed to confirm income eligibility.

13.32 Subd. 9. **Scholarship awards.** Minnesota Achieve scholarships shall consist of  
13.33 \$1,200 for a student who takes and receives at least a grade of C for courses required  
13.34 under a qualifying program. The scholarships may be used to pay for qualifying expenses  
13.35 at eligible institutions.

14.1 Subd. 10. **Qualifying expenses.** Qualifying expenses are components included  
14.2 under the cost of attendance used for federal student financial aid programs, as defined in  
14.3 section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et  
14.4 seq., as amended.

14.5 Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to  
14.6 pay qualifying expenses at an eligible institution as defined under section 136A.101,  
14.7 subdivision 4.

14.8 Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student  
14.9 is available for four years immediately following high school graduation. The office  
14.10 must certify to the commissioner of finance by October 1 of each year the amounts to be  
14.11 canceled from scholarship eligibility that have expired.

14.12 Subd. 13. **Disbursement of scholarships.** The office shall make two equal  
14.13 payments to a postsecondary institution on behalf of the student. ~~The second payment~~  
14.14 ~~must be made~~ After the student successfully completes the first term of enrollment, the  
14.15 second payment must be made during the student's next term of enrollment at an eligible  
14.16 institution. If the second disbursement is not within the same academic year as the first  
14.17 disbursement, the student must request the second disbursement.

14.18 Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the  
14.19 Office of Higher Education shall submit a report, to the committees of the legislature with  
14.20 jurisdiction over higher education finance and policy, regarding the success of the program  
14.21 in increasing the enrollment of students in rigorous high school courses, including, at a  
14.22 minimum, the following information:

14.23 (1) the demographics of individuals participating in the program;

14.24 (2) the grades scholarship recipients received for courses in the qualifying program  
14.25 under subdivision 2;

14.26 (3) the number of scholarship recipients who persisted at a postsecondary institution  
14.27 for a second year;

14.28 (4) the high schools attended by the program participants;

14.29 (5) the postsecondary institutions attended by the program participants;

14.30 (6) the academic performance of the students after enrolling in a postsecondary  
14.31 institution; and

14.32 (7) other information as identified by the director.

14.33 **EFFECTIVE DATE.** This section is effective the day following final enactment  
14.34 and within the limits of appropriations applies to students who graduate from high school  
14.35 after January 1, 2008.

15.1 Sec. 13. Minnesota Statutes 2007 Supplement, section 136A.128, is amended by  
15.2 adding a subdivision to read:

15.3 Subd. 4. **Administration.** A nonprofit organization that receives a grant under this  
15.4 section may use five percent of the grant amount to administer the program.

15.5 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
15.6 grants under Minnesota Statutes, section 136A.128, beginning in fiscal year 2008.

15.7 Sec. 14. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 1, is  
15.8 amended to read:

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

15.13 Sec. 15. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 3, is  
15.14 amended to read:

15.15 Subd. 3. **Application.** A school subject to registration shall be granted approval  
15.16 to use the term "college," ~~"academy," "institute,"~~ or "university" in its name if it was  
15.17 organized, operating, and using such term in its name on or before August 1, 2007, and if  
15.18 it meets the other policies and standards for approval established by the office.

15.19 Sec. 16. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 5, is  
15.20 amended to read:

15.21 Subd. 5. **Requirements for degree and nondegree program approval.** For each  
15.22 degree and nondegree program a school offers to a student, where the student does not  
15.23 leave Minnesota for the major portion of the program or course leading to the degree or  
15.24 nondegree award, the school must have:

15.25 (1) for degree programs:

15.26 (i) qualified teaching personnel to provide the educational programs for each degree  
15.27 for which approval is sought;

15.28 ~~(2)~~ (ii) appropriate educational programs leading to each degree for which approval  
15.29 is sought;

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

15.32 ~~(4)~~ (iv) a rationale showing that degree programs are consistent with the school's  
15.33 mission and goals; and

16.1 (2) for nondegree programs:

16.2 (i) qualified teaching personnel to provide the educational programs for which  
16.3 approval is sought;

16.4 (ii) appropriate educational programs leading to each award for which approval  
16.5 is sought;

16.6 (iii) appropriate and accessible library, laboratory, and other physical facilities to  
16.7 support the educational program for which approval is sought; and

16.8 (iv) a rationale showing that programs are consistent with the school's mission  
16.9 and goals.

16.10 Nondegree programs that are a part of an approved degree shall not require  
16.11 additional review or approval; they shall be considered approved as a part of the degree  
16.12 approval. Any nondegree program offered by a degree-granting school that is not a part of  
16.13 an approved degree shall be subject to clause (2), items (i) to (iv).

16.14 Sec. 17. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 6, is  
16.15 amended to read:

16.16 Subd. 6. **Name.** A degree-granting school may use the term "academy" or "institute"  
16.17 in its name without meeting any additional requirements. A school may use the term  
16.18 "college" in its name if it offers at least one program leading to an associate degree. A  
16.19 school may use the term "university" in its name if it offers at least one program leading  
16.20 to a master's or doctorate degree.

16.21 Sec. 18. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 7, is  
16.22 amended to read:

16.23 Subd. 7. **Conditional approval.** The office may grant conditional approval for a  
16.24 degree or use of a term in its name for a period of less than one year if doing so would be  
16.25 in the best interests of currently enrolled students or prospective students. New schools  
16.26 may be granted conditional approval for degrees or names annually for a period not to  
16.27 exceed five years to allow them the opportunity to apply for and receive accreditation as  
16.28 required in subdivision 1a.

16.29 Sec. 19. Minnesota Statutes 2007 Supplement, section 136A.66, is amended to read:

16.30 **136A.66 LIST.**

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

17.1 Sec. 20. Minnesota Statutes 2007 Supplement, section 136A.67, is amended to read:

17.2 **136A.67 UNAUTHORIZED REPRESENTATIONS.**

17.3 No school and none of its officials or employees shall advertise or represent in  
17.4 any manner that such school is approved or accredited by the office or the state of  
17.5 Minnesota, except a school which is duly registered with the office, or any of its officials  
17.6 or employees, may represent in advertising and shall disclose in catalogues, applications,  
17.7 and enrollment materials that the school is registered with the office by prominently  
17.8 displaying the following statement: "(Name of school) is registered as a private institution  
17.9 with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71.  
17.10 Registration is not an endorsement of the institution. Credits earned at the institution  
17.11 may not transfer to all other institutions."

17.12 Sec. 21. Minnesota Statutes 2007 Supplement, section 136A.69, is amended to read:

17.13 **136A.69 FEES.**

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

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

17.20 Subd. 3. **Degree or nondegree program addition fee.** The office processing fee  
17.21 for adding a degree or nondegree program that represents a significant departure in the  
17.22 objectives, content, or method of delivery of degree or nondegree programs that are  
17.23 currently offered by the school is \$500 per degree or nondegree program.

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

17.28 (1) \$300 for the team base fee or for a paper review conducted by a consultant if the  
17.29 office determines that a fact-finding visit is not required;

17.30 (2) \$300 for each day or part thereof on site per team member; and

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

17.33 Subd. 5. **Modification fee.** The fee for modification of any existing degree or  
17.34 nondegree program is \$100 and is due if there is:

18.1 (1) an increase or decrease of 25 percent or more from the original date of program  
18.2 approval, in clock hours, credit hours, or calendar length of an existing degree or  
18.3 nondegree program;

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

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

18.8 Sec. 22. Minnesota Statutes 2007 Supplement, section 136F.02, subdivision 1, is  
18.9 amended to read:

18.10 Subdivision 1. **Membership.** The board consists of 15 members appointed  
18.11 according to this subdivision. Eleven members are appointed by the governor including  
18.12 three members who are students who have attended an institution for at least one year  
18.13 and are currently enrolled at least half time in a degree, diploma, or certificate program  
18.14 or have graduated from an institution governed by the board within one year of the date  
18.15 of appointment. The student members shall include: one member from a community  
18.16 college, one member from a state university, and one member from a technical college.  
18.17 The remaining four members are appointed by labor organizations. The Inter Faculty  
18.18 Organization (IFO), the Minnesota State College Faculty (MSCF), the Minnesota  
18.19 Association of Professional Employees (MAPE), and the American Federation of  
18.20 State, County and Municipal Employees (AFSCME) shall each appoint one member.  
18.21 Appointments by the governor and the labor organizations are made with the advice  
18.22 and consent of the senate. At least one member of the board must be a resident of each  
18.23 congressional district. The remaining members must be appointed to represent the state at  
18.24 large. In selecting appointees, the governor and each appointing authority must consider  
18.25 the needs of the board of trustees and the balance of the board membership with respect to  
18.26 labor and business representation and racial, gender, geographic, and ethnic composition.  
18.27 ~~Three members must be students who are enrolled at least half time in a degree, diploma,~~  
18.28 ~~or certificate program or have graduated from an institution governed by the board within~~  
18.29 ~~one year of the date of appointment. The student members shall include: one member~~  
18.30 ~~from a community college, one member from a state university, and one member from a~~  
18.31 ~~technical college. The remaining members must be appointed to represent the state at large.~~

18.32 Sec. 23. Minnesota Statutes 2007 Supplement, section 136F.03, subdivision 4, is  
18.33 amended to read:

19.1 Subd. 4. **Recommendations.** Except for seats filled under ~~section~~ sections 136F.04  
19.2 and 136F.045, the advisory council shall recommend at least two and not more than four  
19.3 candidates for each seat. By April 15 of each even-numbered year in which the governor  
19.4 makes appointments to the board, the advisory council shall submit its recommendations  
19.5 to the governor. The governor is not bound by these recommendations.

19.6 Sec. 24. **[136F.045] LABOR ORGANIZATION BOARD MEMBER SELECTION**  
19.7 **PROCESS.**

19.8 The labor organizations under section 136F.02, subdivision 1, are responsible  
19.9 for recruiting, screening, and selecting qualified candidates for their appointments to  
19.10 the board. The organizations must develop a statement of selection criteria for board  
19.11 membership and a process for selecting candidates to meet the board needs and balance  
19.12 required under section 136F.02, subdivision 1.

19.13 Sec. 25. **[136F.19] POWER OF YOU PROGRAM.**

19.14 Subdivision 1. **Establishment.** The power of you program is established at  
19.15 Metropolitan State University, Minneapolis Community and Technical College, and St.  
19.16 Paul College to promote the preparation and enrollment of students in postsecondary  
19.17 education through partnerships with high schools and school districts.

19.18 Subd. 2. **Allocations.** (a) Minnesota State Colleges and Universities shall allocate  
19.19 the power of you funds at Metropolitan State University, Minneapolis Community and  
19.20 Technical College, and St. Paul College.

19.21 (b) The funds must be used to increase student financial aid to fill the gap between  
19.22 costs and federal and state grants to students who:

19.23 (1) graduate from a public Minneapolis or St. Paul high school;

19.24 (2) enroll full time immediately after graduation; and

19.25 (3) are participants in the power of you.

19.26 Sec. 26. Minnesota Statutes 2006, section 136F.90, subdivision 1, is amended to read:

19.27 Subdivision 1. **Duties.** For ~~the~~ state colleges and universities, the Board of Trustees  
19.28 of the Minnesota State Colleges and Universities may:

19.29 (1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate,  
19.30 control, and manage residence halls, dormitories, dining halls, student union buildings,  
19.31 parking facilities, and any other similar revenue-producing buildings of such type and  
19.32 character as the board finds necessary for the good and benefit of ~~the~~ state colleges and  
19.33 universities, and may acquire property whether real, personal, or mixed, by gift, purchase,

20.1 or otherwise; provided that no contract for the construction of any building shall be  
20.2 entered into until financing has been approved by the legislature;

20.3 (2) maintain and operate any buildings or structures and charge for their use, and  
20.4 conduct any activities that are commonly conducted in connection with the buildings  
20.5 or structures;

20.6 (3) enter into contracts for the purposes of sections 136F.90 to 136F.98;

20.7 (4) acquire building sites and buildings or structures by gift, purchase, or otherwise  
20.8 and pledge the revenues from them for the payment of any bonds issued for that purpose  
20.9 as provided in sections 136F.90 to 136F.98;

20.10 (5) borrow money and issue and sell bonds in an amount or amounts the legislature  
20.11 authorizes for the purpose of acquiring, constructing, completing, remodeling, or  
20.12 equipping any buildings or structures, and acquiring sites, and refund and refinance the  
20.13 bonds by the issuance and sale of refunding bonds when the board finds that it is in  
20.14 the public interest. The bonds shall be sold and issued by the board in the manner and  
20.15 upon the terms and conditions provided by chapter 475, except as otherwise provided in  
20.16 this section. The bonds are payable only from and secured by an irrevocable pledge of  
20.17 the revenues to be derived from the operation of any buildings or structures acquired,  
20.18 constructed, completed, remodeled, or equipped in whole or in part with the proceeds of  
20.19 the bonds and from other income and revenues described in section 136F.92, clause (1),  
20.20 the board by resolution specifies, and notwithstanding this limitation all bonds issued  
20.21 under sections 136F.90 to 136F.98 shall have the qualities of negotiable instruments under  
20.22 the laws of this state. The legislature shall not appropriate money from the general fund to  
20.23 pay for these bonds.

20.24 Sec. 27. Minnesota Statutes 2007 Supplement, section 141.25, subdivision 5, is  
20.25 amended to read:

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

20.31 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's  
20.32 gross income from student tuition, fees, and other required institutional charges, but in  
20.33 no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a  
20.34 greater amount at its own discretion. A school in each annual application for licensure  
20.35 must compute the amount of the surety bond and verify that the amount of the surety bond

21.1 complies with this subdivision, unless the school maintains a surety bond equal to at least  
21.2 \$250,000. A school that operates at two or more locations may combine gross income  
21.3 from student tuition, fees, and other required institutional charges for all locations for the  
21.4 purpose of determining the annual surety bond requirement. The gross tuition and fees  
21.5 used to determine the amount of the surety bond required for a school having a license for  
21.6 the sole purpose of recruiting students in Minnesota shall be only that paid to the school  
21.7 by the students recruited from Minnesota.

21.8 (2) A school required to obtain a private career school license due to the use of  
21.9 "academy," "institute," "college," or "university" in its name and which is also licensed by  
21.10 another state agency or board shall be required to provide a school bond of \$10,000.

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

21.18 (d) In lieu of bond, the applicant may deposit with the commissioner of finance a  
21.19 sum equal to the amount of the required surety bond in cash, or securities as may be  
21.20 legally purchased by savings banks or for trust funds in an aggregate market value equal  
21.21 to the amount of the required surety bond.

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

21.24 Sec. 28. Minnesota Statutes 2006, section 141.25, is amended by adding a subdivision  
21.25 to read:

21.26 Subd. 13. **Schools licensed by another state agency or board.** A school required to  
21.27 obtain a private career school license due to the use of "academy," "institute," "college," or  
21.28 "university" in its name and which is also licensed by another state agency or board shall  
21.29 be required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7),  
21.30 and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

21.31 Sec. 29. Minnesota Statutes 2007 Supplement, section 141.28, subdivision 1, is  
21.32 amended to read:

21.33 Subdivision 1. **Disclosure required; advertisement restricted.** ~~A~~ Schools, agents  
21.34 of schools, and solicitors may not advertise or represent in writing or orally that such

22.1 school is approved or accredited by the state of Minnesota, except that any school, agent,  
22.2 or solicitor may represent in advertisements and shall disclose in catalogues, applications,  
22.3 and enrollment materials that the school is duly licensed by the state by prominently  
22.4 displaying the following statement:

22.5 "(Name of school) is licensed as a private career school with the Minnesota Office of  
22.6 Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32. Licensure is  
22.7 not an endorsement of the institution. Credits earned at the institution may not transfer  
22.8 to all other institutions."

22.9 Sec. 30. Minnesota Statutes 2007 Supplement, section 141.35, is amended to read:

22.10 **141.35 EXEMPTIONS.**

22.11 Sections 141.21 to 141.32 shall not apply to the following:

22.12 (1) public postsecondary institutions;

22.13 (2) postsecondary institutions registered under sections ~~136A.615~~ 136A.61 to  
22.14 136A.71;

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

22.17 (4) private schools complying with the requirements of section 120A.22, subdivision  
22.18 4;

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

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

22.23 (7) schools licensed by boards authorized under Minnesota law to issue licenses  
22.24 except schools required to obtain a private career school license due to the use of  
22.25 "academy," "institute," "college," or "university" in their names;

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

22.29 (9) schools engaged exclusively in the teaching of purely avocational, recreational,  
22.30 or remedial subjects as determined by the office except schools required to obtain a private  
22.31 career school license due to the use of "academy," "institute," "college," or "university"  
22.32 in their names;

22.33 (10) classes, courses, or programs conducted by a bona fide trade, professional, or  
22.34 fraternal organization, solely for that organization's membership;

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

23.8 (12) classes, courses, or programs intended to fulfill the continuing education  
23.9 requirements for licensure or certification in a profession, that have been approved by  
23.10 a legislatively or judicially established board or agency responsible for regulating the  
23.11 practice of the profession, and that are offered exclusively to an individual practicing  
23.12 the profession;

23.13 (13) classes, courses, or programs intended to prepare students to sit for  
23.14 undergraduate, graduate, postgraduate, or occupational licensing and occupational  
23.15 entrance examinations;

23.16 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction  
23.17 that are not part of the curriculum for an occupation or entry level employment except  
23.18 schools required to obtain a private career school license due to the use of "academy,"  
23.19 "institute," "college," or "university" in their names;

23.20 (15) classes, courses, or programs providing instruction in personal development,  
23.21 modeling, or acting;

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

23.25 (17) schools with no physical presence in Minnesota, as determined by the office,  
23.26 engaged exclusively in offering distance instruction that are located in and regulated  
23.27 by other states or jurisdictions.

23.28 Sec. 31. Minnesota Statutes 2006, section 144.1501, subdivision 2, is amended to read:

23.29 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness  
23.30 program account is established. The commissioner of health shall use money from the  
23.31 account to establish a loan forgiveness program:

23.32 (1) for medical residents agreeing to practice in designated rural areas or underserved  
23.33 urban communities or specializing in the area of pediatric psychiatry;

24.1 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach  
24.2 ~~for at least 20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a  
24.3 postsecondary program at the undergraduate level or the equivalent at the graduate level;

24.4 (3) for nurses who agree to practice in a Minnesota nursing home or intermediate  
24.5 care facility for persons with developmental disability or to teach ~~for at least 20 hours~~ 12  
24.6 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at  
24.7 the undergraduate level or the equivalent at the graduate level;

24.8 (4) for other health care technicians agreeing to teach ~~for at least 20 hours~~ 12 credit  
24.9 hours, or 720 hours per week year in their designated field in a postsecondary program  
24.10 at the undergraduate level or the equivalent at the graduate level. The commissioner, in  
24.11 consultation with the Healthcare Education-Industry Partnership, shall determine the  
24.12 health care fields where the need is the greatest, including, but not limited to, respiratory  
24.13 therapy, clinical laboratory technology, radiologic technology, and surgical technology;

24.14 (5) for pharmacists who agree to practice in designated rural areas; and

24.15 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient  
24.16 encounters to state public program enrollees or patients receiving sliding fee schedule  
24.17 discounts through a formal sliding fee schedule meeting the standards established by  
24.18 the United States Department of Health and Human Services under Code of Federal  
24.19 Regulations, title 42, section 51, chapter 303.

24.20 (b) Appropriations made to the account do not cancel and are available until  
24.21 expended, except that at the end of each biennium, any remaining balance in the account  
24.22 that is not committed by contract and not needed to fulfill existing commitments shall  
24.23 cancel to the fund.

24.24 Sec. 32. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1, is  
24.25 amended to read:

24.26 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
24.27 section.

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

24.30 (c) "Cost of attendance" for ~~both graduate and~~ undergraduate students has the  
24.31 meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.1. ~~The~~  
24.32 "Cost of attendance" for graduate students has the meaning given in section 136A.121,  
24.33 subdivision 6, multiplied by a factor of 1.1 using the tuition and fee maximum established  
24.34 by law for four-year programs shall be used to calculate the tuition and fee maximum  
24.35 under section 136A.121, subdivision 6, for a graduate student. For purposes of calculating

25.1 the cost of attendance for graduate students, full time is eight credits or more per term or  
25.2 the equivalent.

25.3 (d) "Child" means a natural or adopted child of a person described in subdivision 4,  
25.4 paragraph (a), clause (1), item (i) or (ii).

25.5 (e) "Eligible institution" means a postsecondary institution under section 136A.101,  
25.6 subdivision 4, or a graduate school licensed or registered with the state of Minnesota  
25.7 serving only graduate students.

25.8 (f) "Program" means the Minnesota GI Bill program established in this section,  
25.9 unless otherwise specified.

25.10 (g) "Time of hostilities" means any action by the armed forces of the United States  
25.11 that is recognized by the issuance of a presidential proclamation or a presidential executive  
25.12 order in which the armed forces expeditionary medal or other campaign service medals  
25.13 are awarded according to presidential executive order, and any additional period or place  
25.14 that the commissioner determines and designates, after consultation with the United States  
25.15 Department of Defense, to be a period or place where the United States is in a conflict that  
25.16 places persons at such a risk that service in a foreign country during that period or in that  
25.17 place should be considered to be included.

25.18 (h) "Veteran" has the meaning given in section 197.447. Veteran also includes  
25.19 a service member who has received an honorable discharge after leaving each period of  
25.20 federal active duty service and has:

25.21 (1) served 90 days or more of federal active duty in a foreign country during a time  
25.22 of hostilities in that country or been awarded one or more of the following medals:

25.23 (i) Armed Forces Expeditionary Medal;

25.24 (ii) Kosovo Campaign Medal;

25.25 (iii) Afghanistan Campaign Medal;

25.26 (iv) Iraq Campaign Medal;

25.27 (v) Global War on Terrorism Expeditionary Medal; and

25.28 (vi) other campaign medals authorized for service after September 1, 2001; or

25.29 (2) received a service-related medical discharge from any period of service in a  
25.30 foreign country during a time of hostilities in that country.

25.31 A service member who has fulfilled the requirements for being a veteran under this  
25.32 paragraph but is still serving actively in the United States armed forces is also a veteran  
25.33 for the purposes of this section.

25.34 Sec. 33. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is  
25.35 amended to read:

26.1 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this  
26.2 section if:

26.3 (1) the person is:

26.4 (i) a veteran who is serving or has served honorably in any branch or unit of the  
26.5 United States armed forces at any time on or after September 11, 2001;

26.6 (ii) a nonveteran who has served honorably for a total of five years or more  
26.7 cumulatively as a member of the Minnesota National Guard or any other active or reserve  
26.8 component of the United States armed forces, and any part of that service occurred on or  
26.9 after September 11, 2001;

26.10 (iii) the surviving spouse or child of a person who has served in the military at any  
26.11 time on or after September 11, 2001, and who has died as a direct result of that military  
26.12 service; or

26.13 (iv) the spouse or child of a person who has served in the military at any time on or  
26.14 after September 11, 2001, and who has a total and permanent service-connected disability  
26.15 as rated by the United States Veterans Administration;

26.16 (2) the person providing the military service described in clause (1), items (i) to (iv),  
26.17 was a Minnesota resident within six months of the time of the person's initial enlistment or  
26.18 any reenlistment in the United States armed forces;

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

26.21 (4) the person receiving the educational assistance:

26.22 (i) is an undergraduate or graduate student at an eligible institution;

26.23 (ii) is maintaining satisfactory academic progress as defined by the institution for  
26.24 students participating in federal Title IV programs;

26.25 (iii) is enrolled in an education program leading to a certificate, diploma, or degree  
26.26 at an eligible institution;

26.27 (iv) has applied for educational assistance under this section prior to the end of the  
26.28 academic term for which the assistance is being requested;

26.29 (v) is in compliance with child support payment requirements under section  
26.30 136A.121, subdivision 2, clause (5); and

26.31 (vi) ~~if an undergraduate student, has applied for the federal Pell Grant and the~~  
26.32 ~~Minnesota State Grant~~ has completed and submitted the Free Application for Federal  
26.33 Student Aid (FAFSA).

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

27.1 (c) To determine eligibility, the commissioner may require official documentation,  
27.2 including the person's federal form DD-214 or other official military discharge papers;  
27.3 correspondence from the United States Veterans Administration; birth certificate; marriage  
27.4 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of  
27.5 residency; proof of identity; or any other official documentation the commissioner  
27.6 considers necessary to determine eligibility.

27.7 (d) The commissioner may deny eligibility or terminate benefits under this section  
27.8 to any person who has not provided sufficient documentation to determine eligibility for  
27.9 the program. An applicant may appeal the commissioner's eligibility determination or  
27.10 termination of benefits in writing to the commissioner at any time. The commissioner  
27.11 must rule on any application or appeal within 30 days of receipt of all documentation that  
27.12 the commissioner requires. The decision of the commissioner regarding an appeal is final.  
27.13 However, an applicant whose appeal of an eligibility determination has been rejected by  
27.14 the commissioner may submit an additional appeal of that determination in writing to the  
27.15 commissioner at any time that the applicant is able to provide substantively significant  
27.16 additional information regarding the applicant's eligibility for the program. An approval  
27.17 of an applicant's eligibility by the commissioner following an appeal by the applicant is  
27.18 not retroactively effective for more than one year or the semester of the person's original  
27.19 application, whichever is later.

27.20 (e) Upon receiving an application with insufficient documentation to determine  
27.21 eligibility, the commissioner must notify the applicant within 30 days of receipt of the  
27.22 application that the application is being suspended pending receipt by the commissioner of  
27.23 sufficient documentation from the applicant to determine eligibility.

27.24 Sec. 34. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is  
27.25 amended to read:

27.26 Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for  
27.27 the program, the applicant shall be awarded, on a funds-available basis, the educational  
27.28 assistance under the program for use at any time according to program rules at any  
27.29 eligible institution.

27.30 (b) The amount of educational assistance in any semester or term for an eligible  
27.31 person must be determined by subtracting from the eligible person's cost of attendance the  
27.32 amount the person received or was eligible to receive in that semester or term from:

27.33 (1) the federal Pell Grant;

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

28.1 (3) any federal military or veterans educational benefits including but not limited  
 28.2 to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,  
 28.3 vocational rehabilitation benefits, and any other federal benefits associated with the  
 28.4 person's status as a veteran, except veterans disability payments from the United States  
 28.5 Veterans Administration.

28.6 (c) The amount of educational assistance for any eligible person who is a full-time  
 28.7 student must not exceed the following:

28.8 (1) \$1,000 per semester or term of enrollment;

28.9 (2) \$2,000 per state fiscal year; and

28.10 (3) \$10,000 in a lifetime.

28.11 For a part-time student, the amount of educational assistance must not exceed \$500  
 28.12 per semester or term of enrollment. For the purpose of this paragraph, a part-time  
 28.13 undergraduate student is a student taking fewer than 12 credits or the equivalent for a  
 28.14 semester or term of enrollment, and a part-time graduate student is a student considered  
 28.15 part time by the eligible institution the graduate student is attending. The minimum award  
 28.16 per term for the undergraduate and graduate students will be \$50 per term.

28.17 Sec. 35. Laws 2007, chapter 144, article 1, section 3, subdivision 2, is amended to read:

28.18	Subd. 2. <b>State Grants</b>	147,400,000	144,138,000
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28.19 If the appropriation in this subdivision for  
 28.20 either year is insufficient, the appropriation  
 28.21 for the other year is available for it.

28.22 For the biennium, the tuition maximum for  
 28.23 students in four-year programs is \$9,838 in  
 28.24 each year for students in four-year programs,  
 28.25 and for students in two-year programs, is  
 28.26 \$6,114 in the first year and \$5,808 in the  
 28.27 second year.

28.28 This appropriation sets the living and  
 28.29 miscellaneous expense allowance at \$5,900  
 28.30 each year.

28.31 Of the appropriation in the second year,  
 28.32 \$3,800,000 must be transferred to the Board  
 28.33 of Trustees of the Minnesota State Colleges  
 28.34 and Universities for the power of you

29.1 program under section 136F.19. Up to half  
 29.2 this amount must be used for pilot programs  
 29.3 under section 39.

29.4 Of the appropriation in the second year,  
 29.5 \$200,000 is for the teachers of color financial  
 29.6 aid pilot program under section 40.

29.7 Sec. 36. Laws 2007, chapter 144, article 1, section 5, subdivision 2, is amended to read:

29.8	<b>Subd. 2. Operations and Maintenance</b>	621,184,000	637,824,000
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29.9 This appropriation includes funding for  
 29.10 operation and maintenance of the system  
 29.11 including amounts to advance the University  
 29.12 of Minnesota's efforts to sustain quality  
 29.13 and competitiveness; and funding for the  
 29.14 "Advancing Education" initiatives including  
 29.15 an Ojibwe Indian language program on the  
 29.16 Duluth campus.

29.17 This appropriation includes funding to  
 29.18 establish banded tuition at the Morris,  
 29.19 Crookston, and Duluth campuses to reduce  
 29.20 tuition costs for students.

29.21 This appropriation includes funding for  
 29.22 scholarships for undergraduate Minnesota  
 29.23 resident students with family income under  
 29.24 \$150,000 per year. This appropriation must  
 29.25 be matched with \$1.50 of nonstate money for  
 29.26 each \$1 of state money.

29.27 This appropriation includes funding for the  
 29.28 Center for Transportation Studies to complete  
 29.29 a study to assess public policy options for  
 29.30 reducing the volume of greenhouse gases  
 29.31 emitted from the transportation sector in  
 29.32 Minnesota. The Center for Transportation  
 29.33 Studies must report its preliminary findings  
 29.34 to the legislature by February 1, 2008, and

30.1 must issue its full report by June 1, 2008.

30.2 This is a onetime appropriation.

30.3 This appropriation includes funding to  
30.4 establish an India Center to improve and  
30.5 promote relations with India and Southeast  
30.6 Asia. The center must partner with public  
30.7 and private organizations in Minnesota to:

30.8 (1) foster an understanding of the history,  
30.9 culture, and values of India;

30.10 (2) serve as a resource and catalyst to  
30.11 promote economic, governmental, and  
30.12 academic pursuits involving India; and

30.13 (3) facilitate educational and business  
30.14 exchanges and partnerships, collaborative  
30.15 research, and teaching and training activities  
30.16 for Minnesota students and teachers.

30.17 The Board of Regents may establish an  
30.18 advisory council to facilitate the mission  
30.19 and objectives of the India Center and must  
30.20 report on the progress of the India Center  
30.21 by February 15, 2008, to the governor  
30.22 and chairs of the legislative committees  
30.23 responsible for higher education finance.

30.24 This appropriation must be matched by an  
30.25 equal amount of nonstate money. This is a  
30.26 onetime appropriation.

30.27 This appropriation includes funding to assist  
30.28 in the formation of the neighborhood alliance  
30.29 and for projects identified in section 10. The  
30.30 alliance, the Board of Regents, and the city of  
30.31 Minneapolis may cooperate on the projects  
30.32 and may use public services of other entities  
30.33 to complete all or a portion of a project. This  
30.34 is a onetime appropriation.

31.1 This appropriation includes funding to  
31.2 establish a Dakota language teacher training  
31.3 immersion program on the Twin Cities  
31.4 campus to prepare teachers to teach in  
31.5 Dakota language immersion programs.

31.6 ~~One~~ Two percent of the appropriation in  
31.7 this subdivision for the second year is  
31.8 available when the Board of Regents of the  
31.9 University of Minnesota demonstrates to  
31.10 the commissioner of finance that the board  
31.11 has met at least three of the five following  
31.12 performance goals:

31.13 (1) increase financial support to pay the cost  
31.14 of attendance for students demonstrating  
31.15 financial need;

31.16 (2) maintain or improve the University of  
31.17 Minnesota's rank in its national share of  
31.18 total research and development expenditures  
31.19 reported to the National Science Foundation  
31.20 over the 2007 ranking;

31.21 (3) increase by at least five percent, compared  
31.22 to fiscal year 2007, the number of degrees  
31.23 awarded in science, technology, engineering,  
31.24 mathematics, and health sciences disciplines;

31.25 (4) increase by at least five percent, compared  
31.26 to fiscal year 2007, the amount of financial  
31.27 support from key funding sources for  
31.28 renewable energy research; and

31.29 (5) increase and improve interaction and  
31.30 research activity beneficial to business and  
31.31 industry.

31.32 By October 1, 2007, the Board of Regents  
31.33 and the Office of Higher Education must  
31.34 agree on specific numerical indicators and

32.1 definitions for each of the five goals that will  
32.2 be used to demonstrate the University of  
32.3 Minnesota's attainment of each goal.

32.4 On or before April 1, 2008, the Board  
32.5 of Regents must report to the legislative  
32.6 committees with primary jurisdiction over  
32.7 higher education finance and policy the  
32.8 progress of the University of Minnesota  
32.9 toward attaining the goals.

32.10 Sec. 37. Laws 2007, chapter 144, article 1, section 3, subdivision 18, is amended to  
32.11 read:

32.12 Subd. 18. **Transfers**

32.13 The Minnesota Office of Higher Education  
32.14 may transfer unencumbered balances from  
32.15 the appropriations in this section to the  
32.16 state grant appropriation, the interstate  
32.17 tuition reciprocity appropriation, the  
32.18 child care grant appropriation, the Indian  
32.19 scholarship appropriation, the state work  
32.20 study appropriation, the public safety officers'  
32.21 survivors appropriation, and the Minnesota  
32.22 college savings plan appropriation. Transfers  
32.23 from the child care or state work study  
32.24 appropriations may only be made to the  
32.25 extent there is a projected surplus in the  
32.26 appropriation. A transfer may be made  
32.27 only with the prior written approval of the  
32.28 commissioner of finance and prior written  
32.29 notice to the chairs of the senate and house  
32.30 committees with jurisdiction over higher  
32.31 education finance.

32.32 Sec. 38. Laws 2007, chapter 144, article 1, section 5, subdivision 5, is amended to read:

33.1 Subd. 5. **University of Minnesota and Mayo**  
 33.2 **Foundation Partnership** 25,000,000 -0-

33.3 For the direct and indirect expenses of the  
 33.4 collaborative research partnership between  
 33.5 the University of Minnesota and the Mayo  
 33.6 Foundation for research in biotechnology  
 33.7 and medical genomics. For fiscal years 2010  
 33.8 and 2011, the base shall be \$8,000,000 in  
 33.9 each year. This appropriation is available  
 33.10 until expended. An annual report on the  
 33.11 expenditure of these funds must be submitted  
 33.12 to the governor, the chair of the house  
 33.13 bioscience and emerging technologies  
 33.14 committee, and the chairs of the senate and  
 33.15 house committees responsible for higher  
 33.16 education and economic development by  
 33.17 June 30 of each fiscal year. At a minimum,  
 33.18 the report must include information on  
 33.19 the number of patents, disclosures, and  
 33.20 licensing agreements; the amount generated  
 33.21 in royalties and how the royalty money is  
 33.22 spent; and the number of companies created,  
 33.23 where they are located, how many jobs are  
 33.24 created, and the amount of venture capital  
 33.25 raised.

33.26 Sec. 39. **POWER OF YOU PILOT PROGRAMS.**

33.27 Subdivision 1. Power of you pilot programs. Pilots shall be established in suburban  
 33.28 and rural sites to test the expansion of power of you. In addition to the requirements  
 33.29 under Minnesota Statutes, section 136F.19, the power of you pilot programs must follow  
 33.30 the model set forth by the power of you at Metropolitan State University, Minneapolis  
 33.31 Community and Technical College, and St. Paul College, increasing financial aid to  
 33.32 students enrolled in the program.

33.33 Subd. 2. Suburban pilot selection. By June 1, 2008, Metropolitan State University  
 33.34 shall select one technical college and one community college or community-technical  
 33.35 college to each partner with a high school in developing a power of you pilot program,

34.1 to test expansion of the program established under Minnesota Statutes, section 136F.19,  
34.2 to students in Twin Cities' suburban areas. Metropolitan State University shall choose  
34.3 the colleges' high school partners.

34.4 Subd. 3. **Rural pilot selection.** By June 1, 2008, the chancellor of Minnesota  
34.5 State Colleges and Universities shall select two rural colleges, one being a multi-campus  
34.6 institution in an agricultural part of the state and the other a multi-campus institution in a  
34.7 nonagricultural part of the state dependent on natural resources, for power of you pilot  
34.8 programs. Each of the campus sites of the colleges shall work with a high school to test  
34.9 the application of the power of you pilot program established under Minnesota Statutes,  
34.10 section 136F.19, to nonmetropolitan students and colleges. The chancellor shall choose  
34.11 the campus' high school partners.

34.12 Sec. 40. **TEACHERS OF COLOR FINANCIAL AID PILOT PROGRAM.**

34.13 Subdivision 1. **Establishment.** The teachers of color financial aid pilot program  
34.14 is established under the supervision of the Minnesota Office of Higher Education to  
34.15 encourage academically talented postsecondary students of color to become teachers  
34.16 of early childhood, elementary, or secondary education; to increase the academic  
34.17 achievement of diverse student populations; to help close the existing student achievement  
34.18 gaps by creating a cadre of qualified new teachers; and to encourage students of color  
34.19 attending four-year institutions to enroll in a teacher preparation program and students  
34.20 attending two-year colleges to transfer to and enroll in a teacher preparation program at  
34.21 eligible institutions. Financial aid under this pilot program is to provide incentives for  
34.22 postsecondary students of color to enter teacher preparation programs and to teach in  
34.23 Minnesota school districts.

34.24 Subd. 2. **Definitions.** For the purposes of this section, the following terms have  
34.25 the meanings given them:

34.26 (1) "student of color" means a student who is African American, African immigrant,  
34.27 American Indian, Alaskan native, Asian American or Pacific Islander, or Hispanic;

34.28 (2) "director" means the director of the Minnesota Office of Higher Education;

34.29 (3) "eligible institution" means a public four-year postsecondary institution with an  
34.30 approved teacher preparation program that is participating in a pilot partnership under  
34.31 subdivision 5; and

34.32 (4) "teacher preparation program" means a program at an institution that prepares  
34.33 students to be teachers.

34.34 Subd. 3. **Grants.** (a) The director shall award grants under this section to eligible  
34.35 students as an incentive to enter teacher preparation programs. An eligible student must

35.1 submit an application for a grant under this section for the student's junior and senior years  
35.2 in a teacher preparation program. Applications must be submitted to the director in the  
35.3 form and manner and with the information required by the director.

35.4 (b) An eligible student who is enrolled as a junior or senior in a teacher preparation  
35.5 program at an eligible institution may receive a grant under this section of up to \$5,000  
35.6 each year for a maximum of two academic years or the equivalent at an eligible institution  
35.7 if the student continues to make satisfactory progress toward a baccalaureate degree  
35.8 in education.

35.9 (c) Grants under this section are made within the limits of appropriations for the  
35.10 pilot program. The director may prorate the grant awards and the length of time of the  
35.11 award for students who attend part-time. The director must give priority for grants  
35.12 under this section to students who are eligible for the Pell grant or for a state grant under  
35.13 Minnesota Statutes, section 136A.121.

35.14 Subd. 4. **Student eligibility.** A student is eligible to receive a grant under this  
35.15 section if the student:

35.16 (1) is an American citizen or eligible noncitizen residing in Minnesota;

35.17 (2) certifies that the student is a student of color;

35.18 (3) is enrolled in an eligible institution and making satisfactory academic progress;

35.19 and

35.20 (4) is admitted to an approved teacher preparation program at an eligible institution.

35.21 Subd. 5. **Pilot partnerships.** Up to four partnerships between a public four-year  
35.22 institution in Minnesota with an approved teacher preparation program and at least one  
35.23 Minnesota school district may participate in the teachers of color financial aid pilot  
35.24 program. Of the four partnerships, one must be a partnership between Winona State  
35.25 University and the Rochester school district and one must be a partnership between St.  
35.26 Cloud State University and Robbinsdale public schools. The director must select the  
35.27 other partnerships for the pilot program based on applications submitted according to the  
35.28 timeline established and with information required by the director. Each partnership  
35.29 must agree to devise a plan to recruit students of color for teacher preparation programs  
35.30 and assistance under this section. Recruitment of students must include recruiting and  
35.31 encouraging talented students of color who attend two-year colleges to transfer to teacher  
35.32 preparation programs at participating pilot institutions.

35.33 Subd. 6. **Teachers of color program promotion.** The director may use up to  
35.34 \$25,000 of the appropriation for the program under this section for the administration and  
35.35 promotion of the pilot program and to assist with the recruitment of students of color  
35.36 for teacher preparation programs. The director must consult with the commissioner of

36.1 education, the University of Minnesota, Minnesota State Colleges and Universities, and  
 36.2 private colleges to develop strategies to recruit, retain, and mentor students in pilot  
 36.3 programs while the students attend a teacher preparation program. To the extent possible,  
 36.4 existing state or private programs must be used to provide recruitment, retention, and  
 36.5 mentoring services under this subdivision.

36.6 Subd. 7. **Report.** The director must report to the committees of the legislature with  
 36.7 responsibility for higher education finance by February 1, 2009, on the teachers of color  
 36.8 financial aid pilot project. The report must include an evaluation of participation with  
 36.9 recommendations on the program design, including the potential to expand the program to  
 36.10 graduate education programs. The report must also make recommendations on continued  
 36.11 funding for the program.

36.12 **Sec. 41. REPORT TO LEGISLATURE.**

36.13 The staff of the Office of the Chancellor of Minnesota State Colleges and  
 36.14 Universities shall evaluate the performance of the power of you pilot programs established  
 36.15 at the locations chosen in section 39 and in Minnesota Statutes, section 136F.19, to  
 36.16 determine the effects on participation rates, retention, and potential enhancement of the  
 36.17 workforce, and shall evaluate the costs and benefits of the pilot programs. The Office of  
 36.18 the Chancellor shall report the results of the evaluation to the committees in the senate and  
 36.19 house of representatives with jurisdiction over higher education by January 15, 2010.

36.20 **Sec. 42. 2008 APPOINTMENTS TO THE BOARD OF TRUSTEES.**

36.21 Notwithstanding Minnesota Statutes, section 136F.02, the governor shall make no  
 36.22 appointments to the Board of Trustees of the Minnesota State Colleges and Universities  
 36.23 for board terms expiring in 2008 and all appointments for these seats must be made by the  
 36.24 labor organizations under section 1. Beginning in 2008 and every six years thereafter,  
 36.25 the IFO, MSCF, MAPE, and AFSCME must each appoint one member to the board of  
 36.26 trustees according to the requirements of sections 22 and 24.

36.27 **ARTICLE 2**

36.28 **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS SUMMARY**

36.29 **Section 1. SUMMARY OF APPROPRIATIONS.**

36.30 The amounts shown in this section summarize direct appropriations or reductions,  
 36.31 by fund, made in this act.

	<u>2008</u>		<u>2009</u>		<u>Total</u>
36.32 <u>General</u>	\$ (3,000,000)	\$	2,218,000	\$	(782,000)
36.33					

37.1	<u>Cancellations</u>		<u>-0-</u>		<u>2,758,000</u>		<u>2,758,000</u>
37.2	<u>Transfers From Other Funds</u>		<u>-0-</u>		<u>22,000,000</u>		<u>22,000,000</u>
37.3	<b><u>Total</u></b>	<b>\$</b>	<b><u>(3,000,000)</u></b>	<b>\$</b>	<b><u>(22,540,000)</u></b>	<b>\$</b>	<b><u>(25,540,000)</u></b>

37.4 **Sec. 2. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS AND**  
 37.5 **REDUCTIONS.**

37.6 The dollar amounts in the columns under "Appropriations and Reductions" are  
 37.7 added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007,  
 37.8 chapter 135, or other law to the specified agencies. The appropriations are from the  
 37.9 general fund, or another named fund, and are available for the fiscal years indicated for  
 37.10 each purpose. The figures "2008" and "2009" used in this act mean that the appropriations  
 37.11 listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009,  
 37.12 respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009.  
 37.13 "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending  
 37.14 June 30, 2008, are effective the day following final enactment.

37.15			<b><u>APPROPRIATIONS AND</u></b>	
37.16			<b><u>REDUCTIONS</u></b>	
37.17			<b><u>Available for the Year</u></b>	
37.18			<b><u>Ending June 30</u></b>	
37.19			<b><u>2008</u></b>	<b><u>2009</u></b>

37.20 **Sec. 3. EMPLOYMENT AND ECONOMIC**  
 37.21 **DEVELOPMENT**

37.22	<b><u>Subdivision 1. Total Appropriation</u></b>		<b><u>\$</u></b>	<b><u>(3,000,000)</u></b>	<b><u>\$</u></b>	<b><u>2,250,000</u></b>
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37.23	<u>Appropriations by Fund</u>		
37.24	<u>2008</u>	<u>2009</u>	
37.25	<u>General</u>	<u>(3,000,000)</u>	<u>2,250,000</u>
37.26	<u>Cancellations</u>	<u>-0-</u>	<u>2,758,000</u>
37.27	<u>Transfers From</u>		
37.28	<u>Other Funds</u>	<u>-0-</u>	<u>8,000,000</u>

37.29 The amounts that may be spent for each  
 37.30 purpose are specified in the following  
 37.31 subdivisions.

37.32 **Subd. 2. Employment and Economic**  
 37.33 **Development**

37.34 \$550,000 in the second year is a base  
 37.35 reduction to the department's operating  
 37.36 budget.

38.1	<u>Subd. 3. <b>Business and Community</b></u>		
38.2	<u><b>Development</b></u>	<u>(3,000,000)</u>	<u>2,800,000</u>
38.3	<u>Appropriations by Fund</u>		
38.4	<u>General</u>	<u>(3,000,000)</u>	<u>2,800,000</u>
38.5	<u>\$400,000 in the second year is for the</u>		
38.6	<u>establishment and operation of the Office of</u>		
38.7	<u>Science and Technology. This is a onetime</u>		
38.8	<u>appropriation and is available until expended.</u>		
38.9	<u>\$2,000,000 in the second year is for grants</u>		
38.10	<u>to the six Minnesota Initiative Foundations</u>		
38.11	<u>to expand existing small business revolving</u>		
38.12	<u>loans with a focus on lending to entrepreneurs</u>		
38.13	<u>and new businesses. The commissioner of</u>		
38.14	<u>employment and economic development</u>		
38.15	<u>must make equal grants to each Minnesota</u>		
38.16	<u>Initiative Foundation. This is a onetime</u>		
38.17	<u>appropriation.</u>		
38.18	<u>\$200,000 in the second year is for a grant to</u>		
38.19	<u>the Hennepin-Carver Workforce Investment</u>		
38.20	<u>Board (WIB) to coordinate with the Partners</u>		
38.21	<u>for Progress Regional Skills Consortium</u>		
38.22	<u>to provide employment and training as</u>		
38.23	<u>demonstrated by the Twin Cities regional</u>		
38.24	<u>health care training partnership project. This</u>		
38.25	<u>is a onetime appropriation.</u>		
38.26	<u>\$200,000 in the second year is for a grant to</u>		
38.27	<u>HIRED to operate its industry sector training</u>		
38.28	<u>initiatives, which provide employee training</u>		
38.29	<u>developed in collaboration with employers in</u>		
38.30	<u>specific, high-demand industries. This is a</u>		
38.31	<u>onetime appropriation.</u>		
38.32	<u>Subd. 4. <b>Cancellations</b></u>	<u>-0-</u>	<u>2,758,000</u>

39.1 Prior to July 31, 2008, the unexpended  
 39.2 balances from the following appropriations  
 39.3 are canceled to the general fund:

39.4 (1) the appropriation made in Laws 2005,  
 39.5 First Special Session chapter 3, article  
 39.6 10, section 23, to the foreign trade zone  
 39.7 authority; and

39.8 (2) the appropriation made in Laws  
 39.9 2005, First Special Session chapter 1,  
 39.10 article 3, section 2, subdivision 2, for  
 39.11 the methamphetamine laboratory cleanup  
 39.12 revolving loan fund.

39.13 Prior to July 31, 2008, of the unexpended  
 39.14 balance in the job skills partnership account,  
 39.15 \$2,000,000 is canceled to the general fund.

39.16 Subd. 5. **Transfers** -0- 8,000,000

39.17 Prior to July 31, 2008, the amount specified  
 39.18 from the unexpended balance of the  
 39.19 workforce development fund must be  
 39.20 transferred to the general fund.

39.21 Subd. 6. **Minnesota Minerals 21st Century**  
 39.22 **Fund**

39.23 Notwithstanding Minnesota Statutes,  
 39.24 section 116J.423, by June 30, 2009, the  
 39.25 commissioner shall make a \$1,000,000 grant  
 39.26 and a \$1,000,000 loan from the Minnesota  
 39.27 Minerals 21st Century Fund to Magnetation,  
 39.28 Inc. for reclamation of iron ore.

39.29 Sec. 4. **LABOR AND INDUSTRY**

39.30 Subdivision 1. **Base Reduction** \$ -0- \$ (43,000)

39.31 \$43,000 in the second year is a base reduction  
 39.32 to the municipal building permit reporting  
 39.33 unit in the labor standards program. The

40.1 commissioner must not reduce funding  
 40.2 available for prevailing wage enforcement  
 40.3 and must fill all positions when vacancies  
 40.4 become available.

40.5 **Subd. 2. Transfers** -0- 14,000,000

40.6 Prior to July 31, 2008, the amount specified  
 40.7 from the unexpended balance of the  
 40.8 worker's compensation special fund must be  
 40.9 transferred to the general fund.

40.10 **Sec. 5. BUREAU OF MEDIATION**  
 40.11 **SERVICES** \$ -0- \$ (69,000)

40.12 This is a base reduction.

40.13 **Sec. 6. COMBATIVE SPORTS**  
 40.14 **COMMISSION** \$ -0- \$ 80,000

40.15 This amount is added to the commission's  
 40.16 base budget.

40.17 Sec. 7. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision  
 40.18 to read:

40.19 Subd. 2a. Grants authorized. Notwithstanding subdivision 2, the commissioner  
 40.20 may use money in the fund to make grants to a city, county, or to a county regional rail  
 40.21 authority as appropriate, for public infrastructure needed to support an eligible project  
 40.22 under this section. Grant money may be used by the city, county, or regional rail authority  
 40.23 to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to  
 40.24 predesign, design, construct, and equip roads and rail lines; and, in cooperation with  
 40.25 municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric  
 40.26 infrastructure, water supply systems, and wastewater collection and treatment systems.  
 40.27 Grants made under this subdivision are available until expended.

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

40.29 **Sec. 8. [116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

40.30 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this  
 40.31 section.

40.32 (b) "Active service" has the meaning given in section 190.05.

41.1 (c) "Commissioner" means the commissioner of employment and economic  
41.2 development.

41.3 (d) "Eligible business" means a small business, as defined in section 645.445, that  
41.4 was operating in Minnesota on the date a military reservist received orders for active  
41.5 service.

41.6 (e) "Essential employee" means a military reservist who is an owner or employee  
41.7 of an eligible business and whose managerial or technical expertise is critical to the  
41.8 day-to-day operation of the eligible business.

41.9 (f) "Military reservist" means a member of the reserve component of the armed  
41.10 forces.

41.11 (g) "Reserve component of the armed forces" has the meaning given it in United  
41.12 States Code, title 10, section 101(c).

41.13 (h) "Substantial economic injury" means an economic harm to an eligible business  
41.14 that results in the inability of the eligible business to:

41.15 (1) meet its obligations as they mature;

41.16 (2) pay its ordinary and necessary operating expenses; or

41.17 (3) manufacture, produce, market, or provide a product or service ordinarily  
41.18 manufactured, produced, marketed, or provided by the eligible business.

41.19 Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans  
41.20 of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to  
41.21 sustain substantial economic injury as a result of the call to active service for 180 days  
41.22 or more of an essential employee. Loans must be made for the purpose of preventing,  
41.23 remedying, or ameliorating the substantial economic injury.

41.24 Subd. 3. **Transfer.** The commissioner of veterans affairs shall transfer funds  
41.25 as requested by the commissioner of employment and economic development for the  
41.26 purposes of the loan program created in this section, including costs incurred by the  
41.27 commissioner to establish and administer the program.

41.28 Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the  
41.29 commissioner shall develop and publish expedited rules for loan applications, use of  
41.30 funds, needed collateral, terms of loans, and other details of military reservist economic  
41.31 injury loans.

41.32 Sec. 9. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is  
41.33 amended to read:

41.34 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms  
41.35 have the meanings given them in this subdivision.

42.1 (b) "Commissioner" means the commissioner of employment and economic  
42.2 development.

42.3 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the  
42.4 time employment ceased or was working in the state at the time employment ceased and:

42.5 (1) has been permanently separated or has received a notice of permanent separation  
42.6 from public or private sector employment and is eligible for or has exhausted entitlement  
42.7 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

42.8 (2) has been long-term unemployed and has limited opportunities for employment  
42.9 or reemployment in the same or a similar occupation in the area in which the individual  
42.10 resides, including older individuals who may have substantial barriers to employment by  
42.11 reason of age;

42.12 (3) has been terminated or has received a notice of termination of employment as a  
42.13 result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

42.14 (4) has been self-employed, including farmers and ranchers, and is unemployed as a  
42.15 result of general economic conditions in the community in which the individual resides  
42.16 or because of natural disasters;

42.17 (5) has been permanently separated from employment in a restaurant, bar, or  
42.18 lawful gambling organization from October 1, 2007, to October 1, 2009, due to the  
42.19 implementation of any state law prohibiting smoking; ~~or~~

42.20 (6) is a veteran as defined by section 197.447, has been discharged or released from  
42.21 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
42.22 (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

42.23 ~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who  
42.24 has spent a substantial number of years in the home providing homemaking service and  
42.25 (i) has been dependent upon the financial support of another; and now due to divorce,  
42.26 separation, death, or disability of that person, must find employment to self support; or (ii)  
42.27 derived the substantial share of support from public assistance on account of dependents  
42.28 in the home and no longer receives such support.

42.29 To be eligible under this clause, the support must have ceased while the worker  
42.30 resided in Minnesota.

42.31 (d) "Eligible organization" means a state or local government unit, nonprofit  
42.32 organization, community action agency, business organization or association, or labor  
42.33 organization.

42.34 (e) "Plant closing" means the announced or actual permanent shutdown of a single  
42.35 site of employment, or one or more facilities or operating units within a single site of  
42.36 employment.

43.1 (f) "Substantial layoff" means a permanent reduction in the workforce, which is  
43.2 not a result of a plant closing, and which results in an employment loss at a single site  
43.3 of employment during any 30-day period for at least 50 employees excluding those  
43.4 employees that work less than 20 hours per week.

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

43.6 Sec. 10. Minnesota Statutes 2006, section 116L.17, is amended by adding a subdivision  
43.7 to read:

43.8 **Subd. 11. Transfer from department of veterans affairs.** The commissioner of  
43.9 veterans affairs shall transfer funds as requested by the commissioner of employment and  
43.10 economic development to reimburse the workforce development fund for costs incurred  
43.11 under section 116L.17, subdivision 1, paragraph (c), clause (6).

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

43.13 Sec. 11. Minnesota Statutes 2007 Supplement, section 214.04, subdivision 3, is  
43.14 amended to read:

43.15 Subd. 3. **Officers; staff.** The executive director of each health-related board and  
43.16 the executive secretary of each non-health-related board shall be the chief administrative  
43.17 officer for the board but shall not be a member of the board. The executive director or  
43.18 executive secretary shall maintain the records of the board, account for all fees received  
43.19 by it, supervise and direct employees servicing the board, and perform other services as  
43.20 directed by the board. The executive directors, executive secretaries, and other employees  
43.21 of the following boards shall be hired by the board, and the executive directors or executive  
43.22 secretaries shall be in the unclassified civil service, except as provided in this subdivision:

43.23 (1) Dentistry;

43.24 (2) Medical Practice;

43.25 (3) Nursing;

43.26 (4) Pharmacy;

43.27 (5) Accountancy;

43.28 (6) Architecture, Engineering, Land Surveying, Landscape Architecture,

43.29 Geoscience, and Interior Design;

43.30 (7) Barber Examiners;

43.31 (8) Cosmetology;

43.32 (9) Teaching;

43.33 (10) Peace Officer Standards and Training;

- 44.1 (11) Social Work;
- 44.2 (12) Marriage and Family Therapy;
- 44.3 (13) Dietetics and Nutrition Practice; ~~and~~
- 44.4 (14) Licensed Professional Counseling-; and
- 44.5 (15) Combative Sports Commission.

44.6 The executive directors or executive secretaries serving the boards are hired by those

44.7 boards and are in the unclassified civil service, except for part-time executive directors

44.8 or executive secretaries, who are not required to be in the unclassified service. Boards

44.9 not requiring full-time executive directors or executive secretaries may employ them on

44.10 a part-time basis. To the extent practicable, the sharing of part-time executive directors

44.11 or executive secretaries by boards being serviced by the same department is encouraged.

44.12 Persons providing services to those boards not listed in this subdivision, except executive

44.13 directors or executive secretaries of the boards and employees of the attorney general, are

44.14 classified civil service employees of the department servicing the board. To the extent

44.15 practicable, the commissioner shall ensure that staff services are shared by the boards

44.16 being serviced by the department. If necessary, a board may hire part-time, temporary

44.17 employees to administer and grade examinations.

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

44.19 Sec. 12. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 1, is

44.20 amended to read:

44.21 Subdivision 1. **General rule.** Unemployment benefits paid to an applicant,

44.22 including extended, ~~additional,~~ and shared work benefits, will be used in computing

44.23 the future tax rate of a taxpaying base period employer or charged to the reimbursable

44.24 account of a base period nonprofit or government employer that has elected to be liable for

44.25 reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment

44.26 benefits used in computing the future tax rate of taxpaying employers or charged to the

44.27 reimbursable account of a nonprofit or government employer that has elected to be liable

44.28 for reimbursements is the same percentage of the total amount of unemployment benefits

44.29 paid as the percentage of wage credits from the employer is of the total amount of wage

44.30 credits from all the applicant's base period employers.

44.31 In making computations under this subdivision, the amount of wage credits, if not a

44.32 whole dollar, must be computed to the nearest whole dollar.

44.33 Sec. 13. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 2, is

44.34 amended to read:

45.1 Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be  
45.2 used in computing the future tax rate of a taxpaying base period employer or charged to  
45.3 the reimbursable account of a base period nonprofit or government employer that has  
45.4 elected to be liable for reimbursements when:

45.5 (1) the applicant was discharged from the employment because of aggravated  
45.6 employment misconduct as determined under section 268.095. This exception applies  
45.7 only to unemployment benefits paid for periods after the applicant's discharge from  
45.8 employment;

45.9 (2) an applicant's discharge from that employment occurred because a law required  
45.10 removal of the applicant from the position the applicant held;

45.11 (3) the employer is in the tourist or recreation industry and is in active operation of  
45.12 business less than 15 calendar weeks each year and the applicant's wage credits from the  
45.13 employer are less than 600 times the applicable state or federal minimum wage;

45.14 (4) the employer provided regularly scheduled part-time employment to the  
45.15 applicant during the applicant's base period and continues to provide the applicant with  
45.16 regularly scheduled part-time employment during the benefit year of at least 90 percent  
45.17 of the part-time employment provided in the base period, and is an involved employer  
45.18 because of the applicant's loss of other employment. This exception terminates effective  
45.19 the first week that the employer fails to meet the benefit year employment requirements.  
45.20 This exception applies to educational institutions without consideration of the period  
45.21 between academic years or terms;

45.22 (5) the employer is a fire department or firefighting corporation or operator of  
45.23 a life-support transportation service, and continues to provide employment for the  
45.24 applicant as a volunteer firefighter or a volunteer ambulance service personnel during the  
45.25 benefit year on the same basis that employment was provided in the base period. This  
45.26 exception terminates effective the first week that the employer fails to meet the benefit  
45.27 year employment requirements;

45.28 (6) the applicant's unemployment from this employer was a direct result of the  
45.29 condemnation of property by a governmental agency, a fire, flood, or act of nature,  
45.30 where 25 percent or more of the employees employed at the affected location, including  
45.31 the applicant, became unemployed as a result. This exception does not apply where the  
45.32 unemployment was a direct result of the intentional act of the employer or a person acting  
45.33 on behalf of the employer;

45.34 (7) the unemployment benefits were paid by another state as a result of the  
45.35 transferring of wage credits under a combined wage arrangement provided for in section  
45.36 268.131;

46.1 (8) the applicant stopped working because of a labor dispute at the applicant's  
46.2 primary place of employment if the employer was not a party to the labor dispute;

46.3 (9) the unemployment benefits were determined overpaid unemployment benefits  
46.4 under section 268.18; ~~or~~

46.5 (10) the applicant was employed as a replacement worker, for a period of six months  
46.6 or longer, for an employee who is in the military reserve and was called for active duty  
46.7 during the time the applicant worked as a replacement, and the applicant was laid off  
46.8 because the employee returned to employment after active duty; or

46.9 (11) the trust fund was reimbursed for the unemployment benefits by the federal  
46.10 government.

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

46.12 Sec. 14. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 3, is  
46.13 amended to read:

46.14 Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not  
46.15 eligible to receive unemployment benefits for any week with respect to which the applicant  
46.16 is receiving, has received, or has filed for payment, equal to or in excess of the applicant's  
46.17 weekly unemployment benefit amount, in the form of:

46.18 (1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause  
46.19 does not apply to (i) vacation pay paid upon a permanent separation from employment; or  
46.20 (ii) vacation pay paid from a vacation fund administered by a union or a third party not  
46.21 under the control of the employer;

46.22 (2) severance pay, bonus pay, sick pay, and any other payments, except earnings  
46.23 under subdivision 5, and back pay under subdivision 6, paid by an employer because  
46.24 of, upon, or after separation from employment, but only if the payment is considered  
46.25 wages at the time of payment under section 268.035, subdivision 29. This clause does  
46.26 not apply to the first \$5,000 of any amount of severance pay, bonus pay, sick pay, or any  
46.27 other payments paid to an employee; or

46.28 (3) pension, retirement, or annuity payments from any plan contributed to by a base  
46.29 period employer including the United States government, except Social Security benefits  
46.30 that are provided for in subdivision 4. The base period employer is considered to have  
46.31 contributed to the plan if the contribution is excluded from the definition of wages under  
46.32 section 268.035, subdivision 29, clause (1).

46.33 An applicant is not considered to have received the lump sum payment if the  
46.34 applicant immediately deposits that payment in a qualified pension plan or account.

47.1 (b) This subdivision applies to all the weeks of payment. Payments under paragraph  
 47.2 (a), clauses (1) and (2), are applied to the period immediately following the last day  
 47.3 of employment, ~~and~~ The number of weeks of payment, ~~for purposes of those clauses,~~  
 47.4 is determined as follows:

47.5 (1) if the payments are made periodically, the total of the payments to be received is  
 47.6 divided by the applicant's last level of regular weekly pay from the employer; or

47.7 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last  
 47.8 level of regular weekly pay from the employer.

47.9 (c) If the payment is less than the applicant's weekly unemployment benefit amount,  
 47.10 unemployment benefits are reduced by the amount of the payment. If the computation  
 47.11 of reduced unemployment benefits is not a whole dollar, it is rounded down to the next  
 47.12 lower whole dollar.

47.13 **EFFECTIVE DATE.** This section, except for subdivision 3, paragraph (a), clause  
 47.14 (2), is effective the day following final enactment. Subdivision 3, paragraph (a), clause (2),  
 47.15 is effective for unemployment benefits paid on or after January 1, 2006, regardless of when  
 47.16 the continued request was filed or the week for which the unemployment benefits are paid.

47.17 Sec. 15. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 16,  
 47.18 is amended to read:

47.19 Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking  
 47.20 suitable employment" means those reasonable, diligent efforts an individual in similar  
 47.21 circumstances would make if genuinely interested in obtaining suitable employment under  
 47.22 the existing conditions in the labor market area. Limiting the search to positions that are  
 47.23 not available or are above the applicant's training, experience, and qualifications is not  
 47.24 "actively seeking suitable employment."

47.25 (b) To be considered "actively seeking suitable employment" an applicant must,  
 47.26 when reasonable, contact those employers from whom the applicant was laid off because  
 47.27 of lack of work and request suitable employment.

47.28 (c) If reasonable prospects of suitable employment in the applicant's usual or  
 47.29 customary occupation do not exist, the applicant must actively seek other suitable  
 47.30 employment to be considered "actively seeking suitable employment." This applies to an  
 47.31 applicant who is seasonally unemployed.

47.32 (d) An applicant who is seeking employment only through a union is ~~not considered~~  
 47.33 actively seeking suitable employment ~~unless~~ if the applicant is in an occupation where  
 47.34 ~~it is required by union rule that all the hiring in that locality is done through the~~  
 47.35 ~~union, or that all members are~~ If the applicant is a union member who is restricted

48.1 to obtaining employment among signatory contractors in the construction industry,  
48.2 seeking employment only with those signatory contractors is considered actively seeking  
48.3 employment. The applicant must be a union member in good standing, registered with  
48.4 the union for employment, and in compliance with other union rules to be considered  
48.5 "actively seeking suitable employment."

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

48.7 Sec. 16. Minnesota Statutes 2006, section 268.125, subdivision 1, is amended to read:

48.8 Subdivision 1. **Additional unemployment benefits; when available.** Additional  
48.9 unemployment benefits are available if:

48.10 (1) a county had a total unemployment rate for the prior 12-calendar month period of  
48.11 at least 1.8 times the state average unemployment rate for the prior 12-calendar month  
48.12 period and the state average unemployment rate for the same 12-calendar month period  
48.13 was at least 4.6 percent. The commissioner must calculate the applicable unemployment  
48.14 rates within 30 calendar days following the end of the month. Once it has been calculated  
48.15 that the total unemployment rate in a county equals or exceeds 1.8 times the state average  
48.16 unemployment rate for the prior 12-calendar month period, the additional benefits are  
48.17 available beginning the Sunday following the date of calculation and continuing for a  
48.18 minimum of 13 calendar weeks; or

48.19 ~~(1)~~ (2) (i) at a facility that had 100 or more employees, the employer reduced  
48.20 operations, resulting within a one-month period in the layoff of 50 percent or more of the  
48.21 facility's work force, including reductions caused as a result of a major natural disaster  
48.22 declared by the president;

48.23 ~~(2)~~ (ii) the employer has no expressed plan to resume operations that would lead to  
48.24 the reemployment of those employees in the immediate future; and

48.25 ~~(3)~~ (iii) the seasonally adjusted unemployment rate in the county that the facility  
48.26 is located was ten percent or more during the month of the reduction or any of the three  
48.27 months before or after the month of the reduction.

48.28 **EFFECTIVE DATE.** This section is effective the day following final enactment  
48.29 and applies retroactively to January 1, 2008.

48.30 Sec. 17. Minnesota Statutes 2006, section 268.125, subdivision 2, is amended to read:

48.31 Subd. 2. **Payment of unemployment benefits from trust fund; effect on**  
48.32 **employer.** Additional unemployment benefits are payable from the trust fund. Additional  
48.33 unemployment benefits paid will not be used in computing the experience rating of a

49.1 taxpaying employer nor charged to the reimbursing account of a nonprofit or government  
49.2 employer.

49.3 Sec. 18. Minnesota Statutes 2007 Supplement, section 268.125, subdivision 3, is  
49.4 amended to read:

49.5 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional  
49.6 unemployment benefits for any week during the applicant's benefit year if:

49.7 (1) for any week during which benefits are available under subdivision 1, clause (1):

49.8 (i) the applicant resides in a county that meets the requirements of subdivision 1,  
49.9 clause (1), and resided in that county each week that regular unemployment benefits  
49.10 were paid;

49.11 (ii) the applicant meets the same eligibility requirements that are required for regular  
49.12 unemployment benefits under section 268.069; and

49.13 (iii) the applicant has exhausted regular unemployment benefits under section  
49.14 268.07, is not entitled to receive extended unemployment benefits under section 268.115,  
49.15 and is not entitled to receive unemployment benefits under any other state or federal  
49.16 law for that week; or

49.17 ~~(1)~~ (2) the applicant was laid off from employment as a result of a reduction under  
49.18 subdivision 1, clause (2), or was laid off because of lack of work from that employer  
49.19 during the three-month period before, or the three-month period after, the month of the  
49.20 reduction under subdivision 1, clause (2);

49.21 ~~(2)~~ (3) the applicant meets the same eligibility requirements that are required for  
49.22 regular unemployment benefits under section ~~268.085~~ 268.069;

49.23 ~~(3) the applicant is not ineligible under section 268.095 because of a quit or a~~  
49.24 ~~discharge;~~

49.25 (4) the applicant has exhausted regular unemployment benefits under section 268.07,  
49.26 is not entitled to receive extended unemployment benefits under section 268.115, and  
49.27 is not entitled to receive unemployment benefits under any other state or federal law  
49.28 for that week; and

49.29 (5) a majority of the applicant's wage credits were from the employer that had a  
49.30 reduction in operations under subdivision 1, clause (2).

49.31 **EFFECTIVE DATE.** This section is effective the day following final enactment  
49.32 and applies retroactively to January 1, 2008.

49.33 Sec. 19. Minnesota Statutes 2006, section 268.125, is amended by adding a subdivision  
49.34 to read:

50.1 Subd. 6. **Notice.** The commissioner must notify applicants of the availability  
50.2 of additional unemployment benefits by contacting applicants by mail or electronic  
50.3 transmission, by posting a notice on the department's official Web site, and by appropriate  
50.4 announcement.

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

50.6 Sec. 20. ~~[268.232]~~ **UNEMPLOYMENT INSURANCE WORKER INITIATIVE.**

50.7 Subdivision 1. **Purpose; set aside.** The unemployment insurance workers initiative  
50.8 is created to increase the number of staff at each workforce development center who are  
50.9 available to provide services to unemployed workers seeking information, assistance, and  
50.10 advice on applying for unemployment insurance benefits.

50.11 Subd. 2. **Tax reduction.** Beginning January 1, 2009, the base unemployment tax  
50.12 calculated under section 268.051, subdivision 2, paragraph (b), is reduced by .01 percent.

50.13 Subd. 3. **Fee suspension.** Notwithstanding Minnesota Statutes, section 116L.20, the  
50.14 special assessment under that section of .10 percent is suspended until December 31, 2011.

50.15 Subd. 4. **Workforce enhancement fee.** A workforce enhancement fee of .11  
50.16 percent on taxable wages as defined in section 268.035 subdivision 24, is assessed in  
50.17 addition to unemployment taxes under section 268.051. The workforce enhancement fee  
50.18 shall be paid on the same schedule and in the same manner as unemployment taxes under  
50.19 section 268.051. Late payment of fees under this section is subject to the same interest and  
50.20 penalty provisions as those that apply to unemployment taxes.

50.21 Subd. 5. **Use of funds.** (a) Of the funds collected under this section an amount equal  
50.22 to .01 percent on taxable wages must be deposited in the unemployment insurance worker  
50.23 initiative account created under subdivision 6.

50.24 (b) The remaining funds collected under this section must be deposited in the  
50.25 workforce development fund under section 116L.20 minus reimbursement for costs under  
50.26 section 116L.20, subdivision 2, paragraph (c).

50.27 Subd. 6. **Account.** The unemployment insurance worker initiative account is  
50.28 created as a special account in the special revenue fund in the state treasury. All funds  
50.29 deposited under subdivision 5, paragraph (a), and any interest earnings on those funds  
50.30 are appropriated to the commissioner to increase the amount of staff in the workforce  
50.31 centers to provide assistance and support to applicants for unemployment insurance.  
50.32 The commissioner shall give priority to providing sufficient staff in workforce centers  
50.33 located outside of the seven county metropolitan area. Any funds that remain unexpended  
50.34 in the first year are available for expenditure until December 31, 2011. Any unexpended

51.1 funds in this account after December 31, 2011 shall be transferred to the unemployment  
51.2 insurance trust fund.

51.3 Subd. 7. **Report.** Beginning in 2010 and every two years thereafter, the  
51.4 commissioner shall report by January 15 to the standing committees of the senate and  
51.5 house of representatives having jurisdiction over unemployment insurance on the number  
51.6 of staff providing unemployment insurance assistance to applicants at each workforce  
51.7 center, the salaries paid to staff, and the amount of unemployment benefits paid to  
51.8 applicants who received unemployment insurance assistance at the workforce centers.

51.9 Subd. 8. **Sunset.** Except for the reporting requirements under subdivision 7, this  
51.10 section sunsets on December 31, 2011.

51.11 **EFFECTIVE DATE.** This section is effective January 1, 2009.

51.12 Sec. 21. Minnesota Statutes 2006, section 298.2214, subdivision 1, is amended to read:

51.13 Subdivision 1. **Creation of committee; purpose.** A committee is created to advise  
51.14 the ~~commissioner~~ of Iron Range resources and rehabilitation board on providing higher  
51.15 education programs in cooperation with the University of Minnesota, the Minnesota State  
51.16 Colleges and Universities, and private colleges in the taconite assistance area defined in  
51.17 section 273.1341. The committee is subject to section 15.059.

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

51.19 Sec. 22. Minnesota Statutes 2006, section 298.2214, subdivision 2, as amended by  
51.20 Laws 2008, chapter 154, article 8, section 4, is amended to read:

51.21 Subd. 2. **Iron Range Higher Education Committee; membership.** The members  
51.22 of the committee shall consist of:

51.23 (1) one member appointed by the governor;

51.24 (2) one member appointed by the president of the University of Minnesota;

51.25 (3) four members of the Iron Range Resources and Rehabilitation Board appointed  
51.26 by the chair;

51.27 (4) ~~the commissioner of Iron Range resources and rehabilitation~~ one member  
51.28 appointed by the chancellor of the Minnesota State Colleges and Universities; and

51.29 (5) the president of the Northeast Higher Education District or its successor.

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

51.31 Sec. 23. Minnesota Statutes 2006, section 298.223, subdivision 2, is amended to read:

52.1 Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall  
52.2 be administered by the commissioner of the Iron Range Resources and Rehabilitation  
52.3 Board. The commissioner shall by September 1 of each year submit to the board a list  
52.4 of projects to be funded from the taconite area environmental protection fund, with such  
52.5 supporting information including description of the projects, plans, and cost estimates as  
52.6 may be necessary.

52.7 (b) Each year no less than one-half of the amounts deposited into the taconite  
52.8 environmental protection fund must be used for public works projects, including  
52.9 construction of sewer and water systems, as specified under subdivision 1, paragraph (c).  
52.10 The Iron Range Resources and Rehabilitation Board with a majority vote of the members,  
52.11 may waive the requirements of this paragraph.

52.12 (c) Upon approval by a majority of the members of the Iron Range Resources and  
52.13 Rehabilitation Board, ~~this~~ the list of projects approved under this subdivision shall be  
52.14 submitted to the governor by November 1 of each year. By December 1 of each year, the  
52.15 governor shall approve or disapprove, or return for further consideration, each project.  
52.16 Funds for a project may be expended only upon approval of the project by the board and  
52.17 governor. The commissioner may submit supplemental projects to the board and governor  
52.18 for approval at any time.

52.19 **EFFECTIVE DATE.** This section is effective for distributions beginning in 2009.

52.20 Sec. 24. Minnesota Statutes 2007 Supplement, section 298.227, is amended to read:

52.21 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

52.22 For distributions prior to January 1, 2009, an amount equal to that distributed  
52.23 pursuant to each taconite producer's taxable production and qualifying sales under section  
52.24 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation  
52.25 Board in a separate taconite economic development fund for each taconite and direct  
52.26 reduced ore producer. Money from the fund for each producer shall be released by  
52.27 the commissioner after review by a joint committee consisting of an equal number of  
52.28 representatives of the salaried employees and the nonsalaried production and maintenance  
52.29 employees of that producer. The District 11 director of the United States Steelworkers of  
52.30 America, on advice of each local employee president, shall select the employee members.  
52.31 In nonorganized operations, the employee committee shall be elected by the nonsalaried  
52.32 production and maintenance employees. The review must be completed no later than  
52.33 six months after the producer presents a proposal for expenditure of the funds to the  
52.34 committee. The funds held pursuant to this section may be released only for acquisition

53.1 of plant and stationary mining equipment and facilities for the producer or for research  
53.2 and development in Minnesota on new mining, or taconite, iron, or steel production  
53.3 technology, but only if the producer provides a matching expenditure to be used for  
53.4 the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton  
53.5 beginning with distributions in 2002. Effective for proposals for expenditures of money  
53.6 from the fund beginning May 26, 2007, the commissioner may not release the funds before  
53.7 the next scheduled meeting of the board. If the board rejects a proposed expenditure, the  
53.8 funds must be deposited in the Taconite Environmental Protection Fund under sections  
53.9 298.222 to 298.225. If a producer uses money which has been released from the fund  
53.10 prior to May 26, 2007 to procure haulage trucks, mobile equipment, or mining shovels,  
53.11 and the producer removes the piece of equipment from the taconite tax relief area defined  
53.12 in section 273.134 within ten years from the date of receipt of the money from the fund,  
53.13 a portion of the money granted from the fund must be repaid to the taconite economic  
53.14 development fund. The portion of the money to be repaid is 100 percent of the grant if the  
53.15 equipment is removed from the taconite tax relief area within 12 months after receipt of  
53.16 the money from the fund, declining by ten percent for each of the subsequent nine years  
53.17 during which the equipment remains within the taconite tax relief area. If a taconite  
53.18 production facility is sold after operations at the facility had ceased, any money remaining  
53.19 in the fund for the former producer may be released to the purchaser of the facility on  
53.20 the terms otherwise applicable to the former producer under this section. If a producer  
53.21 fails to provide matching funds for a proposed expenditure within six months after the  
53.22 commissioner approves release of the funds, the funds are available for release to another  
53.23 producer in proportion to the distribution provided and under the conditions of this section.  
53.24 Any portion of the fund which is not released by the commissioner within two years of its  
53.25 deposit in the fund shall be divided between the taconite environmental protection fund  
53.26 created in section 298.223 and the Douglas J. Johnson economic protection trust fund  
53.27 created in section 298.292 for placement in their respective special accounts. Two-thirds  
53.28 of the unreleased funds shall be distributed to the taconite environmental protection fund  
53.29 and one-third to the Douglas J. Johnson economic protection trust fund.

53.30 Sec. 25. Minnesota Statutes 2006, section 298.28, subdivision 9b, is amended to read:

53.31 Subd. 9b. **Taconite environmental fund.** ~~Five~~ eight cents per ton must be paid to  
53.32 the taconite environmental fund for use under section 298.2961, subdivision 4.

53.33 **EFFECTIVE DATE.** This section is effective for production in 2008, distributions  
53.34 in 2009 and thereafter.

54.1 Sec. 26. Minnesota Statutes 2006, section 298.28, subdivision 9d, as added by Laws  
54.2 2008, chapter 154, article 8, section 9, is amended to read:

54.3 Subd. 9d. **Iron Range higher education account.** ~~Two~~ Five cents per taxable ton  
54.4 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited  
54.5 in an Iron Range higher education account that is hereby created, to be used for higher  
54.6 education programs conducted at educational institutions in the taconite assistance area  
54.7 defined in section 273.1341. The Iron Range Higher Education committee under section  
54.8 298.2214 and the Iron Range Resources and Rehabilitation Board must approve all  
54.9 expenditures from the account.

54.10 Sec. 27. Minnesota Statutes 2006, section 298.292, subdivision 2, as amended by Laws  
54.11 2008, chapter 154, article 8, section 11, is amended to read:

54.12 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust  
54.13 fund may be used for the following purposes:

54.14 (1) to provide loans, loan guarantees, interest buy-downs and other forms of  
54.15 participation with private sources of financing, but a loan to a private enterprise shall be  
54.16 for a principal amount not to exceed one-half of the cost of the project for which financing  
54.17 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the  
54.18 lesser of eight percent or an interest rate three percentage points less than a full faith  
54.19 and credit obligation of the United States government of comparable maturity, at the  
54.20 time that the loan is approved;

54.21 (2) to fund reserve accounts established to secure the payment when due of the  
54.22 principal of and interest on bonds issued pursuant to section 298.2211;

54.23 (3) to pay in periodic payments or in a lump sum payment any or all of the interest  
54.24 on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,  
54.25 or retrofitting heating facilities in connection with district heating systems or systems  
54.26 utilizing alternative energy sources;

54.27 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
54.28 entities that are engaging in, or that will engage in, projects or programs that have the  
54.29 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
54.30 or enterprise unless at least two other unrelated investors make investments of at least  
54.31 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas  
54.32 J. Johnson economic protection trust fund may not exceed the amount of the largest  
54.33 investment by an unrelated investor in the venture capital fund or enterprise. For purposes  
54.34 of this subdivision, an "unrelated investor" is a person or entity that is not related to  
54.35 the entity in which the investment is made or to any individual who owns more than 40

55.1 percent of the value of the entity, in any of the following relationships: spouse, parent,  
55.2 child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of  
55.3 the value of all interests in it. For purposes of determining the limitations under this  
55.4 clause, the amount of investments made by an investor other than the Douglas J. Johnson  
55.5 economic protection trust fund is the sum of all investments made in the venture capital  
55.6 fund or enterprise during the period beginning one year before the date of the investment  
55.7 by the Douglas J. Johnson economic protection trust fund; and

55.8 (5) to purchase forest land in the taconite assistance area defined in section 273.1341  
55.9 to be held and managed as a public trust for the benefit of the area for the purposes  
55.10 authorized in section 298.22, subdivision 5a. Property purchased under this section may  
55.11 be sold upon approval by a majority vote of the board. The net proceeds must be deposited  
55.12 in the trust fund for the purposes and uses of this section.

55.13 Money from the trust fund shall be expended only in or for the benefit of the taconite  
55.14 assistance area defined in section 273.1341.

55.15 Sec. 28. Minnesota Statutes 2006, section 298.2961, subdivision 2, is amended to read:

55.16 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

55.17 (1) environmentally unique reclamation projects; or

55.18 (2) pit or plant repairs, expansions, or modernizations other than for a value added  
55.19 iron products plant; ~~or,~~

55.20 ~~(3) haulage trucks and equipment and mining shovels.~~

55.21 (b) To be proposed by the board, a project must be approved by at least eight Iron  
55.22 Range Resources and Rehabilitation Board members. The money for a project may  
55.23 be spent only upon approval of the project by the governor. The board may submit  
55.24 supplemental projects for approval at any time.

55.25 (c) The board may require that it receive an equity percentage in any project to  
55.26 which it contributes under this section.

55.27 Sec. 29. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter  
55.28 135, article 3, section 30, is amended to read:

55.29 **341.21 DEFINITIONS.**

55.30 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

55.31 Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using  
55.32 padded gloves, that is practiced as a sport under the rules of the Association of Boxing  
55.33 Commissions, or equivalent. Where applicable, boxing includes tough person contests.

56.1           Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of  
56.2 attack and defense as a boxer, tough person, or mixed martial artist while engaged in  
56.3 a combative sport.

56.4           Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act  
56.5 of attack and defense with the fists, with or without using padded gloves, or feet that is  
56.6 practiced as a sport under the rules of the Association of Boxing Commissions, unified  
56.7 rules for mixed martial arts, or their equivalent. Combative sports include professional  
56.8 boxing and professional and amateur tough person and professional and amateur mixed  
56.9 martial arts contests.

56.10          Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Combative  
56.11 Sports Commission.

56.12          Subd. 4. **Combative sports contest.** "Combative sports contest" means ~~any~~ a  
56.13 professional boxing, a professional or amateur tough person, or a professional or amateur  
56.14 mixed martial art bout, competition ~~contest~~, match, or exhibition.

56.15          Subd. 4a. **Director.** "Director" means the executive director of the commission.

56.16          Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in  
56.17 the most recent blood test.

56.18          Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

56.19          Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

56.20          Subd. 4e. **Individual.** "Individual" means a living human being.

56.21          Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest  
56.22 between two or more individuals consisting of any combination of full contact martial art  
56.23 including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling,  
56.24 or other recognized martial art.

56.25          Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited  
56.26 liability company, organization, or other business entity organized and existing under law,  
56.27 its officers and directors, or a person holding 25 percent or more of the ownership of a  
56.28 corporation that is authorized to do business under the laws of this state.

56.29          Subd. 5. **Professional.** "Professional" means any person who competes for any  
56.30 money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the  
56.31 practice of ~~boxing~~ a combative sport as a means of obtaining a livelihood or pecuniary  
56.32 gain.

56.33          ~~Subd. 6. **Director.** "Director" means the executive director of the commission.~~

56.34          Subd. 7. **Tough person contest.** "Tough person contest," including contests  
56.35 marketed as tough man ~~and~~ or tough woman contests, means ~~any boxing match consisting~~  
56.36 a contest of ~~one-minute rounds~~ two-minute rounds consisting of not more than four rounds

57.1 between two or more ~~persons~~ individuals who use their hands, or their feet, or both, in any  
 57.2 manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized  
 57.3 martial arts ~~competition~~ contest.

57.4 ~~Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of~~  
 57.5 ~~boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

57.7 Sec. 30. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

57.8 **341.22 BOXING COMBATIVE SPORTS COMMISSION.**

57.9 There is hereby created the Minnesota Boxing Combative Sports Commission  
 57.10 consisting of nine members who are citizens of this state. The members must be appointed  
 57.11 by the governor. One member of the commission must be a retired judge of the Minnesota  
 57.12 district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States  
 57.13 District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and  
 57.14 at least ~~three~~ four members must have knowledge of the boxing industry. At least four  
 57.15 members must have knowledge of the mixed martial arts industry. The governor shall  
 57.16 make serious efforts to appoint qualified women to serve on the commission. Membership  
 57.17 terms, compensation of members, removal of members, the filling of membership  
 57.18 vacancies, and fiscal year and reporting requirements must be as provided in sections  
 57.19 214.07 to 214.09. Unless otherwise provided, the provision of staff, administrative  
 57.20 services, and office space; the review and processing of complaints; the setting of fees; and  
 57.21 other provisions relating to commission operations ~~must be~~ are as provided in chapter 214.  
 57.22 The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

57.24 Sec. 31. Minnesota Statutes 2006, section 341.23, is amended to read:

57.25 **341.23 LIMITATIONS.**

57.26 No member of the Boxing commission may directly or indirectly promote a ~~boxing~~  
 57.27 contest, directly or indirectly engage in the managing of a ~~boxer~~ combatant, or have an  
 57.28 interest in any manner in the proceeds from a boxing combative sport contest.

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

57.30 Sec. 32. Minnesota Statutes 2007 Supplement, section 341.25, is amended to read:

57.31 **341.25 RULES.**

58.1 (a) The commission may adopt rules that include standards for the physical  
58.2 examination and condition of ~~boxers~~ combatants and referees. Notwithstanding section  
58.3 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing  
58.4 on or before September 1, 2008.

58.5 (b) The commission may adopt other rules necessary to carry out the purposes  
58.6 of this chapter, including, but not limited to, the conduct of ~~boxing exhibitions, bouts,~~  
58.7 ~~and fights,~~ all combative sport contests and their manner, supervision, time, and place.  
58.8 Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt  
58.9 rules or a notice of hearing on or before September 1, 2008.

58.10 (c) The commission must adopt unified rules for mixed martial arts contests.

58.11 (d) The commission may adopt the rules of the Association of Boxing Commissions,  
58.12 with amendments.

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

58.14 Sec. 33. Minnesota Statutes 2006, section 341.26, is amended to read:

58.15 **341.26 MEETINGS.**

58.16 The commission shall hold a regular meeting quarterly and may hold special  
58.17 meetings. Except as otherwise provided in law, all meetings of the commission must be  
58.18 open to the public and reasonable notice of the meetings must be given under chapter  
58.19 13D. If compliance with section 13D.02 is impractical, the commission may conduct a  
58.20 meeting of its members by telephone or other electronic means so long as the following  
58.21 conditions are met:

58.22 (1) all members of the commission participating in the meeting, wherever their  
58.23 physical location, can hear one another and can hear all discussion and testimony;

58.24 (2) members of the public present at the regular meeting location of the commission  
58.25 can hear clearly all discussion and testimony and all votes of members of the commission  
58.26 and, if needed, receive those services required by sections 15.44 and 15.441;

58.27 (3) at least one member of the commission is physically present at the regular  
58.28 meeting location; and

58.29 (4) all votes are conducted by roll call, so each member's vote on each issue can be  
58.30 identified and recorded.

58.31 Each member of the commission participating in a meeting by telephone or other  
58.32 electronic means is considered present at the meeting for purposes of determining a  
58.33 quorum and participating in all proceedings.

59.1 If a telephone or other electronic means is used to conduct a regular, special, or  
59.2 emergency meeting, the commission, to the extent practical, shall allow a person to  
59.3 monitor the meeting electronically from a remote location. The commission may require  
59.4 the person making such a connection to pay for documented costs that the commission  
59.5 incurs as a result of the additional connection.

59.6 If a telephone or other electronic means is used to conduct a regular, special, or  
59.7 emergency meeting, the commission shall provide notice of the regular meeting location,  
59.8 of the fact that some members may participate by telephone or other electronic means, and  
59.9 that a person may monitor the meeting electronically from a remote location. The timing  
59.10 and method of providing notice is governed by section 13D.04.

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

59.12 Sec. 34. Minnesota Statutes 2007 Supplement, section 341.27, is amended to read:

59.13 **341.27 COMMISSION DUTIES.**

59.14 The commission shall:

59.15 (1) issue, deny, renew, suspend, or revoke licenses;

59.16 (2) make and maintain records of its acts and proceedings including the issuance,  
59.17 denial, renewal, suspension, or revocation of licenses;

59.18 (3) keep public records of the commission open to inspection at all reasonable times;

59.19 (4) assist the director in the development of rules to be implemented under this  
59.20 chapter;

59.21 (5) conform to the rules adopted under this chapter; ~~and~~

59.22 (6) develop policies and procedures for regulating mixed martial arts;

59.23 (7) immediately suspend an individual license for a medical condition, including but  
59.24 not limited to a medical condition resulting from an injury sustained during a match, bout,  
59.25 or contest that has been confirmed by the ringside physician. The medical suspension must  
59.26 be lifted after the commission receives written information from a physician licensed in  
59.27 the home state of the licensee indicating that the combatant may resume competition, and  
59.28 any other information that the commission may by rule require. Medical suspensions are  
59.29 not subject to section 214.10; and

59.30 (8) evaluate the performance and compensation of the director, including eligibility  
59.31 for salary increases, in keeping with state procedures.

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

59.33 Sec. 35. **[341.271] GIFT AUTHORITY.**

60.1 The commission may apply for, receive, and expend in its own name grants and  
60.2 gifts of money consistent with the powers and duties specified in section 341.27. The  
60.3 commission may accept gifts, bequests, grants, payments for services, and other public  
60.4 and private money to help finance the activities of the commission.

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

60.6 Sec. 36. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter  
60.7 135, article 3, sections 34, 35, is amended to read:

60.8 **341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORT CONTESTS.**

60.9 Subdivision 1. **Regulatory authority; boxing combative sports.** All ~~professional~~  
60.10 ~~boxing combative sport~~ contests are subject to this chapter. ~~Every contestant in a boxing~~  
60.11 ~~contest shall wear padded gloves that weigh at least eight ounces.~~ The commission shall,  
60.12 for every boxing combative sport contest:

60.13 (1) direct a commission member to be present; and

60.14 (2) direct the attending commission member to make a written report of the contest.

60.15 All boxing combative sport contests within this state must be conducted according to  
60.16 the requirements of this chapter.

60.17 **Subd. 1a. Regulatory authority; boxing contests.** All professional boxing contests  
60.18 are subject to this chapter. Every combatant in a boxing contest shall wear padded gloves  
60.19 that weigh at least eight ounces. Officials at all boxing contests must be licensed under  
60.20 this chapter.

60.21 Subd. 2. **Regulatory authority; tough person contests.** All professional and  
60.22 amateur tough person contests, ~~including amateur tough person contests,~~ are subject to  
60.23 this chapter. All tough person contests are subject to ~~American~~ Association of Boxing  
60.24 Commission (ABC) Commissions rules. Every contestant in a tough person contest shall  
60.25 have a physical examination prior to their bouts. Every contestant in a tough person  
60.26 contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are  
60.27 limited to two-minute rounds and a maximum of four total rounds. Officials at all tough  
60.28 person ~~bouts~~ contests shall be licensed under this chapter.

60.29 Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting**  
60.30 **events.** All professional and amateur mixed martial arts, ultimate fight contests, and  
60.31 similar sporting events are subject to this chapter and all officials at these events must be  
60.32 licensed under this chapter.

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

61.1 Sec. 37. Minnesota Statutes 2006, section 341.29, is amended to read:

61.2 **341.29 JURISDICTION OF COMMISSION.**

61.3 The commission shall:

61.4 (1) have sole direction, supervision, regulation, control, and jurisdiction over all  
61.5 ~~boxing combative sports~~ contests ~~and tough person contests~~ that are held within this state  
61.6 unless a contest is exempt from the application of this chapter under federal law;

61.7 (2) have sole control, authority, and jurisdiction over all licenses required by this  
61.8 chapter; and

61.9 (3) grant a license to an applicant if, in the judgment of the commission, the financial  
61.10 responsibility, experience, character, and general fitness of the applicant are consistent  
61.11 with the public interest, convenience, or necessity and the best interests of ~~boxing~~  
61.12 ~~combative sports~~ and conforms with this chapter and the commission's rules.

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

61.14 Sec. 38. Minnesota Statutes 2006, section 341.30, is amended to read:

61.15 **341.30 LICENSURE REQUIREMENTS.**

61.16 Subdivision 1. **Licensure; individuals.** All referees, judges, matchmakers,  
61.17 promoters, trainers, ring announcers, timekeepers, ringside physicians, ~~boxers~~ combatants,  
61.18 ~~boxers'~~ managers, and ~~boxers'~~ seconds are required to be licensed by the commission. The  
61.19 commission shall not permit any of these persons to participate in the holding or conduct  
61.20 of any ~~boxing combative sport~~ contest unless the commission has first issued the person  
61.21 a license.

61.22 Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any  
61.23 ~~boxing combative sport~~ contest, a corporation, partnership, limited liability company, or  
61.24 other business entity organized and existing under law, its officers and directors, and  
61.25 any person holding 25 percent or more of the ownership of the corporation shall obtain  
61.26 a license from the commission and must be authorized to do business under the laws of  
61.27 this state.

61.28 Subd. 3. **Background investigation.** The commission may require referees, judges,  
61.29 matchmakers, promoters, and ~~boxers~~ combatants to furnish fingerprints and background  
61.30 information under commission rules before licensure. The commission shall charge a fee  
61.31 for receiving fingerprints and background information in an amount determined by the  
61.32 commission. The commission may require referees, judges, matchmakers, promoters,  
61.33 and ~~boxers~~ combatants to furnish fingerprints and background information before  
61.34 license renewal. The fee may include a reasonable charge for expenses incurred by the

62.1 commission or the Department of Public Safety. For this purpose, the commission and the  
62.2 Department of Public Safety may enter into an interagency agreement.

62.3 Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to  
62.4 a promoter, matchmaker, corporation, or other business entity, the applicant shall:

62.5 (1) provide the commission with a copy of any agreement between a ~~contestant~~  
62.6 combatant and the applicant that binds the applicant to pay the ~~contestant~~ combatant a  
62.7 certain fixed fee or percentage of the gate receipts;

62.8 (2) show on the application the owner or owners of the applicant entity and the  
62.9 percentage of interest held by each owner holding a 25 percent or more interest in the  
62.10 applicant;

62.11 (3) provide the commission with a copy of the latest financial statement of the  
62.12 entity; and

62.13 (4) provide the commission with a copy or other proof acceptable to the commission  
62.14 of the insurance contract or policy required by this chapter.

62.15 (b) Before the commission issues a license to a promoter, the applicant shall deposit  
62.16 with the commission a cash bond or surety bond in an amount set by the commission.  
62.17 The bond shall be executed in favor of this state and shall be conditioned on the faithful  
62.18 performance by the promoter of the promoter's obligations under this chapter and the rules  
62.19 adopted under it. An applicant for a license as a promoter shall submit an application a  
62.20 minimum of six weeks before the combative sport contest is scheduled to occur.

62.21 (c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant  
62.22 shall submit to the commission the results of a current medical examination on forms  
62.23 furnished or approved by the commission. The medical examination must include an  
62.24 ophthalmological and neurological examination, and documentation of test results for  
62.25 HBV, HCV, and HIV, and any other blood test as the commission by rule may require.  
62.26 The ophthalmological examination must be designed to detect any retinal defects or other  
62.27 damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The  
62.28 neurological examination must include an electroencephalogram or medically superior  
62.29 test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other~~  
62.30 ~~athletic competition~~ contest. The commission may also order an electroencephalogram  
62.31 or other appropriate neurological or physical examination before any contest, ~~match, or~~  
62.32 ~~exhibition~~ if it determines that the examination is desirable to protect the health of the  
62.33 ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting  
62.34 positive test results for HBV, HCV, or HIV.

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

63.1 Sec. 39. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter  
63.2 135, article 3, section 36, is amended to read:

63.3 **341.32 LICENSE FEES; EXPIRATION; RENEWAL.**

63.4 Subdivision 1. **Annual licensure.** The commission may establish and issue annual  
63.5 licenses subject to the collection of advance fees by the commission for promoters,  
63.6 ~~matchmakers~~, managers, judges, referees, ring announcers, ringside physicians,  
63.7 timekeepers, ~~boxers~~ combatants, ~~boxers'~~ trainers, ~~boxers'~~ seconds, business entities filing  
63.8 for a license to participate in the holding of any ~~boxing~~ contest, and officers, directors, or  
63.9 other persons affiliated with the business entity.

63.10 Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, is valid for  
63.11 one year from the date it is issued and may be renewed by filing an application for renewal  
63.12 with the commission and payment of the license ~~fee~~ fees established in section 341.321.  
63.13 An application for a license and renewal of a license must be on a form provided by the  
63.14 commission. There is a 30-day grace period during which a license may be renewed if a  
63.15 late filing penalty fee equal to the license fee is submitted with the regular license fee.  
63.16 A licensee that files late shall not conduct any activity regulated by this chapter until the  
63.17 commission has renewed the license. If the licensee fails to apply to the commission within  
63.18 the 30-day grace period, the licensee must apply for a new license under subdivision 1.

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

63.20 Sec. 40. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

63.21 **341.321 FEE SCHEDULE.**

63.22 (a) The fee schedule for professional licenses issued by the ~~Minnesota Boxing~~  
63.23 commission is as follows:

- 63.24 (1) referees, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.25 (2) promoters, \$400 for each initial license and each renewal;
- 63.26 (3) judges and knockdown judges, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.27 (4) trainers, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.28 (5) ring announcers, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.29 (6) ~~boxers'~~ seconds, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.30 (7) timekeepers, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.31 (8) ~~boxers~~ combatant, ~~\$45~~ \$25 for each initial license and each renewal;
- 63.32 (9) managers, ~~\$45~~ \$25 for each initial license and each renewal; and
- 63.33 (10) ringside physicians, ~~\$45~~ \$25 for each initial license and each renewal.

64.1 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision  
 64.2 2, if applicable, an individual who applies for a combatant license on the same day the  
 64.3 combative sporting event is held shall pay a fee of \$100 at the time the application is  
 64.4 submitted.

64.5 (b) The fee schedule for amateur licenses issued by the commission is as follows:

64.6 (1) referees, \$10 for each initial license and each renewal;

64.7 (2) promoters, \$100 for each initial license and each renewal;

64.8 (3) judges and knockdown judges, \$10 for each initial license and each renewal;

64.9 (4) trainers, \$10 for each initial license and each renewal;

64.10 (5) ring announcers, \$10 for each initial license and each renewal;

64.11 (6) seconds, \$10 for each initial license and each renewal;

64.12 (7) timekeepers, \$10 for each initial license and each renewal;

64.13 (8) combatant, \$10 for each initial license and each renewal;

64.14 (9) managers, \$10 for each initial license and each renewal; and

64.15 (10) ringside physicians, \$10 for each initial license and each renewal.

64.16 (c) The commission shall establish ~~and assess an event~~ a contest fee for each ~~sporting~~  
 64.17 ~~event~~ combative sport contest. The ~~event~~ contest fee is ~~set at a minimum~~ of \$1,500 per  
 64.18 event or ~~a percentage~~ not more than four percent of the gross ticket sales as determined by  
 64.19 the commission when the ~~sporting event~~ combative sport contest is scheduled, except that  
 64.20 the amateur combative sport contest fee shall be \$150. The commission shall consider the  
 64.21 size and type of venue when establishing a contest fee. The commission may establish the  
 64.22 maximum number of complimentary tickets allowed for each event by rule. An amateur  
 64.23 combative sport contest fee is nonrefundable.

64.24 ~~(e)~~ (d) All fees collected by the ~~Minnesota Boxing~~ commission must be deposited in  
 64.25 the ~~Boxing~~ commission account in the special revenue fund.

64.26 **EFFECTIVE DATE.** This section is effective July 1, 2008.

64.27 Sec. 41. Minnesota Statutes 2006, section 341.33, is amended to read:

64.28 **341.33 PHYSICAL EXAMINATION REQUIRED; FEES.**

64.29 Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants  
 64.30 must be examined by a physician licensed by this state within ~~three~~ 36 hours before  
 64.31 entering the ring, and the examining physician shall immediately file with the commission  
 64.32 a written report of the examination. The physician's examination ~~shall~~ may report on the  
 64.33 condition of the ~~boxer's~~ combatant's heart and general physical and general neurological  
 64.34 condition. The physician's report may record the condition of the ~~boxer's~~ combatant's

65.1 nervous system and brain as required by the commission. The physician may prohibit the  
65.2 ~~boxer~~ combatant from entering the ring if, in the physician's professional opinion, it is in  
65.3 the best interest of the ~~boxer's~~ combatant's health. The cost of the examination is payable  
65.4 by the person or entity conducting the contest or exhibition.

65.5 Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~  
65.6 combative sport contest, shall have in attendance a physician licensed by this state. The  
65.7 commission may establish a schedule of fees to be paid to each attending physician by the  
65.8 person holding or sponsoring the contest.

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

65.10 Sec. 42. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

65.11 Subdivision 1. **Required insurance.** The commission shall:

65.12 (1) require insurance coverage for a ~~boxer~~ combatant to provide for medical,  
65.13 surgical, and hospital care for injuries sustained in the ring in an amount of at least  
65.14 ~~\$20,000~~ \$10,000 and payable to the ~~boxer~~ combatant as beneficiary; and

65.15 (2) require life insurance for a ~~boxer~~ combatant in the amount of at least ~~\$20,000~~  
65.16 \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

65.18 Sec. 43. Minnesota Statutes 2006, section 341.35, is amended to read:

65.19 **341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.**

65.20 Any person or persons who send or cause to be sent, published, or otherwise made  
65.21 known, any challenge to fight what is commonly known as a prize fight, or engage in any  
65.22 public ~~boxing or sparring~~ combative sport match or contest, with or without gloves, for  
65.23 any prize, reward, or compensation, or for which any admission fee is charged directly or  
65.24 indirectly, or go into training preparatory for the fight, exhibition, or contest, or act as a  
65.25 trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at  
65.26 the fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of  
65.27 any ground, building, or structure of any kind permitting the same to be used for any fight,  
65.28 exhibition, or contest, is guilty of a misdemeanor unless ~~a license~~ the licenses required for  
65.29 the holding of the fight, exhibition, or contest ~~has~~ have been issued by the commission in  
65.30 compliance with the rules adopted by it.

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

66.1 Sec. 44. **[341.355] PENALTIES.**

66.2 When the commission finds that a person has violated one or more provisions of  
66.3 any statute, rule, or order that the commission is empowered to regulate, enforce, or  
66.4 issue, the commission may impose, for each violation, a civil penalty of up to \$10,000  
66.5 for each violation, or a civil penalty that deprives the person of any economic advantage  
66.6 gained by the violation, or both.

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

66.8 Sec. 45. Minnesota Statutes 2006, section 341.37, is amended to read:

66.9 **341.37 APPROPRIATION.**

66.10 A ~~Boxing~~ commission account is created in the special revenue fund. Money in the  
66.11 account is annually appropriated to the ~~Boxing~~ commission for the purposes of conducting  
66.12 its statutory responsibilities and obligations.

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

66.14 Sec. 46. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 3,  
66.15 is amended to read:

66.16 Subd. 3. **Program administration.** (a) The authority shall provide supplemental  
66.17 assistance, as provided in subdivision 5a to governmental units:

66.18 (1) whose projects are listed on the Pollution Control Agency's project priority list;

66.19 (2) that demonstrate their projects are a cost-effective solution to an existing  
66.20 environmental or public health problem; and

66.21 (3) whose projects are approved by the USDA/RECD or certified by the  
66.22 commissioner of the Pollution Control Agency.

66.23 (b) For a governmental unit receiving grant funding from the USDA/RECD,  
66.24 applications must be made to the USDA/RECD with additional information submitted to  
66.25 the authority as required by the authority. Eligible project costs and affordability criteria  
66.26 shall be determined by the USDA/RECD.

66.27 (c) For a governmental unit not receiving grant funding from the USDA/RECD,  
66.28 application must be made to the authority on forms prescribed by the authority for the  
66.29 clean water revolving fund program with additional information as required by the  
66.30 authority. In accordance with section 116.182, the Pollution Control Agency shall:

66.31 (1) calculate the essential project component percentage which must be multiplied  
66.32 by the total project cost to determine the eligible project cost; and

66.33 (2) review and certify approved projects to the authority.

67.1 (d) ~~At the time funds are appropriated under this section,~~ Each fiscal year the  
67.2 authority shall make funds available for projects based on their ranking on the Pollution  
67.3 Control Agency's project priority list. The authority shall reserve ~~supplemental assistance~~  
67.4 funds for projects in order of their rankings on the Pollution Control Agency's project  
67.5 priority list and a project when the applicant receives a funding commitment from the  
67.6 United States Department of Agriculture Rural Development (USDA/RECD) or submits  
67.7 plans and specifications to the Pollution Control Agency. Funds must be reserved in an  
67.8 amount based on their most recent the project cost estimates estimate submitted to the  
67.9 authority or prior to the appropriation of the funds and awarded in the amount reserved  
67.10 or an amount based on the as-bid costs, whichever is less.

67.11 Sec. 47. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 5a,  
67.12 is amended to read:

67.13 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving  
67.14 grant funding from the USDA/RECD, the authority shall provide assistance in the form  
67.15 of a grant of up to ~~one-half~~ 65 percent of the eligible grant ~~amount~~ need determined by  
67.16 USDA/RECD. A governmental unit may not receive a grant under this paragraph for more  
67.17 than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically  
67.18 approved by law. In the case of a sanitary district or other multijurisdictional project for  
67.19 which the USDA/RECD is unable to fully fund ~~up to one-half~~ its share of the eligible grant  
67.20 ~~amount~~ need, the authority may provide up to an additional \$1,000,000 for each additional  
67.21 governmental unit participating up to a maximum of \$8,000,000 or \$15,000 per existing  
67.22 connection, whichever is less, but not to exceed the maximum grant level determined by  
67.23 the USDA/RECD as needed to keep the project affordable.

67.24 (b) For a governmental unit not receiving grant funding from the USDA/RECD,  
67.25 the authority shall provide assistance in the form of a loan for the eligible project costs  
67.26 plus the outstanding balance on any existing wastewater system debt that together exceed  
67.27 five percent of the market value of properties in the project service area, less the amount of  
67.28 any other grant funding received by the governmental unit for the project. A governmental  
67.29 unit may not receive a loan under this paragraph for more than \$4,000,000 or \$15,000 per  
67.30 existing connection, whichever is less, unless specifically approved by law. In the case of  
67.31 a sanitary district or other multijurisdictional project, the authority may provide a loan  
67.32 under this paragraph for up to an additional \$1,000,000 for each additional municipality  
67.33 participating up to a maximum of \$8,000,000 or \$15,000 per existing connection,  
67.34 whichever is less, unless specifically approved by law. A loan under this paragraph must

68.1 bear no interest, must be repaid as provided in subdivision 7, and must only be provided in  
68.2 conjunction with a loan from the clean water revolving fund under section 446A.07.

68.3 (c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit  
68.4 receiving supplemental assistance under this section after January 1, 2002, if the authority  
68.5 determines that the governmental unit's construction and installation costs are significantly  
68.6 increased due to geological conditions of crystalline bedrock or karst areas and discharge  
68.7 limits that are more stringent than secondary treatment, the authority shall provide  
68.8 assistance in the form of half grant and half loan. Assistance from the authority may not  
68.9 be more than \$25,000 per existing connection. Any additional grant amount received for  
68.10 the same project must be used to reduce the amount of the governmental unit's loan from  
68.11 the clean water pollution control revolving fund that exceeds five percent of the market  
68.12 value of properties in the project service area.

68.13 Sec. 48. Minnesota Statutes 2007 Supplement, section 446A.086, is amended to read:

68.14 **446A.086 STATE MAY GUARANTEE COUNTY GOVERNMENTAL UNIT**  
68.15 **BUILDING DEBT; REPAYMENT.**

68.16 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have  
68.17 the meanings given.

68.18 (b) "Authority" means the Minnesota Public Facilities Authority.

68.19 (c) "Commissioner" means the commissioner of finance.

68.20 (d) "Debt obligation" means:

68.21 (1) a general obligation bond issued by a county, a bond to which the general  
68.22 obligation of a county is pledged under section 469.034, subdivision 2, or a bond payable  
68.23 from a county lease obligation under section 641.24, to provide funds for the construction  
68.24 of:

68.25 ~~(1)~~ (i) jails;

68.26 ~~(2)~~ (ii) correctional facilities;

68.27 ~~(3)~~ (iii) law enforcement facilities;

68.28 ~~(4)~~ (iv) social services and human services facilities;

68.29 ~~(5)~~ (v) solid waste facilities; or

68.30 ~~(6)~~ (vi) qualified housing development projects as defined in section 469.034,

68.31 subdivision 2; or

68.32 (2) a general obligation bond issued by a governmental unit and acquired under the  
68.33 credit enhanced bond program established under section 446A.087.

68.34 Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of  
68.35 principal and interest on debt obligations if:

69.1 (1) the obligations are issued after June 30, 2000;

69.2 (2) application to the Public Facilities Authority is made before issuance; and

69.3 (3) the obligations are covered by an agreement meeting the requirements of  
69.4 subdivision 3.

69.5 (b) Applications to be covered by the provisions of this section must be made in a  
69.6 form and contain the information prescribed by the authority. Applications are subject to a  
69.7 fee of \$500 for ~~the first~~ each bond issue requested by the county ~~and \$250 for each bond~~  
69.8 ~~issue thereafter~~ or applicable fees under section 446A.087.

69.9 (c) Application fees paid under this section must be deposited in a separate ~~county~~  
69.10 credit enhancement bond guarantee account in the general fund. Money in the ~~county~~  
69.11 credit enhancement bond guarantee account is appropriated to the authority for purposes  
69.12 of administering this section.

69.13 (d) Neither the authority nor the commissioner is required to promulgate  
69.14 administrative rules under this section and the procedures and requirements established by  
69.15 the authority or commissioner under this section are not subject to chapter 14.

69.16 Subd. 3. **Agreement.** (a) For specified debt obligations ~~of a county~~ to be covered  
69.17 by this section, the ~~county~~ governmental unit must enter an agreement with the authority  
69.18 obligating the ~~county~~ governmental unit to be bound by this section.

69.19 (b) This agreement must be in a form prescribed by the authority and contain any  
69.20 provisions required by the authority, including, at least, an obligation to:

69.21 (1) deposit with the paying agent three days before the date on which the payment is  
69.22 due an amount sufficient to make that payment or ten days prior to the date a payment is  
69.23 due on revenue bonds issued by the authority under section 446A.087;

69.24 (2) notify the authority, if the ~~county~~ governmental unit will be unable to make all  
69.25 or a portion of the payment; and

69.26 (3) include a provision in the bond resolution and county's agreement with the paying  
69.27 agent for the debt obligation that requires the paying agent to inform the commissioner if  
69.28 it becomes aware of a default or potential default in the payment of principal or interest  
69.29 on that issue or if, on the day two business days before the date a payment is due on that  
69.30 issue, there are insufficient funds to make the payment on deposit with the paying agent.

69.31 (c) Funds invested in a refunding escrow account established under section 475.67  
69.32 that are to become available to the paying agent on a principal or interest payment date are  
69.33 deemed to be on deposit with the paying agent three business days before the payment date.

69.34 (d) The provisions of an agreement under this subdivision are binding as to an issue  
69.35 as long as any debt obligation of the issue remains outstanding.

70.1 (e) This section and the obligations of the state under this section are not a public debt  
70.2 of the state under article XI, section 4, of the Minnesota Constitution, and the legislature  
70.3 may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).

70.4 Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a  
70.5 default or potential default in payment of principal or interest in debt obligations covered  
70.6 by this section or an agreement under this section, and after consultation with the ~~county~~;  
70.7 governmental unit and the paying agent, and after verification of the accuracy of the  
70.8 information provided, the authority shall notify the commissioner of the potential default.  
70.9 The notice must include a final figure as to the amount due that the ~~county~~ governmental  
70.10 unit will be unable to repay on the date due.

70.11 (b) Upon receipt of this notice from the authority, the commissioner shall issue a  
70.12 warrant and authorize the authority to pay to the bond holders or paying agent for the  
70.13 debt obligation the specified amount on or before the date due. The amounts needed  
70.14 for the purposes of this subdivision are annually appropriated to the authority from the  
70.15 general fund.

70.16 Subd. 5. **Interest on state paid amount.** If the state has paid part or all of the  
70.17 principal or interest due on a ~~county's~~ debt obligation, the amount paid bears interest  
70.18 from the date paid by the state until the date of repayment. The interest rate is the  
70.19 commissioner's invested cash rate as it is certified by the commissioner. Interest only  
70.20 accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7  
70.21 and other payments received from the ~~county~~ governmental unit.

70.22 Subd. 6. **Pledge of ~~county's~~ governmental unit's full faith and credit.** If the  
70.23 state has paid part or all of the principal or interest due on a ~~county's~~ debt obligation,  
70.24 the ~~county's~~ governmental unit's pledge of its full faith and credit and unlimited taxing  
70.25 powers to repay the principal and interest due on those debt obligations becomes, without  
70.26 an election or the requirement of a further authorization, a pledge of the full faith and  
70.27 credit and unlimited taxing powers of the ~~county~~ governmental unit to repay to the state  
70.28 the amount paid, with interest. Amounts paid by the state must be repaid in the order  
70.29 in which the state payments were made.

70.30 Subd. 7. **Aid reduction for repayment.** (a) Except as provided in paragraph (b),  
70.31 the commissioner may reduce, by the amount paid by the state under this section on behalf  
70.32 of the ~~county~~ governmental unit, plus the interest due on the state payments, the ~~county~~  
70.33 ~~program~~ local government aid under ~~section 477A.0124~~ chapter 477A. The amount of any  
70.34 aid reduction reverts from the appropriate account to the state general fund.

70.35 (b) If, after review of the financial situation of the ~~county~~ governmental unit, the  
70.36 authority advises the commissioner that a total reduction of the aids would cause an

71.1 undue hardship on the county governmental unit, the authority, with the approval of the  
71.2 commissioner, may establish a different schedule for reduction of aids to repay the state.  
71.3 The amount of aids to be reduced are decreased by any amounts repaid to the state by the  
71.4 county governmental unit from other revenue sources.

71.5 Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a county  
71.6 governmental unit may levy in the year the state makes a payment under this section an  
71.7 amount up to the amount necessary to provide funds for the repayment of the amount  
71.8 paid by the state plus interest through the date of estimated repayment by the county  
71.9 governmental unit. The proceeds of this levy may be used only for this purpose unless  
71.10 they exceed the amount actually due. Any excess must be used to repay other state  
71.11 payments made under this section or must be deposited in the debt redemption fund of  
71.12 the county governmental unit. The amount of aids to be reduced to repay the state are  
71.13 decreased by the amount levied.

71.14 (b) If the state is not repaid in full for a payment made under this section by  
71.15 November 30 of the calendar year following the year in which the state makes the  
71.16 payment, the authority shall require the county governmental unit to certify a property  
71.17 tax levy in an amount up to the amount necessary to provide funds for repayment of the  
71.18 amount paid by the state plus interest through the date of estimated repayment by the  
71.19 county governmental unit. To prevent undue hardship, the authority may allow the county  
71.20 governmental unit to certify the levy over a five-year period. The proceeds of the levy  
71.21 may be used only for this purpose unless they are in excess of the amount actually due, in  
71.22 which case the excess must be used to repay other state payments made under this section  
71.23 or must be deposited in the debt redemption fund of the county governmental unit. If the  
71.24 authority orders the county governmental unit to levy, the amount of aids reduced to repay  
71.25 the state are decreased by the amount levied.

71.26 (c) A levy under this subdivision is an increase in the levy limits of the county  
71.27 governmental unit for purposes of section 275.065, subdivision 6, and must be explained  
71.28 as a specific increase at the meeting required under that provision.

71.29 Subd. 9. **Mandatory plan; technical assistance.** If the state makes payments on  
71.30 behalf of a county governmental unit under this section or the county governmental unit  
71.31 defaults in the payment of principal or interest on an outstanding debt obligation, it must  
71.32 submit a plan to the authority for approval specifying the measures it intends to implement  
71.33 to resolve the issues which led to its inability to make the payment and to prevent  
71.34 further defaults. If the authority determines that a county's governmental unit's plan is  
71.35 not adequate, the authority shall notify the county governmental unit that the plan has  
71.36 been disapproved, the reasons for the disapproval, and that the state will not make future

72.1 payments under this section for debt obligations of the affected ~~county~~ governmental unit  
72.2 issued after the date specified in that notice until its plan is approved. The authority may  
72.3 also notify the ~~county~~ governmental unit that until its plan is approved, aids due the ~~county~~  
72.4 governmental unit will be withheld after a date specified in the notice.

72.5 Subd. 10. **Continuing disclosure agreements.** The authority may enter into written  
72.6 agreements or contracts relating to the continuing disclosure of information needed to  
72.7 facilitate the ability of ~~counties~~ governmental units to issue debt obligations according  
72.8 to federal securities laws, rules, and regulations, including securities and exchange  
72.9 commission rules and regulations, section 240.15c2-12. The agreements or contracts may  
72.10 be in any form the authority deems reasonable and in the state's best interests.

72.11 Sec. 49. **[446A.087] CREDIT ENHANCED BOND PROGRAM.**

72.12 Subdivision 1. **Establishment of program.** A credit enhanced bond program is  
72.13 established for the purposes set forth in subdivision 2.

72.14 Subd. 2. **Purpose.** The purpose of the credit enhanced bond program is to  
72.15 provide loans to governmental units through the purchase of general obligation bonds  
72.16 of governmental units issued to finance all or a portion of the costs of a project. The  
72.17 program shall include providing credit enhancement to the general obligation bonds of the  
72.18 governmental unit through the guarantee program as provided in section 446A.086. The  
72.19 authority shall obtain funds to make the loans authorized pursuant to this section through  
72.20 the issuance of its revenue bonds payable from loan repayments pledged to the bonds, and  
72.21 such other sources and security as are specifically pledged by the authority.

72.22 Subd. 3. **Definitions.** (a) Terms used in this section have the meanings given to  
72.23 them in this subdivision.

72.24 (b) "Applicant" means any governmental unit applying to the authority for a loan  
72.25 pursuant to this section.

72.26 (c) "Borrower" means any governmental unit that has entered into a commitment  
72.27 for the sale of its general obligation bonds to the authority pursuant to this section and  
72.28 subsequently sells its general obligation bonds to the authority and enters into a regulatory  
72.29 agreement.

72.30 (d) "Commitment" means a written agreement between a governmental unit and the  
72.31 authority obligating the governmental unit to deliver its general obligation bonds to the  
72.32 authority on a date in the future evidencing a loan pursuant to this section and to enter  
72.33 into a regulatory agreement with the authority, all upon the terms and conditions set  
72.34 forth in the commitment.

73.1 (e) "Eligible cost" means any cost of a project authorized by law to be financed from  
73.2 the proceeds of general obligation bonds of a governmental unit.

73.3 (f) "General obligation bonds" means bonds or notes secured by the full faith and  
73.4 credit and unlimited taxing powers of a governmental unit.

73.5 (g) "Project" means the construction, improvement, or rehabilitation of:

73.6 (1) wastewater facilities;

73.7 (2) drinking water facilities;

73.8 (3) storm water facilities;

73.9 (4) streets, street lighting, curbs, gutters, and sidewalks;

73.10 (5) energy conservation or alternative energy sources for use in public buildings or  
73.11 facilities;

73.12 (6) telecommunications facilities;

73.13 (7) public safety buildings including those providing police and fire protection; or

73.14 (8) any publicly owned building or infrastructure improvement that has received  
73.15 partial funding from grants awarded by the commissioner of employment and economic  
73.16 development related to redevelopment, contaminated site cleanup, bioscience, small cities  
73.17 development programs, and rural business infrastructure programs.

73.18 (h) "Regulatory agreement" means a written agreement entered into by the authority  
73.19 and a borrower in connection with the purchase of the borrower's general obligation bonds  
73.20 by the authority pursuant to this section.

73.21 Subd. 4. **Establishment of fund and accounts.** A credit enhancement bond  
73.22 program fund is established for the purposes described in subdivision 2. Other accounts  
73.23 may be established in the fund as necessary for its management and administration.  
73.24 Money in the fund is annually appropriated to the authority and does not lapse. The fund  
73.25 must be credited with investment income, and with repayments of principal and interest,  
73.26 except for fees assessed under section 446A.04, subdivisions 5 and 15.

73.27 Subd. 5. **Management of fund and accounts.** The authority shall manage and  
73.28 administer the credit enhancement bond program fund and individual accounts in the fund.  
73.29 For those purposes, the authority may exercise all powers provided in this chapter.

73.30 Subd. 6. **Applications.** (a) Applicants for participation in the credit enhancement  
73.31 bond program must submit an application to the authority on forms prescribed by the  
73.32 authority. The applicant shall provide information customary to that needed for the  
73.33 disclosure purposes in issuing general obligation bonds in the market, in addition to the  
73.34 following information:

73.35 (1) the total estimated cost of the project and the amount of general obligation  
73.36 bond proceeds sought;

74.1 (2) other sources of funding if the general obligation bond proceeds do not cover  
74.2 the entire costs identified;

74.3 (3) the proposed sources of funds to be used for repayment of the general obligation  
74.4 bonds;

74.5 (4) information showing the applicant's financial status and ability of the applicant  
74.6 to repay loans;

74.7 (5) the proposed term and principal repayment schedule for the general obligation  
74.8 bonds of the applicant; and

74.9 (6) the statutory authorization for the applicant to issue such general obligation  
74.10 bonds, together with a statement that the statutory provision authorizes the use of proceeds  
74.11 of such general obligation bonds to pay the costs of a project.

74.12 (b) The authority may establish deadlines or time periods for the submission of  
74.13 applications to facilitate funding loans from the proceeds of a specific bond issue proposed  
74.14 or previously issued by the authority, or the authority may accept applications from time  
74.15 to time.

74.16 (c) Each application must be complete and accurate to be considered delivered to  
74.17 and received by the authority or to be considered as having met any deadline established  
74.18 by the authority with respect to an application period. If any application is determined by  
74.19 the authority to be incomplete or inaccurate, the authority shall notify the applicant and  
74.20 specify the missing or inaccurate information.

74.21 (d) The executive director and the staff of the authority shall evaluate the applications  
74.22 to determine if the application should be accepted or rejected by the authority.

74.23 (e) The authority is not obligated to accept any application including those complete  
74.24 and accurate and submitted by any specified deadline for submission if the authority  
74.25 determines that it is not practicable to fund the loan for any reason including, but not  
74.26 limited to, the creditworthiness of the applicant, the proposed loan amount, the term  
74.27 and repayment schedule, the sources of funding available to the authority, and current  
74.28 market conditions. Upon acceptance and approval of an application by the authority, the  
74.29 authority may require that the applicant authorize, execute, and deliver a commitment to  
74.30 the authority within such time period specified by the authority in its acceptance of the  
74.31 application. The authority may reject an approved application for failure by the applicant  
74.32 to authorize, execute, and deliver a commitment by the specified deadline.

74.33 Subd. 7. **Loan terms and conditions.** (a) The terms and conditions of loans  
74.34 provided by the authority pursuant to the credit enhanced bond program are as provided  
74.35 by this section, any applicable bond resolution or series bond resolution of the authority,  
74.36 any trust indenture pursuant to which any series of bonds of the authority are issued,

75.1 the regulatory agreement, the commitment and the general obligation bond, and the  
75.2 authorizing resolution of the borrower.

75.3 (b) The loan must be made by the authority through its purchase of the general  
75.4 obligation bond of the borrower. The borrower shall provide the authority with the  
75.5 opinion of nationally recognized bond counsel as to the valid authorization, issuance, and  
75.6 enforceability of the general obligation bond of the borrower, and the exclusion of interest  
75.7 thereon from gross income for the purposes of federal taxation, subject to customary  
75.8 qualifications. The general obligation bond of the borrower may pledge other specified  
75.9 sources of revenues for repayment to the extent permitted or required by law, in addition  
75.10 to the full faith and credit and unlimited taxing powers of the borrower.

75.11 (c) The authority may disburse the proceeds of the loan as a single payment for the  
75.12 general obligation bond or from time to time pursuant to draw requests if the general  
75.13 obligation bond of the borrower is structured as a periodic drawdown bond. In the event  
75.14 the authority pays for the general obligation bond in a single payment, the borrower  
75.15 shall establish a project account and disburse the proceeds of its general obligation bond  
75.16 solely for costs of the project approved in its application pursuant to such additional  
75.17 requirements specified in the regulatory agreement.

75.18 (d) In order to facilitate the issuance of the authority's revenue bonds to finance  
75.19 a pool of loans to different borrowers, the authority may require the borrower in the  
75.20 commitment to issue its general obligation bond on a date certain in the future, and  
75.21 may require the borrower to pay the costs incurred by the authority as a result of the  
75.22 borrower's failure to deliver its general obligation bond as required by the commitment.  
75.23 The commitment may also require the borrower to provide to the authority full disclosure  
75.24 of all material facts and financial information relating to the borrower that would be  
75.25 required if the borrower issued its general obligation bond to the public, certified as to  
75.26 completeness and accuracy by authorized officers of the borrower, and authorization for  
75.27 the authority to use such information in connection with the sale of the authority's revenue  
75.28 bonds or disclosure relating to the authority's revenue bonds.

75.29 (e) In addition to delivering its general obligation bond, each borrower shall enter  
75.30 into a regulatory agreement with the authority providing additional terms of the loan  
75.31 as the authority may specify, including providing to the authority periodic reports and  
75.32 information relating to the acquisition or construction of the project and use of the  
75.33 proceeds of the borrower's general obligation bond and periodic operating, financial, and  
75.34 other information as to the creditworthiness of the borrower, and providing and filing  
75.35 continuing secondary market disclosure to the extent required by the authority.

76.1 (f) The purchase or commitment to purchase general obligation bonds of borrowers  
76.2 by the authority shall be subject to the availability of proceeds of revenue bonds of the  
76.3 authority for such purpose and the authority is not liable to any borrower for the failure to  
76.4 purchase its general obligation bond pursuant to a commitment or any other agreement if  
76.5 proceeds of the authority's revenue bonds are not available for any reason.

76.6 Subd. 8. **Interest rate determination.** The rate of interest on the general obligation  
76.7 bonds of the borrower must be the true interest cost on the revenue bonds of the authority  
76.8 issued to purchase such general obligation bonds of the borrower plus the ongoing  
76.9 percentage fee charged by the authority under subdivision 10; provided that the interest  
76.10 rate must not exceed any limit imposed by federal tax law with respect to the authority's  
76.11 revenue bonds.

76.12 Subd. 9. **Market considerations.** The authority may suspend offering loans if it is  
76.13 determined by the executive director that there are extreme or unusual events impacting  
76.14 the bond market and that to continue making loans would be detrimental to holders of the  
76.15 authority's revenue bonds or the financial viability of the credit enhanced bond program,  
76.16 or if the state is warned by one of its rating agencies that continuing to make loans will  
76.17 result in lowering the state's bond rating. If the making of loans is suspended under this  
76.18 section, the authority shall have the option to resume making loans once it has determined  
76.19 that the conditions for suspending the program no longer exist.

76.20 Subd. 10. **Fees.** The authority shall charge a nonrefundable application fee of  
76.21 \$1,000 payable by each applicant upon submission of an application to the authority. A  
76.22 separate application fee must be payable for each application submitted, including a  
76.23 resubmitted application for an application that was rejected by the authority or determined  
76.24 to be incomplete or inaccurate by the authority. The authority shall charge an ongoing  
76.25 periodic fee of ten basis points of the outstanding principal amount of the loan to be added  
76.26 to, and be a component of, the interest rate on the general obligation bonds of the borrower.

76.27 Subd. 11. **Authority revenue bonds.** (a) The authority is authorized to issue  
76.28 revenue bonds as provided in this chapter to fund the credit enhanced bond program.  
76.29 The revenue bonds may be issued in one or more series pursuant to a resolution of the  
76.30 authority or a series resolution or pursuant to a trust indenture with a financial institution  
76.31 with trust powers as trustee, authorized by resolution of the authority. Any issue of bonds  
76.32 may be used to fund one or more loans, may be payable by the loans funded from such  
76.33 issue of bonds and such additional loans as pledged by the authority, and may be payable  
76.34 on a subordinated basis to other bonds. As permitted by the terms of any revenue bonds  
76.35 issued by the authority, the authority may sell the general obligations pledged to the  
76.36 payment of the revenue bonds and any proceeds of the sale in excess of those used to pay

77.1 the principal of the revenue bonds must be deposited to the credit enhanced bond program  
77.2 fund and may be used to purchase additional general obligation bonds of borrowers, to  
77.3 provide credit enhancement for the authority's revenue bonds, or to pay any other expense  
77.4 of the credit enhanced bond program.

77.5 (b) The authority may issue short-term bonds in anticipation of issuing long-term  
77.6 bonds for the purpose of acquiring general obligation bonds of borrowers.

77.7 (c) Bonds issued by the authority for the credit enhanced bond program must not  
77.8 be general obligations of the authority to the payment of which the general assets of the  
77.9 authority are pledged or available for payment. All bonds issued for the credit enhanced  
77.10 bond programs by the authority must be revenue bonds payable solely from the sources  
77.11 specified in the bond.

77.12 Subd. 12. **Reports, disclosure, audits.** (a) During the term of the loan the borrower  
77.13 shall provide written reports to the authority. The content and timing of these reports must  
77.14 be as specified in the regulatory agreement.

77.15 (b) During the term of the loan the borrower shall disclose to the authority any  
77.16 material information or events adversely affecting the creditworthiness of the borrower  
77.17 as specified in the regulatory agreement. If required by the authority in a regulatory  
77.18 agreement, the borrower shall enter into a continuing disclosure undertaking to provide  
77.19 disclosure to the market.

77.20 (c) During the term of the loan, the borrower shall provide to the authority on an  
77.21 annual basis financial statements of the borrower audited by an independent accounting  
77.22 firm, as further specified in the regulatory agreement.

77.23 Sec. 50. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

77.24 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a  
77.25 principal amount that the authority determines necessary to provide sufficient funds for  
77.26 achieving its purposes, including the making of loans and purchase of securities, the  
77.27 payment of interest on bonds of the authority, the establishment of reserves to secure  
77.28 its bonds, the payment of fees to a third party providing credit enhancement, and the  
77.29 payment of all other expenditures of the authority incident to and necessary or convenient  
77.30 to carry out its corporate purposes and powers, but not including the making of grants.  
77.31 Bonds of the authority may be issued as bonds or notes or in any other form authorized  
77.32 by law. The principal amount of bonds issued and outstanding under this section at any  
77.33 time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or  
77.34 crossover refunding bonds have been issued~~;~~, and excluding any bonds issued for the  
77.35 credit enhanced bond program or refunding or crossover refunding bonds issued under the

78.1 program. The principal amount of bonds issued and outstanding under section 446A.087,  
 78.2 may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover  
 78.3 refunding bonds have been issued.

78.4 Sec. 51. Laws 1999, chapter 223, article 2, section 72, is amended to read:

78.5 Sec. 72. **UPPER RED LAKE BUSINESS LOAN PROGRAM.**

78.6 The commissioner of trade and economic development must make loans to  
 78.7 businesses in the Upper Red Lake area that have been severely affected by the significant  
 78.8 decline of the walleye fishing resource in Upper Red Lake. The loans may only be  
 78.9 made to businesses that operated in 1998. A business must submit an application to the  
 78.10 commissioner on forms provided by the commissioner. The application must include a  
 78.11 business plan for continued operation, with the assistance of the loan, until the walleye  
 78.12 fishing resource recovers. The commissioner shall allocate available loan funds to a  
 78.13 business based on the commissioner's evaluation of the probable success of its business  
 78.14 plan. A loan shall be for a maximum amount of \$75,000 and a duration of ten years from  
 78.15 the date of the loan and shall be interest free. Repayment of a loan in monthly payments  
 78.16 of 1/120 of the original principal amount must begin no later than one year after walleye  
 78.17 fishing on Upper Red Lake is ~~allowed by the department of natural resources~~ recovered to  
 78.18 a bag limit of six fish. Any principal balance remaining at the end of the ten-year period  
 78.19 shall be forgiven if the business continues in operation for the ten-year period. Loan  
 78.20 repayments shall be deposited in the general fund.

78.21 Sec. 52. Laws 2007, chapter 135, article 1, section 3, subdivision 2, is amended to read:

78.22	<b>Subd. 2. Business and Community</b>		
78.23	<b>Development</b>	40,667,000	8,639,000
78.24	Appropriations by Fund		
78.25	General	39,967,000	7,939,000
78.26	Remediation	700,000	700,000

78.27 (a) (1) \$250,000 the first year and \$250,000  
 78.28 the second year are from the general fund  
 78.29 for a grant under Minnesota Statutes,  
 78.30 section 116J.421, to the Rural Policy and  
 78.31 Development Center at St. Peter, Minnesota.  
 78.32 The grant shall be used for research and  
 78.33 policy analysis on emerging economic and  
 78.34 social issues in rural Minnesota, to serve as

79.1 a policy resource center for rural Minnesota  
79.2 communities, to encourage collaboration  
79.3 across higher education institutions to  
79.4 provide interdisciplinary team approaches  
79.5 to research and problem-solving in rural  
79.6 communities, and to administer overall  
79.7 operations of the center.

79.8 (2) The grant shall be provided upon the  
79.9 condition that each state-appropriated  
79.10 dollar be matched with a nonstate dollar.  
79.11 Acceptable matching funds are nonstate  
79.12 contributions that the center has received and  
79.13 have not been used to match previous state  
79.14 grants. Any unencumbered balance in the  
79.15 first year is available for the second year.

79.16 (b) \$250,000 the first year and \$250,000  
79.17 the second year are from the general fund  
79.18 for a grant to WomenVenture for women's  
79.19 business development programs.

79.20 (c) \$250,000 the first year is for a grant to  
79.21 University Enterprise Laboratories (UEL)  
79.22 for its direct and indirect expenses to support  
79.23 efforts to encourage the growth of early-stage  
79.24 and emerging bioscience companies. UEL  
79.25 must provide a report by June 30 each year  
79.26 to the commissioner on the expenditures  
79.27 until the appropriation is expended. This is a  
79.28 onetime appropriation and is available until  
79.29 expended.

79.30 (d) \$2,000,000 the first year is for grants  
79.31 under Minnesota Statutes, section 116J.571,  
79.32 for the redevelopment grant program. This is  
79.33 a onetime appropriation.

79.34 (e) \$100,000 the first year and \$100,000 the  
79.35 second year are to help small businesses

80.1 access federal funds through the federal  
80.2 Small Business Innovation Research Program  
80.3 and the federal Small Business Technology  
80.4 Transfer Program. Department services  
80.5 must include maintaining connections to  
80.6 11 federal programs, assessment of specific  
80.7 funding opportunities, review of funding  
80.8 proposals, referral to specific consulting  
80.9 services, and training workshops throughout  
80.10 the state. Unless prohibited by federal law,  
80.11 the department must implement fees for  
80.12 services that help companies seek federal  
80.13 Phase II Small Business Innovation Research  
80.14 grants. The recommended fee schedule  
80.15 must be reported to the chairs of the house  
80.16 of representatives finance committee and  
80.17 senate budget division with jurisdiction over  
80.18 economic development by February 1, 2008.

80.19 (f) \$100,000 the first year and \$100,000  
80.20 the second year are appropriated to the  
80.21 Public Facilities Authority for the small  
80.22 community wastewater treatment program  
80.23 under Minnesota Statutes, chapter 446A.

80.24 (g) \$255,000 the first year and \$155,000  
80.25 the second year are from the general fund  
80.26 for a grant to the Metropolitan Economic  
80.27 Development Association for continuing  
80.28 minority business development programs in  
80.29 the metropolitan area.

80.30 (h) \$85,000 the first year and \$85,000 the  
80.31 second year are for grants to the Minnesota  
80.32 Inventors Congress. Of this amount, \$10,000  
80.33 each year is for the Student Inventors  
80.34 Congress.

- 81.1 (i) \$151,000 the first year is for a onetime  
81.2 grant to the city of Faribault to design,  
81.3 construct, furnish, and equip renovations to  
81.4 accommodate handicapped accessibility at  
81.5 the Paradise Center for the Arts.
- 81.6 (j) \$750,000 the first year is to Minnesota  
81.7 Technology, Inc. for the small business  
81.8 growth acceleration program established  
81.9 under Minnesota Statutes, section 116O.115.  
81.10 This is a onetime appropriation. This  
81.11 appropriation does not cancel, but is  
81.12 available until June 30, 2011.
- 81.13 (k) \$300,000 the first year is for a onetime  
81.14 grant to the city of Northome for the  
81.15 construction of a new municipal building to  
81.16 replace the structures damaged by fire on  
81.17 July 22, 2006. This appropriation is available  
81.18 when the commissioner determines that a  
81.19 sufficient match is available from nonstate  
81.20 sources to complete the project.
- 81.21 (l) \$300,000 the first year is for a grant to the  
81.22 city of Worthington for an agricultural-based  
81.23 bioscience training and testing center. Funds  
81.24 appropriated under this section must be used  
81.25 to provide a training and testing facility for  
81.26 incubator firms developing new agricultural  
81.27 processes and products. This is a onetime  
81.28 appropriation and is available until expended.
- 81.29 (m) \$1,750,000 the first year is for a onetime  
81.30 grant to BioBusiness Alliance of Minnesota  
81.31 for bioscience business development  
81.32 programs to promote and position the state  
81.33 as a global leader in bioscience business  
81.34 activities. These funds may be used for:

82.1 (1) completion and periodic updating of  
82.2 a statewide bioscience business industry  
82.3 assessment of business technology  
82.4 enterprises and Minnesota's competitive  
82.5 position employing annual updates to federal  
82.6 industry classification data;

82.7 (2) long-term strategic planning that includes  
82.8 projections of market changes resulting  
82.9 from developments in biotechnology and the  
82.10 development of 20-year goals, strategies, and  
82.11 identified objectives for renewable energy,  
82.12 medical devices, biopharma, and biologics  
82.13 business development in Minnesota;

82.14 (3) the design and construction of a  
82.15 Minnesota focused bioscience business  
82.16 model to test competing strategies and  
82.17 scenarios, evaluate options, and forecast  
82.18 outcomes; and

82.19 (4) creation of a bioscience business  
82.20 resources network that includes development  
82.21 of a statewide bioscience business economic  
82.22 development framework to encourage  
82.23 bioscience business development and  
82.24 encourage spin-off activities, attract  
82.25 bioscience business location or expansion in  
82.26 Minnesota, and establish a local capability to  
82.27 support strategic system level planning for  
82.28 industry, government, and academia.

82.29 This appropriation is available until June 30,  
82.30 2009.

82.31 (n) \$125,000 the first year is to develop and  
82.32 operate a bioscience business marketing  
82.33 program to market Minnesota bioscience  
82.34 businesses and business opportunities  
82.35 to other states and other countries. The

83.1 bioscience business marketing program must  
83.2 emphasize bioscience business location and  
83.3 expansion opportunities in communities  
83.4 outside of the seven-county metropolitan  
83.5 area as defined in Minnesota Statutes,  
83.6 section 473.121, subdivision 2, that have  
83.7 established collaborative plans among two  
83.8 or more municipal units for bioscience  
83.9 business activities, and that are within 15  
83.10 miles of a four-year, baccalaureate degree  
83.11 granting institution or a two-year technical  
83.12 or community college that offers bioscience  
83.13 curricula. The commissioner must report  
83.14 to the committees of the senate and house  
83.15 of representatives having jurisdiction  
83.16 over bioscience and technology issues by  
83.17 February 1 of each year on the expenditures  
83.18 of these funds and the promotional activities  
83.19 undertaken to market the Minnesota  
83.20 bioscience industry to persons outside of the  
83.21 state. This is a onetime appropriation and is  
83.22 available until expended.

83.23 (o) \$325,000 is for a grant to the Walker  
83.24 Area Community Center, Inc., to construct,  
83.25 furnish, and equip the Walker Area  
83.26 Community Center. This appropriation is  
83.27 not available until the commissioner has  
83.28 determined that an amount sufficient to  
83.29 complete the project has been committed  
83.30 from nonstate sources. This is a onetime  
83.31 appropriation and is available until expended.

83.32 (p) \$100,000 the first year is for a grant  
83.33 to the Pine Island Economic Development  
83.34 Authority for predesign to upgrade and  
83.35 extend utilities to serve Elk Run Bioscience  
83.36 Research Park and The Falls - Healthy

84.1 Living By Nature, an integrated medicine  
84.2 facility. This is a onetime appropriation and  
84.3 is available until expended.

84.4 (q) \$350,000 the first year is for a grant  
84.5 to Thomson Township for infrastructure  
84.6 improvements for the industrial park. This  
84.7 is a onetime appropriation and is available  
84.8 until expended.

84.9 (r) \$75,000 the first year is for a grant to  
84.10 Le Sueur County for the cost of cleaning  
84.11 up debris from lakes in Le Sueur County,  
84.12 caused by the August 24, 2006, tornado in  
84.13 southern Le Sueur County. This is a onetime  
84.14 appropriation and is available until expended.

84.15 (s) \$400,000 the first year is for a grant to  
84.16 the city of Rogers to be used for relief from  
84.17 damages caused by the September 16, 2006,  
84.18 tornado.

84.19 (t) \$75,000 the first year is for a grant to  
84.20 the city of Warroad for new public facilities  
84.21 to replace those damaged or destroyed  
84.22 by the August 2006 tornado, including  
84.23 approximately 28 new street lights and  
84.24 underground electrical circuits and a new  
84.25 fish cleaning house. This is a onetime  
84.26 appropriation and is available until expended.  
84.27 If an appropriation for this purpose is enacted  
84.28 more than once in the 2007 session, the  
84.29 appropriation is effective only once.

84.30 (u) \$500,000 the first year is for a grant to  
84.31 the Upper Sioux Community to improve the  
84.32 current water system to ensure continuity  
84.33 of service to the entire population of the  
84.34 community and to meet the demands of the  
84.35 community expansion over the next 20 years.

85.1 The is a onetime appropriation and is not  
85.2 available until the Public Facilities Authority  
85.3 has determined that at least \$1,000,000 has  
85.4 been committed from nonstate sources. This  
85.5 appropriation is available until expended. \*  
85.6 (The preceding text beginning "(u) \$500,000  
85.7 the first year is for" was indicated as vetoed  
85.8 by the governor.)

85.9 (v) \$755,000 the first year is for the urban  
85.10 challenge grant program under Minnesota  
85.11 Statutes, section 116M.18. This is a onetime  
85.12 appropriation.

85.13 (w) \$1,100,000 is for a grant to the  
85.14 Neighborhood Development Center for  
85.15 assistance necessary to retain minority  
85.16 business enterprises at the Global Market.  
85.17 This is a onetime appropriation and is  
85.18 available until expended.

85.19 (x) \$350,000 the first year is for a onetime  
85.20 grant to the city of Inver Grove Heights  
85.21 to reduce debt on the Inver Grove Heights  
85.22 Veterans Memorial Community Center. \*  
85.23 (The preceding text beginning "(x) \$350,000  
85.24 the first year is for" was indicated as vetoed  
85.25 by the governor.)

85.26 (y) \$14,900,000 the first year is for the  
85.27 Minnesota minerals 21st century fund created  
85.28 in Minnesota Statutes, section 116J.423, to  
85.29 partially restore the money unallotted by the  
85.30 commissioner of finance in 2003 pursuant  
85.31 to Minnesota Statutes, section 16A.152.  
85.32 This appropriation may be used as provided  
85.33 in Minnesota Statutes, section 116J.423,  
85.34 subdivision 2. This appropriation is available  
85.35 until expended.

86.1 (z) \$2,500,000 the first year is for a grant to  
86.2 the city of St. Paul to be used to pay, redeem,  
86.3 or refund debt service costs incurred for the  
86.4 River Centre Campus. \* (The preceding text  
86.5 beginning "(z) \$2,500,000 the first year is  
86.6 for" was indicated as vetoed by the governor.)

86.7 (aa) \$147,000 each year is appropriated from  
86.8 the general fund to the commissioner of  
86.9 employment and economic development for  
86.10 grants of \$49,000 to eligible organizations  
86.11 each year and for the purposes of this  
86.12 paragraph. Each state grant dollar must be  
86.13 matched with \$1 of nonstate funds. Any  
86.14 balance in the first year does not cancel but  
86.15 is available in the second year. The base for  
86.16 these grants in fiscal years 2010 and 2011  
86.17 is \$189,000 each year, with each eligible  
86.18 organization receiving a \$63,000 grant each  
86.19 year.

86.20 The commissioner of employment and  
86.21 economic development must make grants to  
86.22 organizations to assist in the development  
86.23 of entrepreneurs and small businesses.  
86.24 Three grants must be awarded to continue  
86.25 or to develop a program. One grant must  
86.26 be awarded to the Riverbend Center for  
86.27 Entrepreneurial Facilitation in Blue Earth  
86.28 County, and two to other organizations  
86.29 serving Faribault and Martin Counties. Grant  
86.30 recipients must report to the commissioner  
86.31 by February 1 of each year that the  
86.32 organization receives a grant with the  
86.33 number of customers served; the number of  
86.34 businesses started, stabilized, or expanded;  
86.35 the number of jobs created and retained; and  
86.36 business success rates. The commissioner

87.1 must report to the house of representatives  
 87.2 and senate committees with jurisdiction  
 87.3 over economic development finance on the  
 87.4 effectiveness of these programs for assisting  
 87.5 in the development of entrepreneurs and  
 87.6 small businesses.

87.7 (bb) ~~\$5,000,000~~ \$2,000,000 the first year is  
 87.8 for grants under Minnesota Statutes, section  
 87.9 116J.8731, for the Minnesota investment  
 87.10 fund program. Of this amount, ~~up to~~  
 87.11 ~~\$3,000,000 may be used for a legal reference~~  
 87.12 ~~office and data center facility, provided that~~  
 87.13 ~~the total capital investment in the facility~~  
 87.14 ~~is at least \$60,000,000. This grant is not~~  
 87.15 ~~subject to grant limitations under Minnesota~~  
 87.16 ~~Statutes, section 116J.8731, subdivision 5~~  
 87.17 \$1,000,000 must be used for biomass heating  
 87.18 grants and loans under section 55. This is  
 87.19 a onetime appropriation and is available in  
 87.20 either year of the biennium.

87.21 Sec. 53. Laws 2007, chapter 135, article 1, section 3, subdivision 3, is amended to read:

87.22 Subd. 3. **Workforce Development** 50,024,000 49,833,000

	Appropriations by Fund	
87.23 General	33,529,000	33,338,000
87.24 Workforce		
87.25 Development	16,495,000	16,495,000

87.27 (a) \$6,785,000 the first year and \$6,785,000  
 87.28 the second year are from the general fund  
 87.29 for the Minnesota job skills partnership  
 87.30 program under Minnesota Statutes, sections  
 87.31 116L.01 to 116L.17. If the appropriation for  
 87.32 either year is insufficient, the appropriation  
 87.33 for the other year is available for it. This  
 87.34 appropriation does not cancel.

88.1 (b) \$455,000 the first year and \$455,000 the  
88.2 second year are from the general fund for  
88.3 a grant under Minnesota Statutes, section  
88.4 116J.8747, to Twin Cities RISE! to provide  
88.5 training to hard-to-train individuals.

88.6 (c) \$1,375,000 each year is from  
88.7 the workforce development fund for  
88.8 Opportunities Industrialization Center  
88.9 programs.

88.10 (d) \$5,614,000 each year is from the general  
88.11 fund and \$6,920,000 each year is from the  
88.12 workforce development fund for extended  
88.13 employment services for persons with  
88.14 severe disabilities or related conditions  
88.15 under Minnesota Statutes, section 268A.15.  
88.16 Of this, \$125,000 each year and in the  
88.17 base for fiscal years 2010 and 2011 is to  
88.18 supplement funds paid for wage incentives  
88.19 for the community support fund established  
88.20 in Minnesota Rules, part 3300.2045. The  
88.21 commissioner shall not reduce expenditures  
88.22 from these appropriations in either year of  
88.23 the biennium.

88.24 (e) \$1,650,000 the first year and \$1,650,000  
88.25 the second year are from the general fund for  
88.26 grants for programs that provide employment  
88.27 support services to persons with mental  
88.28 illness under Minnesota Statutes, sections  
88.29 268A.13 and 268A.14. Up to \$77,000 each  
88.30 year may be used for administrative and  
88.31 salary expenses.

88.32 (f) \$2,440,000 the first year and \$2,440,000  
88.33 the second year are from the general  
88.34 fund for grants under Minnesota Statutes,  
88.35 section 268A.11, for the eight centers

89.1 for independent living. The base for this  
89.2 program is \$2,440,000 each year in fiscal  
89.3 years 2010 and 2011. Money not expended  
89.4 the first year is available the second year.

89.5 The commissioner must:

89.6 (1) transfer \$115,000 of federal independent  
89.7 living Part B rehabilitation services funds  
89.8 to the Minnesota Centers for Independent  
89.9 Living each year contingent upon the  
89.10 availability of federal funds under Title VII,  
89.11 Part B, of the Federal Rehabilitation Act of  
89.12 1973 as amended under United States Code,  
89.13 title 29, section 711(c), and approved by the  
89.14 Statewide Independent Living Council;

89.15 (2) replace federal Part B funds in the  
89.16 State Independent Living Council budget  
89.17 transferred under clause (1) with \$115,000  
89.18 of Social Security Administration program  
89.19 income funds each year; and

89.20 (3) provide an additional \$185,000 each year  
89.21 from the Social Security Administration  
89.22 program income to the Minnesota Centers for  
89.23 Independent Living to be allocated equally  
89.24 among the eight centers.

89.25 Additional funding for centers for  
89.26 independent living under clauses (1) and (3)  
89.27 must be used for core independent living  
89.28 services by the Centers for Independent  
89.29 Living. The Statewide Independent Living  
89.30 Council framework for statewide distribution  
89.31 of state and federal funding to the Minnesota  
89.32 Centers for Independent Living does not  
89.33 apply to the funds under clauses (1) and  
89.34 (3). The commissioner must report on the  
89.35 transfers in clauses (1), (2), and (3), and any

90.1 other effort to pursue additional funding for  
90.2 the Centers for Independent Living to the  
90.3 standing committees of the senate and house  
90.4 of representatives having jurisdiction over  
90.5 Centers for Independent Living by March 15  
90.6 each year.

90.7 (g) \$5,940,000 the first year and \$5,940,000  
90.8 the second year are from the general fund for  
90.9 state services for the blind activities.

90.10 (h) \$150,000 the first year and \$150,000  
90.11 the second year are from the general fund  
90.12 and \$175,000 the first year and \$175,000  
90.13 the second year are from the workforce  
90.14 development fund for grants under Minnesota  
90.15 Statutes, section 268A.03, to Rise, Inc.  
90.16 for the Minnesota Employment Center for  
90.17 People Who are Deaf or Hard-of-Hearing.  
90.18 Money not expended the first year is  
90.19 available the second year.

90.20 (i) \$9,021,000 the first year and \$9,021,000  
90.21 the second year are from the general fund for  
90.22 the state's vocational rehabilitation program  
90.23 for people with significant disabilities to  
90.24 assist with employment, under Minnesota  
90.25 Statutes, chapter 268A.

90.26 (j) \$350,000 the first year and \$350,000  
90.27 the second year are from the workforce  
90.28 development fund for grants to provide  
90.29 interpreters for a regional transition program  
90.30 that specializes in providing culturally  
90.31 appropriate transition services leading to  
90.32 employment for deaf, hard-of-hearing, and  
90.33 deaf-blind students. This amount must be  
90.34 added to the department's base.

91.1 (k) \$150,000 the first year and \$150,000 the  
91.2 second year are for a grant to Advocating  
91.3 Change Together for training, technical  
91.4 assistance, and resources materials to persons  
91.5 with developmental and mental illness  
91.6 disabilities.

91.7 (l) \$250,000 the first year and \$250,000  
91.8 the second year are from the workforce  
91.9 development fund and \$150,000 the first  
91.10 year and \$100,000 the second year are from  
91.11 the general fund for a grant to Lifetrack  
91.12 Resources for its immigrant and refugee  
91.13 collaborative programs, including those  
91.14 related to job-seeking skills and workplace  
91.15 orientation, intensive job development,  
91.16 functional work English, and on-site job  
91.17 coaching. \$50,000 of the first year general  
91.18 fund appropriation is for a onetime pilot  
91.19 Lifetrack project in Rochester.

91.20 (m) \$75,000 the first year and \$75,000 the  
91.21 second year are from the general fund and  
91.22 \$1,000,000 the first year and \$1,000,000  
91.23 the second year are from the workforce  
91.24 development fund for the youthbuild  
91.25 program under Minnesota Statutes, sections  
91.26 116L.361 to 116L.366. This appropriation  
91.27 may be used for:

91.28 (1) restoring the three youthbuild programs  
91.29 that were eliminated due to budget reductions  
91.30 and adding seven more youthbuild programs  
91.31 statewide;

91.32 (2) restoring funding levels for all youthbuild  
91.33 programs plus an inflationary increase for  
91.34 each program;

- 92.1 (3) increasing the number of at-risk youth  
92.2 served by the youthbuild programs from 260  
92.3 youth per year to 500 youth per year; and
- 92.4 (4) restoring the youthbuild focus on careers  
92.5 in technology and adding a youthbuild focus  
92.6 on careers in the medical field.
- 92.7 (n) \$1,325,000 each year is from the  
92.8 workforce development fund for grants  
92.9 to fund summer youth employment in  
92.10 Minneapolis. The grants shall be used to  
92.11 fund up to 500 jobs for youth each summer.  
92.12 Of this appropriation, \$325,000 each year is  
92.13 for a grant to the learn-to-earn summer youth  
92.14 employment program. The commissioner  
92.15 shall establish criteria for awarding the  
92.16 grants. This appropriation is available in  
92.17 either year of the biennium and is available  
92.18 until spent.
- 92.19 (o) \$600,000 the first year and \$600,000  
92.20 the second year are from the workforce  
92.21 development fund for a grant to the city of  
92.22 St. Paul for grants to fund summer youth  
92.23 employment in St. Paul. The grants shall be  
92.24 used to fund up to 500 jobs for youth each  
92.25 summer. The commissioner shall establish  
92.26 criteria for awarding the grants within the  
92.27 city of St. Paul. This appropriation is  
92.28 available in either year of the biennium and  
92.29 is available until spent.
- 92.30 (p) \$250,000 the first year and \$250,000 the  
92.31 second year are from the general fund for  
92.32 grants to Northern Connections in Perham  
92.33 to implement and operate a pilot workforce  
92.34 program that provides one-stop supportive

93.1 services to individuals as they transition into  
93.2 the workforce.

93.3 (q) \$100,000 each year is for a grant to  
93.4 Ramsey County Workforce Investment Board  
93.5 for the development of the building lives  
93.6 program. This is a onetime appropriation. \*  
93.7 (The preceding text beginning "(q) \$100,000  
93.8 each year is for" was indicated as vetoed by  
93.9 the governor.)

93.10 (r) \$150,000 each year is for a grant to the  
93.11 Hennepin-Carver Workforce Investment  
93.12 Board (WIB) to coordinate with the Partners  
93.13 for Progress Regional Skills Consortium  
93.14 to provide employment and training as  
93.15 demonstrated by the Twin Cities regional  
93.16 health care training partnership project. \*  
93.17 (The preceding text beginning "(r) \$150,000  
93.18 each year is for" was indicated as vetoed by  
93.19 the governor.)

93.20 (s) \$160,000 the first year is for a onetime  
93.21 grant to Workforce Development, Inc., for  
93.22 a pilot project to provide demand-driven  
93.23 employment and training services to  
93.24 welfare recipients and other economically  
93.25 disadvantaged populations in Mower,  
93.26 Freeborn, Dodge, and Steele Counties.

93.27 (t) \$200,000 the first year and \$200,000 the  
93.28 second year are from the general fund for  
93.29 a grant to HIRED to operate its industry  
93.30 sector training initiatives, which provide  
93.31 employee training developed in collaboration  
93.32 with employers in specific, high-demand  
93.33 industries. \* (The preceding text beginning  
93.34 "(t) \$200,000 the first year" was indicated as  
93.35 vetoed by the governor.)

94.1 (u) \$100,000 the first year is for a onetime  
94.2 grant to a nonprofit organization. The  
94.3 nonprofit organization must work on behalf  
94.4 of all licensed vendors to coordinate their  
94.5 efforts to respond to solicitations or other  
94.6 requests from private and governmental units  
94.7 as defined in Minnesota Statutes, section  
94.8 471.59, subdivision 1, in order to increase  
94.9 employment opportunities for persons with  
94.10 disabilities.

94.11 (v) \$3,500,000 each year from the workforce  
94.12 development fund is for the Minnesota youth  
94.13 program under Minnesota Statutes, sections  
94.14 116L.56 and 116L.561.

94.15 (w) \$1,000,000 each year from the workforce  
94.16 development fund is for a grant to the  
94.17 Minnesota Alliance of Boys and Girls  
94.18 Clubs to administer a statewide project  
94.19 of youth job skills development. This  
94.20 project, which may have career guidance  
94.21 components, including health and life skills,  
94.22 is to encourage, train, and assist youth in  
94.23 job-seeking skills, workplace orientation,  
94.24 and job site knowledge through coaching.  
94.25 This grant requires a 25 percent match from  
94.26 nonstate resources.

94.27 (x) \$10,000 the first year is for a study on  
94.28 ways to promote employment opportunities  
94.29 for minorities, with a particular focus on  
94.30 opportunities for African Americans, in  
94.31 the state of Minnesota. The study should  
94.32 focus on how to significantly expand the job  
94.33 training available to minorities and promote  
94.34 substantial increases in the wages paid to  
94.35 minorities, at least to a rate well above living

95.1 wage, and within several years, to equality.  
95.2 The commissioner must report on the study  
95.3 to the governor and the chair of the finance  
95.4 committee in each house of the legislature  
95.5 that has jurisdiction over employment by  
95.6 January 15, 2008, with recommendations for  
95.7 implementing the findings.

95.8 (y) The commissioner must provide funding  
95.9 for the Minnesota Conservation Corps to  
95.10 provide learning stipends for deaf students  
95.11 and wages for interpreters participating in  
95.12 the MCC summer youth program.

95.13 **Sec. 54. BIOMASS HEATING GRANTS AND LOANS PILOT PROJECT.**

95.14 Within the limits of appropriations, the commissioner of the Department of  
95.15 Employment and Economic Development shall make grants and loans for costs related  
95.16 to the installation of an approved biomass heating project in a publicly owned facility,  
95.17 including K-12 public schools, higher education buildings, and buildings owned by a  
95.18 local unit of government. The commissioner must approve biomass heating projects that  
95.19 produce energy for heating air or water using organic matter available on a renewable  
95.20 basis, including but not limited to agricultural crops, grasses and trees, or wood production  
95.21 or other waste. Applications for a grant or loan under this section must be made to the  
95.22 commissioner on the forms and according to the timeline prescribed by the commissioner.  
95.23 At a minimum, the commissioner must require sufficient information on the applications  
95.24 to determine that the physical condition of the publicly owned facility is sufficient to  
95.25 support the efficient operation of the biomass heating project and that the projected  
95.26 cumulative energy cost savings are adequate relative to the costs of the investment.  
95.27 The grant and loan may each provide up to 50 percent of the total installed costs of the  
95.28 biomass heating projects.

95.29 **Sec. 55. HARDSHIP PAYMENTS.**

95.30 Subdivision 1. **Payments; availability.** Hardship payments are available to  
95.31 an applicant if the applicant suffered economic hardship due to delays in receiving  
95.32 unemployment benefits resulting from the new unemployment insurance application  
95.33 and filing system implemented by the Department of Employment and Economic  
95.34 Development on October 15, 2007.

96.1            Subd. 2. **Economic hardship.** "Economic hardship" means financial losses to  
96.2 an applicant resulting from: checks returned for insufficient funds; account overdraft  
96.3 charges; installment credit penalties, interest, and other fees resulting from missed or  
96.4 late payments; mortgage loan late fees, interest charges, or other penalties; charges for  
96.5 force-placed automobile or homeowner's insurance; penalties for late payment of income  
96.6 or property taxes; and any penalties or adverse consequences, including the suspension of  
96.7 an applicant's driver's license due to nonpayment of child support.

96.8            Subd. 3. **Payment from administration account.** Hardship payments are payable  
96.9 from the unemployment insurance administration account under Minnesota Statutes,  
96.10 section 268.196.

96.11           Subd. 4. **Eligibility conditions.** An applicant is eligible to receive hardship  
96.12 payments under this section if the applicant's unemployment benefit payments due and  
96.13 payable after October 15, 2007, were delayed at least four weeks.

96.14           Subd. 5. **Amount of hardship payments.** The amount of hardship payments  
96.15 available to an applicant is equal to the amount of economic hardship experienced by an  
96.16 applicant due to the delay in receiving unemployment benefits. An applicant must provide  
96.17 documentation of the amount of financial hardship claimed using financial institution  
96.18 records, consumer or business credit records, child support records, or other commonly  
96.19 recognized methods of documenting financial transactions.

96.20           Subd. 6. **Notice.** The commissioner must notify applicants of the availability of  
96.21 hardship payments by posting a notice on the department's official Web site, by notifying  
96.22 applicants by individual mailing where department records show the applicant may be  
96.23 eligible under subdivision 4, and by any other appropriate announcement.

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

96.25           **Sec. 56. LUMBER COMPANY EXTRA BENEFITS.**

96.26           Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are  
96.27 available to an applicant if the applicant was laid off due to lack of work from the  
96.28 Ainsworth Lumber Company plants in Cook.

96.29           Subd. 2. **Payment from fund; effect on employer.** Extra unemployment benefits  
96.30 are payable from the unemployment insurance trust fund. Extra unemployment benefits  
96.31 paid under this section will not be used in computing the experience rating of Ainsworth  
96.32 Lumber Company under Minnesota Statutes, section 268.047.

96.33           Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra  
96.34 unemployment benefits under this section for any week through December 31, 2008,

97.1 following the effective date of the applicant's benefit account of regular unemployment  
97.2 benefits, as a result of a layoff described under subdivision 1, if:

97.3 (1) a majority of the applicant's wage credits were with Ainsworth Lumber Company  
97.4 or Ainsworth Engineered;

97.5 (2) the applicant meets the eligibility requirements of Minnesota Statutes, section  
97.6 268.085;

97.7 (3) the applicant is not subject to a disqualification under Minnesota Statutes, section  
97.8 268.095;

97.9 (4) the applicant is not entitled to regular unemployment benefits and the applicant  
97.10 is not entitled to receive unemployment benefits under any other state or federal law  
97.11 for that week; and

97.12 (5) the applicant is enrolled in, or has within the last two weeks successfully  
97.13 completed, a program that qualifies as reemployment assistance training under Minnesota  
97.14 Statutes, section 268.035, subdivision 21a, except that an applicant whose training is  
97.15 scheduled to begin in more than 30 days may be considered to be in training if: (i) the  
97.16 applicant's chosen training program does not offer an available start date within 30 days;  
97.17 (ii) the applicant is scheduled to begin training on the earliest available start date for  
97.18 the chosen training program; and (iii) the applicant is scheduled to begin training in no  
97.19 more than 60 days.

97.20 Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment  
97.21 benefits amount available to an applicant is the same as the applicant's weekly regular  
97.22 unemployment benefit amount on the benefit account established as a result of a layoff  
97.23 under subdivision 1.

97.24 Subd. 5. **Maximum amount of extra unemployment benefits.** (a) The maximum  
97.25 amount of extra unemployment benefits available is equal to 13 weeks at the applicant's  
97.26 weekly extra unemployment benefits amount.

97.27 (b) If an applicant qualifies for a new regular benefit account under Minnesota  
97.28 Statutes, section 268.07, at any time after exhausting regular unemployment benefits  
97.29 as a result of the layoff under subdivision 1, the applicant must apply for and exhaust  
97.30 entitlement to those new regular unemployment benefits. The maximum amount of extra  
97.31 unemployment benefits available is reduced by any new regular unemployment benefits  
97.32 available if the majority of wage credits on that new regular benefit account were with  
97.33 Ainsworth Lumber Company or Ainsworth Engineered.

97.34 Subd. 6. **Program expiration.** This extra unemployment benefit program expires  
97.35 on December 31, 2008. No extra unemployment benefits may be paid for any week after  
97.36 the expiration of this program.

98.1 Subd. 7. Findings. The legislature finds that providing extra unemployment  
98.2 benefits to assist laid-off workers of Ainsworth Lumber Company, while in training, is  
98.3 appropriate because:

98.4 (1) the unemployment rate in the applicant's county of employment is higher than  
98.5 the statewide average rate of unemployment;

98.6 (2) the average weekly wages paid in the applicant's county of employment is below  
98.7 the statewide average weekly wage;

98.8 (3) the applicant's weekly wage is higher than the statewide average weekly wage;  
98.9 and

98.10 (4) the dislocated worker program has determined that the applicant does not  
98.11 currently possess skills making reemployment in a comparable position likely.

98.12 **Sec. 57. UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME**  
98.13 **PERIOD WAIVER.**

98.14 Notwithstanding any other law to the contrary, the commissioner must accept initial  
98.15 and continued requests for unemployment benefits and pay unemployment benefits to an  
98.16 applicant who applied for unemployment benefits on September 15, 2006, and had an  
98.17 account dated September 10, 2006:

98.18 (1) was employed as a technician or inspector for Northwest Airlines, Inc., prior  
98.19 to August 20, 2005;

98.20 (2) stopped working on or about August 20, 2005, because of a labor dispute between  
98.21 the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

98.22 (3) did not file an initial or continued requests for unemployment benefits within the  
98.23 time periods required under Minnesota Statutes, chapter 268; and

98.24 (4) meets all the other requirements for the payment of unemployment benefits  
98.25 under Minnesota Statutes, section 268.069, subdivision 2.

98.26 Any unemployment benefits paid under the account established September 10, 2006,  
98.27 shall be deducted from the total benefits authorized under this section.

98.28 **EFFECTIVE DATE.** This section is effective the day following final enactment  
98.29 and applies retroactively from August 21, 2005.

98.30 **Sec. 58. OFFICE OF SCIENCE AND TECHNOLOGY.**

98.31 Subdivision 1. Establishment. An Office of Science and Technology is established  
98.32 in the Department of Employment and Economic Development to do the following:

99.1 (1) coordinate public and private efforts to procure federal funding for collaborative  
99.2 research and development projects of primary benefit to small and medium-sized  
99.3 businesses;

99.4 (2) promote contractual relationships between Minnesota businesses that are  
99.5 recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

99.6 (3) work with Minnesota nonprofit institutions including the University of  
99.7 Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting  
99.8 collaborative efforts to respond to federal funding opportunities;

99.9 (4) develop a framework for Minnesota companies to establish sole-source  
99.10 relationships with federal agencies; and

99.11 (5) coordinate workshops, assistance with business proposals, licensing, intellectual  
99.12 property protection, commercialization, and government auditing with the University of  
99.13 Minnesota and Minnesota State Colleges and Universities.

99.14 For the purposes of this section, "office" means the Office of Science and Technology  
99.15 established in this subdivision.

99.16 Subd. 2. **Technology partnering with a prime contractor.** The office must  
99.17 develop a program to assist small businesses competing for a small business innovation  
99.18 research award by matching the applicant with a larger company. Prime contractors are  
99.19 matched to small businesses through a prescreening process that may result in a letter of  
99.20 support for the applicant designed to increase the chance of receiving a Small Business  
99.21 Innovation Research (SBIR) award.

99.22 Subd. 3. **Collaborate to commercialize.** The office must develop a program to use  
99.23 the federal high-risk research and development investment program to encourage the  
99.24 development of new technologies, products, and business development and to reduce  
99.25 development risks by encouraging alliances between medium-sized companies and  
99.26 innovative small businesses.

99.27 Subd. 4. **Technology matchmaking.** The office must assist businesses in  
99.28 identifying qualified suppliers and vendors through a program to serve as a conduit for  
99.29 Minnesota-based companies to network with firms able to support their success. Firms  
99.30 outside Minnesota can participate in the technology matchmaking network if one of the  
99.31 participating companies is located in Minnesota.

99.32 Subd. 5. **Commercialization assistance.** The office must provide  
99.33 commercialization assistance to Minnesota firms that have received a Phase I Small  
99.34 Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer  
99.35 (STTR) award and are submitting a Phase II proposal. Local service providers must assist

100.1 the applicant with developing and reviewing the required commercialization plan prior to  
100.2 Phase II submission. The office may provide SBIR Phase I proposal technical review.

100.3 Subd. 6. **Report.** The commissioner of employment and economic development  
100.4 must report to the committees in the house of representatives and senate having  
100.5 jurisdiction over bioscience and technology issues on the activities of the Office of Science  
100.6 and Technology by June 30 of each year.

100.7 **Sec. 59. BIOSCIENCE SUBSIDY.**

100.8 Any bioscience or biotechnology project financed in whole or in part by state  
100.9 appropriations or other public subsidies must document how and to what extent the  
100.10 project will provide a benefit to consumers in the form of more affordable pricing of the  
100.11 products or services being publicly subsidized. The documentation must be reported to  
100.12 the committees of the legislature with responsibility for economic development and to  
100.13 committees with responsibility for finance.

100.14 **Sec. 60. 2009 DISTRIBUTIONS ONLY; TACONITE PRODUCTION TAX.**

100.15 (a) For 2007 production, distribution in 2008 only, two cents per taxable ton of  
100.16 the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the  
100.17 Hibbing Economic Development Authority to retire bonds and for economic development  
100.18 purposes.

100.19 (b) For 2007 production, distribution in 2008 only, 0.25 cents per taxable ton of  
100.20 the taconite production tax under Minnesota Statutes, chapter 298, must be paid to the  
100.21 St. Louis County school board to study the potential for and impact of consolidation and  
100.22 streamlining the operations of the St. Louis County school district No. 2142.

100.23 (c) For 2007 production, distribution in 2008 only, 0.25 cents per taxable ton of the  
100.24 taconite production tax under Minnesota Statutes, chapter 298, must be paid to Grand  
100.25 Rapids, for industrial park work.

100.26 (d) For 2007 production, distribution in 2008 only, 0.65 cents per taxable ton of the  
100.27 taconite production tax under Minnesota Statutes, chapter 298, must be paid to Aitkin,  
100.28 for sewer and water for housing projects.

100.29 (e) For 2007 production, distribution in 2008 only, 0.5 cents per taxable ton of the  
100.30 taconite production tax under Minnesota Statutes, chapter 298, must be paid to Crosby, for  
100.31 well and water tower infrastructure.

100.32 **Sec. 61. REPEALER.**

101.1 (a) Minnesota Statutes 2006, section 341.31, and Laws 2004, chapter 188, section  
101.2 2, are repealed.

101.3 (b) Minnesota Statutes 2006, section 298.28, subdivision 9a, is repealed for 2008  
101.4 production, distributions in 2009 and thereafter.

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