

## HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3172

03/17/2014 Authored by Carlson

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

04/01/2014 Adoption of Report: Amended and Placed on the General Register

Read Second Time

## A bill for an act

1.1 relating to state government; providing supplemental appropriations for  
1.2 higher education, jobs and economic development, public safety, corrections,  
1.3 transportation, environment, natural resources, and agriculture, kindergarten  
1.4 through grade 12 and adult education, health and human services; making  
1.5 forecast adjustments; modifying prior appropriations; modifying disposition of  
1.6 certain revenues; dedicating money to the Board of Trustees of the Minnesota  
1.7 State Colleges and Universities for compensation costs associated with  
1.8 settlement of employment contracts; dedicating certain funds for homeownership  
1.9 opportunities for families evicted or given notice of eviction due to a disabled  
1.10 child in the home; requiring the housing finance agency to improve efforts  
1.11 to reduce racial and ethnic inequalities in homeownership rates; creating an  
1.12 office of regenerative medicine development; modifying workforce program  
1.13 outcomes; creating job training programs; modifying workers' compensation  
1.14 provisions; providing funding for the Minnesota Racing Commission; providing  
1.15 a grant to the Mille Lacs Tourism Council; funding Peace Officer Standards  
1.16 and Training Board; modifying certain provisions pertaining to victims of  
1.17 domestic violence and sentencing for criminal sexual conduct; continuing the  
1.18 fire safety advisory committee; providing for disaster assistance for public  
1.19 entities when federal aid is granted and when federal aid is absent; establishing  
1.20 certain transportation oversight authority; modifying provisions for railroad  
1.21 and pipeline safety; modifying certain transportation provisions; providing  
1.22 compensation for bee deaths due to pesticide poisoning; establishing pollinator  
1.23 emergency response team; providing nonresident off-highway motorcycle  
1.24 state trail pass; requiring certain recycling; modifying solid waste reduction;  
1.25 regulating harmful chemicals in children's products; providing for state parks  
1.26 and trails license plates, and licensing and inspection of commercial dog and cat  
1.27 breeders; providing for invasive terrestrial plants and pests center; providing  
1.28 funding and policy modifications for early childhood, kindergarten through grade  
1.29 12, and adult education, including general education, education excellence,  
1.30 special education, facilities, nutrition, community education, self-sufficiency and  
1.31 lifelong learning, and state agencies; making changes to provisions governing  
1.32 the Department of Health, Department of Human Services, children and family  
1.33 services, continuing care, community first services and supports, health care,  
1.34 public assistance programs, and chemical dependency; modifying the hospital  
1.35 payment system; modifying provisions governing background studies and  
1.36 home and community-based services standards; setting fees; providing rate  
1.37 increases; establishing grant programs; modifying medical assistance provisions;  
1.38 modifying the use of positive support strategies and emergency manual restraint;  
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providing for certain grants; defining terms; creating accounts; requiring reports; providing penalties; authorizing rulemaking; amending Minnesota Statutes 2012, sections 12.03, by adding subdivisions; 12.221, subdivision 4, by adding a subdivision; 12A.02, subdivision 2, by adding subdivisions; 12A.03, subdivision 3; 12A.15, subdivision 1; 13.46, subdivision 4; 13.643, subdivision 6; 13.7411, subdivision 8; 13.84, subdivisions 5, 6; 16A.28, by adding a subdivision; 18B.01, by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 84.788, subdivision 2; 85.053, subdivision 2; 85.34, subdivision 7; 85A.02, subdivision 2; 103G.271, subdivision 6; 115A.151; 115A.55, subdivision 4; 115A.551, subdivisions 1, 2a; 115A.557, subdivisions 2, 3; 115E.01, by adding subdivisions; 115E.08, by adding subdivisions; 116.9401; 116.9402; 116.9403; 116.9405; 116.9406; 116L.98; 121A.19; 122A.40, subdivision 13; 122A.41, subdivision 6; 122A.415, subdivision 1; 123A.05, subdivision 2; 123A.485; 123A.64; 123B.71, subdivisions 8, 9; 124D.09, subdivisions 9, 13; 124D.111, by adding a subdivision; 124D.16, subdivision 2; 124D.522; 124D.531, subdivision 3; 124D.59, subdivision 2; 125A.76, subdivision 2; 126C.10, subdivisions 25, 26; 127A.45, subdivisions 2, 3; 127A.49, subdivisions 2, 3; 129C.10, subdivision 3, by adding a subdivision; 144.0724, as amended; 144.551, subdivision 1; 165.15, subdivision 2; 169.826, by adding a subdivision; 169.8261, by adding a subdivision; 169.86, subdivision 5; 169.863, by adding a subdivision; 169.865, subdivisions 1, 2, by adding a subdivision; 169.866, subdivision 3, by adding a subdivision; 174.24, by adding a subdivision; 176.129, subdivisions 2a, 7; 176.135, subdivision 7; 176.136, subdivision 1a; 176.231, subdivision 2; 176.305, subdivision 1a; 179.02, by adding a subdivision; 181A.07, by adding a subdivision; 219.015, subdivisions 1, 2; 243.167, subdivision 1; 245C.03, by adding a subdivision; 245C.04, by adding a subdivision; 245C.05, subdivision 5; 245C.10, by adding a subdivision; 245C.33, subdivisions 1, 4; 252.451, subdivision 2; 254B.12; 256.01, by adding a subdivision; 256.9685, subdivisions 1, 1a; 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 3a, 3b, 6a, 8, 8a, 9, 10, 12, 14, 17, 18, 25, 30, by adding subdivisions; 256.9752, subdivision 2; 256B.04, by adding a subdivision; 256B.0625, subdivision 30; 256B.0751, by adding a subdivision; 256B.199; 256B.35, subdivision 1; 256B.441, by adding a subdivision; 256B.5012, by adding a subdivision; 256I.04, subdivision 2b; 256I.05, subdivision 2; 256J.49, subdivision 13; 256J.53, subdivisions 1, 2, 5; 256J.531; 257.85, subdivision 11; 260C.212, subdivision 1; 260C.515, subdivision 4; 260C.611; 299F.012, subdivisions 1, 2; 469.084, by adding a subdivision; 473.408, by adding a subdivision; 609.135, subdivision 2; 609.3451, subdivision 3; 611A.06, by adding a subdivision; Minnesota Statutes 2013 Supplement, sections 16A.724, subdivision 2; 123B.53, subdivisions 1, 5; 123B.54; 123B.75, subdivision 5; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.165, subdivision 5; 124D.531, subdivision 1; 124D.65, subdivision 5; 124D.862, subdivisions 1, 2; 125A.0942; 125A.11, subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c; 125A.79, subdivisions 1, 5, 8; 126C.05, subdivision 15; 126C.10, subdivisions 2, 2a, 2d, 24, 31; 126C.17, subdivisions 6, 7b, 9, 9a; 126C.44; 126C.48, subdivision 8; 127A.47, subdivision 7; 145.4716, subdivision 2; 168.123, subdivision 2; 174.42, subdivision 2; 176.011, subdivision 15; 245.8251; 245A.03, subdivision 7; 245A.042, subdivision 3; 245A.16, subdivision 1; 245C.08, subdivision 1; 245D.02, subdivisions 3, 4b, 8b, 11, 15b, 29, 34, 34a, by adding a subdivision; 245D.03, subdivisions 1, 2, 3, by adding a subdivision; 245D.04, subdivision 3; 245D.05, subdivisions 1, 1a, 1b, 2, 4, 5; 245D.051; 245D.06, subdivisions 1, 2, 4, 6, 7, 8; 245D.071, subdivisions 3, 4, 5; 245D.081, subdivision 2; 245D.09, subdivisions 3, 4a; 245D.091, subdivisions 2, 3, 4; 245D.10, subdivisions 3, 4; 245D.11, subdivision 2; 256B.04, subdivision 21; 256B.056, subdivision 5c; 256B.0949, subdivision 4; 256B.439, subdivisions 1, 7; 256B.441, subdivision 53; 256B.4912, subdivision 1; 256B.69, subdivision 34; 256B.85, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 23, 24, by adding subdivisions; 256N.22, subdivisions 1, 2, 4; 256N.23, subdivision 4; 256N.25, subdivisions 2, 3; 256N.26, subdivision 1;

256N.27, subdivision 4; Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended; Laws 2009, chapter 83, article 1, section 10, subdivision 7; Laws 2010, chapter 189, sections 15, subdivision 12; 26, subdivision 4; Laws 2012, chapter 249, section 11; Laws 2012, chapter 263, section 1; Laws 2012, chapter 287, article 2, sections 1; 3; Laws 2012, First Special Session chapter 1, article 1, section 28; Laws 2013, chapter 1, section 6, as amended; Laws 2013, chapter 85, article 1, sections 3, subdivisions 2, 5, 6; 4, subdivisions 1, 2, 3; 5; 13, subdivision 5; Laws 2013, chapter 86, article 1, sections 12, subdivision 3, as amended; 13; Laws 2013, chapter 108, article 1, section 24; article 3, section 48; article 7, section 49; article 14, sections 2, subdivisions 1, 4, as amended, 5, 6, as amended; 3, subdivisions 1, 4; 4, subdivision 8; 12; Laws 2013, chapter 114, article 3, section 4, subdivision 3; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, 3, 4, 5, 6, 7, 11; article 3, section 37, subdivisions 3, 4, 5, 6, 8, 11, 15, 20; article 4, section 9, subdivision 2; article 5, section 31, subdivisions 2, 3, 4, 8; article 6, section 12, subdivisions 2, 3, 4, 5, 6; article 7, section 21, subdivisions 2, 3, 4, 6, 7, 9; article 8, section 5, subdivisions 2, 3, 4, 10, 11, 14; article 9, sections 1, subdivision 2; 2; Laws 2013, chapter 117, article 1, sections 3, subdivisions 2, 3; 4; proposing coding for new law in Minnesota Statutes, chapters 18B; 19; 84; 85; 87A; 115E; 116; 116J; 123A; 123B; 124D; 129C; 144; 144A; 168; 219; 299A; 347; 473; proposing coding for new law as Minnesota Statutes, chapter 12B; repealing Minnesota Statutes 2012, sections 115A.551, subdivision 2; 116J.997; 123B.71, subdivision 1; 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136, subdivision 3; 176.2615; 176.641; 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20, 21, 22, 26, 27, 28; 256.9695, subdivisions 3, 4; Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 7.

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

## ARTICLE 1

### HIGHER EDUCATION

#### Section 1. **MINNESOTA STATE COLLEGES AND UNIVERSITIES; SETTLEMENT OF EMPLOYMENT CONTRACTS.**

\$17,000,000 in fiscal year 2015 is appropriated from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities for compensation costs associated with the settlement of employment contracts for fiscal year 2014. The board's appropriation base is increased by \$14,000,000 in fiscal years 2016 and 2017.

## ARTICLE 2

### HOUSING

Section 1. Laws 2013, chapter 85, article 1, section 4, subdivision 1, is amended to read:

Subdivision 1. <b>Total Appropriation</b>	<b>\$</b>	<b>58,748,000</b>	<b>\$</b>	<b>42,748,000</b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

4.1 Unless otherwise specified, this appropriation  
4.2 is for transfer to the housing development  
4.3 fund for the programs specified in this  
4.4 section. Except as otherwise indicated, this  
4.5 transfer is part of the agency's permanent  
4.6 budget base.

4.7 The Housing Finance Agency will make  
4.8 continuous improvements to its ongoing  
4.9 efforts to reduce the racial and ethnic  
4.10 inequalities in homeownership rates and  
4.11 will seek opportunities to deploy increasing  
4.12 levels of resources toward these efforts.

4.13 Sec. 2. Laws 2013, chapter 85, article 1, section 4, subdivision 2, is amended to read:

4.14	Subd. 2. <b>Challenge Program</b>	19,203,000	9,203,000
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4.15 (a) This appropriation is for the economic  
4.16 development and housing challenge program  
4.17 under Minnesota Statutes, section 462A.33.

4.18 The agency must continue to strengthen its  
4.19 efforts to address the disparity rate between  
4.20 white households and indigenous American  
4.21 Indians and communities of color. Of this  
4.22 amount, \$1,208,000 each year shall be made  
4.23 available during the first 11 months of the  
4.24 fiscal year exclusively for housing projects  
4.25 for American Indians. Any funds not  
4.26 committed to housing projects for American  
4.27 Indians in the first 11 months of the fiscal year  
4.28 shall be available for any eligible activity  
4.29 under Minnesota Statutes, section 462A.33.

4.30 (b) Of this amount, \$10,000,000 is a onetime  
4.31 appropriation and is targeted for housing in  
4.32 communities and regions that have:

4.33 (1)(i) low housing vacancy rates; and

5.1 (ii) cooperatively developed a plan that  
 5.2 identifies current and future housing needs;  
 5.3 and  
 5.4 (2)(i) experienced job growth since 2005 and  
 5.5 have at least 2,000 jobs within the commuter  
 5.6 shed;  
 5.7 (ii) evidence of anticipated job expansion; or  
 5.8 (iii) a significant portion of area employees  
 5.9 who commute more than 30 miles between  
 5.10 their residence and their employment.  
 5.11 (c) Priority shall be given to programs and  
 5.12 projects that are land trust programs and  
 5.13 programs that work in coordination with a  
 5.14 land trust program.  
 5.15 (d) Of this amount, \$500,000 is for  
 5.16 homeownership opportunities for families  
 5.17 who have been evicted or been given  
 5.18 notice of an eviction due to a disabled  
 5.19 child in the home, including adjustments  
 5.20 for the incremental increase in costs of  
 5.21 addressing the unique housing needs of those  
 5.22 households. Any funds not expended for this  
 5.23 purpose may be returned to the challenge  
 5.24 fund after October 31, 2014.  
 5.25 ~~(d)~~ (e) The base funding for this program in  
 5.26 the 2016-2017 biennium is \$12,925,000 each  
 5.27 year.

5.28 Sec. 3. Laws 2013, chapter 85, article 1, section 4, subdivision 3, is amended to read:

5.29		13,276,000	
5.30	Subd. 3. <b>Housing Trust Fund</b>	<u>12,776,000</u>	10,276,000

5.31 (a) This appropriation is for deposit in the  
 5.32 housing trust fund account created under  
 5.33 Minnesota Statutes, section 462A.201, and  
 5.34 may be used for the purposes provided in

6.1 that section. To the extent that these funds  
6.2 are used for the acquisition of housing, the  
6.3 agency shall give priority among comparable  
6.4 projects to projects that focus on creating  
6.5 safe and stable housing for homeless youth  
6.6 or projects that provide housing to trafficked  
6.7 women and children.

6.8 (b) \$2,000,000 in the first year is a onetime  
6.9 appropriation for temporary rental assistance  
6.10 for families with school-age children who  
6.11 have changed school or home at least  
6.12 once in the last school year. The agency,  
6.13 in consultation with the Department of  
6.14 Education, may establish additional targeting  
6.15 criteria.

6.16 (c) Of this amount, \$500,000 the first year  
6.17 is a onetime appropriation for temporary  
6.18 rental assistance for adults who are in  
6.19 the process of being released from state  
6.20 correctional facilities or on supervised  
6.21 release in the community who are homeless  
6.22 or at risk of becoming homeless. The  
6.23 agency, in consultation with the Department  
6.24 of Corrections, may establish additional  
6.25 targeting criteria to identify those adults  
6.26 most at risk of reentering state correctional  
6.27 facilities.

6.28 ~~(d) Of this amount, \$500,000 the first year~~  
6.29 ~~is a onetime appropriation for a grant to the~~  
6.30 ~~nonprofit organization selected to administer~~  
6.31 ~~the state demonstration project for high-risk~~  
6.32 ~~adults established under Laws 2007, chapter~~  
6.33 ~~54, article 1, section 19.~~

~~(e)~~ (d) The base funding for this program in  
fiscal years 2016 and 2017 is \$11,471,000  
each year.

Sec. 4. **AFFORDABLE HOUSING PLAN; DISPARITIES REPORT.**

(a) The Housing Finance Agency shall provide the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the agency with the draft and final versions of its affordable housing plan before and after it has been submitted to the agency board for consideration.

(b) The Housing Finance Agency shall annually report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the agency on the progress, if any, the agency has made in closing the racial disparity gap and low-income concentrated housing disparities.

**JOBS AND ECONOMIC DEVELOPMENT**

**ARTICLE 3**

**DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT;  
DEPARTMENT OF LABOR AND INDUSTRY APPROPRIATIONS**

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2013, chapter 85, article 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. Appropriations for the fiscal year ending June 30, 2014, are effective the day following final enactment. Reductions may be taken in either fiscal year.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2014</u></b>	<b><u>2015</u></b>

**Sec. 2. DEPARTMENT OF EMPLOYMENT  
AND ECONOMIC DEVELOPMENT**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>0</u></b>	<b><u>\$</u></b>	<b><u>38,350,000</u></b>
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8.1 The amounts that may be spent for each  
8.2 purpose are specified in the following  
8.3 subdivisions.

8.4 Subd. 2. **Business and Community**  
8.5 **Development**

0

36,250,000

8.6 (a) \$25,000,000 in fiscal year 2015 is for  
8.7 grants for the development of broadband  
8.8 infrastructure under Minnesota Statutes,  
8.9 section 116J.395, or to supplement revenues  
8.10 raised by bonds sold by local units of  
8.11 government for broadband infrastructure  
8.12 development. This is a onetime appropriation  
8.13 and is available until June 30, 2017.

8.14 (b) \$450,000 in fiscal year 2015 is from the  
8.15 general fund for one or more contracts with  
8.16 an independent organization to continue to:

8.17 (1) collect broadband deployment data from  
8.18 Minnesota providers, verify its accuracy  
8.19 through on-the-ground testing, and create  
8.20 state and county maps available to the public  
8.21 showing the availability of broadband service  
8.22 at various upload and download speeds  
8.23 throughout Minnesota, in order to measure  
8.24 progress in achieving the state's broadband  
8.25 goals established in Minnesota Statutes,  
8.26 section 237.012;

8.27 (2) analyze the deployment data collected to  
8.28 help inform future investments in broadband  
8.29 infrastructure; and

8.30 (3) conduct business and residential surveys  
8.31 that measure broadband adoption and use in  
8.32 the state.

8.33 Data provided by a broadband provider to the  
8.34 contractor under this paragraph is nonpublic  
8.35 data under Minnesota Statutes, section 13.02,



9.1 subdivision 9. Maps produced under this  
9.2 paragraph are public data under Minnesota  
9.3 Statutes, section 13.03. This is a onetime  
9.4 appropriation and is available until expended.

9.5 (c) \$1,000,000 in fiscal year 2015 is from  
9.6 the general fund for a grant to the Southwest  
9.7 Initiative Foundation for business revolving  
9.8 loans or other lending programs. This is a  
9.9 onetime appropriation and is available until  
9.10 expended.

9.11 (d) \$1,000,000 in fiscal year 2015 is from the  
9.12 general fund for a grant to the West Central  
9.13 Initiative Foundation for business revolving  
9.14 loans or other lending programs. This is a  
9.15 onetime appropriation and is available until  
9.16 expended.

9.17 (e) \$1,000,000 in fiscal year 2015 is from  
9.18 the general fund for a grant to the Southern  
9.19 Minnesota Initiative Foundation for business  
9.20 revolving loans or other lending programs.

9.21 This is a onetime appropriation and is  
9.22 available until expended.

9.23 (f) \$1,000,000 in fiscal year 2015 is from the  
9.24 general fund for a grant to the Northwest  
9.25 Minnesota Foundation for business revolving  
9.26 loans or other lending programs. This is a  
9.27 onetime appropriation and is available until  
9.28 expended.

9.29 (g) \$1,000,000 in fiscal year 2015 is from  
9.30 the general fund for a grant to the Initiative  
9.31 Foundation for business revolving loans or  
9.32 other lending programs. This is a onetime  
9.33 appropriation and is available until expended.

9.34 (h) \$1,000,000 in fiscal year 2015 is from  
9.35 the general fund for a grant to the Northland

10.1 Foundation for business revolving loans or  
10.2 other lending programs. This is a onetime  
10.3 appropriation and is available until expended.

10.4 (i) \$1,000,000 in fiscal year 2015 is from the  
10.5 general fund for a grant to the Urban Initiative  
10.6 Board under Minnesota Statutes, chapter  
10.7 116M, for business technical assistance or  
10.8 organizational capacity building. Funds  
10.9 available under this paragraph must be  
10.10 allocated as follows: (1) 50 percent of  
10.11 the funds must be allocated for projects  
10.12 in the counties of Dakota, Ramsey, and  
10.13 Washington; and (2) 50 percent of the funds  
10.14 must be allocated for projects in the counties  
10.15 of Anoka, Carver, Hennepin, and Scott. This  
10.16 is a onetime appropriation and is available  
10.17 until expended.

10.18 (j) \$500,000 in fiscal year 2015 is from the  
10.19 general fund for grants to small business  
10.20 development centers under Minnesota  
10.21 Statutes, section 116J.68. Funds made  
10.22 available under this paragraph may be used to  
10.23 match funds under the federal Small Business  
10.24 Development Center (SBDC) program under  
10.25 United States Code, title 15, section 648, to  
10.26 provide consulting and technical services, or  
10.27 to build additional SBDC network capacity  
10.28 to serve entrepreneurs and small businesses.  
10.29 The commissioner shall allocate funds  
10.30 equally among the nine regional centers and  
10.31 lead center. This is a onetime appropriation  
10.32 and is available until expended.

10.33 (k) \$750,000 in fiscal year 2015 is from the  
10.34 general fund for the innovation voucher pilot  
10.35 program in article 4, section 9. This is a

11.1 onetime appropriation and is available until  
 11.2 expended. Of this amount, up to five percent  
 11.3 may be used for administration. Vouchers  
 11.4 require a 50 percent match by recipients.

11.5 (l) \$1,600,000 in fiscal year 2015 is  
 11.6 from the general fund for the Minnesota  
 11.7 Jobs Skills Partnership program under  
 11.8 Minnesota Statutes, section 116L.02. Of this  
 11.9 appropriation, \$600,000 is onetime and is  
 11.10 available until expended and \$1,000,000 is  
 11.11 added to the agency's base budget each year  
 11.12 for fiscal years 2016 and 2017.

11.13 (m) \$450,000 in fiscal year 2015 is from the  
 11.14 general fund for the Office of Regenerative  
 11.15 Medicine under Minnesota Statutes, sections  
 11.16 116J.886 to 116J.8862. This is a onetime  
 11.17 appropriation and is available until expended.

11.18 Subd. 3. **Workforce Development** 0 1,600,000

11.19 (a) \$75,000 in fiscal year 2015 is from  
 11.20 the general fund for workforce program  
 11.21 outcome activities under Minnesota Statutes,  
 11.22 section 116L.98. Up to five percent of  
 11.23 this appropriation may be used by the  
 11.24 commissioner for administration of the  
 11.25 program. This is a onetime appropriation and  
 11.26 is available until expended.

11.27 (b) \$1,000,000 in fiscal year 2015 is from the  
 11.28 general fund for training rebates under article  
 11.29 4, section 11. This is a onetime appropriation  
 11.30 and is available until expended.

11.31 (c) \$25,000 in fiscal year 2015 is from the  
 11.32 general fund for the information technology  
 11.33 apprenticeship pilot program under article 4,  
 11.34 section 13. This is a onetime appropriation  
 11.35 and is available until expended.

12.1	<u>Subd. 4. <b>General Support Services</b></u>	<u>0</u>	<u>500,000</u>
12.2	<u>\$500,000 in fiscal year 2015 is for</u>		
12.3	<u>establishing and operating the interagency</u>		
12.4	<u>Olmstead Implementation Office. This is a</u>		
12.5	<u>onetime appropriation and is available until</u>		
12.6	<u>expended.</u>		
12.7	<b>Sec. 3. <u>DEPARTMENT OF LABOR AND</u></b>		
12.8	<b><u>INDUSTRY</u></b>		
12.9	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$ 0</u>	<u>\$ 275,000</u>
12.10	<u>The amounts that may be spent for each</u>		
12.11	<u>purpose are specified in the following</u>		
12.12	<u>subdivisions.</u>		
12.13	<u>Subd. 2. <b>Labor Standards and Apprenticeship</b></u>	<u>0</u>	<u>275,000</u>
12.14	<u>(a) The base for the department is increased</u>		
12.15	<u>by \$70,000 each year for implementing and</u>		
12.16	<u>administering a minimum wage inflation</u>		
12.17	<u>adjustment. This adjustment is available only</u>		
12.18	<u>if a law is enacted in the 2014 legislative</u>		
12.19	<u>session that includes an automatic inflation</u>		
12.20	<u>adjustment to the state minimum wage. The</u>		
12.21	<u>availability of this appropriation is effective</u>		
12.22	<u>in the same fiscal year that the inflation</u>		
12.23	<u>adjustment is first effective.</u>		
12.24	<u>(b) \$25,000 in fiscal year 2015 is from the</u>		
12.25	<u>general fund for the precision manufacturing</u>		
12.26	<u>and health care services pilot program under</u>		
12.27	<u>article 4, section 12. This is a onetime</u>		
12.28	<u>appropriation and is available until expended.</u>		
12.29	Sec. 4. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:		
12.30	<b>Subd. 2. <b>Business and Community</b></b>		
12.31	<b>Development</b>	53,642,000	45,407,000

13.1	Appropriations by Fund		
13.2	General	52,942,000	44,707,000
13.3	Remediation	700,000	700,000

13.4 (a)(1) \$15,000,000 each year is for the  
13.5 Minnesota investment fund under Minnesota  
13.6 Statutes, section 116J.8731. Of this amount,  
13.7 the commissioner of employment and  
13.8 economic development may use up to three  
13.9 percent for administrative expenses. This  
13.10 appropriation is available until spent.

13.11 (2) Of the amount available under clause  
13.12 (1), up to \$3,000,000 in fiscal year 2014  
13.13 is for a loan to facilitate initial investment  
13.14 in the purchase and operation of a  
13.15 biopharmaceutical manufacturing facility.  
13.16 This loan is not subject to the loan limitations  
13.17 under Minnesota Statutes, section 116J.8731,  
13.18 and shall be forgiven by the commissioner  
13.19 of employment and economic development  
13.20 upon verification of meeting performance  
13.21 goals. Purchases related to and for the  
13.22 purposes of this loan award must be made  
13.23 between January 1, 2013, and June 30, 2015.  
13.24 The amount under this clause is available  
13.25 until expended.

13.26 (3) Of the amount available under clause (1),  
13.27 up to \$2,000,000 is available for subsequent  
13.28 investment in the biopharmaceutical facility  
13.29 project in clause (2). The amount under this  
13.30 clause is available until expended. Loan  
13.31 thresholds under clause (2) must be achieved  
13.32 and maintained to receive funding. Loans  
13.33 are not subject to the loan limitations under  
13.34 Minnesota Statutes, section 116J.8731, and  
13.35 shall be forgiven by the commissioner of

14.1 employment and economic development  
14.2 upon verification of meeting performance  
14.3 goals. Purchases related to and for the  
14.4 purposes of loan awards must be made during  
14.5 the biennium the loan was received.

14.6 (4) Notwithstanding any law to the contrary,  
14.7 the biopharmaceutical manufacturing facility  
14.8 in this paragraph shall be deemed eligible  
14.9 for the Minnesota job creation fund under  
14.10 Minnesota Statutes, section 116J.8748,  
14.11 by having at least \$25,000,000 in capital  
14.12 investment and 190 retained employees.

14.13 (5) For purposes of clauses (1) to (4),  
14.14 "biopharmaceutical" and "biologics" are  
14.15 interchangeable and mean medical drugs  
14.16 or medicinal preparations produced using  
14.17 technology that uses biological systems,  
14.18 living organisms, or derivatives of living  
14.19 organisms, to make or modify products or  
14.20 processes for specific use. The medical drugs  
14.21 or medicinal preparations include but are not  
14.22 limited to proteins, antibodies, nucleic acids,  
14.23 and vaccines.

14.24 (b) \$12,000,000 each year is for the  
14.25 Minnesota job creation fund under Minnesota  
14.26 Statutes, section 116J.8748. Of this amount,  
14.27 the commissioner of employment and  
14.28 economic development may use up to three  
14.29 percent for administrative expenses. This  
14.30 appropriation is available until spent. The  
14.31 base funding for this program shall be  
14.32 \$12,500,000 each year in the fiscal year  
14.33 2016-2017 biennium.

14.34 (c) \$1,272,000 each year is from the  
14.35 general fund for contaminated site cleanup

15.1 and development grants under Minnesota  
15.2 Statutes, sections 116J.551 to 116J.558. This  
15.3 appropriation is available until expended.

15.4 (d) \$700,000 each year is from the  
15.5 remediation fund for contaminated site  
15.6 cleanup and development grants under  
15.7 Minnesota Statutes, sections 116J.551 to  
15.8 116J.558. This appropriation is available  
15.9 until expended.

15.10 (e) \$1,425,000 the first year and \$1,425,000  
15.11 the second year are from the general fund for  
15.12 the business development competitive grant  
15.13 program. Of this amount, up to five percent  
15.14 is for administration and monitoring of the  
15.15 business development competitive grant  
15.16 program. All grant awards shall be for two  
15.17 consecutive years. Grants shall be awarded  
15.18 in the first year.

15.19 (f) \$4,195,000 each year is from the general  
15.20 fund for the Minnesota job skills partnership  
15.21 program under Minnesota Statutes, sections  
15.22 116L.01 to 116L.17. If the appropriation for  
15.23 either year is insufficient, the appropriation  
15.24 for the other year is available. This  
15.25 appropriation is available until spent.

15.26 (g) \$6,000,000 the first year is from the  
15.27 general fund for the redevelopment program  
15.28 under Minnesota Statutes, section 116J.571.  
15.29 This is a onetime appropriation and is  
15.30 available until spent.

15.31 (h) \$12,000 each year is from the general  
15.32 fund for a grant to the Upper Minnesota Film  
15.33 Office.

15.34 (i) \$325,000 each year is from the general  
15.35 fund for the Minnesota Film and TV Board.

16.1 The appropriation in each year is available  
16.2 only upon receipt by the board of \$1 in  
16.3 matching contributions of money or in-kind  
16.4 contributions from nonstate sources for every  
16.5 \$3 provided by this appropriation, except that  
16.6 each year up to \$50,000 is available on July  
16.7 1 even if the required matching contribution  
16.8 has not been received by that date.

16.9 (j) \$100,000 each year is for a grant to the  
16.10 Northern Lights International Music Festival.

16.11 (k) \$5,000,000 each year is from the general  
16.12 fund for a grant to the Minnesota Film  
16.13 and TV Board for the film production jobs  
16.14 program under Minnesota Statutes, section  
16.15 116U.26. This appropriation is available  
16.16 until expended. The base funding for this  
16.17 program shall be \$1,500,000 each year in the  
16.18 fiscal year 2016-2017 biennium.

16.19 (l) \$375,000 each year is from the general  
16.20 fund for a grant to Enterprise Minnesota, Inc.,  
16.21 for the small business growth acceleration  
16.22 program under Minnesota Statutes, section  
16.23 116O.115. This is a onetime appropriation.

16.24 (m) \$160,000 each year is from the general  
16.25 fund for a grant to develop and implement  
16.26 a southern and southwestern Minnesota  
16.27 initiative foundation collaborative pilot  
16.28 project. Funds available under this paragraph  
16.29 must be used to support and develop  
16.30 entrepreneurs in diverse populations in  
16.31 southern and southwestern Minnesota. This  
16.32 is a onetime appropriation and is available  
16.33 until expended.

16.34 (n) \$100,000 each year is from the general  
16.35 fund for the Center for Rural Policy



17.1 and Development. This is a onetime  
17.2 appropriation.

17.3 (o) \$250,000 each year is from the general  
17.4 fund for the Broadband Development Office.

17.5 (p) \$250,000 the first year is from the  
17.6 general fund for a onetime grant to the St.  
17.7 Paul Planning and Economic Development  
17.8 Department for neighborhood stabilization  
17.9 use in NSP3.

17.10 (q) \$1,235,000 the first year is from the  
17.11 general fund for a onetime grant to a city  
17.12 of the second class that is designated as an  
17.13 economically depressed area by the United  
17.14 States Department of Commerce. The  
17.15 appropriation is for economic development,  
17.16 redevelopment, and job creation programs  
17.17 and projects. This appropriation is available  
17.18 until expended.

17.19 (r) \$875,000 each year is from the general  
17.20 fund for the Host Community Economic  
17.21 Development Program established in  
17.22 Minnesota Statutes, section 116J.548.

17.23 (s) \$750,000 the first year is from the general  
17.24 fund for a onetime grant to the city of Morris  
17.25 for loans or grants to agricultural processing  
17.26 facilities for energy efficiency improvements.  
17.27 Funds available under this section shall be  
17.28 used to increase conservation and promote  
17.29 energy efficiency through retrofitting existing  
17.30 systems and installing new systems to  
17.31 recover waste heat from industrial processes  
17.32 and reuse energy. This appropriation is not  
17.33 available until the commissioner determines  
17.34 that ~~at least \$1,250,000~~ a match of \$750,000  
17.35 is committed to the project from nonpublic

18.1 sources. This appropriation is available until  
18.2 expended.

18.3 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

18.4 Sec. 5. Laws 2013, chapter 85, article 1, section 3, subdivision 5, is amended to read:

18.5 Subd. 5. <b>Minnesota Trade Office</b>	2,322,000	2,292,000
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18.6 (a) \$330,000 in fiscal year 2014 and \$300,000  
18.7 in fiscal year 2015 are for the STEP grants  
18.8 in Minnesota Statutes, section 116J.979. Of  
18.9 the fiscal year 2014 appropriation, \$30,000 is  
18.10 available for expenditure until June 30, 2015,  
18.11 and is for a grant to Voice of East African  
18.12 Women, Inc., for establishing trade, export,  
18.13 and cultural exchange relations between the  
18.14 state of Minnesota and east African nations.

18.15 (b) \$180,000 in fiscal year 2014 and  
18.16 \$180,000 in fiscal year 2015 are for the Invest  
18.17 Minnesota marketing initiative in Minnesota  
18.18 Statutes, section 116J.9781. Notwithstanding  
18.19 any other law, this provision does not expire.

18.20 (c) \$270,000 each year is from the general  
18.21 fund for the expansion of Minnesota Trade  
18.22 Offices under Minnesota Statutes, section  
18.23 116J.978.

18.24 (d) \$50,000 each year is from the general  
18.25 fund for the trade policy advisory group  
18.26 under Minnesota Statutes, section 116J.9661.

18.27 (e) The commissioner of employment and  
18.28 economic development, in consultation  
18.29 with the commissioner of agriculture, shall  
18.30 identify and increase export opportunities for  
18.31 Minnesota agricultural products.

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

19.1 Sec. 6. Laws 2013, chapter 85, article 1, section 3, subdivision 6, is amended to read:

19.2	Subd. 6. <b>Vocational Rehabilitation</b>	27,691,000	27,691,000
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19.3	Appropriations by Fund		
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19.4	General	20,861,000	20,861,000
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19.5	Workforce		
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19.6	Development	6,830,000	6,830,000
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19.7 (a) \$10,800,000 each year is from the general

19.8 fund for the state's vocational rehabilitation

19.9 program under Minnesota Statutes, chapter

19.10 268A.

19.11 (b) \$2,261,000 each year is from the general

19.12 fund for grants to centers for independent

19.13 living under Minnesota Statutes, section

19.14 268A.11.

19.15 (c) \$5,745,000 each year from the general

19.16 fund and \$6,830,000 each year from the

19.17 workforce development fund is for extended

19.18 employment services for persons with

19.19 severe disabilities under Minnesota Statutes,

19.20 section 268A.15. The allocation of extended

19.21 employment funds to Courage Center from

19.22 July 1, 2012 to June 30, 2013 must be

19.23 contracted to Allina Health systems from

19.24 July 1, 2013 to June 30, ~~2014~~ 2015 to provide

19.25 extended employment services in accordance

19.26 with Minnesota Rules, parts 3300.2005 to

19.27 3300.2055.

19.28 (d) \$2,055,000 each year is from the general

19.29 fund for grants to programs that provide

19.30 employment support services to persons with

19.31 mental illness under Minnesota Statutes,

19.32 sections 268A.13 and 268A.14. The base

19.33 appropriation for this program is \$1,555,000

19.34 each year in the fiscal year 2016-2017

19.35 biennium.

20.1 Sec. 7. Laws 2013, chapter 85, article 1, section 13, subdivision 5, is amended to read:

20.2	Subd. 5. <b>Telecommunications</b>	1,949,000	2,249,000
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20.3	Appropriations by Fund		
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20.4	General	1,009,000	1,009,000
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20.5	Special Revenue	940,000	1,240,000
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20.6 \$940,000 in fiscal year 2014 and \$1,240,000

20.7 in fiscal year 2015 are appropriated to the

20.8 commissioner from the telecommunication

20.9 access fund for the following transfers. This

20.10 appropriation is added to the department's

20.11 base.

20.12 (1) \$500,000 in fiscal year 2014 and \$800,000

20.13 in fiscal year 2015 to the commissioner of

20.14 human services to supplement the ongoing

20.15 operational expenses of the Commission

20.16 of Deaf, DeafBlind, and Hard-of-Hearing

20.17 Minnesotans;

20.18 (2) \$290,000 in fiscal year 2014 and \$290,000

20.19 in fiscal year 2015 to the chief information

20.20 officer for the purpose of coordinating

20.21 technology accessibility and usability; and

20.22 (3) \$150,000 in fiscal year 2014 and \$150,000

20.23 in fiscal year 2015 to the Legislative

20.24 Coordinating Commission for captioning of

20.25 legislative coverage and for a consolidated

20.26 access fund for other state agencies. These

20.27 transfers are subject to Minnesota Statutes,

20.28 section 16A.281.

## 20.29 ARTICLE 4

### 20.30 ECONOMIC DEVELOPMENT AND WORKFORCE DEVELOPMENT

#### 20.31 Section 1. [116J.394] DEFINITIONS.

20.32 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have  
20.33 the meanings given them.

21.1 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,  
21.2 subdivision 1, paragraph (b).

21.3 (c) "Broadband infrastructure" means networks of deployed telecommunications  
21.4 equipment and technologies necessary to provide high-speed Internet access and other  
21.5 advanced telecommunications services for end users.

21.6 (d) "Commissioner" means the commissioner of employment and economic  
21.7 development.

21.8 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the  
21.9 final leg connecting the broadband service provider's network to the end-use customer's  
21.10 on-premises telecommunications equipment.

21.11 (f) "Middle-mile infrastructure" means broadband infrastructure that links a  
21.12 broadband service provider's core network infrastructure to last-mile infrastructure.

21.13 (g) "Political subdivision" means any county, city, town, school district, special  
21.14 district or other political subdivision, or public corporation.

21.15 (h) "Underserved areas" means areas of Minnesota in which households or businesses  
21.16 lack access to wire-line broadband service at speeds that meet the state broadband goals of  
21.17 ten to 20 megabits per second download and five to ten megabits per second upload.

21.18 (i) "Unserved areas" means areas of Minnesota in which households or businesses  
21.19 lack access to wire-line broadband service at speeds that meet a Federal Communications  
21.20 Commission threshold of four megabits per second download and one megabit per second  
21.21 upload.

21.22 **Sec. 2. [116J.395] BORDER-TO-BORDER BROADBAND DEVELOPMENT**  
21.23 **GRANT PROGRAM.**

21.24 Subdivision 1. **Establishment.** A grant program is established under the Department  
21.25 of Employment and Economic Development to award grants to eligible applicants in order  
21.26 to promote the expansion of access to broadband service in unserved or underserved  
21.27 areas of the state.

21.28 Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund  
21.29 the acquisition and installation of middle-mile and last-mile infrastructure that support  
21.30 broadband service scalable to speeds of at least 100 megabits per second download and  
21.31 100 megabits per second upload.

21.32 Subd. 3. **Eligible applicants.** Eligible applicants for grants awarded under this  
21.33 section include:

21.34 (1) an incorporated business or a partnership;

21.35 (2) a political subdivision;

- 22.1 (3) an Indian tribe;  
22.2 (4) a Minnesota nonprofit organization organized under chapter 317A;  
22.3 (5) a Minnesota cooperative association organized under chapter 308A or 308B; and  
22.4 (6) a Minnesota limited liability corporation organized under chapter 322B for the  
22.5 purpose of expanding broadband access.

22.6 Subd. 4. **Application process.** An eligible applicant must submit an application  
22.7 to the commissioner on a form prescribed by the commissioner. The commissioner shall  
22.8 develop administrative procedures governing the application and grant award process.  
22.9 The commissioner shall act as fiscal agent for the grant program and shall be responsible  
22.10 for receiving and reviewing grant applications and awarding grants under this section.

22.11 Subd. 5. **Application contents.** An applicant for a grant under this section shall  
22.12 provide the following information on the application:

- 22.13 (1) the location of the project;  
22.14 (2) the kind and amount of broadband infrastructure to be purchased for the project;  
22.15 (3) evidence regarding the unserved or underserved nature of the community in  
22.16 which the project is to be located;  
22.17 (4) the number of households passed that will have access to broadband service as a  
22.18 result of the project, or whose broadband service will be upgraded as a result of the project;  
22.19 (5) significant community institutions that will benefit from the proposed project;  
22.20 (6) evidence of community support for the project;  
22.21 (7) the total cost of the project;  
22.22 (8) sources of funding or in-kind contributions for the project that will supplement  
22.23 any grant award; and  
22.24 (9) any additional information requested by the commissioner.

22.25 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the  
22.26 commissioner shall give priority to applications that are constructed in areas identified by  
22.27 the director of the Office of Broadband Development as unserved.

22.28 (b) In evaluating applications and awarding grants, the commissioner may give  
22.29 priority to applications that:

- 22.30 (1) are constructed in areas identified by the director of the Office of Broadband  
22.31 Development as underserved;  
22.32 (2) offer new or substantially upgraded broadband service to important community  
22.33 institutions including, but not limited to, libraries, educational institutions, public safety  
22.34 facilities, and healthcare facilities;  
22.35 (3) facilitate the use of telemedicine and electronic health records;

23.1 (4) serve economically distressed areas of the state, as measured by indices of  
 23.2 unemployment, poverty, or population loss that are significantly greater than the statewide  
 23.3 average;

23.4 (5) provide technical support and train residents, businesses, and institutions in the  
 23.5 community served by the project to utilize broadband service;

23.6 (6) include a component to actively promote the adoption of the newly available  
 23.7 broadband services in the community;

23.8 (7) provide evidence of strong support for the project from citizens, government,  
 23.9 businesses, and institutions in the community;

23.10 (8) provide access to broadband service to a greater number of unserved or  
 23.11 underserved households and businesses; or

23.12 (9) leverage greater amounts of funding for the project from other private and  
 23.13 public sources.

23.14 (c) The commissioner shall endeavor to award grants under this section to qualified  
 23.15 applicants in all regions of the state.

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

23.17 Sec. 3. **[116J.396] BORDER-TO-BORDER BROADBAND FUND.**

23.18 Subdivision 1. **Account established.** The border-to-border broadband fund account  
 23.19 is established as a separate account in the special revenue fund in the state treasury. The  
 23.20 commissioner shall credit to the account appropriations and transfers to the account.  
 23.21 Earnings, such as interest, dividends, and any other earnings arising from assets of the  
 23.22 account, must be credited to the account. Funds remaining in the account at the end of a  
 23.23 fiscal year are not canceled to the general fund, but remain in the account until expended.  
 23.24 The commissioner shall manage the account.

23.25 Subd. 2. **Expenditures.** Money in the account may be used only:

23.26 (1) for grant awards made under section 116J.395, including up to three percent of  
 23.27 the total amount appropriated for grants awarded under that section for costs incurred by  
 23.28 the Department of Employment and Economic Development to administer that section; or

23.29 (2) to supplement revenues raised by bonds sold by local units of government for  
 23.30 broadband infrastructure development.

23.31 Subd. 3. **Restrictions.** (a) Except as provided in paragraph (c), in any fiscal year, no  
 23.32 more than one-third of the funds expended from the account established in this section  
 23.33 shall be awarded to applicants located in areas whose household density exceeds 100  
 23.34 households per square mile, as determined by the state demographer.

24.1 (b) Except as provided in paragraph (c), in any fiscal year, no more than two-thirds  
24.2 of the funds expended from the account established in this section shall be awarded to  
24.3 applicants located in areas whose household density is less than 100 households per square  
24.4 mile, as determined by the state demographer.

24.5 (c) If applications are insufficient to exhaust all funds available in a given grant  
24.6 round under the restrictions imposed in paragraph (a) or (b), the unexpended funds may  
24.7 be awarded to eligible applicants, as determined by the commissioner, irrespective of the  
24.8 population density of the area in which the applicant is located.

24.9 Subd. 4. **Appropriation.** Money in the account is appropriated to the commissioner  
24.10 for the purposes of subdivision 2.

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

24.12 Sec. 4. **[116J.886] CITATION; REGENERATIVE MEDICINE DEVELOPMENT**  
24.13 **ACT.**

24.14 Sections 116J.886 to 116J.8862 shall be known as the Regenerative Medicine  
24.15 Development Act to promote private sector investment in regenerative medicine to  
24.16 strengthen the state's economy, reduce the long-term costs related to treating debilitating  
24.17 illnesses, advance the regenerative medicine industry, and facilitate and expand clinical  
24.18 research opportunities in the state.

24.19 Sec. 5. **[116J.8861] DEFINITIONS.**

24.20 Subdivision 1. **Definitions.** For the purposes of sections 116J.886 to 116J.8862, the  
24.21 following terms have the meanings given them.

24.22 Subd. 2. **Business development services.** "Business development services"  
24.23 means business incubator services and services to facilitate access to existing publicly  
24.24 or privately financed grants, loans, or loan guarantees, and to support basic or applied  
24.25 research, development of therapies, and development of pharmacologies and treatments  
24.26 through preclinical or clinical trials.

24.27 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment  
24.28 and economic development.

24.29 Subd. 4. **Office.** "Office" means the Office of Regenerative Medicine Development  
24.30 established under section 116J.8862.

24.31 Subd. 5. **Regenerative medicine.** "Regenerative medicine" means the process of  
24.32 creating or using living, functional tissue to augment, repair, replace, or regenerate organs  
24.33 and tissue that have been damaged by disease, injury, aging, or other biological processes.



Subd. 6. **Regenerative medicine development project or project.** "Regenerative medicine development project" or "project" means any research, product development, or commercial venture relating to basic, preclinical, or clinical work to produce a drug, biological or chemical material, compound, or medical device designed to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes.

Sec. 6. **[116J.8862] OFFICE OF REGENERATIVE MEDICINE DEVELOPMENT.**

Subdivision 1. **Established.** The commissioner shall establish an Office of Regenerative Medicine Development to provide business development services and outreach to promote and expand the regenerative medicine industry in Minnesota.

Subd. 2. **Consultation.** The office must regularly consult with external stakeholders, and must conduct public meetings to gather input. For the purposes of this section, external stakeholders must include:

(1) the director of the Minnesota Stem Cell Institute at the University of Minnesota;

(2) a representative of a Minnesota-based trade association with the largest number of bioscience companies as its membership;

(3) a representative of a Minnesota-based trade association with the largest number of hospitals as its membership; and

(4) a representative of the largest private entity in Minnesota conducting research into the benefits and uses of regenerative medicine.

Subd. 3. **Outside funding.** The commissioner, on behalf of the office, may accept appropriations, gifts, grants, and bequests.

Subd. 4. **Public infrastructure grant program.** The commissioner shall coordinate the services and activities of the office with the innovative business development public infrastructure program under section 116J.435.

Subd. 5. **Fiscal planning.** By December 15, 2014, the commissioner shall develop a long-term budget proposal for the office for fiscal years 2016 to 2024 to provide business development services to regenerative medicine development projects.

Subd. 6. **Project applications; selection.** (a) The office shall provide business development services to eligible regenerative medicine development projects approved by the commissioner. To be eligible for business development services under this section, a regenerative medicine development project must:

(1) demonstrate that at least 70 percent of the project costs are paid from nonstate sources. The nonstate share may include federal funds and the prior purchase of scientific

26.1 equipment and materials incidental to the project, provided the purchase is completed not  
26.2 more than two years prior to the approval of funding by the commissioner;

26.3 (2) not duplicate or supplant any other research or other project already conducted  
26.4 by the federal government, or for which federal funding is available; and

26.5 (3) demonstrate that project activities are carried out directly by the grant recipient.

26.6 (b) The commissioner shall establish an application and process for approving  
26.7 projects. Project applications must include the following information:

26.8 (1) evidence that the required match is available and committed;

26.9 (2) a detailed estimate, along with necessary supporting evidence, of the total cost  
26.10 of the project;

26.11 (3) an assessment of the potential to attract new or continue existing public and  
26.12 private research grant awards resulting from the project;

26.13 (4) a detailed risk analysis projecting the likelihood of clinical success resulting in  
26.14 revenues or royalty payments from the project;

26.15 (5) an assessment of the likelihood for and potential cost savings for publicly  
26.16 funded health care and long-term care programs from the project as a result of reducing  
26.17 the incidence or lowering the treatment costs of debilitating illnesses and diseases over  
26.18 the next ten years;

26.19 (6) a timeline indicating the major milestones of research projects and their  
26.20 anticipated completion dates, including any previously completed similar research; and

26.21 (7) an estimate of any potential current and future employment opportunities  
26.22 within the state, stimulation of economic growth, and the possibility for advancing the  
26.23 development of commercially successful and affordable regenerative medicine products,  
26.24 processes, or services. The application requirements are not in priority order and the  
26.25 commissioner may weigh each item, depending upon the facts and circumstances, as  
26.26 the commissioner considers appropriate.

26.27 Subd. 7. **Report.** The commissioner, on behalf of the office, must report to the  
26.28 legislative chairs with jurisdiction over economic development by January 1 of each  
26.29 odd-numbered year on successful economic development projects implemented or  
26.30 initiated since their last report and on plans for the upcoming year.

26.31 Subd. 8. **Sunset.** The office established under this section expires June 30, 2024.

26.32 Sec. 7. Minnesota Statutes 2012, section 116L.98, is amended to read:

26.33 **116L.98 WORKFORCE PROGRAM OUTCOMES.**

26.34 Subdivision 1. **Requirements.** The commissioner shall develop and implement a  
26.35 set of standard approaches for assessing the outcomes of workforce programs under this

chapter. ~~The outcomes assessed must include, but are not limited to, periodic comparisons of workforce program participants and nonparticipants~~ uniform outcome measurement and reporting system for adult workforce-related programs funded in whole or in part by the workforce development fund.

~~The commissioner shall also monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis and develop a consistent and equitable method of assessing recipients for the costs of its monitoring activities.~~

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation.

This definition does not include certificates awarded by workforce investment boards or work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 of each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for each of the previous two fiscal or calendar years, for each program subject to the requirements of subdivision 1:

(1) the total number of participants enrolled;

(2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;

(3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;

(4) the total number of participants enrolled in training;

(5) the total number of participants enrolled in training by occupational group;

(6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

(7) the total number of exited participants who completed training;

(8) the total number of exited participants who attained a credential;

(9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry; and

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit.

(b) The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not.

(c) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

Subd. 4. **Data to commissioner; uniform report card.** (a) A recipient of a future or past grant or direct appropriation made by or through the department must report data to the commissioner by September 1 of each even-numbered year on each of the items in subdivision 3 for each program it administers except wages and number employed, which the department shall provide. The data must be in a format prescribed by the commissioner.

(b) Beginning July 1, 2014, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 5. **Information.** The information collected and reported under subdivisions 3 and 4 shall be made available on the department's Web site.

Subd. 6. **Limitations on future appropriations.** (a) A program that is a recipient of public funds and subject to the requirements of this section as of May 1, 2014, is not eligible for additional state appropriations for any fiscal year beginning after June 30, 2015, unless all of the reporting requirements under subdivision 4 have been satisfied.

(b) A program with an initial request for funds on or after the effective date of this section may be considered for receipt of public funds for the first two fiscal years only if a plan that demonstrates how the data collection and reporting requirements under subdivision 4 will be met has been submitted and approved by the commissioner. Any

29.1 subsequent request for funds after an initial request is subject to the requirements of  
29.2 paragraph (a).

29.3 Subd. 7. **Workforce program net impact analysis.** (a) The commissioner  
29.4 shall contract with an independent entity to conduct a net impact analysis for adult  
29.5 workforce-related programs funded in whole or in part by the workforce development  
29.6 fund. The requirements of this section apply to programs administered directly by the  
29.7 commissioner or administered by other employment organizations under a grant made by  
29.8 the department. The net impact methodology used by the independent entity should be  
29.9 based on the methodology and evaluation design used in paragraph (c) and must include:

29.10 (1) standardized statistical methods for estimating the net impacts of workforce  
29.11 services on individual employment, earnings, incarceration avoidance where appropriate,  
29.12 and public benefits usage outcomes; and

29.13 (2) standardized cost-benefit analysis for understanding the monetary impacts of  
29.14 workforce services from the participant and taxpayer points of view.

29.15 (b) By January 15 of the odd year of every other biennium, the commissioner must  
29.16 report to the chairs and ranking minority members of the committees of the house of  
29.17 representatives and senate having jurisdiction over economic development and workforce  
29.18 policy and finance the following information for each program subject to this subdivision:

29.19 (1) the net impact of workforce services on individual employment, earnings, and  
29.20 public benefits usage outcomes; and

29.21 (2) cost-benefit analyses for understanding the monetary impacts of workforce  
29.22 services from the participant and taxpayer points of view. The report must be made  
29.23 available to the public in an electronic format on the Department of Employment and  
29.24 Economic Development's Web site.

29.25 The department is authorized to create and maintain data-sharing agreements with  
29.26 other departments, including corrections, human services, and any other department that  
29.27 are necessary to complete the analysis. The department shall supply the information  
29.28 collected for use by the independent entity conducting net impact analysis pursuant to the  
29.29 data practices requirements under chapters 13, 13A, 13B, and 13C.

29.30 (c) By January 15, 2015, the commissioner, in partnership with the Governor's  
29.31 Workforce Development Council, must report to the chairs and ranking minority members  
29.32 of the committees of the house of representatives and senate having jurisdiction over  
29.33 economic development and workforce policy and finance the results of the net impact  
29.34 pilot project already underway.

Sec. 8. Minnesota Statutes 2012, section 181A.07, is amended by adding a subdivision to read:

Subd. 7. **Approved training programs.** The commissioner may grant exemptions from any provisions of sections 181A.01 to 181A.12 for minors participating in training programs approved by the commissioner; or students in a valid apprenticeship program taught by or required by a trade union, the commissioner of education, the commissioner of employment and economic development, the Board of Trustees of the Minnesota State Colleges and Universities, or the Board of Regents of the University of Minnesota.

Sec. 9. **INNOVATION VOUCHER PILOT PROGRAM.**

(a) The commissioner of employment and economic development shall develop and implement an innovation voucher pilot program to provide financing to small businesses to purchase technical assistance and services from public higher education institutions and nonprofit entities to assist in the development or commercialization of innovative new products or services.

(b) Funds available under this section may be used by a small business to access technical assistance and other services including, but not limited to: research, technical development, product development, commercialization, technology exploration, and improved business practices.

(c) To be eligible for a voucher under this section, a business must enter into an agreement with the commissioner that includes:

(1) a list of the technical assistance and services the business proposes to purchase and from whom the services will be purchased; and

(2) deliverable outcomes in one of the following areas:

(i) research and development;

(ii) business model development;

(iii) market feasibility;

(iv) operations; or

(v) other outcomes determined by the commissioner.

As part of the agreement, the commissioner must approve the technical assistance and services to be purchased, and the entities from which the services or technical assistance will be purchased.

(d) For the purposes of this section, a small business means a business with fewer than 25 employees.

(e) A voucher award must not exceed \$25,000 per business.

31.1 (f) The commissioner must report to the chairs of the committees of the house of  
31.2 representatives and senate having jurisdiction over economic development and workforce  
31.3 policy and finance issues by December 1, 2014, on the vouchers awarded to date.

31.4 Sec. 10. **COMMISSIONER'S ACCOUNTABILITY PLAN.**

31.5 By December 1, 2014, the commissioner shall report to the committees of the  
31.6 house of representatives and senate having jurisdiction over workforce development  
31.7 and economic development policy and finance issues, on the department's plan, and any  
31.8 request for funding, to design and implement a performance accountability outcome  
31.9 measurement system for programs under Minnesota Statutes, chapters 116J and 116L.

31.10 Sec. 11. **NEW EMPLOYEE TRAINING PARTNERSHIP.**

31.11 Subdivision 1. **Training partnership initiative.** (a) The commissioner of  
31.12 employment and economic development shall develop and implement a new employee  
31.13 training partnership to provide rebates to employers that hire and train new employees. To  
31.14 be eligible for a rebate under this section, an employer must enter into an agreement with  
31.15 the commissioner under subdivision 3. The commissioner shall give priority to employers  
31.16 in counties in which the county unemployment rate over the preceding 12 months exceeded  
31.17 the state average unemployment rate by 1.5 percentage points over the same period.

31.18 (b) Before entering into an agreement with an employer, the commissioner must  
31.19 investigate the applicability of other training programs and determine whether the job skills  
31.20 partnership grant program is a more suitable source of funding for the training and whether  
31.21 the training can be completed in a timely manner that meets the needs of the employer.

31.22 The investigation must be completed within 15 days or as soon as reasonably possible  
31.23 after the employer has provided the commissioner with all the requested information.

31.24 (c) The commissioner shall prescribe the form of all applications for rebates, the  
31.25 timing for submission of applications, the execution of agreements with the commissioner,  
31.26 and the payment of rebates.

31.27 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this  
31.28 subdivision have the meanings given.

31.29 (b) "Agreement" means the agreement between an employer and the commissioner  
31.30 for a training partnership.

31.31 (c) "Commissioner" means the commissioner of employment and economic  
31.32 development.

(d) "Cost of training" means all necessary and incidental costs of providing training services. The term does not include the cost of purchasing equipment to be owned or used by the training or educational institution or service.

(e) "Disability" has the meaning given under United States Code, title 42, chapter 126.

(f) "Employee" means an individual employed in a new job.

(g) "Employer" means an individual, corporation, partnership, limited liability company, or association providing new jobs and entering into an agreement.

(h) "Long-term unemployed" has the meaning given by the United States Department of Labor, Bureau of Labor Standards.

(i) "New job" means a job:

(1) that is provided by a new or expanding business at a location outside of the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) that provides 32 hours of work per week for a minimum of nine months of the year and is permanent with no planned termination date; and

(3) for which the employee hired was not (i) formerly employed by the employer in the state or (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

(j) "Rebate" means a payment by the commissioner to an employer for the cost of training an employee. Rebates are limited to a maximum of \$3,000 per employee, except that the maximum rebate for the training costs of an employee with a disability, an employee who was considered long-term unemployed, or an employee who is a veteran, is \$4,000 per employee.

(k) "Training partnership" means a training services and rebate arrangement that is the subject of an agreement entered into between the commissioner and an employer.

(l) "Training services" means training and education specifically directed to new jobs, determined to be appropriate by the commissioner, including in-house training; services provided by institutions of higher education, or federal, state, or local agencies; or private training or educational services. Administrative services, assessment, and testing costs may be considered as training services.

**Subd. 3. Agreements; required terms.** To be eligible for a rebate under this section, an employer must enter into an agreement with the commissioner that:

(1) identifies the training costs to be incurred by the employer, who will provide the training services, and the amount of the rebate to be provided by the commissioner;

(2) provides for a guarantee by the employer of payment for all training costs; and

(3) provides that each employee must be paid wages of at least \$13 per hour, plus benefits, except that during a period not to exceed three weeks, during which an employee



33.1 is receiving training services, the employee may be paid wages of at least \$11 per hour,  
33.2 plus benefits.

33.3 Subd. 4. **Verification prior to payment of rebate.** The commissioner shall not  
33.4 pay any rebate until all training costs and payment of the training costs by the employer  
33.5 have been verified.

33.6 Subd. 5. **Allocation.** (a) The commissioner shall allocate payment for rebates  
33.7 to employers only after receipt of a complete application for the rebate, including the  
33.8 provision of all of the required information and the execution of an agreement and  
33.9 approval by the commissioner. In approving applications, the commissioner must give  
33.10 priority to employers in counties with high seasonally adjusted unemployment rates.

33.11 (b) The commissioner may utilize existing on-the-job training rebate or payment  
33.12 processes or procedures.

33.13 Subd. 6. **Report.** By February 1, 2015, the commissioner shall report to the  
33.14 committees of the house of representatives and the senate having jurisdiction over economic  
33.15 development policy and finance. The report must include the following information:

33.16 (1) the total amount of rebates issued;

33.17 (2) the number of individuals receiving training, including disaggregate data  
33.18 for employees who are individuals with disabilities, veterans, or who were long-term  
33.19 unemployed;

33.20 (3) an analysis of the effectiveness of the rebate in encouraging employment; and

33.21 (4) any other information the commissioner determines appropriate.

33.22 Sec. 12. **PILOT PROGRAMS; PRECISION MANUFACTURING AND HEALTH**  
33.23 **CARE SERVICES.**

33.24 The commissioner of labor and industry shall establish pilot programs to develop  
33.25 competency standards for apprenticeship programs in precision manufacturing and health  
33.26 care services. The pilot programs shall be administered by the registered apprenticeship  
33.27 program within the Department of Labor and Industry. In establishing the pilot programs,  
33.28 the commissioner may convene recognized industry experts and representative employers  
33.29 to assist in defining credible competency standards acceptable to the information  
33.30 technology and health care services industries.

33.31 Sec. 13. **PILOT PROGRAM; INFORMATION TECHNOLOGY.**

33.32 The commissioner of employment and economic development shall establish a pilot  
33.33 program to develop competency standards for an information technology apprenticeship  
33.34 program. In establishing the pilot program, the commissioner may convene recognized

34.1 industry experts and representative employers to define credible competency standards  
34.2 acceptable to the information technology industry.

34.3 Sec. 14. **OUTCOMES.**

34.4 The outcomes expected from each of the pilot programs listed in sections 12 and  
34.5 13 include:

34.6 (1) establishment of competency standards for entry level and at least two additional  
34.7 higher skill levels for apprenticeship training in each industry;

34.8 (2) verification of competency standards and skill levels and their transferability by  
34.9 representatives of each respective industry;

34.10 (3) clarification of ways for Minnesota educational institutions to engage in  
34.11 providing training to meet the competency standards established; and

34.12 (4) participation from the identified industry sectors.

34.13 Sec. 15. **REPEALER.**

34.14 Minnesota Statutes 2012, section 116J.997, is repealed.

34.15 **ARTICLE 5**

34.16 **WORKERS' COMPENSATION**

34.17 Section 1. Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15,  
34.18 is amended to read:

34.19 Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental  
34.20 impairment as defined in paragraph (d) or physical disease arising out of and in the  
34.21 course of employment peculiar to the occupation in which the employee is engaged  
34.22 and due to causes in excess of the hazards ordinary of employment and shall include  
34.23 undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting  
34.24 in physical injury shall remain compensable. Mental impairment is not considered a  
34.25 disease if it results from a disciplinary action, work evaluation, job transfer, layoff,  
34.26 demotion, promotion, termination, retirement, or similar action taken in good faith by the  
34.27 employer. Ordinary diseases of life to which the general public is equally exposed outside  
34.28 of employment are not compensable, except where the diseases follow as an incident of an  
34.29 occupational disease, or where the exposure peculiar to the occupation makes the disease  
34.30 an occupational disease hazard. A disease arises out of the employment only if there be a  
34.31 direct causal connection between the conditions under which the work is performed and  
34.32 if the occupational disease follows as a natural incident of the work as a result of the  
34.33 exposure occasioned by the nature of the employment. An employer is not liable for

35.1 compensation for any occupational disease which cannot be traced to the employment as a  
35.2 direct and proximate cause and is not recognized as a hazard characteristic of and peculiar  
35.3 to the trade, occupation, process, or employment or which results from a hazard to which  
35.4 the worker would have been equally exposed outside of the employment.

35.5 (b) If immediately preceding the date of disablement or death, an employee was  
35.6 employed on active duty with an organized fire or police department of any municipality,  
35.7 as a member of the Minnesota State Patrol, conservation officer service, state crime bureau,  
35.8 as a forest officer by the Department of Natural Resources, state correctional officer, or  
35.9 sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis,  
35.10 coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee  
35.11 was given a thorough physical examination by a licensed doctor of medicine, and a written  
35.12 report thereof has been made and filed with such organized fire or police department, with  
35.13 the Minnesota State Patrol, conservation officer service, state crime bureau, Department  
35.14 of Natural Resources, Department of Corrections, or sheriff's department of any county,  
35.15 which examination and report negated any evidence of myocarditis, coronary sclerosis,  
35.16 pneumonia or its sequel, the disease is presumptively an occupational disease and shall  
35.17 be presumed to have been due to the nature of employment. If immediately preceding  
35.18 the date of disablement or death, any individual who by nature of their position provides  
35.19 emergency medical care, or an employee who was employed as a licensed police officer  
35.20 under section 626.84, subdivision 1; firefighter; paramedic; state correctional officer;  
35.21 emergency medical technician; or licensed nurse providing emergency medical care; and  
35.22 who contracts an infectious or communicable disease to which the employee was exposed  
35.23 in the course of employment outside of a hospital, then the disease is presumptively an  
35.24 occupational disease and shall be presumed to have been due to the nature of employment  
35.25 and the presumption may be rebutted by substantial factors brought by the employer  
35.26 or insurer. Any substantial factors which shall be used to rebut this presumption and  
35.27 which are known to the employer or insurer at the time of the denial of liability shall be  
35.28 communicated to the employee on the denial of liability.

35.29 (c) A firefighter on active duty with an organized fire department who is unable  
35.30 to perform duties in the department by reason of a disabling cancer of a type caused  
35.31 by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the  
35.32 International Agency for Research on Cancer, and the carcinogen is reasonably linked to  
35.33 the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a  
35.34 firefighter who enters the service after August 1, 1988, is examined by a physician prior to  
35.35 being hired and the examination discloses the existence of a cancer of a type described

in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

**EFFECTIVE DATE.** This section is effective for employees with dates of injury on or after October 1, 2013.

Sec. 2. Minnesota Statutes 2012, section 176.129, subdivision 2a, is amended to read:

Subd. 2a. **Payments to fund.** (a) On or before April 1 of each year, all self-insured employers shall report paid indemnity losses and insurers shall report paid indemnity losses and standard workers' compensation premium in the form and manner prescribed by the commissioner. On June 1 of each year, the commissioner shall determine the total amount needed to pay all estimated liabilities, including administrative expenses, of the special compensation fund for the following fiscal year. The commissioner shall assess this amount against self-insured employers and insurers. The total amount of the assessment must be allocated between self-insured employers and insured employers based on paid indemnity losses for the preceding calendar year, as provided by paragraph (b). The method of assessing self-insured employers must be based on paid indemnity losses, as provided by paragraph (c). The method of assessing insured employers is based on standard workers' compensation premium, as provided by paragraph (c). Each insurer shall collect the assessment through a policyholder surcharge as provided by paragraph (d). On or before June 30 of each year, the commissioner shall provide notification to each self-insured employer and insurer of amounts due. Each self-insured employer and each insurer shall pay at least one-half of the amount due to the commissioner for deposit into the special compensation fund on or before August 1 of the same calendar year. The remaining balance is due on February 1 of the following calendar year. Each insurer must pay the full amount due as stated in the commissioner's notification, regardless of the amount the insurer actually collects from the premium policyholder surcharge.

(b) The portion of the total assessment that is allocated to self-insured employers is the proportion that paid indemnity losses made by all self-insured employers bore to the total paid indemnity losses made by all self-insured employers and insured employers

during the preceding calendar year. The portion of the total assessment that is allocated to insured employers is the proportion that paid indemnity losses made on behalf of all insured employers bore to the total paid indemnity losses made by all self-insured employers and insured employers during the preceding calendar year.

(c) The portion of the total assessment allocated to self-insured employers that shall be paid by each self-insured employer must be based upon paid indemnity losses made by that self-insured employer during the preceding calendar year. The portion of the total assessment allocated to insured employers that is paid by each insurer must be based on standard workers' compensation premium earned in the state by that insurer during the ~~preceeding~~ current calendar year. If the current calendar year earned standard workers' compensation premium is not available, the commissioner shall estimate the portion of the total assessment allocated to insured employers that is paid by each insurer using the earned standard workers' compensation premium from the preceding calendar year. The commissioner shall then perform a reconciliation and final determination of the portion of the total assessment to be paid by each insurer when the earned standard workers' compensation premium for the current calendar year is calculable, but the final determination must not be made after December 1 of the following calendar year. An employer who has ceased to be self-insured shall continue to be liable for assessments based on paid indemnity losses arising out of injuries occurring during periods when the employer was self-insured, unless the self-insured employer has purchased a replacement policy covering those losses. An insurer who assumes a self-insured employer's obligation under a replacement policy shall separately report and pay assessments based on indemnity losses paid by the insurer under the replacement policy. The replacement policy may provide for reimbursement of the assessment to the insurer by the self-insured employer.

(d) Insurers shall collect the assessments from their insured employers through a surcharge based on standard workers' compensation premium for each employer. Assessments when collected do not constitute an element of loss for the purpose of establishing rates for workers' compensation insurance but for the purpose of collection are treated as separate costs imposed on insured employers. The ~~premium~~ policyholder surcharge is included in the definition of gross premium as defined in section 297I.01 only for premium tax purposes. An insurer may cancel a policy for nonpayment of the ~~premium~~ policyholder surcharge. The ~~premium~~ policyholder surcharge is excluded from the definition of premium for all other purposes, except as otherwise provided in this paragraph.

(e) For purposes of this section, the workers' compensation assigned risk plan established under section 79.252, shall report and pay assessments on standard workers' compensation premium in the same manner as an insurer.

**EFFECTIVE DATE.** This section is effective for assessments due under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 176.129, subdivision 7, is amended to read:

Subd. 7. **Refunds.** In case deposit is or has been made pursuant to subdivision 2a by mistake or inadvertence, or under circumstances that justice requires a refund, the commissioner of management and budget is authorized to refund the deposit under order of the commissioner, a compensation judge, the Workers' Compensation Court of Appeals, or a district court. Claims for refunds must be submitted to the commissioner within three years of the ~~assessment due date~~ of reconciliation and final determination under subdivision 2a. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

**EFFECTIVE DATE.** This section is effective for assessments due under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 176.135, subdivision 7, is amended to read:

Subd. 7. **Medical bills and records.** (a) Health care providers shall submit to the insurer an itemized statement of charges in the standard electronic transaction format when required by section 62J.536 or, if there is no prescribed standard electronic transaction format, on a billing form prescribed by the commissioner. Health care providers shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury. Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. The commissioner shall adopt a schedule of reasonable charges by rule.

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

A United States government facility rendering health care services to veterans is not subject to the uniform billing form requirements of this subdivision.

(b) For medical services provided under this section on or after October 1, 2014, the codes from the International Classification of Diseases, Tenth Edition, Clinical Modification/Procedure Coding System (ICD-10), must be used to report

39.1 medical diagnoses and hospital inpatient procedures. The commissioner must replace  
39.2 the codes from the International Classification of Diseases, Ninth Edition, Clinical  
39.3 Modification/Procedure Coding System (ICD-9), with equivalent ICD-10 codes wherever  
39.4 the ICD-9 codes appear in rules adopted under this chapter. The commissioner must use  
39.5 the General Equivalence Mappings established by the Centers for Medicare and Medicaid  
39.6 Services to replace the ICD-9 diagnostic codes with ICD-10 codes in the rules.

39.7 Sec. 5. Minnesota Statutes 2012, section 176.136, subdivision 1a, is amended to read:

39.8 Subd. 1a. **Relative value fee schedule.** (a) The liability of an employer for services  
39.9 included in the medical fee schedule is limited to the maximum fee allowed by the  
39.10 schedule in effect on the date of the medical service, or the provider's actual fee, whichever  
39.11 is lower. The commissioner shall adopt permanent rules regulating fees allowable for  
39.12 medical, chiropractic, podiatric, surgical, and other health care provider treatment or  
39.13 service, including those provided to hospital outpatients, by implementing a relative value  
39.14 fee schedule. The commissioner may adopt by reference, according to the procedures in  
39.15 paragraph (h), clause (2), the relative value fee schedule tables adopted for the federal  
39.16 Medicare program. The relative value fee schedule must contain reasonable classifications  
39.17 including, but not limited to, classifications that differentiate among health care provider  
39.18 disciplines. The conversion factors for the original relative value fee schedule must  
39.19 reasonably reflect a 15 percent overall reduction from the medical fee schedule most  
39.20 recently in effect. The reduction need not be applied equally to all treatment or services,  
39.21 but must represent a gross 15 percent reduction.

39.22 (b) Effective October 1, 2005, the commissioner shall remove all scaling factors  
39.23 from the relative value units and establish four separate conversion factors according to  
39.24 paragraphs (c) and (d) for each of the following parts of Minnesota Rules:

39.25 (1) medical/surgical services in Minnesota Rules, part 5221.4030, as defined in part  
39.26 5221.0700, subpart 3, item C, subitem (2);

39.27 (2) pathology and laboratory services in Minnesota Rules, part 5221.4040, as  
39.28 defined in part 5221.0700, subpart 3, item C, subitem (3);

39.29 (3) physical medicine and rehabilitation services in Minnesota Rules, part  
39.30 5221.4050, as defined in part 5221.0700, subpart 3, item C, subitem (4); and

39.31 (4) chiropractic services in Minnesota Rules, part 5221.4060, as defined in part  
39.32 5221.0700, subpart 3, item C, subitem (5).

39.33 ~~(c) The four conversion factors established under paragraph (b) shall be calculated~~  
39.34 ~~so that there is no change in each maximum fee for each service under the current fee~~  
39.35 ~~schedule, except as provided in paragraphs (d) and (e).~~

40.1 ~~(d) By October 1, 2006, the conversion factor for chiropractic services described in~~  
40.2 ~~paragraph (b), clause (4), shall be increased to equal 72 percent of the conversion factor~~  
40.3 ~~for medical/surgical services described in paragraph (b), clause (1). Beginning October 1,~~  
40.4 ~~2005, the increase in chiropractic conversion factor shall be phased in over two years by~~  
40.5 ~~approximately equal percentage point increases.~~

40.6 ~~(e) When adjusting the conversion factors in accordance with paragraph (g) on~~  
40.7 ~~October 1, 2005, and October 1, 2006, the commissioner may adjust by no less than zero,~~  
40.8 ~~all of the conversion factors as necessary to offset any overall increase in payments under~~  
40.9 ~~the fee schedule resulting from the increase in the chiropractic conversion factor.~~

40.10 ~~(f) The commissioner shall give notice of the relative value units and conversion~~  
40.11 ~~factors established under paragraphs (b), (c), and (d) according to the procedures in section~~  
40.12 ~~14.386, paragraph (a). The relative value units and conversion factors established under~~  
40.13 ~~paragraphs (b), (c), and (d) are not subject to expiration under section 14.386, paragraph (b).~~

40.14 ~~(g)~~ (c) The conversion factors shall be adjusted as follows:

40.15 (1) After permanent rules have been adopted to implement this section, the conversion  
40.16 factors must be adjusted annually on October 1 by no more than the percentage change  
40.17 computed under section 176.645, but without the annual cap provided by that section.

40.18 (2) Each time the workers' compensation relative value fee schedule tables are  
40.19 updated under paragraph (h), the commissioner shall adjust the conversion factors so that,  
40.20 for services in both fee schedules, there is no difference between the overall payment in each  
40.21 category of service listed in paragraph (b) under the new schedule and the overall payment  
40.22 for that category under the workers' compensation fee schedule most recently in effect.  
40.23 This adjustment must be made before making any additional adjustment under clause (1).

40.24 ~~(h)~~ (d) The commissioner shall give notice of the adjusted conversion factors and  
40.25 updates to the relative value fee schedule as follows:

40.26 (1) The commissioner shall annually give notice in the State Register of the adjusted  
40.27 conversion factors and any amendments to rules to implement Medicare relative value  
40.28 tables incorporated by reference under this subdivision. The notices of the adjusted  
40.29 conversion factors and amended rules to implement the relative value tables are subject  
40.30 to the requirements of section 14.386, paragraph (a). The annual adjustments to the  
40.31 conversion factors and the medical fee schedules adopted under this section, including all  
40.32 previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

40.33 (2) The commissioner shall periodically, but at least once every three years, update  
40.34 the workers' compensation relative value tables by incorporating by reference the relative  
40.35 value tables in the national physician fee schedule relative value file established by the  
40.36 Centers for Medicare and Medicaid Services. The commissioner shall publish the notices



41.1 of the incorporation by reference in the State Register at least 60 days before the tables  
41.2 are to become effective for purposes of payment under this section. Each notice of  
41.3 incorporation must state the date the incorporated tables will become effective and must  
41.4 include information on how the Medicare relative value tables may be obtained. The  
41.5 published notices of incorporation by reference and the incorporated tables are not rules  
41.6 subject to section 14.386 or other provisions of chapter 14, but have the force and effect of  
41.7 law as of the date specified in the notices.

41.8 Sec. 6. Minnesota Statutes 2012, section 176.231, subdivision 2, is amended to read:

41.9 Subd. 2. **Initial report, written report.** Where subdivision 1 requires an injury  
41.10 to be reported within 48 hours, the employer may make an initial report by telephone,  
41.11 ~~telegraph~~, or personal notice, and file a written report of the injury within seven days from  
41.12 its occurrence or within such time as the commissioner of labor and industry designates.  
41.13 All written reports of injuries required by subdivision 1 shall include the date of injury.  
41.14 The reports shall be on a form designed by the commissioner, with a clear copy suitable  
41.15 for imaging to the commissioner, one copy to the insurer, and one copy to the employee.

41.16 The employer must give the employee the "Minnesota Workers' Compensation  
41.17 System Employee Information Sheet" at the time the employee is given a copy of the  
41.18 first report of injury.

41.19 If an insurer or self-insurer repeatedly fails to pay benefits within three days of the  
41.20 due date, pursuant to section 176.221, the insurer or self-insurer shall be ordered by the  
41.21 commissioner to explain, in person, the failure to pay benefits due in a reasonable time.  
41.22 If prompt payments are not thereafter made, the commissioner shall refer the insurer or  
41.23 self-insurer to the commissioner of commerce for action pursuant to section 176.225,  
41.24 subdivision 4.

41.25 Sec. 7. Minnesota Statutes 2012, section 176.305, subdivision 1a, is amended to read:

41.26 Subd. 1a. **Settlement and pretrial conferences; summary decision.** The chief  
41.27 administrative law judge shall promptly assign the petition to a compensation judge under  
41.28 section 176.307, and shall schedule a settlement conference before a compensation judge,  
41.29 to be held no later than 180 days after a claim petition was filed, or 45 days after a petition  
41.30 to discontinue, objection to discontinuance, or request for formal hearing was filed.

41.31 All parties must appear at the settlement conference, either personally or by  
41.32 representative, must be prepared to discuss settlement of all issues, and must be prepared  
41.33 to discuss or present the information required by the joint rules of the division and the  
41.34 office. If a representative appears on behalf of a party, the representative must have

42.1 authority to fully settle the matter. The parties shall serve and file a pretrial statement no  
42.2 fewer than five days before the settlement conference.

42.3 If settlement is not reached, the chief administrative law judge shall schedule a  
42.4 hearing to be held within 90 days from the scheduled settlement conference. However,  
42.5 the hearing must be held earlier than 90 days from the scheduled settlement conference if  
42.6 this chapter requires an expedited hearing to be held at an earlier date. The hearing must  
42.7 be held before a compensation judge other than the compensation judge who conducted  
42.8 the settlement conference. The compensation judge assigned to hold the hearing may  
42.9 choose to conduct a pretrial conference to clarify the issues and evidence that will be  
42.10 presented at the hearing.

42.11 Cancellations and continuations of proceedings are disfavored but may be granted  
42.12 upon the showing of good cause under section 176.341, subdivision 4.

42.13 The compensation judge conducting the settlement conference may require the  
42.14 parties to present copies of all documentary evidence not previously filed and a summary  
42.15 of the evidence they will present at a formal hearing. If appropriate, a written summary  
42.16 decision shall be issued within ten days after the conference stating the issues and a  
42.17 determination of each issue. If a party fails to appear at the conference, all issues may  
42.18 be determined contrary to the absent party's interest, provided the party in attendance  
42.19 presents a prima facie case.

42.20 The summary decision is final unless a written request for a formal hearing is served  
42.21 on all parties and filed with the commissioner within 30 days after the date of service  
42.22 and filing of the summary decision. Within ten days after receipt of the request, the  
42.23 commissioner shall certify the matter to the office for a de novo hearing. ~~In proceedings~~  
42.24 ~~under section 176.2615, the summary decision is final and not subject to appeal or de~~  
42.25 ~~novo proceedings.~~

42.26 Sec. 8. **REPEALER.**

42.27 Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26;  
42.28 176.1311; 176.136, subdivision 3; 176.2615; and 176.641, are repealed.

42.29 **ARTICLE 6**

42.30 **MISCELLANEOUS FOR JOBS AND ECONOMIC DEVELOPMENT**

42.31 Section 1. Minnesota Statutes 2012, section 179.02, is amended by adding a  
42.32 subdivision to read:

Subd. 6. **Receipt of gifts, money; appropriation.** (a) The commissioner may apply for, accept, and disburse gifts, bequests, grants, or payments for services from the United States, the state, private foundations, or any other source.

(b) Money received by the commissioner under this subdivision must be deposited in a separate account in the state treasury and invested by the State Board of Investment. The amount deposited, including investment earnings, is appropriated to the commissioner to carry out duties of the commissioner.

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

Sec. 2. Minnesota Statutes 2012, section 469.084, is amended by adding a subdivision to read:

Subd. 1a. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.

## ARTICLE 7

## COMMERCE

Section 1. Laws 2013, chapter 85, article 1, section 5, is amended to read:

Sec. 5. **EXPLORE MINNESOTA TOURISM**      \$      13,988,000      \$      13,988,000

(a) To develop maximum private sector involvement in tourism, \$500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 must be matched by Explore Minnesota Tourism from nonstate sources. Each \$1 of state incentive must be matched with \$6 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2014 shall be based on fiscal year 2013 private sector contributions. The incentive in fiscal year 2015 shall be based on fiscal year 2014 private sector contributions. This incentive is ongoing.

44.1 Funding for the marketing grants is available  
44.2 either year of the biennium. Unexpended  
44.3 grant funds from the first year are available  
44.4 in the second year.

44.5 (b) \$100,000 of the second year appropriation  
44.6 is for a grant to the Mille Lacs Tourism  
44.7 Council to enhance marketing activities  
44.8 related to tourism promotion in the Mille  
44.9 Lacs Lake area.

44.10 (c) \$100,000 of the second year appropriation  
44.11 is for additional marketing activities.

44.12       Sec. 2. **RACING COMMISSION.**

44.13           \$100,000 in fiscal year 2014 and \$85,000 in fiscal year 2015 are appropriated  
44.14 from the racing and card playing regulation account in the special revenue fund to the  
44.15 Minnesota Racing Commission. These appropriations are onetime and are available  
44.16 either year of the biennium.

44.17                               **PUBLIC SAFETY AND CORRECTIONS**

44.18                                       **ARTICLE 8**

44.19                               **PUBLIC SAFETY AND CORRECTIONS APPROPRIATIONS**

44.20       Section 1. **SUMMARY OF APPROPRIATIONS.**

44.21           The amounts shown in this section summarize direct appropriations, by fund, made  
44.22 in this article.

44.23		<b><u>2014</u></b>		<b><u>2015</u></b>		<b><u>Total</u></b>
44.24	<u>General</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>36,475,000</u>	<u>\$ 36,496,000</u>
44.25	<u>State Government Special</u>					
44.26	<u>Revenue</u>		<u>6,359,000</u>		<u>6,865,000</u>	<u>13,224,000</u>
44.27	<b><u>Total</u></b>	<b><u>\$</u></b>	<b><u>6,359,000</u></b>	<b><u>\$</u></b>	<b><u>43,361,000</u></b>	<b><u>\$ 49,720,000</u></b>

44.28       Sec. 2. **APPROPRIATIONS.**

44.29           The sums shown in the columns marked "Appropriations" are added to the  
44.30 appropriations in Laws 2013, chapter 86, article 1, to the agencies and for the purposes  
44.31 specified in this article. The appropriations are from the general fund, or another named  
44.32 fund, and are available for the fiscal years indicated for each purpose. The figures "2014"  
44.33 and "2015" used in this article mean that the addition to the appropriation listed under

45.1 them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively.  
45.2 Supplemental appropriations for the fiscal year ending June 30, 2014, are effective the  
45.3 day following final enactment.

45.4		<b><u>APPROPRIATIONS</u></b>	
45.5		<b><u>Available for the Year</u></b>	
45.6		<b><u>Ending June 30</u></b>	
45.7		<b><u>2014</u></b>	<b><u>2015</u></b>

45.8 **Sec. 3. DEPARTMENT OF PUBLIC SAFETY**

45.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>6,359,000</u></b>	<b><u>\$</u></b>	<b><u>13,126,000</u></b>
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45.10	<u>Appropriations by Fund</u>				
45.11	<u>General</u>	<u>-0-</u>	<u>6,261,000</u>		
45.12	<u>State Government</u>				
45.13	<u>Special Revenue</u>	<u>6,359,000</u>	<u>6,865,000</u>		

45.14 The amounts that may be spent for each  
45.15 purpose are specified in the following  
45.16 subdivisions.

45.17	<b><u>Subd. 2. Emergency Communication Networks</u></b>	<u>5,059,000</u>	<u>6,865,000</u>
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45.18 This appropriation is from the state  
45.19 government special revenue fund for 911  
45.20 emergency telecommunications services.

45.21	<b><u>Subd. 3. Office of Justice Programs</u></b>	<u>-0-</u>	<u>600,000</u>
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45.22 (a) \$300,000 in 2015 is for grants to  
45.23 fund emergency shelter, housing, or  
45.24 advocacy services targeted to culturally  
45.25 specific programming for newer immigrant  
45.26 populations. The funds must be awarded  
45.27 to a program or programs that demonstrate  
45.28 leadership in the community to be served.

45.29 This appropriation is added to the base.

45.30 (b) \$300,000 in 2015 is for grants to sexual  
45.31 assault advocacy programs for sexual  
45.32 violence community prevention networks.

45.33 For purposes of this section, "sexual  
45.34 assault" means a violation of Minnesota

46.1	<u>Statutes, sections 609.342 to 609.3453. This</u>		
46.2	<u>appropriation is added to the base.</u>		
46.3	<u>Subd. 4. <b>Emergency Management</b></u>	<u>-0-</u>	<u>5,661,000</u>
46.4	<u>\$5,661,000 in 2015 is for the disaster</u>		
46.5	<u>assistance contingency account in Minnesota</u>		
46.6	<u>Statutes, section 12.221. These funds are</u>		
46.7	<u>available until spent.</u>		
46.8	<u>Subd. 5. <b>Fire Safety Account</b></u>	<u>1,300,000</u>	<u>-0-</u>
46.9	<u>\$1,300,000 in 2014 is appropriated from the</u>		
46.10	<u>fire safety account in the special revenue</u>		
46.11	<u>fund to the commissioner of public safety</u>		
46.12	<u>for activities and programs under Minnesota</u>		
46.13	<u>Statutes, section 299F.012. This is a onetime</u>		
46.14	<u>appropriation. By January 15, 2015, the</u>		
46.15	<u>commissioner shall report to the chairs and</u>		
46.16	<u>ranking minority members of the legislative</u>		
46.17	<u>committees with jurisdiction over the fire</u>		
46.18	<u>safety account regarding the balances and</u>		
46.19	<u>uses of the account.</u>		
46.20	<u>Sec. 4. <b>CORRECTIONS</b></u>		
46.21	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$</u>	<u>-0- \$ 30,164,000</u>
46.22	<u>The amounts that may be spent for each</u>		
46.23	<u>purpose are specified in the following</u>		
46.24	<u>subdivisions.</u>		
46.25	<u>Subd. 2. <b>Correctional Institutions</b></u>	<u>-0-</u>	<u>27,321,000</u>
46.26	<u>This includes a onetime appropriation of</u>		
46.27	<u>\$11,089,000.</u>		
46.28	<u>Subd. 3. <b>Community Services</b></u>	<u>-0-</u>	<u>1,900,000</u>
46.29	<u>Subd. 4. <b>Operations Support</b></u>	<u>-0-</u>	<u>900,000</u>
46.30	<u>Sec. 5. <b>PEACE OFFICER STANDARDS AND</b></u>		
46.31	<u><b>TRAINING (POST) BOARD</b></u>	<u>-0-</u>	<u>50,000</u>

47.1 \$50,000 in 2015 is for training state and  
47.2 local community safety personnel in the  
47.3 use of crisis de-escalation techniques for  
47.4 use with Minnesota veterans following  
47.5 their return from active military service in  
47.6 a combat zone. The director may consult  
47.7 with any other state or local governmental  
47.8 official or nongovernmental authority the  
47.9 director determines to be relevant, to include  
47.10 postsecondary institutions, when selecting  
47.11 a service provider for this training. The  
47.12 training provider must have a demonstrated  
47.13 understanding of the transitions and  
47.14 challenges that veterans may experience  
47.15 during their re-entry into society following  
47.16 combat service. The training opportunities  
47.17 provided must be reasonably distributed  
47.18 statewide. This is a onetime appropriation.

47.19 Sec. 6. Laws 2009, chapter 83, article 1, section 10, subdivision 7, is amended to read:

47.20	Subd. 7. <b>Emergency Communication Networks</b>	66,470,000	70,233,000
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47.21 This appropriation is from the state  
47.22 government special revenue fund for 911  
47.23 emergency telecommunications services.

47.24 **(a) Public Safety Answering Points.**

47.25 \$13,664,000 each year is to be distributed  
47.26 as provided in Minnesota Statutes, section  
47.27 403.113, subdivision 2.

47.28 **(b) Medical Resource Communication**

47.29 **Centers.** \$683,000 each year is for grants  
47.30 to the Minnesota Emergency Medical  
47.31 Services Regulatory Board for the Metro  
47.32 East and Metro West Medical Resource  
47.33 Communication Centers that were in  
47.34 operation before January 1, 2000.

48.1 (c) **ARMER Debt Service.** \$17,557,000 the  
48.2 first year and \$23,261,000 the second year  
48.3 are to the commissioner of finance to pay  
48.4 debt service on revenue bonds issued under  
48.5 Minnesota Statutes, section 403.275.

48.6 Any portion of this appropriation not needed  
48.7 to pay debt service in a fiscal year may be  
48.8 used by the commissioner of public safety to  
48.9 pay cash for any of the capital improvements  
48.10 for which bond proceeds were appropriated  
48.11 by Laws 2005, chapter 136, article 1, section  
48.12 9, subdivision 8, or Laws 2007, chapter 54,  
48.13 article 1, section 10, subdivision 8.

48.14 (d) **Metropolitan Council Debt Service.**  
48.15 \$1,410,000 each year is to the commissioner  
48.16 of finance for payment to the Metropolitan  
48.17 Council for debt service on bonds issued  
48.18 under Minnesota Statutes, section 403.27.

48.19 (e) **ARMER State Backbone Operating**  
48.20 **Costs.** \$5,060,000 each year is to the  
48.21 commissioner of transportation for costs  
48.22 of maintaining and operating the statewide  
48.23 radio system backbone.

48.24 (f) **ARMER Improvements.** \$1,000,000  
48.25 each year is for the Statewide Radio Board for  
48.26 costs of design, construction, maintenance  
48.27 of, and improvements to those elements  
48.28 of the statewide public safety radio and  
48.29 communication system that support mutual  
48.30 aid communications and emergency medical  
48.31 services or provide enhancement of public  
48.32 safety communication interoperability.

48.33 (g) **Next Generation 911.** \$3,431,000 the  
48.34 first year and \$6,490,000 the second year  
48.35 are to replace the current system with the



49.1 Next Generation Internet Protocol (IP) based  
49.2 network. This appropriation is available until  
49.3 expended. The base level of funding for  
49.4 fiscal year 2012 shall be \$2,965,000.

49.5 **(h) Grants to Local Government.**

49.6 \$5,000,000 the first year is for grants to  
49.7 local units of government to assist with  
49.8 the transition to the ARMER system. This  
49.9 appropriation is available until June 30, 2012.

49.10 Sec. 7. Laws 2013, chapter 86, article 1, section 12, subdivision 3, as amended by  
49.11 Laws 2013, chapter 140, section 2, is amended to read:

49.12	Subd. 3. <b>Criminal Apprehension</b>	47,588,000	47,197,000
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49.13	Appropriations by Fund		
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49.14	General	42,315,000	42,924,000
49.15	Special Revenue	3,000,000	2,000,000
49.16	State Government		
49.17	Special Revenue	7,000	7,000
49.18	Trunk Highway	2,266,000	2,266,000

49.19 **(a) DWI Lab Analysis; Trunk Highway Fund**

49.20 Notwithstanding Minnesota Statutes, section  
49.21 161.20, subdivision 3, \$1,941,000 each year  
49.22 is from the trunk highway fund for laboratory  
49.23 analysis related to driving-while-impaired  
49.24 cases.

49.25 **(b) Criminal History System**

49.26 \$50,000 the first year and \$580,000 the  
49.27 second year from the general fund and,  
49.28 notwithstanding Minnesota Statutes, section  
49.29 299A.705, subdivision 4, \$3,000,000 the  
49.30 first year and \$2,000,000 the second year  
49.31 from the vehicle services account in the  
49.32 special revenue fund are to replace the state  
49.33 criminal history system. This appropriation  
49.34 is available until expended. Of this amount,

50.1 \$2,980,000 the first year and \$2,580,000  
50.2 the second year are for a onetime transfer  
50.3 to the Office of Enterprise Technology for  
50.4 start-up costs. Service level agreements  
50.5 must document all project-related transfers  
50.6 under this paragraph. Ongoing operating  
50.7 and support costs for this system shall  
50.8 be identified and incorporated into future  
50.9 service level agreements.

50.10 The commissioner is authorized to use funds  
50.11 appropriated under this paragraph for the  
50.12 purposes specified in paragraph (c).

50.13 The general fund base for this program is  
50.14 \$4,930,000 in fiscal year 2016 and \$417,000  
50.15 in fiscal year 2017.

50.16 **(c) Criminal Reporting System**

50.17 \$1,360,000 the first year and \$1,360,000 the  
50.18 second year from the general fund are to  
50.19 replace the state's crime reporting system  
50.20 and include one full-time equivalent business  
50.21 analyst. This appropriation is available until  
50.22 expended. Of these amounts, \$1,360,000  
50.23 the first year and ~~\$1,360,000~~ \$1,290,000  
50.24 the second year are for a onetime transfer  
50.25 to the Office of Enterprise Technology for  
50.26 start-up costs. Service level agreements  
50.27 must document all project-related transfers  
50.28 under this paragraph. Ongoing operating  
50.29 and support costs for this system shall  
50.30 be identified and incorporated into future  
50.31 service level agreements.

50.32 The commissioner is authorized to use funds  
50.33 appropriated under this paragraph for the  
50.34 purposes specified in paragraph (b).

51.1 The base funding for this program is  
51.2 \$1,360,000 in fiscal year 2016 and \$380,000  
51.3 in fiscal year 2017.

51.4 **(d) Forensic Laboratory**

51.5 \$125,000 the first year and \$125,000 the  
51.6 second year from the general fund and,  
51.7 notwithstanding Minnesota Statutes, section  
51.8 161.20, subdivision 3, \$125,000 the first  
51.9 year and \$125,000 the second year from the  
51.10 trunk highway fund are to replace forensic  
51.11 laboratory equipment at the Bureau of  
51.12 Criminal Apprehension.

51.13 \$200,000 the first year and \$200,000 the  
51.14 second year from the general fund and,  
51.15 notwithstanding Minnesota Statutes, section  
51.16 161.20, subdivision 3, \$200,000 the first  
51.17 year and \$200,000 the second year from the  
51.18 trunk highway fund are to improve forensic  
51.19 laboratory staffing at the Bureau of Criminal  
51.20 Apprehension.

51.21 **(e) Livescan Fingerprinting**

51.22 \$310,000 the first year and \$389,000 the  
51.23 second year from the general fund are to  
51.24 maintain Livescan fingerprinting machines.

51.25 **(f) Report**

51.26 If the vehicle services special revenue account  
51.27 accrues an unallocated balance in excess  
51.28 of 50 percent of the previous fiscal year's  
51.29 expenditures, the commissioner of public  
51.30 safety shall submit a report to the chairs  
51.31 and ranking minority members of the house  
51.32 of representatives and senate committees  
51.33 with jurisdiction over transportation and  
51.34 public safety policy and finance. The report

52.1 must contain specific policy and legislative  
52.2 recommendations for reducing the fund  
52.3 balance and avoiding future excessive fund  
52.4 balances. The report is due within three  
52.5 months of the fund balance exceeding the  
52.6 threshold established in this paragraph.

52.7 Sec. 8. Laws 2013, chapter 86, article 1, section 13, is amended to read:

52.8 Sec. 13. **PEACE OFFICER STANDARDS**  
52.9 **AND TRAINING (POST) BOARD** \$ 3,870,000 \$ 3,870,000

52.10 (a) **Excess Amounts Transferred**

52.11 This appropriation is from the peace officer  
52.12 training account in the special revenue fund.  
52.13 Any new receipts credited to that account in  
52.14 the first year in excess of \$3,870,000 must be  
52.15 transferred and credited to the general fund.  
52.16 Any new receipts credited to that account in  
52.17 the second year in excess of \$3,870,000 must  
52.18 be transferred and credited to the general  
52.19 fund.

52.20 (b) **Peace Officer Training**  
52.21 **Reimbursements**

52.22 \$2,734,000 each year is for reimbursements  
52.23 to local governments for peace officer  
52.24 training costs.

52.25 (c) **Training; Sexually Exploited and**  
52.26 **Trafficked Youth**

52.27 Of the appropriation in paragraph (b),  
52.28 \$100,000 the first year is for reimbursements  
52.29 to local governments for peace officer  
52.30 training costs on sexually exploited and  
52.31 trafficked youth, including effectively  
52.32 identifying sex trafficked victims and  
52.33 traffickers, investigation techniques, and

53.1 assisting sexually exploited youth. These  
53.2 funds are available until June 30, 2016.

53.3 Reimbursement shall be provided on a flat  
53.4 fee basis of \$100 per diem per officer.

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

## 53.6 ARTICLE 9

### 53.7 PUBLIC SAFETY AND CORRECTIONS

53.8 Section 1. Minnesota Statutes 2012, section 13.84, subdivision 5, is amended to read:

53.9 Subd. 5. **Disclosure.** Private or confidential court services data shall not be  
53.10 disclosed except:

53.11 (a) pursuant to section 13.05;

53.12 (b) pursuant to a statute specifically authorizing disclosure of court services data;

53.13 (c) with the written permission of the source of confidential data;

53.14 (d) to the court services department, parole or probation authority or state or local  
53.15 correctional agency or facility having statutorily granted supervision over the individual  
53.16 subject of the data;

53.17 (e) pursuant to subdivision 6; ~~or~~

53.18 (f) pursuant to a valid court order; or

53.19 (g) pursuant to section 611A.06, subdivision 6.

53.20 **EFFECTIVE DATE.** This section is effective January 1, 2015.

53.21 Sec. 2. Minnesota Statutes 2012, section 13.84, subdivision 6, is amended to read:

53.22 Subd. 6. **Public benefit data.** (a) The responsible authority or its designee of a  
53.23 parole or probation authority or correctional agency may release private or confidential  
53.24 court services data related to:

53.25 (1) criminal acts to any law enforcement agency, if necessary for law enforcement  
53.26 purposes; and

53.27 (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the  
53.28 extent that the data are necessary for the victim to assert the victim's legal right to restitution.

53.29 (b) A parole or probation authority, a correctional agency, or agencies that provide  
53.30 correctional services under contract to a correctional agency may release to a law  
53.31 enforcement agency the following data on defendants, parolees, or probationers: current

54.1 address, dates of entrance to and departure from agency programs, and dates and times of  
54.2 any absences, both authorized and unauthorized, from a correctional program.

54.3 (c) The responsible authority or its designee of a juvenile correctional agency may  
54.4 release private or confidential court services data to a victim of a delinquent act to the  
54.5 extent the data are necessary to enable the victim to assert the victim's right to request  
54.6 notice of release under section 611A.06. The data that may be released include only the  
54.7 name, home address, and placement site of a juvenile who has been placed in a juvenile  
54.8 correctional facility as a result of a delinquent act.

54.9 (d) Upon the victim's written or electronic request and, if the victim and offender  
54.10 have been household or family members as defined in section 518B.01, subdivision 1,  
54.11 paragraph (b), the commissioner of corrections or the commissioner's designee may  
54.12 disclose to the victim of an offender convicted of a crime pursuant to section 609.02,  
54.13 subdivision 16, notification of the city and five-digit zip code of the offender's residency  
54.14 upon or after release from a Department of Corrections facility, unless:

54.15 (1) the offender is not supervised by the commissioner of corrections or the  
54.16 commissioner's designee at the time of the victim's request;

54.17 (2) the commissioner of corrections or the commissioner's designee does not have  
54.18 the city or zip code; or

54.19 (3) the commissioner of corrections or the commissioner's designee reasonably  
54.20 believes that disclosure of the city or zip code of the offender's residency creates a risk  
54.21 to the victim, offender, or public safety.

54.22 **EFFECTIVE DATE.** This section is effective January 1, 2015.

54.23 Sec. 3. Minnesota Statutes 2012, section 243.167, subdivision 1, is amended to read:

54.24 Subdivision 1. **Definition.** As used in this section, "crime against the person" means  
54.25 a violation of any of the following or a similar law of another state or of the United States:  
54.26 section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223;  
54.27 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235;  
54.28 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2 3; 609.498, subdivision  
54.29 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of  
54.30 section 609.229; 609.377; 609.749; or 624.713.

54.31 Sec. 4. Minnesota Statutes 2012, section 299F.012, subdivision 1, is amended to read:

54.32 Subdivision 1. **Authorized programs within department.** From the revenues  
54.33 appropriated from the fire safety account, established under section 297I.06, subdivision  
54.34 3, the commissioner of public safety may expend funds for the activities and programs

55.1 identified by the advisory committee established under subdivision 2 and recommended  
55.2 to the commissioner of public safety. The commissioner shall not expend funds without  
55.3 the recommendation of the advisory committee established under subdivision 2. The  
55.4 commissioner shall not expend funds without the recommendation of the advisory  
55.5 committee established under subdivision 2. These funds are to be used to provide  
55.6 resources needed for identified activities and programs of the Minnesota fire service and to  
55.7 ensure the State Fire Marshal Division responsibilities are fulfilled.

55.8 Sec. 5. Minnesota Statutes 2012, section 299F.012, subdivision 2, is amended to read:

55.9 Subd. 2. **Fire Service Advisory Committee.** (a) The Fire Service Advisory  
55.10 Committee shall provide recommendations to the commissioner of public safety on  
55.11 fire service-related issues and shall consist of representatives of each of the following  
55.12 organizations: two appointed by the president of the Minnesota State Fire Chiefs  
55.13 Association, two appointed by the president of the Minnesota State Fire Department  
55.14 Association, two appointed by the president of the Minnesota Professional Fire Fighters,  
55.15 two appointed by the president of the League of Minnesota Cities, one appointed by the  
55.16 president of the Minnesota Association of Townships, one appointed by the president  
55.17 of the Insurance Federation of Minnesota, one appointed jointly by the presidents of  
55.18 the Minnesota Chapter of the International Association of Arson Investigators and the  
55.19 Fire Marshals Association of Minnesota, and the commissioner of public safety or the  
55.20 commissioner's designee. The commissioner of public safety must ensure that at least  
55.21 three of the members of the advisory committee work and reside in counties outside of the  
55.22 seven-county metropolitan area. The committee shall provide funding recommendations  
55.23 to the commissioner of public safety from the fire safety fund for the following purposes:

55.24 (1) for the Minnesota Board of Firefighter Training and Education;  
55.25 (2) for programs and staffing for the State Fire Marshal Division; and  
55.26 (3) for fire-related regional response team programs and any other fire service  
55.27 programs that have the potential for statewide impact.

55.28 (b) The committee under paragraph (a) does not expire.

55.29 Sec. 6. Minnesota Statutes 2012, section 609.135, subdivision 2, is amended to read:

55.30 Subd. 2. **Stay of sentence maximum periods.** (a) If the conviction is for a felony  
55.31 other than section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not  
55.32 more than four years or the maximum period for which the sentence of imprisonment  
55.33 might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169A.20 or 609.21, subdivision 1a, paragraph (d), or for a felony described in section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(c) If the conviction is for a gross misdemeanor violation of section 609.3451, subdivision 1, the stay shall be for not more than six years.

~~(e)~~ (d) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

~~(d)~~ (e) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

~~(e)~~ (f) If the conviction is for a misdemeanor not specified in paragraph ~~(d)~~ (e), the stay shall be for not more than one year.

~~(f)~~ (g) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph ~~(g)~~ (h), or the defendant has already been discharged.

~~(g)~~ (h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(f)~~ (g), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

~~(h)~~ (i) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(f)~~ (g), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:



(1) the defendant has failed to complete court-ordered treatment successfully; and  
(2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

**EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 609.3451, subdivision 3, is amended to read:

Subd. 3. **Felony.** A person is guilty of a felony and may be sentenced to imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than \$10,000, or both, if the person violates ~~subdivision 1, clause (2), this section within ten years~~ after having been previously convicted of ~~or adjudicated delinquent for violating subdivision 1, clause (2) this section; sections 609.342 to 609.345; or 609.3453; section 617.23, subdivision 2, clause (1); 617.247; or a statute from another state in conformity with subdivision 1, clause (2), or section 617.23, subdivision 2, clause (1) therewith.~~

**EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2012, section 611A.06, is amended by adding a subdivision to read:

Subd. 6. **Offender location.** (a) Upon the victim's written or electronic request and if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), the commissioner of corrections or the commissioner's designee shall disclose to the victim of an offender convicted of a crime pursuant to section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon release from a Department of Corrections facility, unless:

(1) the offender is not supervised by the commissioner of corrections or the commissioner's designee at the time of the victim's request;

(2) the commissioner of corrections or the commissioner's designee does not have the city or zip code; or

(3) the commissioner of corrections or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.

(b) All identifying information regarding the victim including, but not limited to, the notification provided by the commissioner of corrections or the commissioner's designee

58.1 is classified as private data on individuals as defined in section 13.02, subdivision 12, and  
58.2 is accessible only to the victim.

58.3 **EFFECTIVE DATE.** This section is effective January 15, 2015.

58.4 Sec. 9. **REVISOR'S INSTRUCTION.**

58.5 In the next edition of Minnesota Statutes, the revisor of statutes shall change the  
58.6 headnote of section 609.3451, subdivision 2, from "Penalty" to "Gross misdemeanor."

58.7 **ARTICLE 10**

58.8 **DISASTER ASSISTANCE FOR PUBLIC ENTITIES; FEDERAL AID GRANTED**

58.9 Section 1. Minnesota Statutes 2012, section 12.03, is amended by adding a subdivision  
58.10 to read:

58.11 Subd. 5d. **Local government.** "Local government" has the meaning given in Code  
58.12 of Federal Regulations, title 44, section 206.2 (2012).

58.13 Sec. 2. Minnesota Statutes 2012, section 12.03, is amended by adding a subdivision to  
58.14 read:

58.15 Subd. 6b. **Nonfederal share.** "Nonfederal share" has the meaning given in section  
58.16 12A.02, subdivision 7.

58.17 Sec. 3. Minnesota Statutes 2012, section 12.221, subdivision 4, is amended to read:

58.18 Subd. 4. **Subgrant agreements; state share.** (a) The state director, serving as the  
58.19 governor's authorized representative, may enter into subgrant agreements with eligible  
58.20 applicants to provide federal and state financial assistance made available as a result  
58.21 of a disaster declaration.

58.22 (b) When state funds are used to provide the FEMA Public Assistance Program  
58.23 cost-share requirement for a local government, the state director must award a local  
58.24 government 100 percent of the nonfederal share of the local government's FEMA Public  
58.25 Assistance Program costs.

58.26 Sec. 4. Minnesota Statutes 2012, section 12.221, is amended by adding a subdivision  
58.27 to read:

58.28 Subd. 6. **Disaster assistance contingency account; appropriation.** (a) A disaster  
58.29 assistance contingency account is created in the general fund in the state treasury. Money

59.1 in the disaster assistance contingency account is appropriated to the commissioner of  
59.2 public safety to provide:

59.3 (1) cost-share for federal assistance under section 12A.15, subdivision 1; and

59.4 (2) state public disaster assistance to eligible applicants under chapter 12B.

59.5 (b) For appropriations under paragraph (a), clause (1), the amount appropriated is  
59.6 100 percent of any nonfederal share for state agencies and local governments. Money  
59.7 appropriated under paragraph (a), clause (1), may be used to pay all or a portion of the  
59.8 nonfederal share for publicly owned capital improvement projects.

59.9 (c) For appropriations under paragraph (a), clause (2), the amount appropriated  
59.10 is the amount required to pay eligible claims under chapter 12B, as certified by the  
59.11 commissioner of public safety.

59.12 (d) If the amount appropriated is insufficient to cover costs for paragraph (a), clauses  
59.13 (1) and (2), the commissioner of public safety shall pay up to an additional \$4,000,000  
59.14 from the general fund appropriation provided under this paragraph. No payment shall be  
59.15 made under this paragraph until:

59.16 (1) the commissioner of public safety has given the commissioner of management  
59.17 and budget an estimate of the additional funds required;

59.18 (2) the commissioner of management and budget has reported the estimate to the  
59.19 chairs of the house of representatives Ways and Means Committee and the senate Finance  
59.20 Committee; and

59.21 (3) the commissioner of management and budget has approved the payments.

59.22 (e) Amounts approved by the commissioner of management and budget, up to  
59.23 \$4,000,000 per fiscal year, are appropriated from the general fund to the commissioner  
59.24 of public safety. By January 15 of each year, the commissioner of management and  
59.25 budget shall submit a report to the chairs of the house of representatives Ways and  
59.26 Means Committee and the senate Finance Committee detailing state disaster assistance  
59.27 appropriations and expenditures under this subdivision during the previous calendar year.

59.28 (f) The governor's budget proposal submitted to the legislature under section 16A.11  
59.29 must include recommended appropriations to the disaster assistance contingency account.  
59.30 The governor's appropriation recommendations must be informed by the commissioner of  
59.31 public safety's estimate of the amount of money that will be necessary to:

59.32 (1) provide 100 percent of the nonfederal share for state agencies and local  
59.33 governments that will receive federal financial assistance from FEMA during the next  
59.34 biennium; and

59.35 (2) fully pay all eligible claims under chapter 12B.

59.36 (g) Notwithstanding section 16A.28:

60.1           (1) funds appropriated or transferred to the disaster assistance contingency account  
60.2           do not lapse but remain in the account until appropriated; and

60.3           (2) funds appropriated from the disaster assistance contingency account do not lapse  
60.4           and are available until expended.

60.5           Sec. 5. Minnesota Statutes 2012, section 12A.02, subdivision 2, is amended to read:

60.6           Subd. 2. **Appropriation.** "Appropriation" means an appropriation provided in law  
60.7           specifically to implement this chapter, including but not limited to a statutory appropriation  
60.8           to provide the required cost-share for federal disaster assistance under section 12.221.

60.9           Sec. 6. Minnesota Statutes 2012, section 12A.02, is amended by adding a subdivision  
60.10          to read:

60.11          Subd. 6. **Local government.** "Local government" has the meaning given in section  
60.12          12.03, subdivision 5d.

60.13          Sec. 7. Minnesota Statutes 2012, section 12A.02, is amended by adding a subdivision  
60.14          to read:

60.15          Subd. 7. **Nonfederal share.** "Nonfederal share" means that portion of total FEMA  
60.16          Public Assistance Program costs that is no more than 25 percent and is not eligible for  
60.17          FEMA reimbursement.

60.18          Sec. 8. Minnesota Statutes 2012, section 12A.03, subdivision 3, is amended to read:

60.19          Subd. 3. **Nonduplication of federal assistance.** State assistance may not duplicate  
60.20          or supplement eligible FEMA Public Assistance Program assistance. For eligible Public  
60.21          Assistance Program costs, any state ~~matching cost-share~~ money made available for  
60.22          that assistance must be disbursed by the Department of Public Safety to a state agency,  
60.23          ~~local political subdivision, Indian tribe~~ government, or other applicant. State assistance  
60.24          distributed by a state agency, other than the Department of Public Safety, to a ~~political~~  
60.25          ~~subdivision~~ local government or other applicant for disaster costs that are eligible for  
60.26          FEMA Public Assistance Program assistance constitutes an advance of funds. Such  
60.27          advances must be repaid to the applicable state agency when the applicant has received  
60.28          the FEMA Public Assistance Program assistance, and whatever state ~~matching cost-share~~  
60.29          money may be made available for that assistance, from the Department of Public Safety.

60.30          Sec. 9. Minnesota Statutes 2012, section 12A.15, subdivision 1, is amended to read:

Subdivision 1. **State match cost-share for federal assistance.** State appropriations may be used for ~~payment of the state match for federal disaster assistance to pay 100 percent of the nonfederal share for state agencies. If authorized in law, state appropriations may be used to pay all or a portion of the local share of the match for federal funds for political subdivisions and local governments~~ under section 12.221. An appropriation from the bond proceeds fund may be used to ~~fund federal match obligations~~ as cost-share for federal disaster assistance for publicly owned capital improvement projects ~~resulting from the receipt of federal disaster assistance.~~

Sec. 10. Minnesota Statutes 2012, section 16A.28, is amended by adding a subdivision to read:

Subd. 9. **Disaster assistance.** (a) The commissioner of management and budget must transfer the unexpended and unencumbered balance of a general fund disaster assistance appropriation that expires as provided under this section or as otherwise provided by law to the disaster assistance contingency account in section 12.221, subdivision 6.

(b) Expired disaster assistance transferred to the disaster assistance contingency account is appropriated as provided under section 12.221, subdivision 6, regardless of the specific disaster event or purpose for which the expired disaster assistance was originally appropriated.

(c) The commissioner must report each transfer to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee.

(d) For the purposes of this subdivision, "disaster assistance appropriation" means an appropriation from the general fund to provide cost-share required for federal disaster assistance or to provide other state disaster assistance under chapter 12A or 12B.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

## ARTICLE 11

### **DISASTER ASSISTANCE FOR PUBLIC ENTITIES; ABSENT FEDERAL AID**

Section 1. **[12B.10] PUBLIC DISASTER ASSISTANCE; ABSENT FEDERAL AID.**

This chapter establishes a state public assistance program to provide cost-share assistance to local governments that sustain significant damage on a per capita basis but are not eligible for federal disaster assistance or corresponding state assistance under chapter 12A.

62.1       Sec. 2. **[12B.15] DEFINITIONS.**

62.2           Subdivision 1. **Application.** The definitions in this section apply to this chapter.

62.3           Subd. 2. **Applicant.** "Applicant" means a local government that applies for state  
62.4 disaster assistance under this chapter.

62.5           Subd. 3. **Commissioner.** "Commissioner" means the commissioner of public safety.

62.6           Subd. 4. **Director.** "Director" means the director of the Division of Homeland  
62.7 Security and Emergency Management in the Department of Public Safety.

62.8           Subd. 5. **Disaster.** "Disaster" means any catastrophe, including but not limited  
62.9 to a tornado, storm, high water, wind-driven water, tidal wave, earthquake, volcanic  
62.10 eruption, landslide, mudslide, snowstorm, or drought or, regardless of cause, any fire,  
62.11 flood, or explosion.

62.12           Subd. 6. **FEMA.** "FEMA" means the Federal Emergency Management Agency.

62.13           Subd. 7. **Incident period.** "Incident period" means the time interval of a disaster as  
62.14 delineated by specific start and end dates.

62.15           Subd. 8. **Local government.** "Local government" has the meaning given in section  
62.16 12A.03, subdivision 5d.

62.17       Sec. 3. **[12B.25] ELIGIBILITY CRITERIA; CONSIDERATIONS.**

62.18           Subdivision 1. **Payment required; eligibility criteria.** The director, serving as  
62.19 the governor's authorized representative, may enter into grant agreements with eligible  
62.20 applicants to provide state financial assistance made available as a result of a disaster  
62.21 that satisfies all of the following criteria:

62.22           (1) the state and applicable local government declares a disaster or emergency  
62.23 during the incident period;

62.24           (2) damages suffered and eligible costs incurred are the direct result of the disaster;

62.25           (3) federal disaster assistance is not available to the applicant because the governor  
62.26 did not request a presidential declaration of major disaster, the president denied the  
62.27 governor's request, or the applicant is not eligible for federal disaster assistance because  
62.28 the state or county did not meet the per capita impact indicator under FEMA's Public  
62.29 Assistance Program;

62.30           (4) the applicant incurred eligible damages that, on a per capita basis, equal or  
62.31 exceed 50 percent of the countywide per capita impact indicator under FEMA's Public  
62.32 Assistance Program;

62.33           (5) the applicant assumes responsibility for 25 percent of the applicant's total  
62.34 eligible costs; and

62.35           (6) the applicant satisfies all requirements in this chapter.

63.1            Subd. 2. **Considerations; other resources available.** When evaluating applicant  
63.2 eligibility under subdivision 1, the director must consider:

63.3            (1) the availability of other resources from federal, state, local, private, or other  
63.4 sources; and

63.5            (2) the availability or existence of insurance.

63.6            Sec. 4. **[12B.30] ELIGIBLE COSTS.**

63.7            Subdivision 1. **Eligible costs.** Costs eligible for payment under this chapter are  
63.8 those costs that would be eligible for federal financial assistance under FEMA's Public  
63.9 Assistance Program.

63.10           Subd. 2. **Ineligible costs.** Ineligible costs are all costs not included in subdivision  
63.11 1, including but not limited to:

63.12           (1) ordinary operating expenses, including salaries and expenses of employees and  
63.13 public officials that are not directly related to the disaster response;

63.14           (2) costs for which payment has been or will be received from any other funding  
63.15 source;

63.16           (3) disaster-related costs that should, in the determination of the director, be covered  
63.17 and compensated by insurance; and

63.18           (4) projects and claims totaling less than the minimum FEMA project threshold.

63.19           Sec. 5. **[12B.35] APPLICANT'S SHARE.**

63.20           An applicant's share of eligible costs incurred must not be less than 25 percent. The  
63.21 substantiated value of donated materials, equipment, services, and labor may be used as  
63.22 all or part of the applicant's share of eligible costs, subject to the following:

63.23           (1) all items and sources of donation must be indicated on the application and any  
63.24 supporting documentation submitted to the commissioner;

63.25           (2) the rate for calculating the value of donated, nonprofessional labor is the  
63.26 prevailing federal minimum wage;

63.27           (3) the value of donated equipment may not exceed the highway equipment rates  
63.28 approved by the commissioner of transportation; and

63.29           (4) the value of donated materials and professional services must conform to market  
63.30 rates and be established by invoice.

63.31           Sec. 6. **[12B.40] APPLICATION PROCESS.**

64.1           (a) The director must develop application materials and may update the materials as  
64.2 needed. Application materials must include instructions and requirements for assistance  
64.3 under this chapter.

64.4           (b) An applicant has 30 days from the end of the incident period or the president's  
64.5 official denial of the governor's request for a declaration of a major disaster to provide the  
64.6 director with written notice of intent to apply. The director may deny an application due to  
64.7 a late notice of intent to apply.

64.8           (c) Within 60 days after the end of the incident period or the president's official denial  
64.9 of the governor's request for a declaration of a major disaster, the applicant must submit a  
64.10 complete application to the director. A complete application includes the following:

64.11           (1) the cause, location of damage, and incident period;

64.12           (2) documentation of a local, tribal, county, or state disaster or emergency  
64.13 declaration in response to the disaster;

64.14           (3) a description of damages, an initial damage assessment, and the amount of  
64.15 eligible costs incurred by the applicant;

64.16           (4) a statement or evidence that the applicant has the ability to pay for at least 25  
64.17 percent of total eligible costs incurred from the disaster; and

64.18           (5) a statement or evidence that the local government has incurred damages equal to  
64.19 or exceeding 50 percent of the federal countywide threshold in effect during the incident  
64.20 period.

64.21           (d) The director must review the application and supporting documentation for  
64.22 completeness and may return the application with a request for more detailed information.  
64.23 The director may consult with local public officials to ensure the application reflects the  
64.24 extent and magnitude of the damage and to reconcile any differences. The application is  
64.25 not complete until the director receives all requested information.

64.26           (e) If the director returns an application with a request for more detailed information  
64.27 or for correction of deficiencies, the applicant must submit all required information within  
64.28 30 days of the applicant's receipt of the director's request. The applicant's failure to  
64.29 provide the requested information in a timely manner without a reasonable explanation  
64.30 may be cause for denial of the application.

64.31           (f) The director has no more than 60 days from the receipt of a complete application  
64.32 to approve or deny the application, or the application is deemed approved. If the director  
64.33 denies an application, the director must send a denial letter. If the director approves an  
64.34 application or the application is automatically deemed approved after 60 days, the director  
64.35 must notify the applicant of the steps necessary to obtain reimbursement of eligible



65.1 costs, including submission of invoices or other documentation substantiating the costs  
65.2 submitted for reimbursement.

65.3 Sec. 7. **[12B.45] CLAIMS PROCESS.**

65.4 Subdivision 1. **Claims; appeal.** (a) An applicant must submit to the director  
65.5 completed claims for payment of actual and eligible costs on forms provided by the  
65.6 director. All eligible costs claimed for payment must be documented and consistent with  
65.7 the eligibility provisions of this chapter.

65.8 (b) If the director denies an applicant's claim for payment, the applicant has 30 days  
65.9 from receipt of the director's determination to appeal in writing to the commissioner. The  
65.10 appeal must include the applicant's rationale for reversing the director's determination. The  
65.11 commissioner has 30 days from receipt of the appeal to uphold or modify the director's  
65.12 determination and formally respond to the applicant. If, within 30 days of receiving  
65.13 the commissioner's decision, the applicant notifies the commissioner that the applicant  
65.14 intends to contest the commissioner's decision, the Office of Administrative Hearings shall  
65.15 conduct a hearing under the contested case provisions of chapter 14.

65.16 Subd. 2. **Final inspection.** Upon completion of all work by an applicant, the  
65.17 director may inspect all work claimed by the applicant. The applicant must provide the  
65.18 director with access to records pertaining to all claimed work and must permit the director  
65.19 to review all records relating to the work.

65.20 Subd. 3. **Closeout.** The director must close out an applicant's disaster assistance  
65.21 application after all of the following occur:

65.22 (1) eligible work is complete;

65.23 (2) the applicant receives the final amount due or pays any amount owed under  
65.24 section 12B.50; and

65.25 (3) any extant or scheduled audits are complete.

65.26 Subd. 4. **Audit.** (a) An applicant must account for all funds received under this  
65.27 chapter in conformance with generally accepted accounting principles and practices. The  
65.28 applicant must maintain detailed records of expenditures to show that grants received under  
65.29 this chapter were used for the purpose for which the payment was made. The applicant  
65.30 must maintain records for five years and make the records available for inspection and  
65.31 audit by the director or the state auditor. The applicant must keep all financial records for  
65.32 five years after the final payment, including but not limited to all invoices and canceled  
65.33 checks or bank statements that support all eligible costs claimed by the applicant.

65.34 (b) The director or state auditor may audit all applicant records pertaining to an  
65.35 application or payment under this chapter.

Subd. 5. **Reporting payments.** The director must post on the division Web site a list of the recipients and amounts of the payments made under this chapter.

Sec. 8. **[12B.50] FUNDING FROM OTHER SOURCES; REPAYMENT REQUIRED.**

If an applicant subsequently recovers eligible costs from another source after receiving payment under this chapter, the applicant must pay the commissioner an amount equal to the corresponding state funds received within 30 days. The commissioner must deposit any repayment in the disaster response contingency account in section 12.221, subdivision 6.

Sec. 9. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

**TRANSPORTATION**

**ARTICLE 12**

**TRANSPORTATION APPROPRIATIONS**

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 117, article 1, unless otherwise specified, to the agencies and for the purposes specified in this article. Unless otherwise specified, the appropriations are not added to the base appropriation for each purpose. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. For purposes of this article, "the first year" is fiscal year 2014, "the second year" is fiscal year 2015, and "the biennium" is fiscal years 2014 and 2015.

<b>APPROPRIATIONS</b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2014</u></b>	<b><u>2015</u></b>

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. <b>Total Appropriation</b>	<b>\$</b>	<b><u>10,000,000</u></b>	<b>\$</b>	<b><u>42,732,000</u></b>
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67.1 The amounts that may be spent for each  
67.2 purpose are specified in the following  
67.3 subdivisions.

67.4 Subd. 2. **Multimodal Systems**

67.5 (a) **Election Day Transit Service** 32,000

67.6 This appropriation is for allocation to public  
67.7 transit systems under Minnesota Statutes,  
67.8 section 174.24, in amounts that reflect the  
67.9 respective foregone fare revenues from  
67.10 transit service under Minnesota Statutes,  
67.11 section 174.24, subdivision 8.

67.12 (b) **Safe Routes to School** 250,000

67.13 This appropriation is for non-infrastructure  
67.14 activities in the safe routes to school program  
67.15 under Minnesota Statutes, section 174.40,  
67.16 subdivision 7a.

67.17 (c) **Highway-Rail Grade Crossings; Oil and**  
67.18 **Other Hazardous Material** 5,000,000

67.19 This appropriation is for development and  
67.20 implementation of safety improvements at  
67.21 highway grade crossings along rail corridors  
67.22 in which oil or other hazardous materials are  
67.23 transported. The commissioner shall identify  
67.24 highway-rail grade crossing locations and  
67.25 improvements in consultation with railroads  
67.26 and relevant road authorities.

67.27 (d) **Port Development Assistance Program** 500,000

67.28 This appropriation is for grants under the  
67.29 port development assistance program in  
67.30 Minnesota Statutes, chapter 457A.

67.31 Subd. 3. **State Roads**

67.32 (a) **Winter-Related Trunk Highway Repair** 10,000,000

68.1 This appropriation is from the trunk highway  
68.2 fund for materials and supplies related to  
68.3 road repair resulting from effects of the  
68.4 2013-2014 winter season.

68.5 **(b) Transportation Economic Development**  
68.6 **Program**

4,000,000

68.7 This appropriation is for the transportation  
68.8 economic development program under  
68.9 Minnesota Statutes, section 174.12.

68.10 **(c) Corridors of Commerce Program**

10,000,000

68.11 This appropriation is for the corridors  
68.12 of commerce program under Minnesota  
68.13 Statutes, section 161.088, and may include  
68.14 right-of-way acquisition for projects included  
68.15 in the program. The commissioner may  
68.16 identify projects based on the most recent  
68.17 selection process or may perform a new  
68.18 selection.

68.19 **Subd. 4. Local Roads**

68.20 **(a) Winter-Related County State-Aid Road**  
68.21 **Repair**

11,448,000

68.22 This appropriation is for materials and  
68.23 supplies related to road repair resulting from  
68.24 effects of the 2013-2014 winter season.

68.25 By September 1, 2014, the commissioner  
68.26 shall apportion funds to counties in the  
68.27 same manner as county state-aid highway  
68.28 funds provided for calendar year 2014 under  
68.29 Minnesota Statutes, section 162.07.

68.30 **(b) Winter-Related Municipal State-Aid Road**  
68.31 **Repair**

3,552,000

68.32 This appropriation is for materials and  
68.33 supplies related to road repair resulting from  
68.34 effects of the 2013-2014 winter season.

69.1 By September 1, 2014, the commissioner  
 69.2 shall apportion funds to cities in the same  
 69.3 manner as municipal state-aid street funds  
 69.4 provided for calendar year 2014 under  
 69.5 Minnesota Statutes, section 162.13.

69.6 Subd. 5. **Willmar District Headquarters** 4,370,000

69.7 This appropriation is from the trunk  
 69.8 highway fund to complete the Willmar  
 69.9 district headquarters and is added to the  
 69.10 appropriation in Laws 2012, chapter 287,  
 69.11 article 1, section 1, subdivision 2.

69.12 Subd. 6. **Little Falls Truck Station** 3,580,000

69.13 This appropriation is from the trunk highway  
 69.14 fund to complete the Little Falls truck station  
 69.15 and is added to the appropriation in Laws  
 69.16 2010, chapter 189, section 15, subdivision 15.

69.17 Sec. 3. **METROPOLITAN COUNCIL**

69.18 Subdivision 1. **Total Appropriation** \$ **10,400,000**

69.19 The amounts that may be spent for each  
 69.20 purpose are specified in the following  
 69.21 subdivisions.

69.22 Subd. 2. **Transit Development and**  
 69.23 **Improvements** 10,150,000

69.24 This appropriation is for:

69.25 (1) arterial bus rapid transit development,  
 69.26 which may include but is not limited to  
 69.27 design, engineering, construction, capital  
 69.28 costs, technology, equipment, and rolling  
 69.29 stock;

69.30 (2) bus rapid transit station development;

69.31 (3) transit shelter improvements under  
 69.32 Minnesota Statutes, section 473.41; and

- 70.1 (4) foregone fare revenues from transit  
70.2 service under Minnesota Statutes, section  
70.3 473.408, subdivision 11. The Metropolitan  
70.4 Council shall allocate amounts under this  
70.5 appropriation to transit providers receiving  
70.6 financial assistance under Minnesota  
70.7 Statutes, section 473.388, based on  
70.8 respective foregone fare revenues.
- 70.9 Subd. 3. **Suburban Transit Providers** 250,000
- 70.10 This appropriation is for allocation to  
70.11 replacement service providers operating  
70.12 under Minnesota Statutes, section 473.388,  
70.13 as provided in this subdivision.
- 70.14 Upon receipt of a prioritized listing of  
70.15 expenditure items and amounts submitted  
70.16 by the Suburban Transit Association, or by  
70.17 all replacement service providers jointly,  
70.18 the Metropolitan Council shall distribute all  
70.19 funds appropriated under this subdivision to  
70.20 each identified replacement service provider,  
70.21 following the priority order in the listing. An  
70.22 expenditure item in the listing must be for  
70.23 nonoperating transit-related expenses.
- 70.24 Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**
- 70.25 Subdivision 1. **Total Appropriation** \$ 2,060,000
- 70.26 The amounts that may be spent for each  
70.27 purpose are specified in the following  
70.28 subdivisions.
- 70.29 Subd. 2. **Transit Safety Oversight** 60,000
- 70.30 \$60,000 in the second year is for light rail  
70.31 transit safety oversight under Minnesota  
70.32 Statutes, section 299A.017, and is added to  
70.33 the base appropriation for the administration  
70.34 and related services program.



72.1 Sec. 8. Laws 2012, chapter 287, article 2, section 1, is amended to read:

72.2 Section 1. **ROCHESTER MAINTENANCE FACILITY.**

72.3 ~~\$16,100,000~~ \$17,593,000 is appropriated to the commissioner of transportation  
72.4 to design, construct, furnish, and equip the maintenance facility in Rochester and  
72.5 corresponding remodeling of the existing district headquarters building. This appropriation  
72.6 is from the bond proceeds account in the trunk highway fund.

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

72.8 Sec. 9. Laws 2012, chapter 287, article 2, section 3, is amended to read:

72.9 Sec. 3. **TRUNK HIGHWAY FUND BOND PROCEEDS ACCOUNT.**

72.10 To provide the money appropriated in this article from the bond proceeds account in  
72.11 the trunk highway fund, the commissioner of management and budget shall sell and issue  
72.12 bonds of the state in an amount up to ~~\$16,120,000~~ \$17,613,000 in the manner, upon the  
72.13 terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52,  
72.14 and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts  
72.15 requested by the commissioner of transportation. The proceeds of the bonds, except  
72.16 accrued interest and any premium received from the sale of the bonds, must be credited  
72.17 to the bond proceeds account in the trunk highway fund.

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

72.19 Sec. 10. Laws 2012, First Special Session chapter 1, article 1, section 28, is amended  
72.20 to read:

72.21 Sec. 28. **TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND**  
72.22 **SALE AUTHORIZATIONS REDUCED.**

72.23 (a) The remaining balance of the appropriation in Laws 2010, Second Special  
72.24 Session chapter 1, article 1, section 7, for the economic development and housing  
72.25 challenge program, estimated to be \$450,000, is transferred to the general fund.

72.26 (b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
72.27 section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section  
72.28 12A.07, is reduced by \$1,358,000.

72.29 (c) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
72.30 section 12, subdivision 2, for disaster enrollment impact aid pursuant to Minnesota  
72.31 Statutes, section 12A.06, is reduced by \$30,000.



73.1 (d) The appropriation in Laws 2010, Second Special Session chapter 1, article  
73.2 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota  
73.3 Statutes, section 12A.06, is reduced by \$392,000.

73.4 (e) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
73.5 section 12, subdivision 4, for disaster relief operating grants pursuant to Minnesota  
73.6 Statutes, section 12A.06, is reduced by \$2,000.

73.7 (f) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
73.8 section 12, subdivision 5, for pupil transportation aid pursuant to Minnesota Statutes,  
73.9 section 12A.06, is reduced by \$5,000.

73.10 (g) The appropriation in Laws 2010, Second Special Session chapter 1, article 2,  
73.11 section 5, subdivision 3, for pupil transportation aid pursuant to Minnesota Statutes,  
73.12 section 12A.06, is reduced by \$271,000.

73.13 (h) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
73.14 section 13, for public health activities pursuant to Minnesota Statutes, section 12A.08,  
73.15 is reduced by \$103,000.

73.16 (i) ~~\$1,428,000~~ \$534,000 of the appropriation in Laws 2007, First Special Session  
73.17 chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk  
73.18 highways and trunk highway bridges is canceled. The bond sale authorization in Laws  
73.19 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced  
73.20 by ~~\$1,428,000~~ \$534,000.

73.21 (j) \$5,680,000 of the appropriation in Laws 2007, First Special Session chapter 2,  
73.22 article 1, section 4, subdivision 4, as amended by Laws 2008, chapter 289, section 2, for  
73.23 grants to local governments for capital costs related to rehabilitation and replacement of  
73.24 local roads and bridges damaged or destroyed by flooding pursuant to Minnesota Statutes,  
73.25 section 174.50, is canceled. The bond sale authorization in Laws 2007, First Special  
73.26 Session chapter 2, article 1, section 15, subdivision 3, is reduced by \$5,680,000.

73.27 (k) \$2,133,000 of the appropriation in Laws 2010, Second Special Session chapter 1,  
73.28 article 1, section 4, subdivision 3, for local road and bridge rehabilitation and replacement  
73.29 pursuant to Minnesota Statutes, section 12A.16, subdivision 3, is canceled. The bond  
73.30 sale authorization in Laws 2010, Second Special Session chapter 1, article 1, section 17,  
73.31 subdivision 2, is reduced by \$2,133,000.

73.32 (l) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,  
73.33 section 4, subdivision 2, for state road infrastructure operations and maintenance pursuant  
73.34 to Minnesota Statutes, section 12A.16, subdivision 1, is reduced by \$819,000.

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

74.1 Sec. 11. Laws 2013, chapter 117, article 1, section 3, subdivision 2, is amended to read:

74.2 Subd. 2. **Multimodal Systems**

74.3 (a) **Aeronautics**

74.4		<del>13,648,000</del>	<del>13,648,000</del>
74.5	<b>(1) Airport Development and Assistance</b>	<u>14,648,000</u>	<u>16,648,000</u>

74.6 This appropriation is from the state  
74.7 airports fund and must be spent according  
74.8 to Minnesota Statutes, section 360.305,  
74.9 subdivision 4.

74.10 The base appropriation for fiscal years 2016  
74.11 and 2017 is \$14,298,000 for each year.

74.12 Notwithstanding Minnesota Statutes, section  
74.13 16A.28, subdivision 6, this appropriation is  
74.14 available for five years after appropriation.

74.15 If the appropriation for either year is  
74.16 insufficient, the appropriation for the other  
74.17 year is available for it.

74.18 For the current biennium, the commissioner  
74.19 of transportation may establish different  
74.20 local contribution rates for airport projects  
74.21 than those established in Minnesota Statutes,  
74.22 section 360.305, subdivision 4.

74.23	<b>(2) Aviation Support and Services</b>	6,386,000	6,386,000
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74.24 Appropriations by Fund

74.25	Airports	5,286,000	5,286,000
74.26	Trunk Highway	1,100,000	1,100,000

74.27 \$65,000 in each year is from the state airports  
74.28 fund for the Civil Air Patrol.

74.29	<b>(b) Transit</b>	17,226,000	17,245,000
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74.30 Appropriations by Fund

74.31	General	16,451,000	16,470,000
74.32	Trunk Highway	775,000	775,000

74.33 \$100,000 in each year is from the general  
74.34 fund for the administrative expenses of the

75.1 Minnesota Council on Transportation Access  
75.2 under Minnesota Statutes, section 174.285.

75.3 \$78,000 in each year is from the general  
75.4 fund for grants to greater Minnesota transit  
75.5 providers as reimbursement for the costs of  
75.6 providing fixed route public transit rides free  
75.7 of charge under Minnesota Statutes, section  
75.8 174.24, subdivision 7, for veterans certified  
75.9 as disabled.

75.10	<b>(c) Passenger Rail</b>	500,000	500,000
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75.11 This appropriation is from the general  
75.12 fund for passenger rail system planning,  
75.13 alternatives analysis, environmental analysis,  
75.14 design, and preliminary engineering under  
75.15 Minnesota Statutes, sections 174.632 to  
75.16 174.636.

75.17	<b>(d) Freight</b>	5,653,000	5,153,000
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75.18 Appropriations by Fund

75.19	General	756,000	256,000
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75.20	Trunk Highway	4,897,000	4,897,000
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75.21 \$500,000 in the first year is from the general  
75.22 fund to pay for the department's share of costs  
75.23 associated with the cleanup of contaminated  
75.24 state rail bank property. This appropriation is  
75.25 available until expended.

75.26	<b>(e) Safe Routes to School</b>	250,000	250,000
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75.27 This appropriation is from the general fund  
75.28 for non-infrastructure activities in the safe  
75.29 routes to school program under Minnesota  
75.30 Statutes, section 174.40, subdivision 7a.

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

75.32 Sec. 12. Laws 2013, chapter 117, article 1, section 3, subdivision 3, is amended to read:

76.1 Subd. 3. **State Roads**

76.2		262,395,000	262,395,000
76.3	<b>(a) Operations and Maintenance</b>	<u>287,395,000</u>	<u>280,395,000</u>

76.4 \$5,000,000 in each year is for accelerated  
 76.5 replacement of snow plowing equipment.

76.6 The base appropriation for operations and  
 76.7 maintenance for fiscal years 2016 and 2017  
 76.8 is \$267,395,000 in each year.

76.9			206,720,000
76.10	<b>(b) Program Planning and Delivery</b>	206,795,000	<u>209,720,000</u>

76.11	Appropriations by Fund		
76.12	2014	2015	
76.13	H.U.T.D.	75,000	0
76.14			206,720,000
76.15	Trunk Highway	206,720,000	<u>209,720,000</u>

76.16 The base appropriation for program planning  
 76.17 and delivery for fiscal years 2016 and 2017  
 76.18 is \$206,720,000 in each year.

76.19 \$250,000 in each year is for the department's  
 76.20 administrative costs for creation and  
 76.21 operation of the Joint Program Office for  
 76.22 Economic Development and Alternative  
 76.23 Finance, including costs of hiring a  
 76.24 consultant and preparing required reports.

76.25 \$130,000 in each year is available for  
 76.26 administrative costs of the targeted group  
 76.27 business program.

76.28 \$266,000 in each year is available for grants  
 76.29 to metropolitan planning organizations  
 76.30 outside the seven-county metropolitan area.

76.31 \$75,000 in each year is available for a  
 76.32 transportation research contingent account  
 76.33 to finance research projects that are  
 76.34 reimbursable from the federal government or  
 76.35 from other sources. If the appropriation for

77.1 either year is insufficient, the appropriation  
77.2 for the other year is available for it.  
77.3 \$900,000 in each year is available for  
77.4 grants for transportation studies outside  
77.5 the metropolitan area to identify critical  
77.6 concerns, problems, and issues. These  
77.7 grants are available: (1) to regional  
77.8 development commissions; (2) in regions  
77.9 where no regional development commission  
77.10 is functioning, to joint powers boards  
77.11 established under agreement of two or  
77.12 more political subdivisions in the region to  
77.13 exercise the planning functions of a regional  
77.14 development commission; and (3) in regions  
77.15 where no regional development commission  
77.16 or joint powers board is functioning, to the  
77.17 department's district office for that region.  
77.18 \$75,000 in the first year is from the highway  
77.19 user tax distribution fund to the commissioner  
77.20 for a grant to the Humphrey School of Public  
77.21 Affairs at the University of Minnesota for  
77.22 WorkPlace Telework program congestion  
77.23 relief efforts consisting of maintenance of  
77.24 Web site tools and content. This is a onetime  
77.25 appropriation and is available in the second  
77.26 year.

77.27 **(c) State Road Construction Activity**

77.28 **(1) Economic Recovery Funds - Federal**  
77.29 **Highway Aid**

1,000,000

1,000,000

77.30 This appropriation is to complete projects  
77.31 using funds made available to the  
77.32 commissioner of transportation under  
77.33 title XII of the American Recovery and  
77.34 Reinvestment Act of 2009, Public Law  
77.35 111-5, and implemented under Minnesota

78.1 Statutes, section 161.36, subdivision 7. The  
78.2 base appropriation is \$1,000,000 in fiscal  
78.3 year 2016 and \$0 in fiscal year 2017.

78.4		909,400,000	
78.5	(2) State Road Construction	<u>923,400,000</u>	815,600,000

78.6 It is estimated that these appropriations will  
78.7 be funded as follows:

78.8	Appropriations by Fund		
78.9	Federal Highway		
78.10	Aid	489,200,000	482,200,000
78.11		<del>420,200,000</del>	
78.12	Highway User Taxes	<u>434,200,000</u>	333,400,000

78.13 The commissioner of transportation shall  
78.14 notify the chairs and ranking minority  
78.15 members of the legislative committees with  
78.16 jurisdiction over transportation finance of  
78.17 any significant events that should cause these  
78.18 estimates to change.

78.19 This appropriation is for the actual  
78.20 construction, reconstruction, and  
78.21 improvement of trunk highways, including  
78.22 design-build contracts and consultant usage  
78.23 to support these activities. This includes the  
78.24 cost of actual payment to landowners for  
78.25 lands acquired for highway rights-of-way,  
78.26 payment to lessees, interest subsidies, and  
78.27 relocation expenses.

78.28 The base appropriation for state road  
78.29 construction for fiscal years 2016 and 2017  
78.30 is \$645,000,000 in each year.

78.31 \$10,000,000 in each year is for the  
78.32 transportation economic development  
78.33 program under Minnesota Statutes, section  
78.34 174.12.

78.35 The commissioner may expend up to one-half  
78.36 of one percent of the federal appropriations

79.1 under this clause as grants to opportunity  
79.2 industrialization centers and other nonprofit  
79.3 job training centers for job training programs  
79.4 related to highway construction.

79.5 The commissioner may transfer up to  
79.6 \$15,000,000 each year to the transportation  
79.7 revolving loan fund.

79.8 The commissioner may receive money  
79.9 covering other shares of the cost of  
79.10 partnership projects. These receipts are  
79.11 appropriated to the commissioner for these  
79.12 projects.

79.13 Notwithstanding subdivision 6, the  
79.14 commissioner may transfer up to \$6,000,000  
79.15 from the trunk highway fund under this  
79.16 appropriation to the Stillwater lift bridge  
79.17 endowment account under Minnesota  
79.18 Statutes, section 165.15.

79.19 Of this appropriation, \$14,000,000 in the first  
79.20 year is for the specific improvements to "Old  
79.21 Highway 14" described in the settlement  
79.22 agreement and release executed January  
79.23 7, 2014, between the state and Steele and  
79.24 Waseca Counties.

79.25	<b>(d) Highway Debt Service</b>	158,417,000	189,821,000
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79.26 \$148,917,000 in the first year and  
79.27 \$180,321,000 in the second year are for  
79.28 transfer to the state bond fund. If an  
79.29 appropriation is insufficient to make all  
79.30 transfers required in the year for which it is  
79.31 made, the commissioner of management and  
79.32 budget shall notify the senate Committee  
79.33 on Finance and the house of representatives  
79.34 Committee on Ways and Means of the  
79.35 amount of the deficiency and shall then

80.1 transfer that amount under the statutory open  
80.2 appropriation. Any excess appropriation  
80.3 cancels to the trunk highway fund.

80.4	(e) <b>Electronic Communications</b>	5,171,000	5,171,000
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80.5 Appropriations by Fund

80.6	General	3,000	3,000
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80.7	Trunk Highway	5,168,000	5,168,000
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80.8 The general fund appropriation is to equip  
80.9 and operate the Roosevelt signal tower for  
80.10 Lake of the Woods weather broadcasting.

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

80.12 Sec. 13. Laws 2013, chapter 117, article 1, section 4, is amended to read:

80.13			<b>76,970,000</b>
80.14	Sec. 4. <b>METROPOLITAN COUNCIL</b>	<b>\$ 107,889,000</b>	<b>\$ <u>76,910,000</u></b>

80.15 This appropriation is from the general fund  
80.16 for transit system operations under Minnesota  
80.17 Statutes, sections 473.371 to 473.449.

80.18 The base appropriation for fiscal years 2016  
80.19 and 2017 is ~~\$76,686,000~~ \$76,626,000 in  
80.20 each year.

80.21 \$37,000,000 in the first year is for the  
80.22 Southwest Corridor light rail transit line  
80.23 from the Hiawatha light rail transit line in  
80.24 downtown Minneapolis to Eden Prairie, to be  
80.25 used for environmental studies, preliminary  
80.26 engineering, acquisition of real property, or  
80.27 interests in real property, and design. This  
80.28 is a onetime appropriation and is available  
80.29 until expended.

80.30 Sec. 14. **EFFECTIVE DATE; SUPERSEDING PROVISIONS.**

80.31 Regardless of order of enactment, sections 1 to 5 of this article are not effective if  
80.32 House File No. 2395 is enacted in the 2014 legislative session.



**ARTICLE 13****RAILROAD AND PIPELINE SAFETY**

Section 1. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 6a. **Incident commander.** "Incident commander" means the official at the site of a discharge who has the responsibility for operations at the site, as established following National Incident Management System guidelines.

Sec. 2. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 7a. **Listed sensitive area.** "Listed sensitive area" means an area or location listed as an area of special economic or environmental importance in an Area Contingency Plan or a Sub-Area Contingency Plan prepared under the federal Clean Water Act, United States Code, title 33, section 1321(j)(4).

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

Sec. 3. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 11d. **Unit train.** "Unit train" means a train with more than 25 tanker railcars carrying oil or hazardous substance cargo.

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

Sec. 4. **[115E.042] PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS AND PIPELINES.**

Subdivision 1. **Application.** In addition to the requirements of section 115E.04, a person who owns or operates railroad car rolling stock transporting a unit train must comply with this section. A person who owns or operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2, must comply with this section as applicable and with the provisions of chapters 299F and 299J.

Subd. 2. **Training.** (a) Each railroad must offer training to each fire department having jurisdiction along the route of unit trains. Initial training under this subdivision must be offered to each fire department by June 30, 2016, and refresher training must be offered to each fire department at least once every three years thereafter.

82.1 (b) The training must address the general hazards of oil and hazardous substances,  
82.2 techniques to assess hazards to the environment and to the safety of responders and the  
82.3 public, factors an incident commander must consider in determining whether to attempt to  
82.4 suppress a fire or to evacuate the public and emergency responders from an area, and other  
82.5 strategies for initial response by local emergency responders. The training must include  
82.6 suggested protocol or practices for local responders to safely accomplish these tasks.

82.7 Subd. 3. **Coordination.** Beginning June 30, 2015, each railroad and pipeline  
82.8 company must communicate at least annually with each county or city emergency  
82.9 manager and a senior fire department officer of each fire department having jurisdiction  
82.10 along the route of a unit train or a pipeline to ensure coordination of emergency response  
82.11 activities between the railroad or pipeline company and local responders.

82.12 Subd. 4. **Response capabilities; time limits; drills.** (a) Following confirmation of a  
82.13 discharge, a railroad or pipeline company must deliver and deploy sufficient equipment  
82.14 and trained personnel to contain and recover discharged oil or hazardous substances and to  
82.15 protect the environment and public safety.

82.16 (b) Within one hour of confirmation of a discharge, a railroad or pipeline company  
82.17 must provide a qualified company employee to advise the incident commander. The  
82.18 employee may be made available by telephone, and must be authorized to deploy all  
82.19 necessary response resources of the railroad or pipeline company.

82.20 (c) Within three hours of confirmation of a discharge, a railroad or pipeline  
82.21 company must be capable of delivering monitoring equipment and a trained operator  
82.22 to assist in protection of responder and public safety. A plan to ensure delivery of  
82.23 monitoring equipment and an operator to a discharge site must be provided each year to  
82.24 the commissioner of public safety.

82.25 (d) Within three hours of confirmation of a discharge, a railroad or pipeline company  
82.26 must provide qualified personnel at a discharge site to assess the discharge and to advise  
82.27 the incident commander.

82.28 (e) A railroad or pipeline company must be capable of deploying containment boom  
82.29 from land across sewer outfalls, creeks, ditches, and other places where oil or hazardous  
82.30 substances may drain, in order to contain leaked material before it reaches those resources.  
82.31 The arrangement to provide containment boom and staff may be made by:

- 82.32 (1) training and caching equipment with local jurisdictions;  
82.33 (2) training and caching equipment with a fire mutual-aid group;  
82.34 (3) means of an industry cooperative or mutual-aid group;  
82.35 (4) deployment of a contractor;  
82.36 (5) deployment of a response organization under state contract; or

83.1 (6) other dependable means acceptable to the Pollution Control Agency.

83.2 (f) Each arrangement under paragraph (e) must be confirmed each year. Each  
83.3 arrangement must be tested by drill at least once every five years.

83.4 (g) Within eight hours of confirmation of a discharge, a railroad or pipeline company  
83.5 must be capable of delivering and deploying oil spill containment booms, boats, oil  
83.6 recovery equipment, trained staff, and all other materials needed to provide:

83.7 (1) on-site containment and recovery of a volume of oil equal to ten percent of the  
83.8 calculated worst case discharge at any location along the route; and

83.9 (2) protection of listed sensitive areas and potable water intakes within one mile of  
83.10 a discharge site and within eight hours of water travel time downstream in any river  
83.11 or stream that the right-of-way intersects.

83.12 (h) Within 60 hours of confirmation of a discharge, a railroad or pipeline company  
83.13 must be capable of delivering and deploying additional oil spill containment booms,  
83.14 boats, oil recovery equipment, trained staff, and all other materials needed to provide  
83.15 containment and recovery of a worst-case oil discharge and to protect listed sensitive areas  
83.16 and potable water intakes at any location along the route.

83.17 (i) Each railroad and pipeline must conduct at least one oil containment, recovery,  
83.18 and sensitive area protection drill every three years, at a location and time chosen by the  
83.19 Pollution Control Agency.

83.20 Subd. 5. **Prevention and response plans.** (a) By June 30, 2015, a railroad or  
83.21 pipeline company shall submit the prevention and response plan required under section  
83.22 115E.04, as necessary to comply with the requirements of this section, to the commissioner  
83.23 of the Pollution Control Agency on a form designated by the commissioner.

83.24 (b) By June 30 of every third year following a plan submission under this  
83.25 subdivision, a railroad and pipeline company must update and resubmit the prevention and  
83.26 response plan to the commissioner.

83.27 **EFFECTIVE DATE.** Subdivisions 1 to 3 and 5 are effective the day following final  
83.28 enactment. Subdivision 4 is effective July 1, 2015.

83.29 Sec. 5. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision  
83.30 to read:

83.31 Subd. 3a. **Railroad and pipeline preparedness; pollution control.** The Pollution  
83.32 Control Agency shall carry out environmental protection activities related to railroad  
83.33 and pipeline discharge preparedness. Duties under this subdivision include, but are not  
83.34 limited to:

84.1 (1) assisting local emergency managers and fire officials in understanding the  
84.2 hazards of oil and hazardous substances, as well as general strategies for containment and  
84.3 environmental protection;

84.4 (2) assisting railroads and pipeline companies to identify natural resources and  
84.5 sensitive areas, and to devise strategies to contain and recover oil and hazardous  
84.6 substances from land and waters along routes;

84.7 (3) facilitating cooperation between railroad and pipeline companies for mutual aid  
84.8 arrangements that provide training, staff, and equipment as required by this chapter;

84.9 (4) participating in drills and training sessions;

84.10 (5) reviewing each railroad and pipeline company's prevention and response plans  
84.11 for compliance with the requirements of this chapter, and assessing each company's  
84.12 readiness to protect the environment;

84.13 (6) conducting inspections and drills as necessary to determine the railroad or  
84.14 pipeline company's compliance with the requirements of this chapter and ability to protect  
84.15 the environment; and

84.16 (7) conducting follow-up corrective action directives, orders, and enforcement as  
84.17 necessary based on a finding of inadequate environmental protection preparedness.

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

84.19 Sec. 6. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision  
84.20 to read:

84.21 Subd. 3b. **Railroad and pipeline preparedness; public safety.** The commissioner  
84.22 of public safety shall carry out public safety protection activities related to railroad and  
84.23 pipeline spill and discharge preparedness. Duties under this subdivision include, but  
84.24 are not limited to:

84.25 (1) assisting local emergency managers and fire officials to understand the hazards  
84.26 of oil and hazardous substances, as well as general strategies for hazard identification,  
84.27 initial isolation, and other actions necessary to ensure public safety;

84.28 (2) assisting railroads and pipeline companies to develop suggested protocols and  
84.29 practices for local first responder use in protecting the public's safety;

84.30 (3) facilitating cooperation between railroads, pipeline companies, county and city  
84.31 emergency managers, and other public safety organizations;

84.32 (4) participating in major exercises and training sessions;

84.33 (5) assisting local units of government to incorporate railroad and pipeline hazard  
84.34 and response information into local emergency operations plans;

(6) monitoring the public safety-related training and planning requirements of section 115E.03; and

(7) referring noncompliance with section 115E.03 to the Pollution Control Agency.

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

Sec. 7. Minnesota Statutes 2012, section 219.015, subdivision 1, is amended to read:

Subdivision 1. **Position Positions established; duties.** (a) The commissioner of transportation shall establish a position of three state rail safety inspector positions in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. On or after July 1, 2015, the commissioner may establish a fourth state rail safety inspector position following consultation with railroad companies.

The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State Rail Safety Partnership Participation Program for training and certification of an inspector under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

The (b) A state rail safety inspector shall inspect mainline track, secondary track, and yard and industry track; inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings; inspect yards and physical plants; review and enforce safety requirements; review maintenance and repair records; and review railroad security measures.

(c) A state rail safety inspector may perform, but is not limited to, the duties described in the federal State Rail Safety Participation Program. An inspector may train, be certified, and participate in any of the federal State Rail Safety Participation Program disciplines, including track, signal and train control, motive power and equipment, operating practices compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, the an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

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

Sec. 8. Minnesota Statutes 2012, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011 $\frac{1}{2}$ ; (2) classified by federal law or

86.1 regulation as Class I Railroads, ~~or~~ Class I Rail Carriers, Class II Railroads, or Class II Rail  
86.2 Carriers; and (3) operating in this state.

86.3 (b) The assessment must be by a division of state rail safety inspector program costs  
86.4 in equal proportion between carriers based on route miles operated in Minnesota, assessed  
86.5 in equal amounts for 365 days of the calendar year. The commissioner shall assess all  
86.6 start-up or re-establishment costs, and all related costs of initiating the state rail safety  
86.7 inspector program beginning July 1, 2008. The, and ongoing state rail inspector duties  
86.8 must begin and be assessed on January 1, 2009.

86.9 (c) The assessments must be deposited in a special account in the special revenue  
86.10 fund, to be known as the state rail safety inspection account. Money in the account is  
86.11 appropriated to the commissioner and may be expended to cover the costs incurred for the  
86.12 establishment and ongoing responsibilities of the state rail safety inspector program.

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

86.14 Sec. 9. **[299A.55] RAILROAD AND PIPELINE SAFETY; OIL AND OTHER**  
86.15 **HAZARDOUS MATERIALS.**

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

86.18 (b) "Applicable rail carrier" means a railroad company that is subject to an  
86.19 assessment under section 219.015, subdivision 2.

86.20 (c) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.

86.21 (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

86.22 (e) "Pipeline company" means any individual, partnership, association, or public  
86.23 or private corporation required to show specific preparedness under section 115E.03,  
86.24 subdivision 2.

86.25 Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety  
86.26 account is created in the special revenue fund. The account consists of funds collected  
86.27 under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the  
86.28 account.

86.29 (b) \$208,000 is annually appropriated to the commissioner of the Pollution Control  
86.30 Agency for environmental protection activities related to railroad and pipeline discharge  
86.31 preparedness under chapter 115E.

86.32 (c) Following the appropriation in paragraph (b), the remaining money in the  
86.33 account is annually appropriated to the commissioner of public safety for the purposes  
86.34 specified in subdivision 3.

87.1 Subd. 3. **Allocation of railroad and pipeline safety funds.** (a) Subject to funding  
87.2 appropriated for this subdivision, the commissioner shall provide funds for training and  
87.3 response preparedness related to (1) derailments, discharge incidents, or spills involving  
87.4 trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or  
87.5 spills involving oil or other hazardous substances.

87.6 (b) The commissioner shall allocate available funds to the Board of Firefighter  
87.7 Training and Education under section 299N.02 and the Division of Homeland Security  
87.8 and Emergency Management.

87.9 (c) Prior to making allocations under paragraph (b), the commissioner shall consult  
87.10 with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

87.11 (d) The commissioner and the entities identified in paragraph (b) shall prioritize  
87.12 uses of funds based on:

87.13 (1) firefighter training needs;

87.14 (2) community risk from discharge incidents or spills;

87.15 (3) geographic balance; and

87.16 (4) recommendations of the Fire Service Advisory Committee.

87.17 (e) The following are permissible uses of funds provided under this subdivision:

87.18 (1) training costs, which may include but are not limited to training curriculum,  
87.19 trainers, trainee overtime salary, other personnel overtime salary, and tuition;

87.20 (2) costs of gear and equipment related to hazardous materials readiness, response,  
87.21 and management, which may include but is not limited to original purchase, maintenance,  
87.22 and replacement;

87.23 (3) supplies related to the uses under clauses (1) and (2); and

87.24 (4) emergency preparedness planning and coordination.

87.25 (f) Notwithstanding paragraph (b), from funds in the railroad and pipeline safety  
87.26 account provided for the purposes under this subdivision, the commissioner may retain a  
87.27 balance in the account for budgeting in subsequent fiscal years.

87.28 Subd. 4. **Assessments; oil and hazardous substances.** (a) The commissioner of  
87.29 public safety shall annually assess \$2,500,000 to railroad and pipeline companies based on  
87.30 the formula specified in paragraph (b). The commissioner shall deposit funds collected  
87.31 under this subdivision in the railroad and pipeline safety account under subdivision 2.

87.32 (b) The assessment for each railroad is 50 percent of the total annual assessment  
87.33 amount, divided in equal proportion between applicable rail carriers based on route miles  
87.34 operated in Minnesota. The assessment for each pipeline company is 50 percent of the  
87.35 total annual assessment amount, divided in equal proportion between companies based on

88.1 the yearly aggregate gallons of oil and hazardous substance transported in Minnesota. The  
88.2 assessment must be in equal amounts for each day of the fiscal year.

88.3 (c) The assessments under this subdivision expire July 1, 2019.

88.4 Sec. 10. **REPORTS ON INCIDENT PREPAREDNESS FOR OIL AND OTHER**  
88.5 **HAZARDOUS MATERIALS TRANSPORTATION.**

88.6 Subdivision 1. **Report on response preparedness.** By January 15, 2015, the  
88.7 commissioner of public safety shall submit a report on emergency response preparedness  
88.8 in the public and private sectors for incidents involving oil and other hazardous materials  
88.9 transported by rail and pipeline to the chairs and ranking minority members of the  
88.10 legislative committees with jurisdiction over transportation and public safety policy and  
88.11 finance. At a minimum, the report must:

88.12 (1) summarize the preparedness and emergency response framework in the state;

88.13 (2) provide an assessment of costs and needs of fire departments and other  
88.14 emergency first responders for training and equipment to respond to discharge or spill  
88.15 incidents involving oil and other hazardous materials transported by rail and pipeline;

88.16 (3) develop a comprehensive public and private response capacity inventory that,  
88.17 to the extent feasible, includes statewide identification of major emergency response  
88.18 equipment, equipment staging locations, mutual aid agreements, and capacities across  
88.19 industries involved in transportation and storage of oil and other hazardous materials;

88.20 (4) provide information and analysis that forms the basis for allocation of funds  
88.21 under Minnesota Statutes, section 299A.55;

88.22 (5) develop benchmarks or assessment criteria for the evaluation under subdivision 2;

88.23 (6) assist in long-range oil and other hazardous materials incident preparedness  
88.24 planning; and

88.25 (7) make recommendations for any legislative changes.

88.26 Subd. 2. **Evaluation of response preparedness and funding.** By November 1,  
88.27 2017, the commissioner of public safety shall submit an evaluation of railroad and pipeline  
88.28 safety preparedness and funding related to incidents involving oil and other hazardous  
88.29 materials to the chairs and ranking minority members of the legislative committees with  
88.30 jurisdiction over transportation and public safety policy and finance. At a minimum,  
88.31 the evaluation must:

88.32 (1) provide an update to the report under subdivision 1 that identifies notable  
88.33 changes and provides updated information as appropriate;



89.1 (2) evaluate the effectiveness of training and response preparedness activities under  
89.2 Minnesota Statutes, section 299A.55, using the criteria established under subdivision  
89.3 1, clause (5);

89.4 (3) identify current sources of funds, funding levels, and any unfunded needs for  
89.5 preparedness activities;

89.6 (4) analyze equity in the distribution of funding sources for preparedness activities,  
89.7 which must include but is not limited to (i) examination of the public-private partnership  
89.8 financing model, and (ii) review of balance across industries involved in storage and  
89.9 distribution of oil and other hazardous materials; and

89.10 (5) make recommendations for any programmatic or legislative changes.

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

89.12 Sec. 11. **IMPROVEMENTS STUDY ON GRADE CROSSINGS AND**  
89.13 **RAIL SAFETY FOR OIL AND OTHER HAZARDOUS MATERIALS**  
89.14 **TRANSPORTATION.**

89.15 (a) The commissioner of transportation shall conduct a study on highway-rail grade  
89.16 crossing improvement for oil and other hazardous materials transported by rail, and on  
89.17 rail safety. At a minimum, the study must:

89.18 (1) provide information that assists in risk management associated with  
89.19 transportation of oil and other hazardous materials by rail;

89.20 (2) develop criteria to prioritize needs and improvements at highway-rail grade  
89.21 crossings;

89.22 (3) consider alternatives for safety improvements, including but not limited to active  
89.23 warning devices such as gates and signals, closings, and grade separation;

89.24 (4) provide findings and recommendations that serve to direct accelerated  
89.25 investments in highway-rail grade crossing safety improvements; and

89.26 (5) analyze state inspection activities and staffing for track and hazardous materials  
89.27 under Minnesota Statutes, section 219.015.

89.28 (b) The commissioner shall submit an interim update on the study by August 31,  
89.29 2014, and a final report by October 31, 2014, to the chairs and ranking minority members  
89.30 of the legislative committees with jurisdiction over transportation policy and finance.

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

**ARTICLE 14****TRANSPORTATION FINANCE PROVISIONS**

Section 1. Minnesota Statutes 2012, section 165.15, subdivision 2, is amended to read:

Subd. 2. **Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner of transportation for operations and routine maintenance, including bridge safety inspections and reactive repairs, of the Stillwater lift bridge. No money from this account may be used for any purposes except those described in this section, and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization. ~~Any money transferred from the trunk highway fund may only be used for trunk highway purposes.~~

For the purposes of this section:

(1) "Income" is the amount of interest on debt securities and dividends on equity securities. Any gains or losses from the sale of securities must be added to the principal of the account.

(2) "Routine maintenance" means activities that are predictable and repetitive, but not activities that would constitute major repairs or rehabilitation.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner of transportation has authority to approve or deny expenditures of funds in the account.

Sec. 2. Minnesota Statutes 2013 Supplement, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** (a) The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

~~(a)~~ (b) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET."

~~(b)~~ (c) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR."

~~(e)~~ (d) For a veteran who served during World War II, the plates must bear the inscription "WORLD WAR VET."

91.1           ~~(d)~~ (e) For a veteran who served during the Korean Conflict, the special plates  
91.2 must bear the inscription "KOREAN VET."

91.3           ~~(e)~~ (f) For a combat wounded veteran who is a recipient of the Purple Heart medal,  
91.4 the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile  
91.5 or an emblem of the official Purple Heart medal.

91.6           A member of the United States armed forces who is serving actively in the military  
91.7 and who is a recipient of the Purple Heart medal is also eligible for this license plate.  
91.8 The commissioner of public safety shall ensure that information regarding the required  
91.9 proof of eligibility for any applicant under this paragraph who has not yet been issued  
91.10 military discharge papers is distributed to the public officials responsible for administering  
91.11 this section.

91.12           ~~(f)~~ (g) For a Persian Gulf War veteran, the plates must bear the inscription "GULF  
91.13 WAR VET." For the purposes of this section, "Persian Gulf War veteran" means a person  
91.14 who served on active duty after August 1, 1990, in a branch of the armed forces of the  
91.15 United States or a nation or society allied with the United States or the United Nations  
91.16 during Operation Desert Shield, Operation Desert Storm, or other military operation in  
91.17 the Persian Gulf area combat zone as designated in United States Presidential Executive  
91.18 Order No. 12744, dated January 21, 1991.

91.19           ~~(g)~~ (h) For a veteran who served in the Laos War after July 1, 1961, and before July  
91.20 1, 1978, the special plates must bear the inscription "LAOS WAR VET."

91.21           ~~(h)~~ (i) For a veteran who is the recipient of:

91.22           (1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of  
91.23 that medal and must bear the inscription "IRAQ WAR VET" directly below the special  
91.24 plate number;

91.25           (2) the Afghanistan Campaign Medal, the special plates must be inscribed with a  
91.26 facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly  
91.27 below the special plate number;

91.28           (3) the Global War on Terrorism Expeditionary Medal, the special plates must  
91.29 be inscribed with a facsimile of that medal and must bear the inscription "GWOT  
91.30 VETERAN" directly below the special plate number; or

91.31           (4) the Armed Forces Expeditionary Medal, the special plates must bear an  
91.32 appropriate inscription that includes a facsimile of that medal.

91.33           ~~(i)~~ (j) For a veteran who is the recipient of the Global War on Terrorism Service  
91.34 Medal, the special plates must be inscribed with a facsimile of that medal and must bear  
91.35 the inscription "GWOT VETERAN" directly below the special plate number. In addition,  
91.36 any member of the National Guard or other military reserves who has been ordered to

92.1 federally funded state active service under United States Code, title 32, as defined in  
92.2 section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism  
92.3 Service Medal, is eligible for the license plate described in this paragraph, irrespective of  
92.4 whether that person qualifies as a veteran under section 197.447.

92.5 ~~(j)~~ (k) For a veteran who is the recipient of the Korean Defense Service Medal,  
92.6 the special plates must be inscribed with a facsimile of that medal and must bear the  
92.7 inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

92.8 ~~(k)~~ (l) For a veteran who is a recipient of the Bronze Star medal, the plates must  
92.9 bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the  
92.10 official Bronze Star medal.

92.11 ~~(l)~~ (m) For a veteran who is a recipient of the Silver Star medal, the plates must bear  
92.12 the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official  
92.13 Silver Star medal.

92.14 (n) For a woman veteran, the plates must bear the inscription "WOMAN  
92.15 VETERAN" and have a facsimile or an emblem as designated by the commissioners of  
92.16 veterans affairs and public safety.

92.17 **EFFECTIVE DATE.** This section is effective January 1, 2015.

92.18 Sec. 3. Minnesota Statutes 2012, section 169.826, is amended by adding a subdivision  
92.19 to read:

92.20 Subd. 7. **Expiration date.** Upon request of the permit applicant, the expiration  
92.21 date for a permit issued under this section must be the same as the expiration date of the  
92.22 permitted vehicle's registration.

92.23 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
92.24 to permits issued on and after that date.

92.25 Sec. 4. Minnesota Statutes 2012, section 169.8261, is amended by adding a subdivision  
92.26 to read:

92.27 Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration  
92.28 date for a permit issued under this section must be the same as the expiration date of the  
92.29 permitted vehicle's registration.

92.30 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
92.31 to permits issued on and after that date.

92.32 Sec. 5. Minnesota Statutes 2012, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. The fee for an annual permit that expires by law on the date of the vehicle registration expiration must be based on the proportion of the year that remains until the expiration date. Unless otherwise specified, all fees for permits issued by the commissioner of transportation must be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees are:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles that travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

(6) noncommercial transportation of a boat by the owner or user of the boat;

(7) motor vehicles carrying bales of agricultural products authorized under section 169.862; and

(8) special milk-hauling vehicles authorized under section 169.867.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes and manufactured storage buildings;

(4) implements of husbandry;

(5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts;

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c); and

(8) vehicles operating on that portion of marked Trunk Highway 36 described in section 169.81, subdivision 3, paragraph (e).

(e) For vehicles that have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors				
Weight (pounds)	Cost Per Mile For Each Group Of:			
exceeding weight limitations on axles	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less	
0-2,000	.12	.05	.04	
2,001-4,000	.14	.06	.05	
4,001-6,000	.18	.07	.06	
6,001-8,000	.21	.09	.07	
8,001-10,000	.26	.10	.08	
10,001-12,000	.30	.12	.09	
12,001-14,000	Not permitted	.14	.11	
14,001-16,000	Not permitted	.17	.12	
16,001-18,000	Not permitted	.19	.15	
18,001-20,000	Not permitted	Not permitted	.16	
20,001-22,000	Not permitted	Not permitted	.20	

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800
145,001 - 155,000	\$900

If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and

(2) all remaining money in each fiscal year must be deposited in the bridge inspection and signing account as provided under subdivision 5b.

(j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

96.1 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
96.2 to permits issued on and after that date.

96.3 Sec. 6. Minnesota Statutes 2012, section 169.863, is amended by adding a subdivision  
96.4 to read:

96.5 Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration  
96.6 date for a permit issued under this section must be the same as the expiration date of the  
96.7 permitted vehicle's registration.

96.8 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
96.9 to permits issued on and after that date.

96.10 Sec. 7. Minnesota Statutes 2012, section 169.865, subdivision 1, is amended to read:

96.11 Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit  
96.12 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw  
96.13 or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

96.14 (1) 90,000 pounds; and

96.15 (2) 99,000 pounds during the period set by the commissioner under section 169.826,  
96.16 subdivision 1.

96.17 (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or  
96.18 combination of vehicles operated under this subdivision and transporting only sealed  
96.19 intermodal containers may be operated on an interstate highway if allowed by the United  
96.20 States Department of Transportation.

96.21 (c) The fee for a permit issued under this subdivision is \$300, or a proportional  
96.22 amount as provided in section 169.86, subdivision 5.

96.23 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
96.24 to permits issued on and after that date.

96.25 Sec. 8. Minnesota Statutes 2012, section 169.865, subdivision 2, is amended to read:

96.26 Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit  
96.27 authorizing a vehicle or combination of vehicles with a total of seven or more axles to  
96.28 haul raw or unprocessed agricultural products and be operated with a gross vehicle weight  
96.29 of up to:

96.30 (1) 97,000 pounds; and

96.31 (2) 99,000 pounds during the period set by the commissioner under section 169.826,  
96.32 subdivision 1.



97.1 (b) Drivers of vehicles operating under this subdivision must comply with driver  
97.2 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code  
97.3 of Federal Regulations, title 49, parts 40 and 382.

97.4 (c) The fee for a permit issued under this subdivision is \$500, or a proportional  
97.5 amount as provided in section 169.86, subdivision 5.

97.6 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
97.7 to permits issued on and after that date.

97.8 Sec. 9. Minnesota Statutes 2012, section 169.865, is amended by adding a subdivision  
97.9 to read:

97.10 Subd. 5. **Expiration date.** Upon request of the permit applicant, the expiration  
97.11 date for a permit issued under this section must be the same as the expiration date of the  
97.12 permitted vehicle's registration.

97.13 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
97.14 to permits issued on and after that date.

97.15 Sec. 10. Minnesota Statutes 2012, section 169.866, subdivision 3, is amended to read:

97.16 Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1  
97.17 must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as  
97.18 provided in section 169.86, subdivision 5, and must be deposited in the trunk highway  
97.19 fund. An amount sufficient to administer the permit program is appropriated from the  
97.20 trunk highway fund to the commissioner for the costs of administering the permit program.

97.21 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
97.22 to permits issued on and after that date.

97.23 Sec. 11. Minnesota Statutes 2012, section 169.866, is amended by adding a subdivision  
97.24 to read:

97.25 Subd. 4. **Expiration date.** Upon request of the permit applicant, the expiration  
97.26 date for a permit issued under this section must be the same as the expiration date of the  
97.27 permitted vehicle's registration.

97.28 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies  
97.29 to permits issued on and after that date.

98.1 Sec. 12. Minnesota Statutes 2012, section 174.24, is amended by adding a subdivision  
98.2 to read:

98.3 Subd. 8. **Transit service on election day.** An eligible recipient of operating  
98.4 assistance under this section who contracts or has contracted to provide fixed route public  
98.5 transit shall provide fixed route public transit service free of charge on a day a state  
98.6 general election is held.

98.7 **EFFECTIVE DATE.** This section is effective July 1, 2014, and expires November  
98.8 5, 2014.

98.9 Sec. 13. Minnesota Statutes 2013 Supplement, section 174.42, subdivision 2, is  
98.10 amended to read:

98.11 Subd. 2. **Funding requirement.** In each federal fiscal year, the commissioner  
98.12 shall obtain a total amount in federal authorizations for reimbursement on transportation  
98.13 alternatives projects that is equal to or greater than the annual average of federal  
98.14 authorizations on transportation alternatives projects calculated over the preceding four  
98.15 federal fiscal years 2009 to 2012.

98.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
98.17 applies to authorizations for federal fiscal year 2015 and subsequent federal fiscal years.

98.18 Sec. 14. **[219.375] RAILROAD YARD LIGHTING.**

98.19 Subdivision 1. **General requirements.** (a) All railroad common carriers, and their  
98.20 officers, agents, and employees, operating a railroad in this state are required to maintain  
98.21 lighting between sunset and sunrise above switches in railroad yards where:

98.22 (1) cars or locomotives are switched or inspected; or

98.23 (2) cars are switched to assemble or disassemble trains.

98.24 (b) Railroad common carriers shall provide lighting adjacent to those portions of  
98.25 railroad yard tracks where railroad common carrier employees frequently work on the  
98.26 ground performing switching, inspection, and repair activities. For purposes of this  
98.27 section, "frequently work" means at least five days per week.

98.28 (c) Railroad yard lighting over switches and inspection areas must:

98.29 (1) conform with the guidelines set forth by the American Railway Engineering  
98.30 and Manufacturing Association (AREMA);

98.31 (2) include at least one lighting source for each two-yard track switch segment; and

98.32 (3) be displayed from a height of at least 30 feet above the railroad yard lead-track  
98.33 area.

99.1 (d) Lighting over switches and other light sources within railroad yards or at other  
99.2 railroad locations must be:

99.3 (1) maintained to illuminate as designed;

99.4 (2) compliant with the National Electrical Code;

99.5 (3) kept clear of obstructions; and

99.6 (4) focused on the railroad common carrier property designed to be illuminated.

99.7 (e) The energy source for lighting is permitted, though not required, to:

99.8 (1) be direct wired from a carrier facility power source, have solar panel power with  
99.9 a battery storage source, or have another constant energy source; or

99.10 (2) be designed to have standard or light-emitting diode fixtures or electrical circuits  
99.11 that include power saving or ambient atmosphere actuating switches.

99.12 (f) Railroad common carriers must replace damaged or nonoperative lighting within  
99.13 48 hours after light source damage has been reported to the carrier.

99.14 Subd. 2. **Allowances for unusual conditions.** Railroad common carriers are not  
99.15 required to comply with the requirements of this section during:

99.16 (1) maintenance activities;

99.17 (2) derailments;

99.18 (3) any period of heavy rain or snow, washouts, or similar weather or seismic  
99.19 conditions; or

99.20 (4) a reasonable period after any occurrence identified in clauses (1) to (3), but no  
99.21 longer than is necessary to achieve compliance with this section.

99.22 Subd. 3. **Lighting orders; commissioner authority.** (a) When the commissioner  
99.23 finds that railroad common carrier employees who frequently work adjacent to a portion  
99.24 of track performing switching, inspection, maintenance, repair, or fueling activities are  
99.25 exposed to hazard resulting from the lack of lighting, or to the condition of lighting  
99.26 constructed before July 1, 2014, the commissioner may order a railroad common carrier  
99.27 to construct lighting adjacent to a portion of track where employees are performing  
99.28 switching, inspection, maintenance, repair, or fueling activities, or require a railroad  
99.29 common carrier to modify existing lighting to conform with the standards set forth by  
99.30 AREMA lighting standards, within a reasonable period of time.

99.31 (b) A railroad common carrier, person, or corporation may appeal an order under this  
99.32 subdivision. An appeal under this paragraph is subject to the processes and requirements  
99.33 of chapter 14.

99.34 Subd. 4. **Failure to correct.** If a railroad common carrier, person, or corporation  
99.35 fails to correct a violation of this section within the time provided in an order issued by  
99.36 the commissioner of transportation under subdivision 3, and the railroad common carrier,

person, or corporation does not appeal the order, the failure to correct the violation as ordered by the commissioner constitutes a new and separate offense distinct from the original violation of this section.

Subd. 5. **Complaints.** No formal complaint of an alleged violation of this section may be filed until the filing party has attempted to address the alleged violations with the railroad common carrier. Any complaint of an alleged violation must contain a written statement that the filing party has made a reasonable, good faith attempt to address the alleged violation.

Subd. 6. **Waiver.** Upon written request of a railroad common carrier, the commissioner of transportation may waive any portion of this section if conditions do not reasonably permit compliance. The commissioner's decision is subject to section 218.041, and must include an on-site inspection of the area for which the waiver has been requested. The inspection shall occur between sunset and sunrise, and all parties of interest shall be permitted to attend.

Subd. 7. **Violations and penalties.** A railroad common carrier, corporation, or person who violates this section is subject to a penalty not to exceed \$500 for each violation.

Subd. 8. **Exceptions; applicability.** (a) This section establishes minimum standards for railroad yard lighting. Nothing in this section shall be construed to preclude design of railroad yard towers with multiple lighting sources, a brighter lighting design, or other features that exceed the requirements of this section.

(b) This section applies to all Class I and Class II railroad common carrier railroad yards. This section does not apply to an entity that owns or operates track in Minnesota that is not a Class I or Class II railroad common carrier as classified by the Federal Railroad Administration.

(c) Railroad yards and other locations where lighting exists on July 1, 2014, are deemed compliant with subdivision 1, paragraphs (b) and (c).

**EFFECTIVE DATE.** This section is effective November 1, 2016.

Sec. 15. **[219.995] MADE IN MINNESOTA SOLAR INSTALLATIONS.**

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

(b) "Made in Minnesota" has the meaning given in section 216C.411, paragraph (a).

(c) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

Subd. 2. **Made in Minnesota solar energy system requirement.** Notwithstanding any other law to the contrary, if a railroad common carrier engages in any project in

101.1 Minnesota for the construction, improvement, maintenance, or repair of any building,  
101.2 railroad, railroad yard, railroad facility, or land owned or controlled by the railroad  
101.3 common carrier and the construction, improvement, maintenance, or repair involves  
101.4 installation of one or more solar photovoltaic modules, the railroad common carrier  
101.5 must ensure that the solar photovoltaic modules purchased and installed are "Made in  
101.6 Minnesota" as defined in subdivision 1, paragraph (b).

101.7 Subd. 3. **Application.** Subdivision 2 does not apply if:

101.8 (1) as a condition of the receipt of federal financial assistance for a specific project,  
101.9 the railroad common carrier is required to use a procurement method that might result in  
101.10 the award of a contract to a manufacturer that does not meet the "Made in Minnesota"  
101.11 definition in subdivision 1, paragraph (b);

101.12 (2) no solar photovoltaic modules are available that meet the "Made in Minnesota"  
101.13 definition and fulfill the function required by the project; or

101.14 (3) a railroad common carrier's compliance with the "Made in Minnesota" solar  
101.15 energy system requirement would result in noncompliance with any applicable federal  
101.16 statute or regulation.

101.17 Sec. 16. **[299A.017] STATE SAFETY OVERSIGHT.**

101.18 Subdivision 1. **Office created.** The commissioner of public safety shall establish an  
101.19 Office of State Safety Oversight in the Department of Public Safety for safety oversight of  
101.20 rail fixed guideway public transportation systems within the state. The commissioner shall  
101.21 designate a director of the office.

101.22 Subd. 2. **Authority.** The director shall implement and has regulatory authority to  
101.23 enforce the requirements for the state set forth in United States Code, title 49, sections  
101.24 5329 and 5330, federal regulations adopted pursuant to those sections, and successor or  
101.25 supplemental requirements.

101.26 Sec. 17. Minnesota Statutes 2012, section 473.408, is amended by adding a subdivision  
101.27 to read:

101.28 Subd. 11. **Transit service on election day.** (a) The council shall provide regular  
101.29 route transit, as defined in section 473.385, subdivision 1, paragraph (b), free of charge  
101.30 on a day a state general election is held.

101.31 (b) The requirements under this subdivision apply to operators of regular route  
101.32 transit (1) receiving financial assistance under section 473.388, or (2) operating under  
101.33 section 473.405, subdivision 12.

102.1 **EFFECTIVE DATE.** This section is effective July 1, 2014, and expires November  
102.2 5, 2014.

102.3 Sec. 18. **[473.41] TRANSIT SHELTERS AND STOPS.**

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

102.6 (b) "Transit authority" means:

102.7 (1) a statutory or home rule charter city, with respect to rights-of-way at bus stop and  
102.8 train stop locations, transit shelters, and transit passenger seating facilities owned by the  
102.9 city or established pursuant to a vendor contract with the city;

102.10 (2) the Metropolitan Council, with respect to transit shelters and transit passenger  
102.11 seating facilities owned by the council or established pursuant to a vendor contract with  
102.12 the council; or

102.13 (3) a replacement service provider under section 473.388, with respect to  
102.14 rights-of-way at bus stop and train stop locations, transit shelters, and transit passenger  
102.15 seating facilities owned by the provider or established pursuant to a vendor contract  
102.16 with the provider.

102.17 (c) "Transit shelter" means a wholly or partially enclosed structure provided for  
102.18 public use as a waiting area in conjunction with light rail transit, bus rapid transit, or  
102.19 regular route transit.

102.20 **Subd. 2. Design.** (a) A transit authority shall establish design specifications for  
102.21 establishment and replacement of its transit shelters, which must include:

102.22 (1) engineering standards, as appropriate;

102.23 (2) maximization of protection from the wind, snow, and other elements, including  
102.24 but not limited to entrances that are equivalently sized to regular doorways;

102.25 (3) to the extent feasible, inclusion of warming capability at each shelter in which  
102.26 there is a proportionally high number of transit service passenger boardings; and

102.27 (4) full accessibility for the elderly and persons with disabilities.

102.28 (b) The council shall consult with the Transportation Accessibility Advisory  
102.29 Committee.

102.30 **Subd. 3. Maintenance.** A transit authority shall ensure transit shelters are  
102.31 maintained in good working order and are accessible to all users of the transit system.  
102.32 This requirement includes but is not limited to:

102.33 (1) keeping transit shelters reasonably clean and free from graffiti; and

103.1 (2) removing snow and ice in a manner that provides accessibility for the elderly  
103.2 and persons with disabilities to be able to enter and exit transit shelters, and board and  
103.3 exit trains at each stop.

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

103.5 Sec. 19. **WATERCRAFT DECONTAMINATION SITES; REST AREAS.**

103.6 Where feasible with existing resources, the commissioners of natural resources  
103.7 and transportation shall cooperate in an effort to use rest areas as sites for watercraft  
103.8 decontamination and other activities to prevent the spread of aquatic invasive species.

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

103.10 Sec. 20. **WOMAN VETERAN LICENSE PLATES; DESIGN.**

103.11 The commissioner of veterans affairs, in consultation with the commissioner of  
103.12 public safety, a representative of the Minnesota Women Veterans Initiative Working  
103.13 Group, and any interested Minnesota veterans service organization, shall design the  
103.14 "WOMAN VETERAN" special plates established in Minnesota Statutes, section 168.123,  
103.15 subdivision 2, subject to the approval of the commissioner of public safety.

103.16 Sec. 21. **HIGHWAY 14 TURNBACK.**

103.17 Notwithstanding Minnesota Statutes, sections 161.081, subdivision 3, and 161.16, or  
103.18 any other law to the contrary, the commissioner of transportation may:

103.19 (1) by temporary order, take over the road described as "Old Highway 14" in the  
103.20 settlement agreement and release executed January 7, 2014, between the state and Waseca  
103.21 and Steele Counties;

103.22 (2) expend \$35,000,000 or the amount necessary to complete the work required  
103.23 under the settlement agreement; and

103.24 (3) upon completion of the work described in the settlement agreement, release "Old  
103.25 Highway 14" back to Steele and Waseca Counties.

103.26 Upon completion of the work described in the settlement agreement between the  
103.27 state and Waseca and Steele Counties, the counties shall accept responsibility for the road  
103.28 described in the agreement as "Old Highway 14."

103.29 Sec. 22. **COMMUNITY DESTINATION SIGN PILOT PROGRAM.**

103.30 Subdivision 1. **Definition.** (a) For purposes of this section, the following terms  
103.31 have the meanings given.

104.1 (b) "City" means the city of Two Harbors.

104.2 (c) "General retail services" means a business that sells goods or services at retail  
104.3 and directly to an end-use consumer. General retail services includes but is not limited to:

104.4 (1) personal services;

104.5 (2) repair services;

104.6 (3) hardware stores;

104.7 (4) lumber or building supply stores; and

104.8 (5) automotive parts sellers.

104.9 Subd. 2. **Pilot program established.** (a) In consultation with the city of Two  
104.10 Harbors, the commissioner of transportation shall establish a community destination sign  
104.11 pilot program for wayfinding within the city to destinations or attractions of interest to  
104.12 the traveling public.

104.13 (b) For purposes of Minnesota Statutes, chapter 173, signs under the pilot program  
104.14 are official signs.

104.15 Subd. 3. **Signage, design.** (a) The pilot program must include as eligible attractions  
104.16 and destinations:

104.17 (1) minor traffic generators; and

104.18 (2) general retail services, specified by business name, that are identified in a  
104.19 community wayfinding program established by the city.

104.20 (b) The commissioner of transportation, in coordination with the city, may establish  
104.21 sign design specifications for signs under the pilot program. Design specifications must  
104.22 allow for placement of:

104.23 (1) a city name and city logo or symbol; and

104.24 (2) up to five attractions or destinations on a community destination sign assembly.

104.25 Subd. 4. **Program costs.** The city shall pay costs of design, construction,  
104.26 erection, and maintenance of the signs and sign assemblies under the pilot program. The  
104.27 commissioner shall not impose fees for the pilot program.

104.28 Subd. 5. **Expiration.** The pilot program under this section expires January 1, 2022.

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

104.30 **AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES**

104.31 **ARTICLE 15**

104.32 **AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES**  
104.33 **APPROPRIATIONS**

104.34 **Section 1. SUMMARY OF APPROPRIATIONS.**



105.1        The amounts shown in this section summarize direct appropriations, by fund, made  
105.2 in this article.

105.3		<b><u>2015</u></b>
105.4	<u>General</u>	\$ <u>15,999,000</u>
105.5	<u>Natural Resources</u>	<u>900,000</u>
105.6	<u>Game and Fish</u>	<u>3,000</u>
105.7	<u>Environment and Natural</u>	
105.8	<u>Resources Trust</u>	<u>490,000</u>
105.9	<b><u>Total</u></b>	\$ <b><u>17,392,000</u></b>

105.10    Sec. 2. **APPROPRIATIONS.**

105.11        The sums shown in the columns marked "Appropriations" are added to the  
105.12 appropriations in Laws 2013, chapter 114, or appropriated to the agencies and for the  
105.13 purposes specified in this article. The appropriations are from the general fund, or another  
105.14 named fund, and are available for the fiscal year indicated for each purpose. The figure  
105.15 "2015" used in this article means that the addition to the appropriations listed under them  
105.16 are available for the fiscal year ending June 30, 2015.

105.17	<b><u>APPROPRIATIONS</u></b>
105.18	<b><u>Available for the Year</u></b>
105.19	<b><u>Ending June 30</u></b>
105.20	<b><u>2015</u></b>

105.21    Sec. 3. **AGRICULTURE.**

105.22	<u>Subdivision 1. <b>Total Appropriation</b></u>	\$ <u><b>1,910,000</b></u>
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105.23    The amounts that may be spent for each  
105.24 purpose are specified in the following  
105.25 subdivisions.

105.26	<u>Subd. 2. <b>Department of Agriculture</b></u>	<u>1,600,000</u>
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105.27    \$1,500,000 in 2015 is for a grant to Second  
105.28 Harvest Heartland on behalf of the six  
105.29 Feeding America food banks that serve  
105.30 Minnesota to compensate agricultural  
105.31 producers and processors for costs incurred  
105.32 to harvest and package for transfer surplus  
105.33 fruits, vegetables, or other agricultural  
105.34 commodities that would otherwise go  
105.35 unharvested or be discarded. Surplus

106.1	<u>commodities must be distributed statewide</u>	
106.2	<u>to food shelves and other charitable</u>	
106.3	<u>organizations that are eligible to receive</u>	
106.4	<u>food from the food banks. Surplus food</u>	
106.5	<u>acquired under this appropriation must be</u>	
106.6	<u>from Minnesota producers and processors.</u>	
106.7	<u>Second Harvest Heartland must report when</u>	
106.8	<u>required by, and in the form prescribed by,</u>	
106.9	<u>the commissioner. Second Harvest Heartland</u>	
106.10	<u>may use up to 11 percent of the grant for</u>	
106.11	<u>administrative expenses. This appropriation</u>	
106.12	<u>is added to the base.</u>	
106.13	<u>\$100,000 in 2015 is to compensate experts</u>	
106.14	<u>evaluating pollinator death or illness as</u>	
106.15	<u>authorized in Minnesota Statutes, section</u>	
106.16	<u>18B.04. \$65,000 is added to the base.</u>	
106.17	<u>The commissioner shall examine how other</u>	
106.18	<u>states are implementing the industrial hemp</u>	
106.19	<u>research authority provided in Public Law</u>	
106.20	<u>113-79 and to gauge the interest of Minnesota</u>	
106.21	<u>higher education institutions. No later than</u>	
106.22	<u>January 15, 2015, the commissioner</u>	
106.23	<u>must report the information and items for</u>	
106.24	<u>legislative consideration to the legislative</u>	
106.25	<u>committees with jurisdiction over agriculture</u>	
106.26	<u>policy and finance.</u>	
106.27	<u>Subd. 3. <b>Board of Animal Health</b></u>	<u>310,000</u>
106.28	<u>\$310,000 in 2015 is to administer the dog and</u>	
106.29	<u>cat breeder licensing and inspection program.</u>	
106.30	<u>The base in fiscal year 2016 is \$426,000 and</u>	
106.31	<u>the base in fiscal year 2017 is \$435,000.</u>	
106.32	<u>Sec. 4. <b>POLLUTION CONTROL AGENCY</b></u>	
106.33	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$ 7,349,000</u>

107.1 The amounts that may be spent for each  
107.2 purpose are specified in the following  
107.3 subdivisions.

107.4 Subd. 2. **Water** 1,000

107.5 \$1,000 in 2015 is to compile information  
107.6 on the presence of plastic microbeads in the  
107.7 state's waters and their potential impacts  
107.8 on aquatic ecosystems and human health,  
107.9 in consultation with the University of  
107.10 Minnesota. No later than December 15,  
107.11 2014, the commissioner must present the  
107.12 information to the legislative committees  
107.13 with jurisdiction over environment and  
107.14 natural resources policy and finance and  
107.15 make recommendations. This is a onetime  
107.16 appropriation.

107.17 Subd. 3. **Environmental**  
107.18 **Assistance and Cross-Media** 7,348,000

107.19 \$7,000,000 in 2015 is for the purposes  
107.20 of Minnesota Statutes, section 115A.557,  
107.21 subdivision 2. This appropriation is added  
107.22 to the base.

107.23 \$348,000 in 2015 is for costs incurred  
107.24 implementing Minnesota Statutes, sections  
107.25 116.9401 to 116.9425. This is a onetime  
107.26 appropriation. Of this amount, \$13,000  
107.27 is transferred to the commissioner of  
107.28 health. The base for this program from the  
107.29 environmental fund is \$744,000 in fiscal year  
107.30 2016 and \$495,000 in fiscal year 2017.

107.31 Sec. 5. **NATURAL RESOURCES**

107.32 Subdivision 1. **Total Appropriation** \$ 2,107,000

107.33 Appropriations by Fund

107.34 General 1,654,000

108.1	<u>Game and Fish</u>	<u>3,000</u>
108.2	<u>Natural Resources</u>	<u>450,000</u>
108.3	<u>The amounts that may be spent for each</u>	
108.4	<u>purpose are specified in the following</u>	
108.5	<u>subdivisions.</u>	
108.6	<u>Subd. 2. <b>Ecological and Water Resources</b></u>	<u>50,000</u>
108.7	<u>\$50,000 in 2015 is for a study of the effects</u>	
108.8	<u>of the Lake Emily dam in Crow Wing County</u>	
108.9	<u>on water clarity and water levels in Lake</u>	
108.10	<u>Emily, Lake Mary, and the Little Pine River.</u>	
108.11	<u>This is a onetime appropriation.</u>	
108.12	<u>Subd. 3. <b>Parks and Trails</b></u>	
108.13	<u><b>Management</b></u>	<u>2,045,000</u>
108.14	<u>\$1,595,000 in 2015 is for the improvement,</u>	
108.15	<u>maintenance, and conditions of facilities and</u>	
108.16	<u>infrastructure in state parks for safety and</u>	
108.17	<u>general use. This is a onetime appropriation.</u>	
108.18	<u>\$450,000 in 2015 is from the natural</u>	
108.19	<u>resources fund for state trail, park, and</u>	
108.20	<u>recreation area operations. This appropriation</u>	
108.21	<u>is from the revenue deposited in the natural</u>	
108.22	<u>resources fund under Minnesota Statutes,</u>	
108.23	<u>section 297A.94, paragraph (e), clause (2).</u>	
108.24	<u>This is a onetime appropriation.</u>	
108.25	<u>Subd. 4. <b>Fish and Wildlife</b></u>	
108.26	<u><b>Management</b></u>	<u>12,000</u>
108.27	<u>\$3,000 in 2015 is from the game and fish fund</u>	
108.28	<u>for a report on aquatic plant management</u>	
108.29	<u>permitting policies for the management</u>	
108.30	<u>of narrow-leaved and hybrid cattail in a</u>	
108.31	<u>range of basin types across the state. The</u>	
108.32	<u>report shall be submitted to the chairs and</u>	
108.33	<u>ranking minority members of the house of</u>	
108.34	<u>representatives and senate committees with</u>	
108.35	<u>jurisdiction over environment and natural</u>	

109.1 resources by December 15, 2014, and include  
109.2 recommendations for any necessary changes  
109.3 in statutes, rules, or permitting procedures.  
109.4 This is a onetime appropriation.  
109.5 \$9,000 in 2015 is for the commissioner,  
109.6 in consultation with interested parties,  
109.7 agencies, and other states, to develop a  
109.8 detailed restoration plan to recover the  
109.9 historical native population of bobwhite  
109.10 quail in Minnesota for its ecological and  
109.11 recreational benefits to the citizens of the  
109.12 state. The commissioner shall conduct public  
109.13 meetings in developing the plan. No later  
109.14 than January 15, 2015, the commissioner  
109.15 must report on the plan's progress to the  
109.16 legislative committees with jurisdiction over  
109.17 environment and natural resources policy  
109.18 and finance. This is a onetime appropriation.

109.19 Sec. 6. METROPOLITAN COUNCIL \$ 450,000

109.20 \$450,000 in 2015 is from the natural  
109.21 resources fund for metropolitan area regional  
109.22 parks and trails maintenance and operations.  
109.23 This appropriation is from the revenue  
109.24 deposited in the natural resources fund  
109.25 under Minnesota Statutes, section 297A.94,  
109.26 paragraph (e), clause (3). This is a onetime  
109.27 appropriation.

109.28 Sec. 7. UNIVERSITY OF MINNESOTA \$ 5,554,000

109.29	<u>Appropriations by Fund</u>	
109.30	<u>General</u>	<u>5,064,000</u>
109.31	<u>Environment and</u>	
109.32	<u>Natural Resources</u>	
109.33	<u>Trust</u>	<u>490,000</u>

109.34 \$5,064,000 in 2015 is from the general fund  
109.35 for the Invasive Terrestrial Plants and Pests

110.1 Center requested under this act, including a  
110.2 director, graduate students, and necessary  
110.3 supplies. This is a onetime appropriation and  
110.4 is available until June 30, 2025.

110.5 \$490,000 in 2015 is from the environment  
110.6 and natural resources trust fund for the  
110.7 Invasive Terrestrial Plants and Pests Center  
110.8 requested under this act, including a director,  
110.9 graduate students, and necessary supplies.

110.10 This is a onetime appropriation and is  
110.11 available until June 30, 2025.

110.12 \$970,000 from the environment and natural  
110.13 resources trust fund appropriated in Laws  
110.14 2011, First Special Session chapter 2, article  
110.15 3, section 2, subdivision 9, paragraph (d),  
110.16 Reinvest in Minnesota Wetlands Reserve  
110.17 Acquisition and Restoration Program  
110.18 Partnership, is transferred to the Board of  
110.19 Regents of the University of Minnesota for  
110.20 the Invasive Terrestrial Plants and Pests  
110.21 Center requested under this act, including a  
110.22 director, graduate students, and necessary  
110.23 supplies and is available until June 30, 2025.

110.24 Sec. 8. Laws 2013, chapter 114, article 3, section 4, subdivision 3, is amended to read:

110.25			<del>31,582,000</del>
110.26	Subd. 3. <b>Ecological and Water Resources</b>	27,182,000	<u>31,604,000</u>

110.27	Appropriations by Fund		
110.28			<del>16,817,000</del>
110.29	General	12,117,000	<u>16,839,000</u>
110.30	Natural Resources	11,002,000	10,702,000
110.31	Game and Fish	4,063,000	4,063,000

110.32 \$3,542,000 the first year and \$3,242,000 the  
110.33 second year are from the invasive species  
110.34 account in the natural resources fund and  
110.35 \$2,906,000 the first year and \$3,206,000 the

111.1 second year are from the general fund for  
111.2 management, public awareness, assessment  
111.3 and monitoring research, and water access  
111.4 inspection to prevent the spread of invasive  
111.5 species; management of invasive plants in  
111.6 public waters; and management of terrestrial  
111.7 invasive species on state-administered lands.

111.8 \$5,000,000 the first year and \$5,000,000 the  
111.9 second year are from the water management  
111.10 account in the natural resources fund for only  
111.11 the purposes specified in Minnesota Statutes,  
111.12 section 103G.27, subdivision 2.

111.13 \$103,000 the first year and ~~\$103,000~~  
111.14 \$125,000 the second year are for a grant to  
111.15 the Mississippi Headwaters Board for up to  
111.16 50 percent of the cost of implementing the  
111.17 comprehensive plan for the upper Mississippi  
111.18 within areas under the board's jurisdiction.

111.19 The base for this grant is \$103,000. By  
111.20 January 15, 2015, the board shall submit a  
111.21 report detailing the results achieved with  
111.22 the fiscal year 2014 appropriation and the  
111.23 anticipated results that will be achieved with  
111.24 the fiscal year 2015 appropriation to the  
111.25 commissioner and the chairs and ranking  
111.26 minority members of the senate and house  
111.27 of representatives committees and divisions  
111.28 with jurisdiction over environment and  
111.29 natural resources policy and finance.

111.30 \$10,000 the first year and \$10,000 the second  
111.31 year are for payment to the Leech Lake Band  
111.32 of Chippewa Indians to implement the band's  
111.33 portion of the comprehensive plan for the  
111.34 upper Mississippi.

112.1 \$264,000 the first year and \$264,000 the  
112.2 second year are for grants for up to 50  
112.3 percent of the cost of implementation of  
112.4 the Red River mediation agreement. The  
112.5 commissioner shall submit a report to the  
112.6 chairs of the legislative committees having  
112.7 primary jurisdiction over environment and  
112.8 natural resources policy and finance on the  
112.9 accomplishments achieved with the grants  
112.10 by January 15, 2015.

112.11 \$1,643,000 the first year and \$1,643,000  
112.12 the second year are from the heritage  
112.13 enhancement account in the game and  
112.14 fish fund for only the purposes specified  
112.15 in Minnesota Statutes, section 297A.94,  
112.16 paragraph (e), clause (1).

112.17 \$1,223,000 the first year and \$1,223,000 the  
112.18 second year are from the nongame wildlife  
112.19 management account in the natural resources  
112.20 fund for the purpose of nongame wildlife  
112.21 management. Notwithstanding Minnesota  
112.22 Statutes, section 290.431, \$100,000 the first  
112.23 year and \$100,000 the second year may  
112.24 be used for nongame wildlife information,  
112.25 education, and promotion.

112.26 \$1,600,000 the first year and \$6,000,000 the  
112.27 second year are from the general fund for the  
112.28 following activities:

112.29 (1) increased financial reimbursement  
112.30 and technical support to soil and water  
112.31 conservation districts or other local units  
112.32 of government for groundwater level  
112.33 monitoring;



113.1 (2) additional surface water monitoring and  
113.2 analysis, including installation of monitoring  
113.3 gauges;

113.4 (3) additional groundwater analysis to  
113.5 assist with water appropriation permitting  
113.6 decisions;

113.7 (4) additional permit application review  
113.8 incorporating surface water and groundwater  
113.9 technical analysis;

113.10 (5) enhancement of precipitation data and  
113.11 analysis to improve the use of irrigation;

113.12 (6) enhanced information technology,  
113.13 including electronic permitting and  
113.14 integrated data systems; and

113.15 (7) increased compliance and monitoring.

113.16 Of this amount, \$600,000 the first year is for  
113.17 silica sand rulemaking and is available until  
113.18 spent.

113.19 The commissioner, in cooperation with the  
113.20 commissioner of agriculture, shall enforce  
113.21 compliance with aquatic plant management  
113.22 requirements regulating the control of  
113.23 aquatic plants with pesticides and removal of  
113.24 aquatic plants by mechanical means under  
113.25 Minnesota Statutes, section 103G.615.

113.26 **ARTICLE 16**

113.27 **AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES**  
113.28 **FISCAL IMPLEMENTATION PROVISIONS**

113.29 Section 1. Minnesota Statutes 2012, section 13.643, subdivision 6, is amended to read:

113.30 Subd. 6. **Animal premises data.** (a) The following data collected and maintained  
113.31 by the Board of Animal Health related to registration and identification of premises and  
113.32 animals under chapter 35, are classified as private or nonpublic:

113.33 (1) the names and addresses;

114.1 (2) the location of the premises where animals are kept; and

114.2 (3) the identification number of the premises or the animal.

114.3 (b) Except as provided in section 347.58, subdivision 5, data collected and

114.4 maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified

114.5 as private or nonpublic.

114.6 ~~(b)~~ (c) The Board of Animal Health may disclose data collected under paragraph (a)

114.7 or (b) to any person, agency, or to the public if the board determines that the access will

114.8 aid in the law enforcement process or the protection of public or animal health or safety.

114.9 Sec. 2. Minnesota Statutes 2012, section 13.7411, subdivision 8, is amended to read:

114.10 Subd. 8. **Pollution Control Agency.** (a) **Hazardous waste generators.**

114.11 Information provided by hazardous waste generators under section 473.151 and for which

114.12 confidentiality is claimed is governed by section 116.075, subdivision 2.

114.13 (b) **Tests.** Trade secret information made available by applicants for certain projects

114.14 of the Pollution Control Agency is classified under section 116.54.

114.15 (c) **Priority chemicals.** Information submitted to the Pollution Control Agency

114.16 related to priority chemicals in children's products is classified under section 116.9403.

114.17 Sec. 3. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision

114.18 to read:

114.19 Subd. 1c. **Apiary.** "Apiary" means a place where a collection of one or more hives

114.20 or colonies of bees or the nuclei of bees are kept.

114.21 Sec. 4. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision

114.22 to read:

114.23 Subd. 2a. **Bee.** "Bee" means any stage of the common honeybee, Apis mellifera (L).

114.24 Sec. 5. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision

114.25 to read:

114.26 Subd. 2b. **Bee owner.** "Bee owner" means a person who owns an apiary.

114.27 Sec. 6. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision

114.28 to read:

114.29 Subd. 4c. **Colony.** "Colony" means the aggregate of worker bees, drones, the queen,

114.30 and developing young bees living together as a family unit in a hive or other dwelling.

115.1 Sec. 7. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
115.2 to read:

115.3 Subd. 11a. **Hive.** "Hive" means a frame hive, box hive, box, barrel, log gum, skep,  
115.4 or any other receptacle or container, natural or artificial, or any part of one, which is  
115.5 used as domicile for bees.

115.6 Sec. 8. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
115.7 to read:

115.8 Subd. 20a. **Pollinator.** "Pollinator" means an insect that pollinates flowers.

115.9 Sec. 9. Minnesota Statutes 2012, section 18B.03, is amended by adding a subdivision  
115.10 to read:

115.11 Subd. 4. **Pollinator enforcement.** The commissioner may take enforcement action  
115.12 under chapter 18D for a violation of this chapter, or any rule adopted under this chapter,  
115.13 that results in harm to pollinators, including but not limited to applying a pesticide in  
115.14 a manner inconsistent with the pesticide product's label or labeling and resulting in  
115.15 pollinator death or willfully applying pesticide in a manner inconsistent with the pesticide  
115.16 product's label or labeling. The commissioner must deposit any penalty collected under  
115.17 this subdivision in the pesticide regulatory account in section 18B.05.

115.18 Sec. 10. Minnesota Statutes 2012, section 18B.04, is amended to read:

115.19 **18B.04 PESTICIDE IMPACT ON ENVIRONMENT.**

115.20 (a) The commissioner shall:

115.21 (1) determine the impact of pesticides on the environment, including the impacts on  
115.22 surface water and groundwater in this state;

115.23 (2) develop best management practices involving pesticide distribution, storage,  
115.24 handling, use, and disposal; and

115.25 (3) cooperate with and assist other state agencies and local governments to protect  
115.26 public health, pollinators, and the environment from harmful exposure to pesticides.

115.27 (b) The commissioner may assemble a group of experts under section 16C.10,  
115.28 subdivision 2, to consult in the investigation of pollinator deaths or illnesses. The group of  
115.29 experts may include representatives from local, state, and federal agencies; academia; the  
115.30 state pollinator bank; or other professionals as deemed necessary by the commissioner.

115.31 Sec. 11. **[18B.055] COMPENSATION FOR BEES KILLED BY PESTICIDE;**  
115.32 **APPROPRIATION.**

Subdivision 1. **Compensation required.** (a) The commissioner of agriculture must compensate a person for an acute pesticide poisoning resulting in the death of bees owned by the person, provided:

(1) the person who applied the pesticide cannot be determined;

(2) the person who applied the pesticide did so in a manner consistent with the pesticide product's label or labeling; or

(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide product's label or labeling.

(b) Except as provided in this section, the bee owner is entitled to the fair market value of the dead bees as determined by the commissioner upon recommendation by academic experts and bee keepers. In any fiscal year, a bee owner must not be compensated for a claim that is less than \$100 or compensated more than \$20,000 for all eligible claims.

Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a manner inconsistent with the pesticide product's label or labeling requirements as approved by the commissioner and is determined to have caused the acute pesticide poisoning of bees, resulting in death, kept for commercial purposes, then the person so identified must bear the responsibility of restitution for the value of the bees to the bee owner. In such cases the commissioner must not provide compensation as provided in this section.

Subd. 3. **Claim form.** The bee owner must file a claim on forms provided by the commissioner and available on the Department of Agriculture's Web site.

Subd. 4. **Determination.** The commissioner must determine whether the death of the bees was caused by an acute pesticide poisoning, whether the pesticide applicator can be determined, and whether the pesticide applicator applied the pesticide product in a manner consistent with the pesticide product's label or labeling.

Subd. 5. **Payments; denial of compensation.** (a) If the commissioner determines the bee death was caused by an acute pesticide poisoning and either the pesticide applicator cannot be determined or the pesticide applicator applied the pesticide product in a manner consistent with the pesticide product's label or labeling, the commissioner may award compensation from the pesticide regulatory account. If the pesticide applicator can be determined and the applicator applied the pesticide product in a manner inconsistent with the product's label or labeling, the commissioner may collect a penalty from the pesticide applicator sufficient to compensate the bee owner for the fair market value of the dead bees and must award the money to the bee owner.

(b) If the commissioner denies compensation claimed by a bee owner under this section, the commissioner must issue a written decision based upon the available evidence. The decision must include specification of the facts upon which the decision is based and

117.1 the conclusions on the material issues of the claim. The commissioner must mail a copy  
117.2 of the decision to the bee owner.

117.3 (c) A decision to deny compensation claimed under this section is not subject to the  
117.4 contested case review procedures of chapter 14, but may be reviewed upon a trial de  
117.5 novo in a court in the county where the loss occurred. The decision of the court may be  
117.6 appealed as in other civil cases. Review in court may be obtained by filing a petition for  
117.7 review with the administrator of the court within 60 days following receipt of a decision  
117.8 under this section. Upon the filing of a petition, the administrator must mail a copy to the  
117.9 commissioner and set a time for hearing within 90 days of the filing.

117.10 Subd. 6. **Deduction from payment.** In order to be eligible for compensation under  
117.11 this section, a bee owner must document that at the time of the loss the bee owner had  
117.12 insurance sufficient to cover up to 50 percent of the total value of the owner's colony.  
117.13 The commissioner must reduce payments made under this section by any compensation  
117.14 received by the bee owner as proceeds from an insurance policy or from another source.

117.15 Subd. 7. **Appropriation.** The amount necessary to pay claims under this section,  
117.16 not to exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory  
117.17 account in section 18B.05.

117.18 Sec. 12. **[19.70] DEFINITIONS.**

117.19 Subdivision 1. **Scope.** For the purposes of this chapter the terms defined in this  
117.20 section have the meanings given.

117.21 Subd. 2. **Abandoned apiary.** "Abandoned apiary" means any apiary not regularly  
117.22 attended in accordance with good beekeeping practices and which constitutes a disease or  
117.23 parasite hazard to the beekeeping industry.

117.24 Subd. 3. **Africanized honeybees.** "Africanized honeybees" means Africanized  
117.25 honeybees using United States Department of Agriculture standards.

117.26 Subd. 4. **Bee diseases.** "Bee diseases" means infectious, contagious, or harmful  
117.27 diseases including but not limited to: American or European foulbrood, sacbrood,  
117.28 chalkbrood, Nosema, bee paralysis, or abnormal condition of egg, larval, pupal, or adult  
117.29 stages of bees.

117.30 Subd. 5. **Bee equipment.** "Bee equipment" means hives, supers, frames, veils,  
117.31 gloves, and any apparatus, tool, machine, vehicle, or other device used in the handling,  
117.32 moving, or manipulating of bees, honey, wax, or hives, including containers of honey or  
117.33 wax which may be used in an apiary or in transporting bees and their products and apiary  
117.34 supplies.

117.35 Subd. 6. **Beekeeper.** "Beekeeper" means a person who keeps bees.

Subd. 7. **Beekeeping.** "Beekeeping" means the moving, raising, and producing of bees, beeswax, honey, related products, and pollination.

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized agents.

Subd. 9. **Department.** "Department" means the Department of Agriculture.

Subd. 10. **Exotic parasite.** "Exotic parasite" means any parasite harmful to bees including but not limited to: *Varroa jacobsoni*, *Tropilaelaps clareae*, or *Acarapis woodi*.

Subd. 11. **Queen apiary.** "Queen apiary" means any apiary or premises in which queen bees are reared or kept for sale or gift.

Sec. 13. Minnesota Statutes 2012, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

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

(2) registered in another state or country that have not been within this state for more than 30 consecutive days; ~~or~~

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

(4) used exclusively in organized track racing events;

(5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass; or

(6) operated by a person participating in an event for which the commissioner has issued a special use permit.

Sec. 14. **[84.7945] NONRESIDENT OFF-HIGHWAY MOTORCYCLE STATE TRAIL PASS.**

Subdivision 1. **Pass required; fee.** (a) A tribal member exempt from registration under section 84.788, subdivision 2, clause (2), or a nonresident, may not operate an off-highway motorcycle on a state or grant-in-aid off-highway motorcycle trail unless the operator carries a valid nonresident off-highway motorcycle state trail pass in immediate possession. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of a \$20 fee. The pass is valid from January 1 through December 31. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-highway motorcycle account in

the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-highway motorcycle organizations to construct and maintain off-highway motorcycle trails and use areas.

(c) A nonresident off-highway motorcycle state trail pass is not required for:

(1) an off-highway motorcycle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.788, subdivision 2;

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

(3) a nonresident operating an off-highway motorcycle that is registered according to section 84.788.

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

Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell nonresident off-highway motorcycle state trail passes. The commissioner shall also make the passes available through the electronic licensing system established under section 84.027, subdivision 15.

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

Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate pass to persons whose pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate nonresident off-highway motorcycle state trail pass is \$2, with an issuing fee of 50 cents.

Sec. 15. Minnesota Statutes 2012, section 85.053, subdivision 2, is amended to read:

Subd. 2. **Requirement.** Except as provided in section 85.054, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area,

120.1 without a state park permit issued under this section or a state parks and trails plate issued  
120.2 under section 168.1295. Except for vehicles permitted under subdivisions 7, paragraph  
120.3 (a), clause (2), and 8, the state park permit must be affixed to the lower right corner  
120.4 windshield of the motor vehicle and must be completely affixed by its own adhesive to  
120.5 the windshield, or the commissioner may, by written order, provide an alternative means  
120.6 to display and validate state park permits.

120.7 Sec. 16. **[85.056] STATE PARKS AND TRAILS DONATION ACCOUNT.**

120.8 Subdivision 1. **Establishment.** The state parks and trails donation account is  
120.9 established as a separate account in the natural resources fund. The account shall be  
120.10 administered by the commissioner of natural resources as provided in this section.

120.11 Subd. 2. **Funding sources.** The state parks and trails donation account shall consist  
120.12 of contributions made under section 168.1295 and other contributions. The contributions  
120.13 may be made in cash, property, land, or interests in land.

120.14 Subd. 3. **Uses.** Money in the account is appropriated to the commissioner of natural  
120.15 resources to operate and maintain the state parks and trails system.

120.16 Sec. 17. Minnesota Statutes 2012, section 85.34, subdivision 7, is amended to read:

120.17 Subd. 7. **Disposition of proceeds.** (a) All revenue derived from the lease of the Fort  
120.18 Snelling upper bluff, with the exception of payment for costs of the water line as described  
120.19 in subdivision 6, shall be deposited in the natural resources fund and credited to a state  
120.20 park account. Interest earned on the money in the account accrues to the account.

120.21 (b) Revenue and expenses from the upper bluff shall be tracked separately within  
120.22 the account. Money in the account derived from the leasing or operation of the property  
120.23 described in subdivision 1 ~~may be~~ is appropriated annually to the commissioner for  
120.24 the payment of expenses attributable to the leasing, development, and operation of the  
120.25 property described in subdivision 1, including, but not limited to, the maintenance, repair,  
120.26 and rehabilitation of historic buildings and landscapes.

120.27 Sec. 18. Minnesota Statutes 2012, section 85A.02, subdivision 2, is amended to read:

120.28 Subd. 2. **Zoological Garden.** The board shall acquire, construct, equip, operate  
120.29 and maintain the Minnesota Zoological Garden at a site in Dakota County legally  
120.30 described in Laws 1975, chapter 382, section 12. The Zoological Garden shall consist  
120.31 of adequate facilities and structures for the collection, habitation, preservation, care,  
120.32 exhibition, examination or study of wild and domestic animals, including, but not limited  
120.33 to mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The board



121.1 may provide such lands, buildings and equipment as it deems necessary for parking,  
121.2 transportation, entertainment, education or instruction of the public in connection with  
121.3 such Zoological Garden. The Zoological Garden is the official pollinator bank for the state  
121.4 of Minnesota. For purposes of this subdivision, "pollinator bank" means a program to  
121.5 avert the extinction of pollinator species by cultivating insurance breeding populations.

121.6 Sec. 19. **[87A.10] TRAP SHOOTING SPORTS FACILITY GRANTS.**

121.7 The commissioner of natural resources shall administer a program to provide  
121.8 cost-share grants to local recreational trap shooting clubs for up to 50 percent of the costs  
121.9 of developing or rehabilitating trap shooting sports facilities for public use. A facility  
121.10 rehabilitated or developed with a grant under this section must be open to the general  
121.11 public at reasonable times and for a reasonable fee on a walk-in basis. The commissioner  
121.12 shall give preference to projects that will provide the most opportunities for youth.

121.13 Sec. 20. Minnesota Statutes 2012, section 103G.271, subdivision 6, is amended to read:

121.14 Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs  
121.15 (b) to ~~(f)~~ (g), a water use permit processing fee must be prescribed by the commissioner in  
121.16 accordance with the schedule of fees in this subdivision for each water use permit in force  
121.17 at any time during the year. Fees collected under this paragraph are credited to the water  
121.18 management account in the natural resources fund. The schedule is as follows, with the  
121.19 stated fee in each clause applied to the total amount appropriated:

121.20 (1) \$140 for amounts not exceeding 50,000,000 gallons per year;

121.21 (2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less  
121.22 than 100,000,000 gallons per year;

121.23 (3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less  
121.24 than 150,000,000 gallons per year;

121.25 (4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but  
121.26 less than 200,000,000 gallons per year;

121.27 (5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less  
121.28 than 250,000,000 gallons per year;

121.29 (6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but  
121.30 less than 300,000,000 gallons per year;

121.31 (7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less  
121.32 than 350,000,000 gallons per year;

121.33 (8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but  
121.34 less than 400,000,000 gallons per year;

122.1 (9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less  
122.2 than 450,000,000 gallons per year;

122.3 (10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but  
122.4 less than 500,000,000 gallons per year; and

122.5 (11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

122.6 (b) For once-through cooling systems, a water use processing fee must be prescribed  
122.7 by the commissioner in accordance with the following schedule of fees for each water use  
122.8 permit in force at any time during the year:

122.9 (1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and

122.10 (2) for all other users, \$420 per 1,000,000 gallons.

122.11 (c) The fee is payable based on the amount of water appropriated during the year  
122.12 and, except as provided in paragraph (f), the minimum fee is \$100.

122.13 (d) For water use processing fees other than once-through cooling systems:

122.14 (1) the fee for a city of the first class may not exceed \$250,000 per year;

122.15 (2) the fee for other entities for any permitted use may not exceed:

122.16 (i) \$60,000 per year for an entity holding three or fewer permits;

122.17 (ii) \$90,000 per year for an entity holding four or five permits; or

122.18 (iii) \$300,000 per year for an entity holding more than five permits;

122.19 (3) the fee for agricultural irrigation may not exceed \$750 per year;

122.20 (4) the fee for a municipality that furnishes electric service and cogenerates steam  
122.21 for home heating may not exceed \$10,000 for its permit for water use related to the  
122.22 cogeneration of electricity and steam; and

122.23 (5) no fee is required for a project involving the appropriation of surface water to  
122.24 prevent flood damage or to remove flood waters during a period of flooding, as determined  
122.25 by the commissioner.

122.26 (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two  
122.27 percent per month calculated from the original due date must be imposed on the unpaid  
122.28 balance of fees remaining 30 days after the sending of a second notice of fees due. A fee  
122.29 may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal  
122.30 governmental agency holding a water appropriation permit.

122.31 (f) The minimum water use processing fee for a permit issued for irrigation of  
122.32 agricultural land is \$20 for years in which:

122.33 (1) there is no appropriation of water under the permit; or

122.34 (2) the permit is suspended for more than seven consecutive days between May 1  
122.35 and October 1.

123.1 (g) The commissioner shall waive the water use permit fee for installations and  
123.2 projects that use storm water runoff or for a public entity that is diverting water to treat a  
123.3 water quality issue and returning that water to its source without using the water for  
123.4 any other purpose, unless the commissioner determines that any of the proposed uses  
123.5 adversely affect surface water or groundwater.

123.6 ~~(g)~~ (h) A surcharge of \$30 per million gallons in addition to the fee prescribed in  
123.7 paragraph (a) shall be applied to the volume of water used in each of the months of June,  
123.8 July, and August that exceeds the volume of water used in January for municipal water  
123.9 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities  
123.10 with more than one permit shall be determined based on the total appropriations from all  
123.11 permits that supply a common distribution system.

123.12 Sec. 21. Minnesota Statutes 2012, section 115A.151, is amended to read:

123.13 **115A.151 RECYCLABLE MATERIAL CONTAINER REQUIREMENTS;**  
123.14 **PUBLIC ENTITIES, SPORTS FACILITIES, AND COMMERCIAL BUILDINGS.**

123.15 (a) A public entity, the owner of a sports facility, and the owner of a commercial  
123.16 building shall:

123.17 (1) ensure that facilities under its control, from which mixed municipal solid waste  
123.18 is collected, have containers for at least three recyclable materials, such as, but not limited  
123.19 to, paper, glass, plastic, and metal; and

123.20 (2) transfer all recyclable materials collected to a recycler.

123.21 (b) For the purposes of this section:

123.22 (1) "public entity" means the state, an office, agency, or institution of the state,  
123.23 the Metropolitan Council, a metropolitan agency, the Metropolitan Mosquito Control  
123.24 Commission, the legislature, the courts, a county, a statutory or home rule charter city, a  
123.25 town, a school district, a special taxing district, or any entity that receives an appropriation  
123.26 from the state for a capital improvement project after August 1, 2002;

123.27 (2) "metropolitan agency" and "Metropolitan Council," have the meanings given  
123.28 them in section 473.121; and

123.29 (3) "Metropolitan Mosquito Control Commission" means the commission created  
123.30 in section 473.702;

123.31 (4) "commercial building" means a building that contains a business classified in  
123.32 sectors 42 to 81 under the North American Industrial Classification System and that  
123.33 contracts for two cubic yards or more per week of solid waste collection; and

123.34 (5) "sports facility" means a professional or collegiate sports facility at which  
123.35 competitions take place before a public audience.

124.1 **EFFECTIVE DATE.** This section is effective January 1, 2015.

124.2 Sec. 22. Minnesota Statutes 2012, section 115A.55, subdivision 4, is amended to read:

124.3 Subd. 4. **Statewide source reduction goal.** (a) It is a goal of the state ~~that there~~  
124.4 ~~be a minimum ten percent per capita reduction in the amount of mixed and counties to~~  
124.5 ~~reduce the generation of municipal solid waste generated in the state by December 31,~~  
124.6 ~~2000, based on a reasonable estimate of the amount of mixed municipal solid waste that~~  
124.7 ~~was generated in calendar year 1993.~~

124.8 (b) As part of the ~~1997~~ report required under section 115A.411, the commissioner  
124.9 shall submit to the senate and house of representatives committees having jurisdiction  
124.10 over environment and natural resources and environment and natural resources finance  
124.11 a proposed strategy for meeting the goal in paragraph (a). The strategy must include a  
124.12 discussion of the different reduction potentials to be found in various sectors and may  
124.13 include recommended interim goals. The commissioner shall report progress on meeting  
124.14 the goal in paragraph (a), as well as recommendations and revisions to the proposed  
124.15 strategy, as part of the ~~1999~~ report required under section 115A.411.

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

124.17 Sec. 23. Minnesota Statutes 2012, section 115A.551, subdivision 1, is amended to read:

124.18 Subdivision 1. **Definition.** (a) For the purposes of this section, "recycling" means,  
124.19 in addition to the meaning given in section 115A.03, subdivision 25b, yard waste and  
124.20 source-separated compostable materials composting, and recycling that occurs through  
124.21 mechanical or hand separation of materials that are then delivered ~~for reuse in their~~  
124.22 ~~original form or~~ for use in manufacturing processes that do not cause the destruction of  
124.23 recyclable materials in a manner that precludes further use.

124.24 (b) For the purposes of this section, "total solid waste generation" means the total  
124.25 by weight of:

124.26 (1) materials separated for recycling;

124.27 (2) materials separated for yard waste and source-separated compostable materials  
124.28 composting;

124.29 (3) mixed municipal solid waste plus ~~yard waste~~, motor and vehicle fluids and  
124.30 filters, tires, lead acid batteries, and major appliances; and

124.31 (4) residential and commercial waste materials that would be mixed municipal solid  
124.32 waste but for the fact that they are not collected as such.

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

125.1 Sec. 24. Minnesota Statutes 2012, section 115A.551, subdivision 2a, is amended to read:

125.2 Subd. 2a. **Supplementary County recycling goals.** (a) By December 31, 1996  
125.3 2030, each county will have as a goal to recycle the following amounts:

125.4 (1) for a county outside of the metropolitan area, 35 percent by weight of total  
125.5 solid waste generation; and

125.6 (2) for a metropolitan county, ~~50~~ 75 percent by weight of total solid waste generation.

125.7 (b) Each county will develop and implement or require political subdivisions within  
125.8 the county to develop and implement programs, practices, or methods designed to meet its  
125.9 recycling goal. Nothing in this section or in any other law may be construed to prohibit a  
125.10 county from establishing a higher recycling goal.

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

125.12 Sec. 25. Minnesota Statutes 2012, section 115A.557, subdivision 2, is amended to read:

125.13 Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money  
125.14 distributed by the commissioner under this section may use the money only for the  
125.15 development and implementation of programs to:

125.16 (1) reduce the amount of solid waste generated;

125.17 (2) recycle the maximum amount of solid waste technically feasible;

125.18 (3) create and support markets for recycled products;

125.19 (4) remove problem materials from the solid waste stream and develop proper  
125.20 disposal options for them;

125.21 (5) inform and educate all sectors of the public about proper solid waste management  
125.22 procedures;

125.23 (6) provide technical assistance to public and private entities to ensure proper solid  
125.24 waste management;

125.25 (7) provide educational, technical, and financial assistance for litter prevention; ~~and~~

125.26 (8) process mixed municipal solid waste generated in the county at a resource  
125.27 recovery facility located in Minnesota; and

125.28 (9) compost source-separated compostable materials, including the provision of  
125.29 receptacles for residential composting.

125.30 (b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed  
125.31 by the commissioner under this section to a metropolitan county, as defined in section  
125.32 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under  
125.33 this section in fiscal year 2014: (1) at least 50 percent must be expended on activities  
125.34 in paragraph (a), clause (9); and (2) the remainder must be expended on activities in

126.1 paragraph (a), clauses (1) to (7) and (9) that advance the county toward achieving its  
126.2 recycling goal under section 115A.551.

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

126.4 Sec. 26. Minnesota Statutes 2012, section 115A.557, subdivision 3, is amended to read:

126.5 Subd. 3. **Eligibility to receive money.** (a) To be eligible to receive money distributed  
126.6 by the commissioner under this section, a county shall within one year of October 4, 1989:

126.7 (1) create a separate account in its general fund to credit the money; and

126.8 (2) set up accounting procedures to ensure that money in the separate account is  
126.9 spent only for the purposes in subdivision 2.

126.10 (b) In each following year, each county shall also:

126.11 (1) have in place an approved solid waste management plan or master plan including  
126.12 a recycling implementation strategy under section 115A.551, subdivision 7, and a  
126.13 household hazardous waste management plan under section 115A.96, subdivision 6,  
126.14 by the dates specified in those provisions;

126.15 (2) submit a report by April 1 of each year to the commissioner, which may be  
126.16 submitted electronically and must be posted on the agency's Web site, detailing for the  
126.17 previous calendar year:

126.18 (i) how the money was spent including, but not limited to, specific recycling and  
126.19 composting activities undertaken to increase the county's proportion of solid waste  
126.20 recycled in order to achieve its recycling goal established in section 115A.551; specific  
126.21 information on the number of employees performing SCORE planning, oversight, and  
126.22 administration; the percentage of those employees' total work time allocated to SCORE  
126.23 planning, oversight, and administration; the specific duties and responsibilities of those  
126.24 employees; and the amount of staff salary for these SCORE duties and responsibilities of  
126.25 the employees; and

126.26 (ii) the resulting gains achieved in solid waste management practices; and

126.27 (3) provide evidence to the commissioner that local revenue equal to 25 percent of  
126.28 the money sought for distribution under this section will be spent for the purposes in  
126.29 subdivision 2.

126.30 (c) The commissioner shall withhold all or part of the funds to be distributed  
126.31 to a county under this section if the county fails to comply with this subdivision and  
126.32 subdivision 2.

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

127.1 Sec. 27. Minnesota Statutes 2012, section 116.9401, is amended to read:

127.2 **116.9401 DEFINITIONS.**

127.3 (a) For the purposes of sections 116.9401 to ~~116.9407~~ 116.9425, the following terms  
127.4 have the meanings given them.

127.5 (b) "Agency" means the Pollution Control Agency.

127.6 (c) "Alternative" means a substitute process, product, material, chemical, strategy,  
127.7 or combination of these that is technically feasible and serves a functionally equivalent  
127.8 purpose to a chemical in a children's product.

127.9 (d) "Chemical" means a substance with a distinct molecular composition or a group  
127.10 of structurally related substances and includes the breakdown products of the substance or  
127.11 substances that form through decomposition, degradation, or metabolism.

127.12 (e) "Chemical of high concern" means a chemical identified on the basis of credible  
127.13 scientific evidence by a state, federal, or international agency as being known or suspected  
127.14 with a high degree of probability to:

127.15 (1) harm the normal development of a fetus or child or cause other developmental  
127.16 toxicity;

127.17 (2) cause cancer, genetic damage, or reproductive harm;

127.18 (3) disrupt the endocrine or hormone system;

127.19 (4) damage the nervous system, immune system, or organs, or cause other systemic  
127.20 toxicity;

127.21 (5) be persistent, bioaccumulative, and toxic; or

127.22 (6) be very persistent and very bioaccumulative.

127.23 (f) "Child" means a person under 12 years of age.

127.24 (g) "Children's product" means a consumer product intended for use by children,  
127.25 such as baby products, toys, car seats, personal care products, and clothing.

127.26 (h) "Commissioner" means the commissioner of the Pollution Control Agency.

127.27 (i) "Contaminant" means a trace amount of a chemical that is incidental to  
127.28 manufacturing and serves no intended function in the product component. Contaminant  
127.29 includes, but is not limited to, unintended by-products of chemical reactions that  
127.30 occur during the manufacture of the product component, trace impurities in feedstock,  
127.31 incompletely reacted chemical mixtures, and degradation products.

127.32 (j) "Department" means the Department of Health.

127.33 ~~(j)~~ (k) "Distributor" means a person who sells consumer products to retail  
127.34 establishments on a wholesale basis.

127.35 ~~(k)~~ (l) "Green chemistry" means an approach to designing and manufacturing  
127.36 products that minimizes the use and generation of toxic substances.

128.1 (m) "Intentionally added chemical" means a chemical in a product that serves an  
128.2 intended function in the product component.

128.3 ~~(h)~~ (n) "Manufacturer" means any person who manufactures a final consumer product  
128.4 sold at retail or whose brand name is affixed to the consumer product. In the case of a  
128.5 consumer product imported into the United States, manufacturer includes the importer  
128.6 or domestic distributor of the consumer product if the person who manufactured or  
128.7 assembled the consumer product or whose brand name is affixed to the consumer product  
128.8 does not have a presence in the United States.

128.9 (o) "Mouthable" means a product that can be placed into and kept in a child's  
128.10 mouth to be sucked or chewed, including any product or product part smaller than five  
128.11 centimeters in one dimension. A product that can only be licked is not mouthable.

128.12 (p) "Practical quantification limit" means the lowest concentration of a chemical that  
128.13 can be reliably measured within specified limits of precision, accuracy, representativeness,  
128.14 completeness, and comparability under routine laboratory operating conditions and the  
128.15 value of which:

128.16 (1) is based on scientifically defensible, standard analytical methods;

128.17 (2) may vary depending on the matrix and analytical method used; and

128.18 (3) will be determined by the commissioner, taking into consideration practical  
128.19 quantification limits established by federal or state agencies.

128.20 ~~(m)~~ (q) "Priority chemical" means a chemical identified by the Department of Health  
128.21 as a chemical of high concern that meets the criteria in section 116.9403.

128.22 (r) "Product category" means the brick level of the GS1 Global Product Classification  
128.23 (GPC) standard, which identifies products that serve a common purpose, are of a similar  
128.24 form and material, and share the same set of category attributes.

128.25 (s) "Product code" means the numeric representation of the item level of the  
128.26 GS1 electronic product code (EPC), the international article number (EAN), or the  
128.27 universal product code (UPC), whichever is used by a manufacturer to identify a unique  
128.28 company-specific or brand-specific product.

128.29 (t) "Product component" means a uniquely identifiable material or coating including,  
128.30 but not limited to, an ink or dye that is intended to be included as a part of a finished  
128.31 children's product.

128.32 ~~(n)~~ (u) "Safer alternative" means:

128.33 (1) an alternative whose potential to harm human health or the environment is less  
128.34 than that of the use of a priority chemical that it could replace;

128.35 (2) an alternative chemical that is not a priority chemical identified by the department  
128.36 under section 116.9403; or



- 129.1 (3) an alternative chemical that is not identified on the basis of credible scientific  
129.2 evidence by a state, federal, or international agency as being known or suspected with  
129.3 a high degree of probability to:
- 129.4 (i) harm the normal development of a fetus or child or cause other developmental  
129.5 toxicity;
- 129.6 (ii) cause cancer, genetic damage, or reproductive harm;
- 129.7 (iii) disrupt the endocrine or hormone system; or
- 129.8 (iv) damage the nervous system, immune system, or organs, or cause other systemic  
129.9 toxicity.
- 129.10 (v) "Toy" means a product designed or intended by the manufacturer to be used  
129.11 by a child at play.
- 129.12 (w) "Trade association" means a membership organization of persons engaging  
129.13 in a similar or related line of commerce, organized to promote and improve business  
129.14 conditions in that line of commerce and not to engage in a regular business of a kind  
129.15 ordinarily carried on for profit.

129.16 Sec. 28. Minnesota Statutes 2012, section 116.9402, is amended to read:

129.17 **116.9402 IDENTIFICATION OF CHEMICALS OF HIGH CONCERN.**

129.18 (a) By July 1, 2010, the department shall, after consultation with the agency,  
129.19 generate a list of chemicals of high concern.

129.20 (b) The department must periodically review and revise the list of chemicals of  
129.21 high concern at least every three years. The department may add chemicals to the list if  
129.22 the chemical meets one or more of the criteria in section 116.9401, paragraph (e). Any  
129.23 changes to the list of chemicals of high concern must be published on the department's  
129.24 Web site and in the State Register when a change is made.

129.25 (c) The department shall consider chemicals listed as a suspected carcinogen,  
129.26 reproductive or developmental toxicant, or as being persistent, bioaccumulative, and  
129.27 toxic, or very persistent and very bioaccumulative by a state, federal, or international  
129.28 agency. These agencies may include, but are not limited to, the California Environmental  
129.29 Protection Agency, the Washington Department of Ecology, the United States Department  
129.30 of Health, the United States Environmental Protection Agency, the United Nation's World  
129.31 Health Organization, and European Parliament Annex XIV concerning the Registration,  
129.32 Evaluation, Authorisation, and Restriction of Chemicals.

129.33 (d) The department may consider chemicals listed by another state as harmful to  
129.34 human health or the environment for possible inclusion in the list of chemicals of high  
129.35 concern.

Sec. 29. Minnesota Statutes 2012, section 116.9403, is amended to read:

**116.9403 IDENTIFICATION OF PRIORITY CHEMICALS.**

Subdivision 1. Designation; publication. (a) The department, after consultation with the agency, may designate a chemical of high concern as a priority chemical if the department finds that the chemical:

(1) has been identified as a high-production volume chemical by the United States Environmental Protection Agency; and

(2) meets any of the following criteria:

(i) the chemical has been found through biomonitoring to be present in human blood, including umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

(ii) the chemical has been found through sampling and analysis to be present in household dust, indoor air, drinking water, or elsewhere in the home environment; or

(iii) the chemical has been found through monitoring to be present in fish, wildlife, or the natural environment.

(b) By February 1, 2011, the department shall publish a list of priority chemicals in the State Register and on the department's Internet Web site and shall update the published list whenever a new priority chemical is designated. Any proposed changes to the list of priority chemicals must be published on the department's Web site and in the State Register and will be subject to a minimum 60-day public comment period. In the 60 days following the date of publication in the State Register, the public may submit comments to the department on the proposed changes to the priority chemical list. A final list of changes to the list of priority chemicals must be published on the department's Web site following the end of the comment period and the department's review and consideration of all comments received during this period before finalizing changes to the list.

Subd. 2. Public data. Notwithstanding section 13.37, subdivision 2, the presence and concentration and total amount of a priority chemical in a specific children's product reported to the agency under section 116.9409, clauses (1) to (6), are classified as public data.

Subd. 3. Not misappropriation of trade secret. Notwithstanding section 325C.01, subdivision 3, publication of the presence and concentration and total amount of a priority chemical in a specific children's product under this section is not misappropriation of a trade secret.

Sec. 30. Minnesota Statutes 2012, section 116.9405, is amended to read:

**116.9405 APPLICABILITY EXEMPTIONS.**

131.1           The requirements of sections ~~116.9401~~ 116.9408 to ~~116.9407~~ 116.9425 do not  
131.2   apply to:

131.3           (1) chemicals in ~~used~~ previously owned children's products;

131.4           (2) priority chemicals used in the manufacturing process, but that are not present  
131.5   in the final product;

131.6           (3) priority chemicals used in agricultural production;

131.7           (4) motor vehicles as defined in chapter 168 or watercraft as defined in chapter  
131.8   86B or their component parts, except that the use of priority chemicals in detachable  
131.9   car seats is not exempt;

131.10          (5) priority chemicals generated solely as combustion by-products or that are present  
131.11   ~~in combustible fuels;~~ in combustible petroleum fuels or in biofuel, as defined in section  
131.12   239.051, subdivision 5a;

131.13          (6) retailers, except if a retailer is also the producer, manufacturer, importer, or  
131.14   domestic distributor of a children's product containing a priority chemical or the retailer's  
131.15   brand name is affixed to a children's product containing a priority chemical;

131.16          (7) over-the-counter drugs, pharmaceutical products, dietary supplements, or  
131.17   biologics;

131.18          (8) a medical device as defined in the federal Food, Drug, and Cosmetic Act, United  
131.19   States Code, title 21, section 321(h);

131.20          (9) ~~food and food or beverage packaging, except a container containing baby food~~  
131.21   ~~or infant formula;~~

131.22          ~~(10)~~ consumer electronics products and electronic components, including but not  
131.23   limited to personal computers; audio and video equipment; calculators; digital displays;  
131.24   wireless phones; cameras; game consoles; printers; and handheld electronic and electrical  
131.25   devices used to access interactive software or their associated peripherals; or products that  
131.26   comply with the provisions of directive 2002/95/EC of the European Union, adopted by  
131.27   the European Parliament and Council of the European Union now or hereafter in effect; ~~or~~

131.28          (10) interactive software, such as computer games, and their storage media, such as  
131.29   compact discs;

131.30          (11) outdoor sport equipment, including snowmobiles as defined in section 84.81,  
131.31   subdivision 3; all-terrain vehicles as defined in section 84.92, subdivision 8; personal  
131.32   watercraft as defined in section 86B.005, subdivision 14a; watercraft as defined in section  
131.33   86B.005, subdivision 18; and off-highway motorcycles, as defined in section 84.787,  
131.34   subdivision 7, and all attachments and repair parts for all of this equipment;  
131.35          (12) batteries; or

132.1 (13) a children's product, manufactured or distributed by an individual manufacturer  
132.2 or distributor, if fewer than 3,000 units of the children's product are manufactured or  
132.3 distributed annually in the United States by that manufacturer.

132.4 Sec. 31. Minnesota Statutes 2012, section 116.9406, is amended to read:

132.5 **116.9406 DONATIONS TO THE STATE.**

132.6 The commissioner may accept donations, grants, and other funds to carry out the  
132.7 purposes of sections 116.9401 to ~~116.9407~~ 116.9425. All donations, grants, and other  
132.8 funds must be accepted without preconditions regarding the outcomes of the regulatory  
132.9 oversight processes set forth in sections 116.9401 to ~~116.9407~~ 116.9425.

132.10 Sec. 32. **[116.9408] CHILDREN'S PRODUCTS; INITIAL NOTIFICATION**  
132.11 **ON PRIORITY CHEMICALS.**

132.12 (a) A manufacturer or distributor of a children's product offered for sale in this state  
132.13 that contains a priority chemical must, unless the children's product is not subject to  
132.14 regulation under section 116.9405, provide the information required under this section  
132.15 to the agency:

132.16 (1) within one year of the effective date of this act, if both the designation of the  
132.17 priority chemical under section 116.9403 and the offering for sale in this state of the  
132.18 children's product containing the priority chemical occurred prior to the effective date  
132.19 of this act;

132.20 (2) within one year of the priority chemical being designated under section 116.9403,  
132.21 if the children's product is initially offered for sale in this state before the designation and  
132.22 the designation is made after the effective date of this act; or

132.23 (3) within one year of the initial offering of the children's product for sale in this  
132.24 state, if the initial offering occurs after the priority chemical is designated under section  
132.25 116.9403 and the designation is made after the effective date of this act.

132.26 (b) An initial notification is required for each children's product that is known  
132.27 or believed likely to include a priority chemical in any amount and must include the  
132.28 following information submitted to the agency on a form developed by the commissioner:

132.29 (1) the name of the priority chemical and its Chemical Abstracts Service Registry  
132.30 number;

132.31 (2) in which of the following tiers the children's product containing a priority  
132.32 chemical belongs:

133.1 (i) Tier 1: a mouthable children's product intended to be used by children three years  
133.2 of age or younger or a children's product intended to be placed in a child's mouth or  
133.3 directly applied to a child's skin;

133.4 (ii) Tier 2: a children's product intended to be in direct contact with a child's skin for  
133.5 one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

133.6 (iii) Tier 3: a children's product intended to be in direct contact with a child's skin  
133.7 for less than one hour; or

133.8 (iv) Tier 4: a children's product in which a priority chemical is contained only in an  
133.9 internal component that, under normal use, is unlikely to come into direct contact with  
133.10 a child's skin or mouth;

133.11 (3) a description of the product component in which the priority chemical is present;  
133.12 and

133.13 (4) the name and address of the reporting manufacturer or distributor and the name,  
133.14 address, and telephone number of the contact person for the reporting manufacturer or  
133.15 distributor.

133.16 Sec. 33. **[116.9409] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING**  
133.17 **INFORMATION ON PRIORITY CHEMICALS; TIMING.**

133.18 A manufacturer or distributor of a children's product offered for sale in this state  
133.19 that contains a priority chemical must, unless the children's product is not subject to  
133.20 regulation under section 116.9405, provide the full product information required under  
133.21 section 116.9410 to the agency. The maximum length of time between the filing of the  
133.22 information required under section 116.9408, paragraph (a), and the filing of full product  
133.23 information required under section 116.9410 varies according to the manufacturer's or  
133.24 distributor's annual aggregate gross sales, both within and outside the state, as reported in  
133.25 the manufacturer's or distributor's most recently filed federal tax return, as follows:

133.26 (1) for a manufacturer or distributor with gross sales exceeding \$1,000,000,000, one  
133.27 year or, for a priority chemical designated under section 116.9403 before January 1, 2014,  
133.28 by two years after the effective date of this section;

133.29 (2) for a manufacturer or distributor with gross sales exceeding \$250,000,000 but  
133.30 less than or equal to \$1,000,000,000, 1-1/2 years or, for a priority chemical designated  
133.31 under section 116.9403 before January 1, 2014, by 2-1/2 years after the effective date  
133.32 of this section;

133.33 (3) for a manufacturer or distributor with gross sales exceeding \$100,000,000 but less  
133.34 than or equal to \$250,000,000, two years or, for a priority chemical designated under section  
133.35 116.9403 before January 1, 2014, by three years after the effective date of this section;

134.1 (4) for a manufacturer or distributor with gross sales exceeding \$5,000,000 but  
134.2 less than or equal to \$100,000,000, three years or, for a priority chemical designated  
134.3 under section 116.9403 before January 1, 2014, by four years after the effective date  
134.4 of this section;

134.5 (5) for a manufacturer or distributor with gross sales exceeding \$100,000 but less  
134.6 than or equal to \$5,000,000, four years or, for a priority chemical designated under section  
134.7 116.9403 before January 1, 2014, by five years after the effective date of this section; and

134.8 (6) for a manufacturer or distributor with gross sales less than or equal to \$100,000,  
134.9 five years or, for a priority chemical designated under section 116.9403 before January 1,  
134.10 2014, by six years after the effective date of this section.

134.11 Sec. 34. **[116.9410] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING**  
134.12 **INFORMATION ON PRIORITY CHEMICALS.**

134.13 (a) A manufacturer or distributor of a children's product offered for sale in the state  
134.14 that contains one or more priority chemicals must, except as provided in paragraph (e) or  
134.15 if the children's product is not subject to regulation under section 116.9405, provide the  
134.16 following full product information to the agency on a form developed by the commissioner:

134.17 (1) the name of each priority chemical and its Chemical Abstracts Service Registry  
134.18 number;

134.19 (2) in which of the following tiers the children's product containing a priority  
134.20 chemical belongs:

134.21 (i) Tier 1: a mouthable children's product intended to be used by children three years  
134.22 of age or younger or a children's product intended to be placed in a child's mouth or  
134.23 directly applied to a child's skin;

134.24 (ii) Tier 2: a children's product intended to be in direct contact with a child's skin for  
134.25 one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

134.26 (iii) Tier 3: a children's product intended to be in direct contact with a child's skin  
134.27 for less than one hour; or

134.28 (iv) Tier 4: a children's product in which a priority chemical is contained only in an  
134.29 internal component that, under normal use, is unlikely to come into direct contact with  
134.30 a child's skin or mouth;

134.31 (3) the product components, materials, or coatings that contain one or more priority  
134.32 chemicals;

134.33 (4) the concentration and total amount of each priority chemical contained in a  
134.34 children's product, a description of how the concentration was determined, and an

135.1 evaluation of the accuracy of the determination. Concentrations at or above the practical  
135.2 quantification limit must be reported, but may be reported in the following ranges:

135.3 (i) greater than or equal to the practical quantification limit but less than 100 ppm;

135.4 (ii) greater than or equal to 100 ppm but less than 500 ppm;

135.5 (iii) greater than or equal to 500 ppm but less than 1,000 ppm;

135.6 (iv) greater than or equal to 1,000 ppm but less than 5,000 ppm;

135.7 (v) greater than or equal to 5,000 ppm but less than 10,000 ppm; and

135.8 (vi) greater than or equal to 10,000 ppm.

135.9 For the purposes of this section, "ppm" means parts per million;

135.10 (5) the product category or categories for the children's product;

135.11 (6) a description of the function of the priority chemical in the product, including  
135.12 whether it is present as a contaminant;

135.13 (7) the name and address of the manufacturer, distributor, or trade association filing  
135.14 the report and the name, address, and telephone number of the contact person for the  
135.15 reporting manufacturer, distributor, or trade association;

135.16 (8) evidence describing the extent to which a child is likely to be exposed to the  
135.17 priority chemical through normal use of the children's product;

135.18 (9) the number of units of the children's product sold or distributed in Minnesota  
135.19 or nationally;

135.20 (10) any other information the manufacturer or distributor deems relevant; and

135.21 (11) any other information requested by the commissioner.

135.22 (b) Reporting shall include all intentionally added chemicals at or above the  
135.23 applicable practical quantification limit, and contaminants present in a product component  
135.24 at a concentration above 100 ppm.

135.25 (c) Reporting parties are not required to include any specific formula information  
135.26 or the specific name and address of the facility that is responsible for introduction of a  
135.27 priority chemical into a children's product or product component.

135.28 (d) If the information required in paragraph (a) is not submitted in a timely fashion  
135.29 or is incomplete or otherwise unacceptable as determined by the agency, the agency may  
135.30 contract with an independent third party of the agency's choice to provide the information  
135.31 and may assess a fee on the manufacturer or distributor to pay the costs as specified  
135.32 under section 116.9419.

135.33 (e) The agency shall determine on a case-by-case basis if reporting the information  
135.34 in paragraph (a), clauses (3) to (9), is required by a manufacturer or distributor whose  
135.35 children's product belongs in Tier 4 under paragraph (a), clause (2).

(f) If a manufacturer claims that any of the information provided to the agency under this section is trade secret information under section 13.37, subdivision 1, the agency shall make a determination regarding the claim. Information determined to be public data shall be posted on the agency's Web site. This paragraph does not apply to the presence and concentration and total amount of a priority chemical in a specific children's product, which is governed under section 116.9403, subdivisions 2 and 3.

(g) A trade association may file the information required under this section on behalf of a manufacturer or distributor, provided that the trade association includes in the filing a list of the manufacturers or distributors on whose behalf the trade association is reporting and all the information otherwise required of an individual manufacturer or distributor.

Sec. 35. **[116.9411] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS; SECOND AND SUBSEQUENT REPORTS.**

(a) Following the initial submission of the information required under section 116.9410, a manufacturer or distributor of a children's product offered for sale in the state that continues to contain a priority chemical must submit the information required under section 116.9410 to the agency every two years.

(b) If a reporting party determines that there has been no change in the information required to be filed under section 116.9410 since the most recent filing, the reporting party may submit a written statement indicating that the previously filed data is still valid, in lieu of a new duplicate complete report, and must submit the required fees.

(c) If a manufacturer or distributor is required to file more than one report under section 116.9410 on the same priority chemical in the same children's product code, each subsequent report must include the following information in addition to the information required under section 116.9410:

(1) the product code of the children's product; and

(2) a description of the manufacturer's attempts to remove the priority chemical from the children's product and any evaluation made of the use of safer alternatives to substitute for the priority chemical contained in the children's product, including the Chemical Abstracts Service Registry numbers of safer alternatives considered. If the manufacturer claims that any information provided to the agency under this clause is trade secret information under section 13.37, subdivision 1, the agency shall make a determination regarding the claim.



137.1       Sec. 36. **[116.9412] CHILDREN'S PRODUCTS; REMOVING A PRIORITY**  
137.2 **CHEMICAL; REPORTING REQUIREMENT.**

137.3       A manufacturer or distributor who removes a priority chemical from a children's  
137.4 product for which an initial notification has been filed under section 116.9408 or for which  
137.5 full product information has been filed under section 116.9410 must notify the agency  
137.6 of the removal at the earliest date possible. If the priority chemical removed is replaced  
137.7 by a safer alternative, the manufacturer or distributor must provide, on a form developed  
137.8 by the commissioner, the information in section 116.9410, paragraph (a), clauses (1) to  
137.9 (7), and the name of the safer alternative and its Chemical Abstracts Service Registry  
137.10 number, or, if not replaced by a chemical alternative, a description of the techniques or  
137.11 design changes implemented. The safer alternative or nonchemical techniques or design  
137.12 changes are trade secrets.

137.13       Sec. 37. **[116.9419] FEES.**

137.14       (a) The agency shall, if applicable, assess and collect the following fees from  
137.15 manufacturers and distributors of children's products offered for sale in this state:

137.16       (1) a fee of \$1,000 for each full product report required under section 116.9410. If  
137.17 a children's product contains more than one priority chemical, each priority chemical is  
137.18 subject to this fee;

137.19       (2) a fee equal to the costs billed by the independent contractor plus the agency's  
137.20 actual incurred costs to bid and administer the contract for each contract issued under  
137.21 section 116.9410, paragraph (d); and

137.22       (3) a fee equal to twice the fee in clause (1) for the second full product report  
137.23 required under section 116.9410 on the same priority chemical in the same children's  
137.24 product. The fee for each subsequent full product report required under that section is  
137.25 correspondingly increased by an amount equal to the fee in clause (1).

137.26       (b) No fee is required for filing an initial notification under section 116.9408.

137.27       (c) The commissioner shall deposit all fees collected under this section in the  
137.28 environmental fund. All fees collected under this section are exempt from section  
137.29 16A.1285.

137.30       Sec. 38. **[116.9420] STATE AGENCY DUTIES.**

137.31       (a) The agency shall publish all data that is required to be filed under sections  
137.32 116.9410 and 116.9411 and that is not trade secret data on the agency's Web site and  
137.33 through other means determined by the commissioner.

(b) If a priority chemical continues to be used in a specific children's product after its manufacturer files a report required under section 116.9411, the commissioner may recommend options to further reduce or eliminate the use of the priority chemical in the report required under section 116.9425.

(c) The commissioner, in consultation with the commissioners of commerce and health, may use fee revenue in excess of program implementation costs to offer grants awarded competitively to manufacturers or other researchers to develop safer alternatives to priority chemicals in children's products, to establish alternatives as safer alternatives, or to accelerate the commercialization of safer alternatives.

(d) The commissioners of health and commerce shall develop and implement an education effort regarding priority chemicals in children's products. Education and outreach activities include, but are not limited to, consumer product safety advice; notification of recalls; identification of target audiences for product alerts and methods of notification; outreach and feedback at county and state fairs; publicity of reporting requirements of priority chemicals in children's products; and education of retailers about reporting requirements.

Sec. 39. **[116.9423] ENFORCEMENT.**

The agency shall enforce sections 116.9401 to 116.9424 and rules adopted thereunder in the manner provided by section 115.071, subdivisions 1, 3, 4, 5, and 6. Section 115.071, subdivision 2, does not apply to violations of sections 116.9401 to 116.9424 and rules adopted thereunder.

Sec. 40. **[116.9424] RULES.**

The commissioner or the commissioner of commerce may adopt rules as necessary to implement, administer, and enforce sections 116.9401 to 116.9425.

Sec. 41. **[116.9425] REPORT.**

By November 15, 2015, and every three years thereafter, the commissioners of the Pollution Control Agency, health, and commerce shall report to the legislative committees with jurisdiction over environment and natural resources, commerce, and public health on the implementation of sections 116.9401 to 116.9424.

Sec. 42. **[168.1295] STATE PARKS AND TRAILS PLATES.**

Subdivision 1. General requirements and procedures. (a) The commissioner shall issue state parks and trails plates to an applicant who:

139.1 (1) is a registered owner of a passenger automobile, recreational vehicle, one ton  
139.2 pickup truck, or motorcycle;

139.3 (2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

139.4 (3) pays the registration tax required under section 168.013;

139.5 (4) pays the fees required under this chapter;

139.6 (5) contributes a minimum of \$50 annually to the state parks and trails donation  
139.7 account established in section 85.056; and

139.8 (6) complies with this chapter and rules governing registration of motor vehicles  
139.9 and licensing of drivers.

139.10 (b) The state parks and trails plate application must indicate that the contribution  
139.11 specified under paragraph (a), clause (5), is a minimum contribution to receive the plate  
139.12 and that the applicant may make an additional contribution to the account.

139.13 (c) State parks and trails plates may be personalized according to section 168.12,  
139.14 subdivision 2a.

139.15 Subd. 2. **Design.** After consultation with interested groups, the commissioners of  
139.16 natural resources and public safety shall jointly select a suitable symbol for use by the  
139.17 commissioner of public safety to design the state parks and trails plates.

139.18 Subd. 3. **No refund.** Contributions under this section must not be refunded.

139.19 Subd. 4. **Plate transfers.** Notwithstanding section 168.12, subdivision 1, on  
139.20 payment of a transfer fee of \$5, plates issued under this section may be transferred to  
139.21 another passenger automobile registered to the person to whom the plates were issued.

139.22 Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1,  
139.23 paragraph (a), clause (5), must be paid to the commissioner and credited to the state  
139.24 parks and trails donation account established in section 85.056. The other fees collected  
139.25 under this section must be deposited in the vehicle services operating account of the  
139.26 special revenue fund under section 299A.705.

139.27 Subd. 6. **Record.** The commissioner shall maintain a record of the number of  
139.28 plates issued under this section.

139.29 Subd. 7. **Exemption.** Special plates issued under this section are not subject to  
139.30 section 168.1293, subdivision 2.

139.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
139.32 applies to applications submitted on or after January 1, 2016, or the date the new driver and  
139.33 vehicle services information technology system is implemented, whichever comes later.

139.34 Sec. 43. **[347.57] DEFINITIONS.**

Subdivision 1. **Terms.** The definitions in this section apply to sections 347.57 to 347.64.

Subd. 2. **Animal.** "Animal" means a dog or a cat.

Subd. 3. **Board.** "Board" means the Board of Animal Health.

Subd. 4. **Cat.** "Cat" means a mammal that is wholly or in part of the species Felis domesticus. An adult cat is a cat 28 weeks of age or older. A kitten is a cat under 28 weeks of age.

Subd. 5. **Commercial breeder.** "Commercial breeder" means a person who possesses or has an ownership interest in animals and is engaged in the business of breeding animals for sale or for exchange in return for consideration, and who possesses ten or more adult intact animals and whose animals produce more than five total litters of puppies or kittens per year.

Subd. 6. **Confinement area.** "Confinement area" means a structure used or designed for use to restrict an animal to a limited amount of space, such as a room, pen, cage, kennel, compartment, crate, or hutch.

Subd. 7. **Dog.** "Dog" means a mammal that is wholly or in part of the species Canis familiaris. An adult dog is a dog 28 weeks of age or older. A puppy is a dog under 28 weeks of age.

Subd. 8. **Facility.** "Facility" means the place used by a commercial breeder for breeding animals, and includes all buildings, property, confinement areas, and vehicles.

Subd. 9. **Local animal control authority.** "Local animal control authority" means an agency of the state, county, municipality, or other political subdivision of the state that is responsible for animal control operations in its jurisdiction.

Subd. 10. **Person.** "Person" means a natural person, firm, partnership, corporation, or association, however organized.

Subd. 11. **Possess.** "Possess" means to have custody of or have control over.

Subd. 12. **Veterinarian.** "Veterinarian" means a veterinarian in good standing and licensed in the state of Minnesota.

Sec. 44. **[347.58] LICENSING AND INSPECTIONS.**

Subdivision 1. **Licensing.** (a) The board may grant an operating license to a commercial breeder and must enforce sections 347.58 to 347.64.

(b) Beginning July 1, 2015, a commercial breeder must obtain an annual license for each facility it owns or operates. More than one building on the same premises is considered one facility. The initial prelicense inspection fee and the annual license fee is \$10 per adult intact animal, but each fee must not exceed \$250.

141.1 (c) The board must perform an announced initial prelicense inspection within 60  
141.2 days from the date of receiving a license application. A commercial breeder is not in  
141.3 violation of this section if the commercial breeder has filed a completed license application  
141.4 with the board and the board has not performed the initial prelicense inspection. The  
141.5 board must inspect a commercial breeder's facility before an initial license is issued. The  
141.6 initial prelicense inspection fee must be included with the license application. Upon  
141.7 completion of the inspection, the inspector must provide the commercial breeder an  
141.8 inspection certificate signed by the inspector in a format approved by the board.

141.9 (d) The license application must indicate if a commercial breeder operates under  
141.10 more than one name from a single location or has an ownership interest in any other  
141.11 facility. License holders must keep separate records for each business name.

141.12 (e) The application must include a statement that includes the following information:

141.13 (1) whether any license held by an applicant under this section or under any other  
141.14 federal, state, county, or local law, ordinance, or other regulation relating to breeding cats  
141.15 or dogs was ever suspended, revoked, or denied; and

141.16 (2) whether the applicant was ever convicted of animal cruelty.

141.17 (f) An application from a partnership, corporation, or limited liability company must  
141.18 include the name and address of all partners, directors, officers, or members and must  
141.19 include a notation of any partners, directors, officers, members, or others authorized to  
141.20 represent the partnership, corporation, or limited liability company.

141.21 (g) A nonresident applicant must consent to adjudication of any violation under the  
141.22 laws of the state of Minnesota and in Minnesota courts.

141.23 (h) A license issued under this section is not transferable.

141.24 (i) A license holder must apply for license renewal annually by submitting a renewal  
141.25 application on a form approved by the board. The license renewal application must be  
141.26 postmarked or submitted electronically in a method approved by the board by July 1  
141.27 of each year. The board may assess a late renewal penalty of up to 50 percent of the  
141.28 license fee. If a license is not renewed by August 1, the board may require the commercial  
141.29 breeder to reapply for an initial license.

141.30 (j) A commercial breeder must submit to the board an annual report by July 1 on a  
141.31 form prepared by the board. The form must include the current number of cats and dogs at  
141.32 the facility on the date of the report, the number of animals during the preceding year that  
141.33 were sold, traded, bartered, leased, brokered, given away, euthanized, or deceased from  
141.34 other causes, and any other information required by the board.

141.35 (k) If a commercial breeder is required to be licensed by the United States  
141.36 Department of Agriculture, United States Department of Agriculture inspection reports

142.1 and records relating to animal care plans and veterinary care must be made available  
142.2 during an inspection, upon request.

142.3 (l) A commercial breeder must prominently display the commercial breeder's license  
142.4 at each facility.

142.5 (m) A commercial breeder's state license number or a symbol approved by the board  
142.6 must be included in all of the commercial breeder's advertisements or promotions that  
142.7 pertain to animals being sold or traded including, but not limited to, all newspapers,  
142.8 Internet, radio, or flyers.

142.9 (n) A commercial breeder must notify the board by certified mail or electronically  
142.10 in a method approved by the board within ten days of any change in address, name,  
142.11 management, or substantial control and ownership of the business or operation.

142.12 (o) The board must refuse to issue an initial license when a commercial breeder:

142.13 (1) is in violation of section 343.21; 343.24; 343.27; 343.28; 343.31; 343.37; 346.37;  
142.14 346.38; 346.39; 346.44; or 346.155;

142.15 (2) has failed to meet any of the requirements of this section and section 347.59;

142.16 (3) is in violation of a local ordinance regarding breeders;

142.17 (4) has been convicted, other than a petty misdemeanor conviction, of cruelty to  
142.18 animals under Minnesota law or a substantially similar animal cruelty law of another  
142.19 jurisdiction;

142.20 (5) has had a substantially similar license denied, revoked, or suspended by another  
142.21 federal or state authority within the last five years; or

142.22 (6) has falsified any material information requested by the board.

142.23 (p) A person who has been an officer, agent, direct family member, or employee of a  
142.24 commercial breeder whose license was revoked or suspended and who was responsible for  
142.25 or participated in the violation that was a basis for the revocation or suspension may not  
142.26 be licensed while the revocation or suspension is in effect.

142.27 Subd. 2. **Inspections.** (a) The board must inspect each licensed facility at least  
142.28 annually. The inspection must be with the commercial breeder or an agent of the  
142.29 commercial breeder present. The inspector must submit an inspection report to the board  
142.30 within ten days of each inspection on a form prepared by the board. The inspection report  
142.31 form must list separately each law, rule, regulation, and ordinance the facility is not in  
142.32 compliance with and what correction is required for compliance. The inspection report  
142.33 form must document the animal inventory on the date of the inspection.

142.34 (b) If, after the prelicense inspection, the commercial breeder has two consecutive  
142.35 years of inspections with no violations, the board must inspect the commercial breeder at

least every two years. If the commercial breeder has any violations during an inspection or if the board has cause, the board must inspect the commercial breeder at least annually.

(c) If a license to operate is suspended, revoked, or denied, the board must be granted access to the facility during normal business hours to verify that it is not operating.

Subd. 3. **Record requirements.** (a) The commercial breeder must keep records on each animal at the facility that includes:

(1) the name, address, and United States Department of Agriculture license number, if applicable, from whom an animal was received; the date the commercial breeder received the animal; the date of the animal's birth; the breed, sex, color, and identifying marks of the animal; any identifying tag, tattoo, microchip, or collar number; worming treatments, vaccinations, and name of the person who administered the vaccination; medication received by the animal while in the possession of the commercial breeder; and any disease conditions diagnosed by a veterinarian; and

(2) the name and address of the person or entity to whom an animal was transferred.

(b) The commercial breeder must maintain a copy of the records required to be kept under this subdivision for two years.

Subd. 4. **Veterinary protocol.** (a) A commercial breeder must establish and maintain a written protocol for disease control and prevention, euthanasia, and veterinary care of animals at each facility. The initial protocol must be developed under the direction and supervision of the board. A commercial breeder must maintain a written protocol that is updated at least every 12 months and that is signed and dated by the board or by a veterinarian along with the commercial breeder. The written protocol must be available to the board upon request or at the time of inspection.

(b) An animal sold or otherwise distributed by a commercial breeder must be accompanied by a veterinary health certificate completed by a veterinarian. The certificate must be completed within 30 days prior to the sale or distribution and must indicate that the animal is current with vaccinations and has no signs of infectious or contagious diseases. The certificate accompanying an adult dog that was not spayed or neutered must indicate that the dog has no signs of infectious or contagious diseases and was tested for canine brucellosis with a test approved by the board and found to be negative.

Subd. 5. **Posting of information.** The board must maintain and post in a timely manner on its Web site a list of commercial breeders licensed and in good standing under this section.

**Sec. 45. [347.59] STANDARDS OF CARE.**

(a) A commercial breeder must comply with chapters 343 and 346.

144.1 (b) A commercial breeder must ensure that animals that are part of the commercial  
144.2 breeder's breeding business operations are cared for as follows:

144.3 (1) cats must not be housed in outdoor confinement areas;

144.4 (2) animals exercised in groups must be compatible and show no signs of contagious  
144.5 or infectious disease;

144.6 (3) females in estrus must not be housed in the same confinement area with  
144.7 unneutered males, except for breeding purposes;

144.8 (4) animals must be provided daily enrichment and must be provided positive physical  
144.9 contact with human beings and compatible animals at least twice daily unless a veterinarian  
144.10 determines such activities would adversely affect the health or well-being of the animal;

144.11 (5) animals must not be sold, traded, or given away before the age of eight weeks  
144.12 unless a veterinarian determines it would be in the best interests of the health or well-being  
144.13 of the animal;

144.14 (6) the commercial breeder must provide identification and tracking for each animal,  
144.15 which is not transferable to another animal; and

144.16 (7) the commercial breeder must provide adequate staff to maintain the facility and  
144.17 observe each animal daily to monitor each animal's health and well-being, and to properly  
144.18 care for the animals.

144.19 (c) A commercial breeder must not knowingly hire staff or independent contractors  
144.20 who have been convicted of cruelty to animals under the law of any jurisdiction.

144.21 (d) A commercial breeder must comply with any additional standards the board  
144.22 considers necessary to protect the public health and welfare of animals covered under  
144.23 sections 347.57 to 347.61. The standards must be established by rule.

144.24 (e) A United States Department of Agriculture (USDA) licensed breeder or dealer  
144.25 who is in compliance with the minimum USDA regulations governing the license holder  
144.26 as they relate to animal confinement areas as of the effective date of this section does not  
144.27 have to comply with the minimum confinement area measurements under section 346.39,  
144.28 subdivision 4, for existing confinement areas in each facility the breeder or dealer owns. If  
144.29 a USDA-licensed breeder or dealer builds a new confinement area after the effective date  
144.30 of this section, those minimum standards must meet or exceed the minimum specifications  
144.31 as they relate to confinement area size under section 346.39, subdivision 4.

144.32 **Sec. 46. [347.60] INVESTIGATIONS.**

144.33 (a) The board must initiate an investigation upon receiving a formal complaint  
144.34 alleging violations of section 347.58 or 347.59.



145.1 (b) When a local animal control authority, a peace officer, or a humane agent  
145.2 appointed under section 343.01 is made aware of an alleged violation under this chapter  
145.3 or chapter 343 or 346, committed by a commercial breeder, the local animal control  
145.4 authority, peace officer, or humane agent appointed under section 343.01 must report the  
145.5 alleged violation in a timely manner to the board.

145.6 Sec. 47. **[347.61] CIVIL ENFORCEMENT.**

145.7 Subdivision 1. **Correction orders.** (a) The board may issue a correction order  
145.8 requiring a commercial breeder to correct a violation of state statutes, rules, and  
145.9 regulations governing breeding facilities. The correction order must state the deficiencies  
145.10 that constitute the violation; the specific statute, rule, or regulation violated; and when  
145.11 the violation must be corrected.

145.12 (b) A commercial breeder may ask the board to reconsider any portion of the  
145.13 correction order that the commercial breeder believes is in error. The request for  
145.14 reconsideration must be made in writing by certified mail or electronically in a method  
145.15 approved by the board within seven days after receipt of the correction order. The  
145.16 request for reconsideration does not stay the correction order. The board must respond  
145.17 to the request for reconsideration within 15 days after receiving a request. The board's  
145.18 disposition of a request for reconsideration is final. The board may extend the time for  
145.19 complying with a correction order after receiving a request for reconsideration if necessary.

145.20 (c) The board must reinspect the facility within 15 days after the time for correcting  
145.21 the violation has passed to determine whether the violation has been corrected. If the  
145.22 violation has been corrected, the board must notify the commercial breeder in writing that  
145.23 the commercial breeder is in compliance with the correction order. The board may charge  
145.24 a reinspection fee to determine if a previous violation has been corrected.

145.25 Subd. 2. **Administrative penalty orders.** After the inspection required under  
145.26 subdivision 1, paragraph (c), the board may issue an order requiring violations to  
145.27 be corrected and administratively assessing monetary penalties for violations. The  
145.28 administrative penalty order must include a citation of the statute, rule, or regulation  
145.29 violated; a description of the violation; and the amount of the penalty for each violation. A  
145.30 single correction order may assess a maximum administrative penalty of \$5,000.

145.31 Subd. 3. **Injunctive relief.** In addition to any other remedy provided by law, the  
145.32 board may bring an action for injunctive relief in the district court in Ramsey County or in  
145.33 the county in which a violation of the statutes, rules, or regulations governing the breeding  
145.34 of cats and dogs occurred to enjoin the violation.

Subd. 4. **Cease and desist.** The board must issue an order to cease a practice if its continuation would result in an immediate risk to animal welfare or public health. An order issued under this subdivision is effective for a maximum of 72 hours. The board or its designated agent must seek an injunction or take other administrative action authorized by law to restrain a practice beyond 72 hours. The issuance of a cease-and-desist order does not preclude other enforcement action by the board.

Subd. 5. **Refusal to reissue license; license suspension or revocation.** (a) The board may suspend, revoke, or refuse to renew a license as follows:

(1) for failure to comply with a correction order;

(2) for failure to pay an administrative penalty;

(3) for failure to meet the requirements of section 347.58 or 347.59; or

(4) for falsifying information requested by the board.

A license suspension, revocation, or nonrenewal may be appealed through the Office of Administrative Hearings. A notice of intent to appeal must be filed in writing with the board within 20 days after receipt of the notice of suspension, revocation, or nonrenewal.

(b) The board must revoke a license if a commercial breeder has been convicted of cruelty to animals under Minnesota law or a substantially similar animal cruelty law of another jurisdiction, or for the denial, revocation, or suspension of a similar license by another federal or state authority. A license revocation under this subdivision may be appealed through the Office of Administrative Hearings. A notice of intent to appeal must be filed in writing with the board within 20 days after receipt of the notice of revocation.

(c) A commercial breeder whose license is revoked may not reapply for licensure for two years after the date of revocation. The license is permanently revoked if the basis for the revocation was a gross misdemeanor or felony conviction for animal cruelty.

(d) A commercial breeder whose license is suspended or revoked two times is permanently barred from licensure.

Subd. 6. **Administrative hearing rights.** (a) Except as provided in paragraph (b), if the board proposes to refuse to renew, suspend, or revoke a license, the board must first notify the commercial breeder in writing of the proposed action and provide an opportunity to request a hearing under the contested case provisions of chapter 14. If the commercial breeder does not request a hearing within 20 days after receipt of the notice of the proposed action, the board may proceed with the action without a hearing.

(b) The contested case provisions of chapter 14 do not apply when the board denies a license based on an applicant's failure to meet the minimum qualifications for licensure.

(c) A commercial breeder may appeal the amount of an administrative penalty order through the Office of Administrative Hearings pursuant to the procedures set forth

147.1 in chapter 14. A commercial breeder wishing to file an appeal must notify the board in  
147.2 writing within 20 days after receipt of the administrative penalty order.

147.3 Subd. 7. **Other jurisdictions.** The board may accept as prima facie evidence of  
147.4 grounds for an enforcement action under this section any enforcement or disciplinary  
147.5 action from another jurisdiction, if the underlying violation would be grounds for a  
147.6 violation under the provisions of this section.

147.7 Subd. 8. **Appeals.** A final order by the board may be appealed to the Minnesota  
147.8 Court of Appeals.

147.9 Sec. 48. **[347.615] BIOSECURITY; ENTRY INTO FACILITIES.**

147.10 No law enforcement officer, agent of the board, or other official may enter a  
147.11 commercial breeder facility unless the person follows either the biosecurity procedure  
147.12 issued by the board or a reasonable biosecurity procedure maintained and prominently  
147.13 posted by the commercial breeder at each entry to a facility, whichever is more stringent.  
147.14 This section does not apply in emergency or exigent circumstances.

147.15 Sec. 49. **[347.62] PENALTIES.**

147.16 (a) A violation of section 347.58 or 347.59 that results in cruelty or torture to an  
147.17 animal, as those terms are defined in section 343.20, subdivision 3, is subject to the  
147.18 penalties in section 343.21, subdivisions 9 and 10, relating to pet or companion animals.

147.19 (b) It is a misdemeanor to falsify information in a license application, annual report,  
147.20 or record.

147.21 (c) It is a misdemeanor for an unlicensed commercial breeder to advertise animals  
147.22 for sale.

147.23 (d) It is a misdemeanor for a commercial breeder to operate without a license.

147.24 Sec. 50. **[347.63] DOG AND CAT BREEDERS LICENSING ACCOUNT;**  
147.25 **APPROPRIATION.**

147.26 A dog and cat breeders licensing account is created in the special revenue fund.  
147.27 All fees and penalties collected by the board under sections 347.58 to 347.62 must be  
147.28 deposited in the state treasury and credited to the dog and cat breeders licensing account  
147.29 in the special revenue fund. Money in the account, including interest on the account, is  
147.30 annually appropriated to the board to administer those sections.

147.31 Sec. 51. **[347.64] APPLICABILITY.**

147.32 Sections 347.57 to 347.63 do not apply to:

- 148.1 (1) any species other than dogs and cats as they are defined in section 347.57; and  
 148.2 (2) veterinary clinics or veterinary hospitals.

148.3 Sec. 52. Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended by  
 148.4 Laws 2009, chapter 37, article 1, section 61, is amended to read:

148.5 Subd. 7. <b>Fish and Wildlife Management</b>	123,000	119,000
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148.6 Appropriations by Fund

148.7 General	-0-	(427,000)
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148.8 Game and Fish	123,000	546,000
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148.9 \$329,000 in 2009 is a reduction for fish and  
 148.10 wildlife management.

148.11 \$46,000 in 2009 is a reduction in the  
 148.12 appropriation for the Minnesota Shooting  
 148.13 Sports Education Center.

148.14 \$52,000 in 2009 is a reduction for licensing.

148.15 \$123,000 in 2008 and \$246,000 in 2009 are  
 148.16 from the game and fish fund to implement  
 148.17 fish virus surveillance, prepare infrastructure  
 148.18 to handle possible outbreaks, and implement  
 148.19 control procedures for highest risk waters  
 148.20 and fish production operations. This is a  
 148.21 onetime appropriation.

148.22 Notwithstanding Minnesota Statutes, section  
 148.23 297A.94, paragraph (e), \$300,000 in 2009  
 148.24 is from the second year appropriation in  
 148.25 Laws 2007, chapter 57, article 1, section 4,  
 148.26 subdivision 7, from the heritage enhancement  
 148.27 account in the game and fish fund ~~to study,~~  
 148.28 ~~pre-design, and design a shooting sports~~  
 148.29 ~~facility in the seven-county metropolitan~~  
 148.30 ~~area~~ for shooting sports facilities. Of this  
 148.31 amount, \$100,000 is for a grant to the Itasca  
 148.32 County Gun Club for shooting sports facility  
 148.33 improvements; and the remaining balance  
 148.34 is for trap shooting facility grants under

149.1 Minnesota Statutes, section 87A.10. This is  
149.2 available onetime only and is available until  
149.3 expended.  
149.4 \$300,000 in 2009 is appropriated from the  
149.5 game and fish fund for only activities that  
149.6 improve, enhance, or protect fish and wildlife  
149.7 resources. This is a onetime appropriation.

149.8 Sec. 53. Laws 2012, chapter 249, section 11, is amended to read:

149.9 Sec. 11. **COSTS OF SCHOOL TRUST LANDS DIRECTOR AND**  
149.10 **LEGISLATIVE PERMANENT SCHOOL FUND COMMISSION.**

149.11 (a) The costs of the school trust lands director, including the costs of hiring staff,  
149.12 and the Legislative Permanent School Fund Commission for fiscal years 2014 ~~and~~ 2015,  
149.13 and 2016 shall be from the state forest development suspense account under Minnesota  
149.14 Statutes, section 16A.125, and from the minerals management account under Minnesota  
149.15 Statutes, section 93.2236, as appropriated by the legislature.

149.16 (b) The school trust lands director and the Legislative Permanent School Fund  
149.17 Commission shall submit to the ~~2014~~ 2015 legislature a proposal to fund the operational  
149.18 costs of the Legislative Permanent School Fund Commission and school trust lands  
149.19 director and staff with a cost certification method using revenues generated by the  
149.20 permanent school fund lands.

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

149.22 Sec. 54. **RECOGNITION; COMMERCIAL BREEDER EXCELLENCE.**

149.23 The Board of Animal Health, in consultation with representatives of the licensed  
149.24 commercial breeder industry, must develop a program to recognize persons who  
149.25 demonstrate commercial breeder excellence and exceed the standards and practices  
149.26 required of commercial breeders under this act.

149.27 Sec. 55. **REGISTRATION; INITIAL PRELICENSE INSPECTIONS.**

149.28 Subdivision 1. Commercial breeder registration. Beginning July 1, 2014, until  
149.29 June 30, 2015, a commercial breeder must register each facility it owns or operates by  
149.30 paying a registration fee not to exceed \$250 per facility to the Board of Animal Health.

149.31 Subd. 2. Initial prelicense inspections. Beginning July 1, 2014, the board may  
149.32 begin the initial prelicense inspections under Minnesota Statutes, section 347.58.

150.1        Subd. 3. **Deposits of fees.** Fees collected under this section must be deposited in the  
150.2 dog and cat breeders licensing account in the special revenue fund.

150.3        Sec. 56. **BEE VALUATION PROTOCOL REQUIRED.**

150.4        No later than January 1, 2015, the commissioner of agriculture must report to  
150.5 the house of representatives and senate committees with jurisdiction over agriculture  
150.6 finance the protocol that the commissioner developed, in consultation with experts, for  
150.7 determining the fair market value of bees, hives, colonies, apiaries, and queen apiaries for  
150.8 purposes of compensation under Minnesota Statutes, section 18B.055.

150.9        Sec. 57. **INVASIVE TERRESTRIAL PLANTS AND PESTS CENTER.**

150.10       Subdivision 1. **Establishment.** The Board of Regents of the University of Minnesota  
150.11 is requested to establish an Invasive Terrestrial Plants and Pests Center to prevent and  
150.12 minimize the threats posed by terrestrial invasive plants, other weeds, pathogens, and  
150.13 pests in order to protect the state's prairies, forests, wetlands, and agricultural resources.  
150.14 With the approval of the board, the College of Food, Agricultural and Natural Resource  
150.15 Science, in coordination with the College of Biological Sciences, shall administer the  
150.16 center utilizing the following departments:

150.17       (1) Entomology;  
150.18       (2) Plant Pathology;  
150.19       (3) Forest Resources;  
150.20       (4) Horticultural Science;  
150.21       (5) Fisheries Wildlife and Conservation Biology;  
150.22       (6) Agronomy and Plant Genetics;  
150.23       (7) Plant Biology; and  
150.24       (8) Ecology, Evolution, and Behavior.

150.25       The college may also utilize the following research and outreach centers in  
150.26 achieving the purposes of this section: Cloquet Forestry Center; North Central Research  
150.27 and Outreach Center; Northwest Research and Outreach Center; Southern Research and  
150.28 Outreach Center; Southwest Research and Outreach Center; West Central Research and  
150.29 Outreach Center; Rosemount Research and Outreach Center; Horticultural Research  
150.30 Center; and Sand Plain Research Center.

150.31       Subd. 2. **Purpose.** The purpose of the Invasive Terrestrial Plants and Pests Center is  
150.32 to research and develop effective measures to prevent and minimize the threats posed by

151.1 terrestrial invasive plants, pathogens, and pests, including agricultural weeds and pests, in  
151.2 order to protect the state's native prairies, forests, wetlands, and agricultural resources, by:  
151.3 (1) creating a prioritized list of pest and plant species that threaten the state's prairies,  
151.4 forests, wetlands, and agricultural resources and making the list publicly accessible; and  
151.5 (2) conducting research focused on the species included on the prioritized list  
151.6 developed under this subdivision that includes:  
151.7 (i) development of new control methods, including biocontrols;  
151.8 (ii) development of integrated pest management tools that minimize nontarget  
151.9 impacts;  
151.10 (iii) research projects focused on establishment prevention, early detection, and  
151.11 rapid response;  
151.12 (iv) an analysis of any consequences related to the management of prioritized species  
151.13 to the state's water, pollinators, and native prairies and other native species; and  
151.14 (v) reports on the results that are made publicly accessible.

151.15 Subd. 3. **Report.** By January 15, each year as a condition of the appropriation  
151.16 provided under this act, the Board of Regents of the University of Minnesota shall submit  
151.17 a report to the chairs and ranking minority members of the house of representatives and  
151.18 senate committees and divisions with jurisdiction over the environment and natural  
151.19 resources and agriculture on: (1) the activities and outcomes of the center; and (2) any  
151.20 recommendations for additional funding for education, implementation, or other activities.

151.21 Sec. 58. **REPEALER.**

151.22 Minnesota Statutes 2012, section 115A.551, subdivision 2, is repealed.

## 151.23 **EDUCATION**

## 151.24 **ARTICLE 17**

## 151.25 **GENERAL EDUCATION**

151.26 Section 1. Minnesota Statutes 2012, section 123A.05, subdivision 2, is amended to read:

151.27 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center  
151.28 or alternative learning program must reserve revenue in an amount equal to the sum of  
151.29 (1) at least 90 and no more than 100 percent of the district average general education  
151.30 revenue per adjusted pupil unit minus an amount equal to the product of the formula  
151.31 allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated  
151.32 without basic skills revenue and transportation sparsity revenue, times the number of  
151.33 pupil units attending an area learning center or alternative learning program under this

152.1 section, plus (2) the amount of basic skills revenue generated by pupils attending the area  
152.2 learning center or alternative learning program. The amount of reserved revenue under  
152.3 this subdivision may only be spent on program costs associated with the area learning  
152.4 center or alternative learning program.

152.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
152.6 and later.

152.7 Sec. 2. Minnesota Statutes 2013 Supplement, section 123B.75, subdivision 5, is  
152.8 amended to read:

152.9 Subd. 5. **Levy recognition.** For fiscal year ~~2011~~ 2014 and later years, in June of  
152.10 each year, the school district must recognize as revenue, in the fund for which the levy  
152.11 was made, the lesser of:

152.12 (1) the sum of May, June, and July school district tax settlement revenue received in  
152.13 that calendar year, plus general education aid according to section 126C.13, subdivision  
152.14 4, received in July and August of that calendar year; or

152.15 (2) the sum of:

152.16 (i) ~~the greater of 48.6 percent of the referendum levy certified according to section~~  
152.17 ~~126C.17 in the prior calendar year, or 31 percent of the referendum levy certified~~  
152.18 ~~according to section 126C.17 in calendar year 2000; plus~~

152.19 (ii) the entire amount of the levy certified in the prior calendar year according  
152.20 to section 124D.4531, ~~124D.86, subdivision 4, for school districts receiving revenue~~  
152.21 ~~under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, for Special~~  
152.22 ~~School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and~~  
152.23 ~~Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a),~~  
152.24 ~~and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus~~

152.25 (iii) ~~48.6 percent of the amount of the levy certified in the prior calendar year for the~~  
152.26 ~~school district's general and community service funds, plus or minus auditor's adjustments,~~  
152.27 ~~that remains after subtracting the referendum levy certified according to section 126C.17~~  
152.28 ~~and the amount recognized according to item (ii).~~

152.29 Sec. 3. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

152.30 Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its  
152.31 postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses.  
152.32 A postsecondary institution may provide information about its programs to a secondary  
152.33 school or to a pupil or parent and it may advertise or otherwise recruit or solicit a  
152.34 secondary pupil to enroll in its programs on educational and programmatic grounds only.



153.1 An institution must not enroll secondary pupils, for postsecondary enrollment options  
153.2 purposes, in remedial, developmental, or other courses that are not college level except  
153.3 when a student eligible to participate in the graduation incentives program under section  
153.4 124D.68 enrolls full time in a middle or early college program specifically designed to  
153.5 allow the student to earn dual high school and college credit. In this case, the student shall  
153.6 receive developmental college credit and not college credit for completing remedial or  
153.7 developmental courses. Once a pupil has been enrolled in a postsecondary course under  
153.8 this section, the pupil shall not be displaced by another student.

153.9 **EFFECTIVE DATE.** This section is effective July 1, 2014.

153.10 Sec. 4. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

153.11 Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this  
153.12 section, the department must make payments according to this subdivision for courses that  
153.13 were taken for secondary credit.

153.14 The department must not make payments to a school district or postsecondary  
153.15 institution for a course taken for postsecondary credit only. The department must not  
153.16 make payments to a postsecondary institution for a course from which a student officially  
153.17 withdraws during the first 14 days of the quarter or semester or who has been absent from  
153.18 the postsecondary institution for the first 15 consecutive school days of the quarter or  
153.19 semester and is not receiving instruction in the home or hospital.

153.20 A postsecondary institution shall receive the following:

153.21 (1) for an institution granting quarter credit, the reimbursement per credit hour shall  
153.22 be an amount equal to 88 percent of the product of the formula allowance minus ~~\$415~~  
153.23 \$425, multiplied by ~~1.3~~ 1.2, and divided by 45; or

153.24 (2) for an institution granting semester credit, the reimbursement per credit hour  
153.25 shall be an amount equal to 88 percent of the product of the general revenue formula  
153.26 allowance minus ~~\$415~~ \$425, multiplied by ~~1.3~~ 1.2, and divided by 30.

153.27 The department must pay to each postsecondary institution 100 percent of the  
153.28 amount in clause (1) or (2) within 30 days of receiving initial enrollment information  
153.29 each quarter or semester. If changes in enrollment occur during a quarter or semester,  
153.30 the change shall be reported by the postsecondary institution at the time the enrollment  
153.31 information for the succeeding quarter or semester is submitted. At any time the  
153.32 department notifies a postsecondary institution that an overpayment has been made, the  
153.33 institution shall promptly remit the amount due.

153.34 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

154.1 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is  
154.2 amended to read:

154.3 Subdivision 1. **General education revenue.** General education revenue must be  
154.4 paid to a charter school as though it were a district. The general education revenue  
154.5 for each adjusted pupil unit is the state average general education revenue per pupil  
154.6 unit, plus the referendum equalization aid allowance in the pupil's district of residence,  
154.7 minus an amount equal to the product of the formula allowance according to section  
154.8 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,  
154.9 local optional revenue, basic skills revenue, extended time revenue, pension adjustment  
154.10 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment  
154.11 revenue, basic skills revenue, extended time revenue, pension adjustment revenue, and  
154.12 transition revenue as though the school were a school district. The general education  
154.13 revenue for each extended time pupil unit equals \$4,794.

154.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
154.15 and later.

154.16 Sec. 6. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

154.17 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten  
154.18 through grade 12 who meets the following requirements:

154.19 (1) the pupil, as declared by a parent or guardian first learned a language other than  
154.20 English, comes from a home where the language usually spoken is other than English, or  
154.21 usually speaks a language other than English; and

154.22 (2) the pupil is determined by a valid assessment measuring the pupil's English  
154.23 language proficiency and by developmentally appropriate measures, which might include  
154.24 observations, teacher judgment, parent recommendations, or developmentally appropriate  
154.25 assessment instruments, to lack the necessary English skills to participate fully in  
154.26 academic classes taught in English.

154.27 (b) ~~Notwithstanding paragraph (a),~~ A pupil enrolled in a Minnesota public school  
154.28 in grades any grade 4 through 12 who was enrolled in a Minnesota public school on  
154.29 the dates during in the previous school year ~~when a commissioner provided~~ took a  
154.30 commissioner-provided assessment ~~that measures~~ measuring the pupil's emerging  
154.31 academic English ~~was administered,~~ shall ~~not~~ be counted as an English learner in  
154.32 calculating English learner pupil units under section 126C.05, subdivision 17, and shall ~~not~~  
154.33 generate state English learner aid under section 124D.65, subdivision 5, ~~unless~~ if the pupil  
154.34 scored below the state cutoff score or is otherwise counted as a nonproficient participant  
154.35 on ~~an~~ the assessment measuring the pupil's emerging academic English ~~provided by the~~

155.1 ~~commissioner during the previous school year, or, in the judgment of the pupil's classroom~~  
155.2 ~~teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate~~  
155.3 ~~academic language proficiency in English, including oral academic language, sufficient to~~  
155.4 ~~successfully and fully participate in the general core curriculum in the regular classroom.~~

155.5 (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade  
155.6 12 shall not be counted as an English learner in calculating English learner pupil units  
155.7 under section 126C.05, subdivision 17, and shall not generate state English learner aid  
155.8 under section 124D.65, subdivision 5, if:

155.9 (1) the pupil is not enrolled during the current fiscal year in an educational program  
155.10 for English learners ~~in accordance with~~ under sections 124D.58 to 124D.64; or

155.11 (2) the pupil has generated ~~five~~ six or more years of average daily membership in  
155.12 Minnesota public schools since July 1, 1996.

155.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
155.14 and later.

155.15 Sec. 7. Minnesota Statutes 2013 Supplement, section 124D.65, subdivision 5, is  
155.16 amended to read:

155.17 Subd. 5. **School district EL revenue.** ~~(a)~~ A district's English learner programs  
155.18 revenue equals the product of (1) ~~\$704~~ \$726 times (2) the greater of 20 or the adjusted  
155.19 average daily membership of eligible English learners enrolled in the district during the  
155.20 current fiscal year.

155.21 ~~(b) A pupil ceases to generate state English learner aid in the school year following~~  
155.22 ~~the school year in which the pupil attains the state cutoff score on a commissioner-provided~~  
155.23 ~~assessment that measures the pupil's emerging academic English.~~

155.24 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
155.25 and later.

155.26 Sec. 8. **[124D.695] APPROVED RECOVERY PROGRAM FUNDING.**

155.27 Subdivision 1. **Approved recovery program.** "Approved recovery program" means  
155.28 a course of instruction offered by a recovery school that provides academic services,  
155.29 assistance with recovery, and continuing care to students recovering from substance abuse  
155.30 or dependency. A recovery program may be offered in a transitional academic setting  
155.31 designed to meet graduation requirements. A recovery program must be approved by the  
155.32 commissioner of education. The commissioner may specify the manner and form of the  
155.33 application for the approval of a recovery school or recovery program.

156.1        Subd. 2. **Eligibility.** An approved recovery program is eligible for an annual  
156.2 recovery program grant of up to \$125,000 to pay for a portion of the costs of recovery  
156.3 program support staff under this section. "Recovery program support staff" means licensed  
156.4 alcohol and chemical dependency counselors, licensed school counselors, licensed school  
156.5 psychologists, licensed school nurses, and licensed school social workers.

156.6        **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
156.7 and later.

156.8        Sec. 9. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15, is  
156.9 amended to read:

156.10        Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
156.11 year program under section 124D.128, an area learning center or an alternative learning  
156.12 program approved by the commissioner under sections 123A.05 and 123A.06, or a  
156.13 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
156.14 subdivision 4, for more than 1,020 hours in a school year for a secondary student, more  
156.15 than 935 hours in a school year for an elementary student, more than 850 hours in a school  
156.16 year for a kindergarten student without a disability in an all-day kindergarten program,  
156.17 or more than 425 hours in a school year for a half-day kindergarten student without a  
156.18 disability, that pupil may be counted as more than one pupil in average daily membership  
156.19 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
156.20 be determined by the ratio of the number of hours of instruction provided to that pupil in  
156.21 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
156.22 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
156.23 or the number of hours required for a full-time elementary pupil in the district to 935 for  
156.24 an elementary pupil in grades 1 through 6; and (iii) the greater of 425 850 hours or the  
156.25 number of hours required for a full-time kindergarten student without a disability in the  
156.26 district to 425 850 for a kindergarten student without a disability; ~~and (iv) the greater of~~  
156.27 ~~425 hours or the number of hours required for a half-time kindergarten student without a~~  
156.28 ~~disability in the district to 425 for a half-day kindergarten student without a disability.~~  
156.29 Hours that occur after the close of the instructional year in June shall be attributable to  
156.30 the following fiscal year. A student in kindergarten or grades 1 through 12 must not be  
156.31 counted as more than 1.2 pupils in average daily membership under this subdivision.  
156.32        (b)(i) To receive general education revenue for a pupil in an area learning center  
156.33 or alternative learning program that has an independent study component, a district  
156.34 must meet the requirements in this paragraph. The district must develop, for the pupil,  
156.35 a continual learning plan consistent with section 124D.128, subdivision 3. Each school

157.1 district that has an area learning center or alternative learning program must reserve  
157.2 revenue in an amount equal to at least 90 and not more than 100 percent of the district  
157.3 average general education revenue per pupil unit, minus an amount equal to the product  
157.4 of the formula allowance according to section 126C.10, subdivision 2, times .0466,  
157.5 calculated without basic skills and transportation sparsity revenue, times the number of  
157.6 pupil units generated by students attending an area learning center or alternative learning  
157.7 program. The amount of reserved revenue available under this subdivision may only be  
157.8 spent for program costs associated with the area learning center or alternative learning  
157.9 program. Basic skills revenue generated according to section 126C.10, subdivision 4, by  
157.10 pupils attending the eligible program must be allocated to the program.

157.11 (ii) General education revenue for a pupil in a state-approved alternative program  
157.12 without an independent study component must be prorated for a pupil participating for  
157.13 less than a full year, or its equivalent. The district must develop a continual learning plan  
157.14 for the pupil, consistent with section 124D.128, subdivision 3. Each school district that  
157.15 has an area learning center or alternative learning program must reserve revenue in an  
157.16 amount equal to at least 90 and not more than 100 percent of the district average general  
157.17 education revenue per pupil unit, minus an amount equal to the product of the formula  
157.18 allowance according to section 126C.10, subdivision 2, times .0466, calculated without  
157.19 basic skills and transportation sparsity revenue, times the number of pupil units generated  
157.20 by students attending an area learning center or alternative learning program. The amount  
157.21 of reserved revenue available under this subdivision may only be spent for program costs  
157.22 associated with the area learning center or alternative learning program. Basic skills  
157.23 revenue generated according to section 126C.10, subdivision 4, by pupils attending the  
157.24 eligible program must be allocated to the program.

157.25 (iii) General education revenue for a pupil in a state-approved alternative program  
157.26 that has an independent study component must be paid for each hour of teacher contact  
157.27 time and each hour of independent study time completed toward a credit or graduation  
157.28 standards necessary for graduation. Average daily membership for a pupil shall equal the  
157.29 number of hours of teacher contact time and independent study time divided by 1,020.

157.30 (iv) For a state-approved alternative program having an independent study  
157.31 component, the commissioner shall require a description of the courses in the program, the  
157.32 kinds of independent study involved, the expected learning outcomes of the courses, and  
157.33 the means of measuring student performance against the expected outcomes.

157.34 Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2, is  
157.35 amended to read:

158.1 Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district  
158.2 equals the formula allowance times the adjusted marginal cost pupil units for the school  
158.3 year. For fiscal year 2015 and later, the basic revenue for each district equals the formula  
158.4 allowance times the adjusted pupil units for the school year. The formula allowance for  
158.5 fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The  
158.6 formula allowance for fiscal year 2015 and later is ~~\$5,806~~ \$5,864.

158.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
158.8 and later.

158.9 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a,  
158.10 is amended to read:

158.11 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for  
158.12 fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal  
158.13 cost pupil units of the district for each pupil in average daily membership in excess of 1.0  
158.14 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended  
158.15 time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum  
158.16 of the adjusted pupil units of the district for each pupil in average daily membership in  
158.17 excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

158.18 (b) A school district's extended time revenue may be used for extended day  
158.19 programs, extended week programs, summer school, and other programming authorized  
158.20 under the learning year program.

158.21 **EFFECTIVE DATE.** This section is effective the day following final enactment  
158.22 and applies to revenue for fiscal year 2014 and later.

158.23 Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24,  
158.24 is amended to read:

158.25 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

158.26 (1) the school district's adjusted pupil unit amount of basic revenue, transition  
158.27 revenue, and referendum revenue is less than the value of the school district at or  
158.28 immediately above the 95th percentile of school districts in its equity region for those  
158.29 revenue categories; and

158.30 (2) the school district's administrative offices are not located in a city of the first  
158.31 class on July 1, 1999.

158.32 (b) Equity revenue for a qualifying district that receives referendum revenue under  
158.33 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil

159.1 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's  
159.2 equity index computed under subdivision 27.

159.3 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
159.4 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil  
159.5 units for that year times \$14.

159.6 (d) A school district's equity revenue is increased by the greater of zero or an amount  
159.7 equal to the district's ~~resident~~ adjusted pupil units times the difference between ten percent  
159.8 of the statewide average amount of referendum revenue per ~~resident~~ adjusted pupil unit for  
159.9 that year and the district's referendum revenue per ~~resident~~ adjusted pupil unit. A school  
159.10 district's revenue under this paragraph must not exceed \$100,000 for that year.

159.11 (e) A school district's equity revenue for a school district located in the metro equity  
159.12 region or a school district with its administrative offices located in any Minnesota county  
159.13 in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated in  
159.14 2009 by the United States Census Bureau equals the amount computed in paragraphs (b),  
159.15 (c), and (d) multiplied by 1.25.

159.16 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil  
159.17 units.

159.18 **EFFECTIVE DATE.** The changes in paragraph (d) are effective for revenue for  
159.19 fiscal year 2015 and later. The changes in paragraph (e) are effective for revenue for  
159.20 fiscal years 2017 and later.

159.21 Sec. 13. Minnesota Statutes 2012, section 126C.10, subdivision 25, is amended to read:

159.22 Subd. 25. **Regional equity gap.** The regional equity gap equals the difference  
159.23 between the value of the school district at or immediately above the fifth percentile of  
159.24 adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit and the value of the school  
159.25 district at or immediately above the 95th percentile of adjusted general revenue per  
159.26 adjusted ~~marginal-cost~~ pupil unit.

159.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
159.28 and later.

159.29 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

159.30 Subd. 26. **District equity gap.** A district's equity gap equals the greater of zero  
159.31 or the difference between the district's adjusted general revenue and the value of the  
159.32 school district at or immediately above the regional 95th percentile of adjusted general  
159.33 revenue per adjusted ~~marginal-cost~~ pupil unit.

160.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
160.2 and later.

160.3 Sec. 15. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31,  
160.4 is amended to read:

160.5 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the  
160.6 sum of the transition revenue the district would have received for fiscal year 2015 under  
160.7 Minnesota Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater  
160.8 of zero or the difference between:

160.9 (1) the sum of:

160.10 (i) the general education revenue the district would have received for fiscal year  
160.11 2015 according to Minnesota Statutes 2012, section 126C.10;

160.12 (ii) the integration revenue the district received for fiscal year 2013 under Minnesota  
160.13 Statutes 2012, section 124D.86;

160.14 (iii) the pension adjustment the district would have received for fiscal year 2015  
160.15 under Minnesota Statutes 2012, section 127A.50;

160.16 (iv) the special education aid the district would have received for fiscal year 2015  
160.17 under Minnesota Statutes 2012, section 125A.76; and

160.18 (v) the special education excess cost aid the district would have received for fiscal  
160.19 year 2015 under Minnesota Statutes 2012, section 125A.79; and

160.20 (2) the sum of the district's:

160.21 (i) general education revenue for fiscal year 2015 excluding transition revenue  
160.22 under this section;

160.23 (ii) achievement and integration revenue for fiscal year 2015 under section  
160.24 124D.862; and

160.25 (iii) special education aid for fiscal year 2015 under section 125A.76; and

160.26 (iv) alternative teacher compensation revenue for fiscal year 2015 under section  
160.27 122A.415,

160.28 divided by the number of adjusted pupil units for fiscal year 2015.

160.29 (b) A district's transition revenue for fiscal year 2015 and later equals the product of  
160.30 the district's transition allowance times the district's adjusted pupil units.

160.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
160.32 and later.



161.1 Sec. 16. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is  
161.2 amended to read:

161.3 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~  
161.4 A district's referendum equalization levy equals the sum of the first tier referendum  
161.5 equalization levy, the second tier referendum equalization levy, and the third tier  
161.6 referendum equalization levy.

161.7 (b) A district's first tier referendum equalization levy equals the district's first tier  
161.8 referendum equalization revenue times the lesser of one or the ratio of the district's  
161.9 referendum market value per resident pupil unit to \$880,000.

161.10 (c) A district's second tier referendum equalization levy equals the district's second  
161.11 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
161.12 referendum market value per resident pupil unit to \$510,000.

161.13 (d) A district's third tier referendum equalization levy equals the district's third  
161.14 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
161.15 referendum market value per resident pupil unit to \$290,000.

161.16 Sec. 17. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b,  
161.17 is amended to read:

161.18 Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, the sum  
161.19 of a district's referendum equalization aid and location equity aid under section 126C.10,  
161.20 subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum  
161.21 equalization aid the district would have received for fiscal year 2015 under Minnesota  
161.22 Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have  
161.23 received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs  
161.24 (a), (b), and (c).

161.25 (b) Notwithstanding subdivision 7, the sum of referendum equalization aid and  
161.26 location equity aid under section 126C.10, subdivision 2e, for fiscal year 2016 and later,  
161.27 for a district qualifying for additional aid under paragraph (a) for fiscal year 2015, must  
161.28 not be less than the product of (1) the district's referendum equalization aid for fiscal year  
161.29 2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that  
161.30 school year to the district's referendum revenue for fiscal year 2015, times (3) the lesser  
161.31 of one or the ratio of the district's referendum market value used for fiscal year 2015  
161.32 referendum equalization calculations to the district's referendum market value used for  
161.33 that year's referendum equalization calculations.

161.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
161.35 and later.

162.1 Sec. 18. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is  
162.2 amended to read:

162.3 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
162.4 subdivision 1, may be increased in the amount approved by the voters of the district  
162.5 at a referendum called for the purpose. The referendum may be called by the board.  
162.6 The referendum must be conducted one or two calendar years before the increased levy  
162.7 authority, if approved, first becomes payable. Only one election to approve an increase  
162.8 may be held in a calendar year. Unless the referendum is conducted by mail under  
162.9 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the  
162.10 first Monday in November. The ballot must state the maximum amount of the increased  
162.11 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,  
162.12 of increased revenue per adjusted pupil unit that differs from year to year over the number  
162.13 of years for which the increased revenue is authorized or may state that the amount shall  
162.14 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the  
162.15 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may  
162.16 state that existing referendum levy authority is expiring. In this case, the ballot may also  
162.17 compare the proposed levy authority to the existing expiring levy authority, and express  
162.18 the proposed increase as the amount, if any, over the expiring referendum levy authority.  
162.19 The ballot must designate the specific number of years, not to exceed ten, for which the  
162.20 referendum authorization applies. The ballot, including a ballot on the question to revoke  
162.21 or reduce the increased revenue amount under paragraph (c), must abbreviate the term  
162.22 "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may  
162.23 be modified to read, in cases of renewing existing levies at the same amount per pupil  
162.24 as in the previous year:

162.25 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
162.26 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
162.27 SCHEDULED TO EXPIRE."

162.28 The ballot may contain a textual portion with the information required in this  
162.29 subdivision and a question stating substantially the following:

162.30 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
162.31 School District No. ..., be approved?"

162.32 If approved, an amount equal to the approved revenue per adjusted pupil unit times  
162.33 the adjusted pupil units for the school year beginning in the year after the levy is certified  
162.34 shall be authorized for certification for the number of years approved, if applicable, or  
162.35 until revoked or reduced by the voters of the district at a subsequent referendum.

163.1 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
163.2 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
163.3 and the proposed revenue increase. The board need not mail more than one notice to any  
163.4 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
163.5 those shown to be owners on the records of the county auditor or, in any county where  
163.6 tax statements are mailed by the county treasurer, on the records of the county treasurer.  
163.7 Every property owner whose name does not appear on the records of the county auditor  
163.8 or the county treasurer is deemed to have waived this mailed notice unless the owner  
163.9 has requested in writing that the county auditor or county treasurer, as the case may be,  
163.10 include the name on the records for this purpose. The notice must project the anticipated  
163.11 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
163.12 homesteads, apartments, and commercial-industrial property within the school district.

163.13 The notice for a referendum may state that an existing referendum levy is expiring  
163.14 and project the anticipated amount of increase over the existing referendum levy in  
163.15 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
163.16 homesteads, apartments, and commercial-industrial property within the district.

163.17 The notice must include the following statement: "Passage of this referendum will  
163.18 result in an increase in your property taxes." However, in cases of renewing existing levies,  
163.19 the notice may include the following statement: "Passage of this referendum extends an  
163.20 existing operating referendum at the same amount per pupil as in the previous year."

163.21 (c) A referendum on the question of revoking or reducing the increased revenue  
163.22 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
163.23 revoke or reduce the revenue amount must state the amount per ~~resident marginal cost~~  
163.24 adjusted pupil unit by which the authority is to be reduced. Revenue authority approved  
163.25 by the voters of the district pursuant to paragraph (a) must be available to the school  
163.26 district at least once before it is subject to a referendum on its revocation or reduction for  
163.27 subsequent years. Only one revocation or reduction referendum may be held to revoke or  
163.28 reduce referendum revenue for any specific year and for years thereafter.

163.29 (d) The approval of 50 percent plus one of those voting on the question is required to  
163.30 pass a referendum authorized by this subdivision.

163.31 (e) At least 15 days before the day of the referendum, the district must submit a  
163.32 copy of the notice required under paragraph (b) to the commissioner and to the county  
163.33 auditor of each county in which the district is located. Within 15 days after the results  
163.34 of the referendum have been certified by the board, or in the case of a recount, the  
163.35 certification of the results of the recount by the canvassing board, the district must notify  
163.36 the commissioner of the results of the referendum.

164.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
164.2 and later.

164.3 Sec. 19. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a,  
164.4 is amended to read:

164.5 Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision  
164.6 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority  
164.7 from voter approved to board approved by a board vote. A district with less than \$300 per  
164.8 adjusted pupil unit of referendum authority after the local optional revenue subtraction  
164.9 under subdivision 1 may authorize new referendum authority up to the difference between  
164.10 \$300 per adjusted pupil unit and the district's referendum authority. The board may  
164.11 authorize this levy for up to five years and may subsequently reauthorize that authority  
164.12 in increments of up to five years.

164.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
164.14 and later.

164.15 Sec. 20. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

164.16 **126C.44 SAFE SCHOOLS LEVY.**

164.17 (a) Each district may make a levy on all taxable property located within the district  
164.18 for the purposes specified in this section. The maximum amount which may be levied for  
164.19 all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil  
164.20 units for the school year. The proceeds of the levy must be reserved and used for directly  
164.21 funding the following purposes or for reimbursing the cities and counties who contract  
164.22 with the district for the following purposes:

164.23 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of  
164.24 peace officers and sheriffs for liaison in services in the district's schools;

164.25 (2) to pay the costs for a drug abuse prevention program as defined in section  
164.26 609.101, subdivision 3, paragraph (e), in the elementary schools;

164.27 (3) to pay the costs for a gang resistance education training curriculum in the  
164.28 district's schools;

164.29 (4) to pay the costs for security in the district's schools and on school property;

164.30 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,  
164.31 voluntary opt-in suicide prevention tools, and violence prevention measures taken by  
164.32 the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; or

(9) to pay costs for colocating and collaborating with mental health professionals who are not district employees or contractors.

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed ~~\$10~~ \$15 times the adjusted ~~marginal-cost~~ pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

Sec. 21. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of

(1) the cumulative disbursement percentage shown in subdivision 3; times

(2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in fiscal year 2011, and 60 in fiscal years 2012 and later~~ 90.

Sec. 22. Minnesota Statutes 2012, section 127A.45, subdivision 3, is amended to read:

Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (1) the district's other district receipts through the current payment, and (2) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0
Payment 5	September 15:	22.5
Payment 6	September 30:	25.0
Payment 7	October 15:	27.0
Payment 8	October 30:	30.0
Payment 9	November 15:	32.5
Payment 10	November 30:	36.5
Payment 11	December 15:	42.0
Payment 12	December 30:	45.0
Payment 13	January 15:	50.0
Payment 14	January 30:	54.0
Payment 15	February 15:	58.0
Payment 16	February 28:	63.0
Payment 17	March 15:	68.0
Payment 18	March 30:	74.0
Payment 19	April 15:	78.0
Payment 20	April 30:	85.0
Payment 21	May 15:	90.0

167.1	Payment 22	May 30:	95.0
167.2	Payment 23	June 20:	100.0

167.3 (b) In addition to the amounts paid under paragraph (a), the commissioner shall pay  
 167.4 to a school district or charter school on the dates indicated an amount computed as follows:

167.5	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
167.6		property tax credits established in section 273.1392

167.7	Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for
167.8		all aid entitlements except state paid property tax credits

167.9	Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year
167.10		for all aid entitlements except state paid property tax credits

167.11	Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year
167.12		for all aid entitlements except state paid property tax credits

167.13 (c) Notwithstanding paragraph (b), if the current year aid payment percentage  
 167.14 under subdivision 2, paragraph (d), is less than 90, in addition to the amounts paid under  
 167.15 paragraph (a), the commissioner shall pay to a charter school on the dates indicated an  
 167.16 amount computed as follows:

167.17	Payment 1	July 15: 75 percent of the final adjustment for the prior fiscal year for
167.18		all aid entitlements

167.19	Payment 8	October 30: 25 percent of the final adjustment for the prior fiscal year
167.20		for all aid entitlements

167.21 **EFFECTIVE DATE.** This section is effective July 1, 2015.

167.22 Sec. 23. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is  
 167.23 amended to read:

167.24 Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
 167.25 special education aid for districts must be adjusted for each pupil attending a nonresident  
 167.26 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
 167.27 adjustments must be made according to this subdivision.

167.28 (b) For purposes of this subdivision, the "unreimbursed cost of providing special  
 167.29 education and services" means the difference between: (1) the actual cost of providing  
 167.30 special instruction and services, including special transportation and unreimbursed  
 167.31 building lease and debt service costs for facilities used primarily for special education, for  
 167.32 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section  
 167.33 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil  
 167.34 receives special instruction and services outside the regular classroom for more than  
 167.35 60 percent of the school day, the amount of general education revenue and referendum  
 167.36 equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable  
 167.37 to that pupil for the portion of time the pupil receives special instruction and services

168.1 outside of the regular classroom, excluding portions attributable to district and school  
168.2 administration, district support services, operations and maintenance, capital expenditures,  
168.3 and pupil transportation, minus (3) special education aid under section 125A.76  
168.4 attributable to that pupil, that is received by the district providing special instruction and  
168.5 services. For purposes of this paragraph, general education revenue and referendum  
168.6 equalization aid attributable to a pupil must be calculated using the serving district's  
168.7 average general education revenue and referendum equalization aid per adjusted pupil unit.

168.8 (c) For fiscal year 2015 and later, special education aid paid to a resident district  
168.9 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing  
168.10 special education and services.

168.11 (d) Notwithstanding paragraph (c), special education aid paid to a resident district  
168.12 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special  
168.13 education and services provided to students at an intermediate district, cooperative, or  
168.14 charter school where the percent of students eligible for special education services is at  
168.15 least 70 percent of the charter school's total enrollment.

168.16 (e) Special education aid paid to the district or cooperative providing special  
168.17 instruction and services for the pupil, or to the fiscal agent district for a cooperative,  
168.18 must be increased by the amount of the reduction in the aid paid to the resident district  
168.19 under paragraphs (c) and (d). If the resident district's special education aid is insufficient  
168.20 to make the full adjustment, the remaining adjustment shall be made to other state aids  
168.21 due to the district.

168.22 (f) An area learning center operated by a service cooperative, intermediate district,  
168.23 education district, or a joint powers cooperative may elect through the action of the  
168.24 constituent boards to charge the resident district tuition for pupils rather than to have the  
168.25 general education revenue paid to a fiscal agent school district. Except as provided in  
168.26 paragraph (e), the district of residence must pay tuition equal to at least 90 and no more  
168.27 than 100 percent of the district average general education revenue per pupil unit minus  
168.28 an amount equal to the product of the formula allowance according to section 126C.10,  
168.29 subdivision 2, times .0466, calculated without compensatory revenue and transportation  
168.30 sparsity revenue, times the number of pupil units for pupils attending the area learning  
168.31 center.

168.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
168.33 and later.

168.34 Sec. 24. Laws 2012, chapter 263, section 1, is amended to read:



Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND SHARING OF DISTRICT RESOURCES; PILOT PROJECT.**

Subdivision 1. **Establishment; requirements for participation.** (a) A ~~five-year~~ pilot project ~~for the 2013-2014 through 2017-2018 school years~~ is established to improve student and school outcomes by allowing groups of school districts to work together to provide innovative education programs and activities and share district resources. The pilot project may last until June 30, 2018, or for up to five years, whichever is less, except that innovation partnerships formed during the period of the pilot project may continue past June 30, 2018, with the agreement of the partnership members.

(b) To participate in this pilot project to improve student and school outcomes, a group of two or more school districts must collaborate with school staff and receive formal school board approval to form a partnership. The partnership must develop a plan to provide challenging programmatic options for students, create professional development opportunities for educators, increase student engagement and connection and challenging learning opportunities for students, or demonstrate efficiencies in delivering financial and other services. The plan must establish:

- (1) collaborative educational goals and objectives;
- (2) strategies and processes to implement those goals and objectives, including a budget process with periodic expenditure reviews;
- (3) valid and reliable measures to evaluate progress in realizing the goals and objectives;
- (4) an implementation timeline; and
- (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts to join the partnership during the pilot project term after notifying the commissioner.

(c) A partnership of interested districts must apply by February 1, ~~2013~~, of any year to the education commissioner in the form and manner the commissioner determines, consistent with this section. The application must contain the formal approval adopted by the school board in each district to participate in the plan.

(d) Notwithstanding other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under Minnesota Statutes, section 123B.02; and be subject to employment agreements under Minnesota Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue to remain employees of the employing school district.

170.1 Subd. 2. **Commissioner's role.** Interested groups of school districts must submit  
170.2 a completed application to the commissioner by March 1, ~~2013~~, of any year in the form  
170.3 and manner determined by the commissioner. The education commissioner must convene  
170.4 an advisory panel composed of a teacher appointed by Education Minnesota, a school  
170.5 principal appointed by the Minnesota Association of Secondary School Principals, a  
170.6 school board member appointed by the Minnesota School Boards Association, and a  
170.7 school superintendent appointed by the Minnesota Association of School Administrators  
170.8 to advise the commissioner on applicants' qualifications to participate in this pilot project.  
170.9 The commissioner ~~must select between three and~~ may select up to six qualified applicants  
170.10 under subdivision 1 by April 1, ~~2013~~, of any year to participate in this pilot project,  
170.11 ensuring an equitable geographical distribution of project participants to the extent  
170.12 practicable. The commissioner must select only those applicants that fully comply with  
170.13 the requirements in subdivision 1. The commissioner must terminate a project participant  
170.14 that fails to effectively implement the goals and objectives contained in its application and  
170.15 according to its stated timeline.

170.16 Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot  
170.17 project data to the commissioner in the form and manner determined by the commissioner.  
170.18 The education commissioner must analyze participating districts' progress in realizing  
170.19 their educational goals and objectives to work together in providing innovative education  
170.20 programs and activities and sharing resources. The commissioner must include the  
170.21 analysis of best practices in a report to the legislative committees with jurisdiction over  
170.22 kindergarten through grade 12 education finance and policy on the efficacy of this pilot  
170.23 project. The commissioner ~~may~~ shall submit an interim project report ~~at any time by~~  
170.24 February 1, 2016, and must submit a final report to the legislature by February 1, ~~2018~~  
170.25 2019, recommending whether or not to continue or expand the pilot project.

170.26 Sec. 25. Laws 2012, chapter 263, section 1, the effective date, is amended to read:

170.27 **EFFECTIVE DATE.** This section is effective the day following final enactment  
170.28 ~~and applies to the 2013-2014 through 2017-2018 school years.~~

170.29 Sec. 26. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

170.30 Subd. 2. **General education aid.** For general education aid under Minnesota  
170.31 Statutes, section 126C.13, subdivision 4:

171.1           ~~6,051,766,000~~  
171.2           \$   ~~6,851,972,000~~       ..... 2014  
171.3           ~~6,370,640,000~~  
171.4           \$   ~~6,495,698,000~~       ..... 2015

171.5           The 2014 appropriation includes ~~\$781,842,000~~ \$780,709,000 for 2013 and  
171.6           ~~\$5,269,924,000~~ \$6,071,263,000 for 2014.

171.7           The 2015 appropriation includes ~~\$823,040,000~~ \$589,097,000 for 2014 and  
171.8           ~~\$5,547,600,000~~ \$5,906,601,000 for 2015.

171.9           Sec. 27. **APPROPRIATIONS.**

171.10           Subdivision 1. **Department of Education.** The sums indicated in this section are  
171.11           appropriated from the general fund to the Department of Education for the fiscal years  
171.12           designated.

171.13           Subd. 2. **Recovery program grants.** For recovery program grants under Minnesota  
171.14           Statutes, section 124D.695:

171.15           \$           500,000       ..... 2015

171.16           Sec. 28. **REVISOR'S INSTRUCTION.**

171.17           In Minnesota Statutes, the revisor of statutes shall change the term "location equity"  
171.18           to "local optional."

171.19   **ARTICLE 18**

171.20   **EDUCATION EXCELLENCE**

171.21           Section 1. Minnesota Statutes 2012, section 122A.40, subdivision 13, is amended to  
171.22           read:

171.23           Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph  
171.24           (b), a board may discharge a continuing-contract teacher, effective immediately, upon any  
171.25           of the following grounds:

171.26           (1) immoral conduct, insubordination, or conviction of a felony;

171.27           (2) conduct unbecoming a teacher which requires the immediate removal of the  
171.28           teacher from classroom or other duties;

171.29           (3) failure without justifiable cause to teach without first securing the written release  
171.30           of the school board;

171.31           (4) gross inefficiency which the teacher has failed to correct after reasonable written  
171.32           notice;

(5) willful neglect of duty; or

(6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may suspend a teacher with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph.

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

173.2 Sec. 2. Minnesota Statutes 2012, section 122A.41, subdivision 6, is amended to read:

173.3 Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided  
173.4 in paragraph (b), causes for the discharge or demotion of a teacher either during or after  
173.5 the probationary period must be:

173.6 (1) immoral character, conduct unbecoming a teacher, or insubordination;

173.7 (2) failure without justifiable cause to teach without first securing the written release  
173.8 of the school board having the care, management, or control of the school in which the  
173.9 teacher is employed;

173.10 (3) inefficiency in teaching or in the management of a school, consistent with  
173.11 subdivision 5, paragraph (b);

173.12 (4) affliction with active tuberculosis or other communicable disease must be  
173.13 considered as cause for removal or suspension while the teacher is suffering from such  
173.14 disability; or

173.15 (5) discontinuance of position or lack of pupils.

173.16 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair  
173.17 discriminatory practice described in section 363A.13.

173.18 (b) A probationary or continuing-contract teacher must be discharged immediately  
173.19 upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the  
173.20 teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

173.21 (c) When a teacher is discharged under paragraph (b) or when the commissioner  
173.22 makes a final determination of child maltreatment involving a teacher under section  
173.23 626.556, subdivision 11, the school principal or other person having administrative  
173.24 control of the school must include in the teacher's employment record the information  
173.25 contained in the record of the disciplinary action or the final maltreatment determination,  
173.26 consistent with the definition of public data under section 13.41, subdivision 5, and must  
173.27 provide the Board of Teaching and the licensing division at the department with the  
173.28 necessary and relevant information to enable the Board of Teaching and the department's  
173.29 licensing division to fulfill their statutory and administrative duties related to issuing,  
173.30 renewing, suspending, or revoking a teacher's license. Information received by the Board  
173.31 of Teaching or the licensing division at the department under this paragraph is governed  
173.32 by section 13.41 or other applicable law governing data of the receiving entity. In addition  
173.33 to the background check required under section 123B.03, a school board or other school  
173.34 hiring authority must contact the Board of Teaching and the department to determine

174.1 whether the teacher's license has been suspended or revoked, consistent with the discharge  
174.2 and final maltreatment determinations identified in this paragraph.

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

174.4 Sec. 3. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

174.5 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,  
174.6 school site, or charter school that meets the conditions of section 122A.414 and submits an  
174.7 application approved by the commissioner is eligible for alternative teacher compensation  
174.8 revenue.

174.9 (b) For school district and intermediate school district applications, the commissioner  
174.10 must consider only those applications to participate that are submitted jointly by a  
174.11 district and the exclusive representative of the teachers. The application must contain an  
174.12 alternative teacher professional pay system agreement that:

174.13 (1) implements an alternative teacher professional pay system consistent with  
174.14 section 122A.414; and

174.15 (2) is negotiated and adopted according to the Public Employment Labor Relations  
174.16 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a  
174.17 district may enter into a contract for a term of two or four years.

174.18 Alternative teacher compensation revenue for a qualifying school district or site in  
174.19 which the school board and the exclusive representative of the teachers agree to place  
174.20 teachers in the district or at the site on the alternative teacher professional pay system  
174.21 equals \$260 times the number of pupils enrolled at the district or site on October 1 of  
174.22 the previous fiscal year. Alternative teacher compensation revenue for a qualifying  
174.23 intermediate school district must be calculated under ~~section 126C.10, subdivision 34~~  
174.24 subdivision 4, paragraphs (a) and (b).

174.25 (c) For a newly combined or consolidated district, the revenue shall be computed  
174.26 using the sum of pupils enrolled on October 1 of the previous year in the districts entering  
174.27 into the combination or consolidation. The commissioner may adjust the revenue computed  
174.28 for a site using prior year data to reflect changes attributable to school closings, school  
174.29 openings, or grade level reconfigurations between the prior year and the current year.

174.30 (d) The revenue is available only to school districts, intermediate school districts,  
174.31 school sites, and charter schools that fully implement an alternative teacher professional  
174.32 pay system by October 1 of the current school year.

174.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
174.34 and later.

Sec. 4. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1, is amended to read:

Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible district's initial achievement and integration revenue equals the lesser of 100.3 percent of the district's expenditures under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

(b) In each year, 0.3 percent of each district's initial achievement and integration revenue is transferred to the department for the oversight and accountability activities required under this section and section 124D.861.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2, is amended to read:

Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must be~~ A district's incentive revenue equals the lesser of the maximum incentive revenue or the district's expenditures for implementing a voluntary plan to reduce racial and economic enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 6. Laws 2013, chapter 116, article 3, section 37, subdivision 11, is amended to read:

Subd. 11. **Concurrent enrollment program.** For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

\$ 2,000,000 ..... 2014

~~2,000,000~~

\$ 3,897,000 ..... 2015

176.1 If the appropriation is insufficient, the commissioner must proportionately reduce  
176.2 the aid payment to each district.

176.3 Any balance in the first year does not cancel but is available in the second year. The  
176.4 annual base budget for this program is \$2,000,000 for fiscal years 2016 and 2017.

176.5 Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 15, is amended to read:

176.6 Subd. 15. **Early childhood literacy programs.** For early childhood literacy  
176.7 programs under Minnesota Statutes, section 119A.50, subdivision 3:

176.8 \$ 4,125,000 ..... 2014

176.9 ~~4,125,000~~

176.10 \$ 4,625,000 ..... 2015

176.11 Up to \$4,125,000 ~~each~~ in the first year and \$4,625,000 in the second year is for  
176.12 leveraging federal and private funding to support AmeriCorps members serving in the  
176.13 Minnesota Reading Corps program established by ServeMinnesota, including costs  
176.14 associated with the training and teaching of early literacy skills to children age three  
176.15 to grade 3 and the evaluation of the impact of the program under Minnesota Statutes,  
176.16 sections 124D.38, subdivision 2, and 124D.42, subdivision 6. Up to \$500,000 in fiscal  
176.17 year 2015 must be used to support priority and focus schools as defined by the Department  
176.18 of Education and to expand kindergarten programming.

176.19 Any balance in the first year does not cancel but is available in the second year.

176.20 Sec. 8. **BETTER ALIGNING MINNESOTA'S ALTERNATIVE TEACHER**  
176.21 **PROFESSIONAL PAY SYSTEM AND TEACHER DEVELOPMENT AND**  
176.22 **EVALUATION PROGRAM.**

176.23 To better align Minnesota's alternative teacher professional pay system under  
176.24 Minnesota Statutes, sections 122A.413 to 122A.416, and Minnesota's teacher development  
176.25 and evaluation program under Minnesota Statutes, sections 122A.40, subdivision 8, and  
176.26 122A.41, subdivision 5, and effect and fund an improved alignment of this system and  
176.27 program, the commissioner of education must consult with stakeholders, including, but  
176.28 not limited to, representatives of the Minnesota Association of School Administrators,  
176.29 the Minnesota Association of Secondary School Principals, the Minnesota Elementary  
176.30 School Principals' Association, Education Minnesota, Schools for Equity in Education, the  
176.31 Minnesota Business Partnership, the Minnesota Chamber of Commerce, the Minnesota  
176.32 School Boards Association, the Department of Education, the College of Education  
176.33 and Human Development at the University of Minnesota, the Minnesota Association  
176.34 of the Colleges for Teacher Education, licensed elementary and secondary school



teachers employed in school districts with an alternative teacher professional pay system agreement and licensed elementary and secondary school teachers employed in school districts without an alternative teacher professional pay system agreement, where one or more of these teachers may be a master teacher, peer evaluator, in another teacher leader position, or national board certified teacher, a teacher or school administrator employed in a Minnesota charter school with an alternative teacher professional pay system agreement and a teacher or school administrator employed in a Minnesota charter school without an alternative teacher professional pay system agreement, a parent or guardian of a student currently enrolled in a Minnesota public school, the Association of Metropolitan School Districts, and the Minnesota Rural Education Association. The commissioner also must consult with members of the house of representatives and members of the senate.

The commissioner, by February 1, 2015, must submit to the education policy and finance committees of the legislature written recommendations on better aligning and financing the alternative teacher professional pay system and teacher development and evaluation program.

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

**Sec. 9. CAREER AND TECHNICAL EDUCATION PROGRAM INVENTORY.**

(a) The commissioner of education must consult with experts knowledgeable about secondary and postsecondary career and technical education programs to determine the content and status of particular career and technical education programs in Minnesota school districts, including cooperating districts under Minnesota Statutes, 123A.33, subdivision 2, integration districts, and postsecondary institutions partnering with school districts or offering courses through PSEO or career and technical programs and the rates of student participation and completion for these various programs, including: agriculture, food, and natural resources; architecture and construction; arts, audiovisual technology, and communications; business management and administration; computer science; family and consumer science; finance; health science; hospitality and tourism; human services; information technology; manufacturing; marketing; science, technology, engineering, and mathematics; and transportation, distribution, and logistics.

(b) To accomplish paragraph (a) and to understand the current role of local school districts and postsecondary institutions in providing career and technical education programs, the commissioner of education, in consultation with experts, also must examine the extent to which secondary and postsecondary education programs offer students a progression of coordinated, nonduplicative courses that adequately prepare students to successfully complete a career and technical education program.



179.1 (i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a),  
179.2 clause (5); and

179.3 (ii) convening an oversight committee to undertake a quarterly review of the use  
179.4 of restrictive procedures based on patterns or problems indicated by similarities in the  
179.5 time of day, day of the week, duration of the use of a procedure, the individuals involved,  
179.6 or other factors associated with the use of restrictive procedures; the number of times a  
179.7 restrictive procedure is used schoolwide and for individual children; the number and types  
179.8 of injuries, if any, resulting from the use of restrictive procedures; whether restrictive  
179.9 procedures are used in nonemergency situations; the need for additional staff training; and  
179.10 proposed actions to minimize the use of restrictive procedures; and

179.11 ~~(4)~~ (5) includes a written description and documentation of the training staff  
179.12 completed under subdivision 5.

179.13 (b) Schools annually must publicly identify oversight committee members who  
179.14 must at least include:

179.15 (1) a mental health professional, school psychologist, or school social worker;

179.16 (2) an expert in positive behavior strategies;

179.17 (3) a special education administrator; and

179.18 (4) a general education administrator.

179.19 Subd. 2. **Restrictive procedures.** (a) Restrictive procedures may be used only  
179.20 by a licensed special education teacher, school social worker, school psychologist,  
179.21 behavior analyst certified by the National Behavior Analyst Certification Board, a person  
179.22 with a master's degree in behavior analysis, other licensed education professional,  
179.23 paraprofessional under section 120B.363, or mental health professional under section  
179.24 245.4871, subdivision 27, who has completed the training program under subdivision 5.

179.25 (b) A school shall make reasonable efforts to notify the parent on the same day a  
179.26 restrictive procedure is used on the child, or if the school is unable to provide same-day  
179.27 notice, notice is sent within two days by written or electronic means or as otherwise  
179.28 indicated by the child's parent under paragraph ~~(d)~~ (f).

179.29 (c) The district must hold a meeting of the individualized education program team,  
179.30 conduct or review a functional behavioral analysis, review data, consider developing  
179.31 additional or revised positive behavioral interventions and supports, consider actions to  
179.32 reduce the use of restrictive procedures, and modify the individualized education program  
179.33 or behavior intervention plan as appropriate. The district must hold the meeting: within  
179.34 ten calendar days after district staff use restrictive procedures on two separate school  
179.35 days within 30 calendar days or a pattern of use emerges and the child's individualized  
179.36 education program or behavior intervention plan does not provide for using restrictive

180.1 procedures in an emergency; or at the request of a parent or the district after restrictive  
180.2 procedures are used. The district must review use of restrictive procedures at a child's  
180.3 annual individualized education program meeting when the child's individualized  
180.4 education program provides for using restrictive procedures in an emergency.

180.5 (d) If the individualized education program team under paragraph (c) determines  
180.6 that existing interventions and supports are ineffective in reducing the use of restrictive  
180.7 procedures or the district uses restrictive procedures on a child on ten or more school days  
180.8 during the same school year, the team, as appropriate, either must consult with other  
180.9 professionals working with the child; consult with experts in behavior analysis, mental  
180.10 health, communication, or autism; consult with culturally competent professionals;  
180.11 review existing evaluations, resources, and successful strategies; or consider whether to  
180.12 reevaluate the child.

180.13 (e) At the individualized education program meeting under paragraph (c), the team  
180.14 must review any known medical or psychological limitations, including any medical  
180.15 information the parent provides voluntarily, that contraindicate the use of a restrictive  
180.16 procedure, consider whether to prohibit that restrictive procedure, and document any  
180.17 prohibition in the individualized education program or behavior intervention plan.

180.18 (f) An individualized education program team may plan for using restrictive  
180.19 procedures and may include these procedures in a child's individualized education  
180.20 program or behavior intervention plan; however, the restrictive procedures may be used  
180.21 only in response to behavior that constitutes an emergency, consistent with this section.  
180.22 The individualized education program or behavior intervention plan shall indicate how the  
180.23 parent wants to be notified when a restrictive procedure is used.

180.24 Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be  
180.25 used only in an emergency. A school that uses physical holding or seclusion shall meet the  
180.26 following requirements:

180.27 (1) physical holding or seclusion is the least intrusive intervention that effectively  
180.28 responds to the emergency;

180.29 (2) physical holding or seclusion is not used to discipline a noncompliant child;

180.30 (3) physical holding or seclusion ends when the threat of harm ends and the staff  
180.31 determines the child can safely return to the classroom or activity;

180.32 (4) staff directly observes the child while physical holding or seclusion is being used;

180.33 (5) each time physical holding or seclusion is used, the staff person who implements  
180.34 or oversees the physical holding or seclusion documents, as soon as possible after the  
180.35 incident concludes, the following information:

180.36 (i) a description of the incident that led to the physical holding or seclusion;

181.1 (ii) why a less restrictive measure failed or was determined by staff to be  
181.2 inappropriate or impractical;

181.3 (iii) the time the physical holding or seclusion began and the time the child was  
181.4 released; and

181.5 (iv) a brief record of the child's behavioral and physical status;

181.6 (6) the room used for seclusion must:

181.7 (i) be at least six feet by five feet;

181.8 (ii) be well lit, well ventilated, adequately heated, and clean;

181.9 (iii) have a window that allows staff to directly observe a child in seclusion;

181.10 (iv) have tamperproof fixtures, electrical switches located immediately outside the  
181.11 door, and secure ceilings;

181.12 (v) have doors that open out and are unlocked, locked with keyless locks that  
181.13 have immediate release mechanisms, or locked with locks that have immediate release  
181.14 mechanisms connected with a fire and emergency system; and

181.15 (vi) not contain objects that a child may use to injure the child or others;

181.16 (7) before using a room for seclusion, a school must:

181.17 (i) receive written notice from local authorities that the room and the locking  
181.18 mechanisms comply with applicable building, fire, and safety codes; and

181.19 (ii) register the room with the commissioner, who may view that room; and

181.20 (8) until August 1, 2015, a school district may use prone restraints with children  
181.21 age five or older if:

181.22 (i) the district has provided to the department a list of staff who have had specific  
181.23 training on the use of prone restraints;

181.24 (ii) the district provides information on the type of training that was provided and  
181.25 by whom;

181.26 (iii) only staff who received specific training use prone restraints;

181.27 (iv) each incident of the use of prone restraints is reported to the department within  
181.28 five working days on a form provided by the department; and

181.29 (v) the district, before using prone restraints, must review any known medical or  
181.30 psychological limitations that contraindicate the use of prone restraints.

181.31 The department must collect data on districts' use of prone restraints and publish the data  
181.32 in a readily accessible format on the department's Web site on a quarterly basis.

181.33 (b) By ~~March 1, 2014~~ February 1, 2015, and annually thereafter, stakeholders must  
181.34 recommend to the commissioner specific and measurable implementation and outcome  
181.35 goals for reducing the use of restrictive procedures and the commissioner must submit to  
181.36 the legislature a report on districts' progress in reducing the use of restrictive procedures

182.1 that recommends how to further reduce these procedures and eliminate the use of prone  
182.2 restraints. The statewide plan includes the following components: measurable goals; the  
182.3 resources, training, technical assistance, mental health services, and collaborative efforts  
182.4 needed to significantly reduce districts' use of prone restraints; and recommendations  
182.5 to clarify and improve the law governing districts' use of restrictive procedures. The  
182.6 commissioner must consult with interested stakeholders when preparing the report,  
182.7 including representatives of advocacy organizations, special education directors, teachers,  
182.8 paraprofessionals, intermediate school districts, school boards, day treatment providers,  
182.9 county social services, state human services department staff, mental health professionals,  
182.10 and autism experts. By June 30 each year, districts must report summary data on their  
182.11 use of restrictive procedures to the department, in a form and manner determined by the  
182.12 commissioner. The summary data must include information about the use of restrictive  
182.13 procedures, including use of reasonable force under section 121A.582.

182.14 Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

182.15 (1) engaging in conduct prohibited under section 121A.58;

182.16 (2) requiring a child to assume and maintain a specified physical position, activity,  
182.17 or posture that induces physical pain;

182.18 (3) totally or partially restricting a child's senses as punishment;

182.19 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,  
182.20 substance, or spray as punishment;

182.21 (5) denying or restricting a child's access to equipment and devices such as walkers,  
182.22 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,  
182.23 except when temporarily removing the equipment or device is needed to prevent injury  
182.24 to the child or others or serious damage to the equipment or device, in which case the  
182.25 equipment or device shall be returned to the child as soon as possible;

182.26 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or  
182.27 physical abuse under section 626.556;

182.28 (7) withholding regularly scheduled meals or water;

182.29 (8) denying access to bathroom facilities; and

182.30 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or  
182.31 impairs a child's ability to communicate distress, places pressure or weight on a child's  
182.32 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in  
182.33 straddling a child's torso.

182.34 Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1, staff  
182.35 who use restrictive procedures, including paraprofessionals, shall complete training in  
182.36 the following skills and knowledge areas:

- 183.1 (1) positive behavioral interventions;  
183.2 (2) communicative intent of behaviors;  
183.3 (3) relationship building;  
183.4 (4) alternatives to restrictive procedures, including techniques to identify events and  
183.5 environmental factors that may escalate behavior;  
183.6 (5) de-escalation methods;  
183.7 (6) standards for using restrictive procedures only in an emergency;  
183.8 (7) obtaining emergency medical assistance;  
183.9 (8) the physiological and psychological impact of physical holding and seclusion;  
183.10 (9) monitoring and responding to a child's physical signs of distress when physical  
183.11 holding is being used;  
183.12 (10) recognizing the symptoms of and interventions that may cause positional  
183.13 asphyxia when physical holding is used;  
183.14 (11) district policies and procedures for timely reporting and documenting each  
183.15 incident involving use of a restricted procedure; and  
183.16 (12) schoolwide programs on positive behavior strategies.

183.17 (b) The commissioner, after consulting with the commissioner of human services,  
183.18 must develop and maintain a list of training programs that satisfy the requirements of  
183.19 paragraph (a). The commissioner also must develop and maintain a list of experts to  
183.20 help individualized education program teams reduce the use of restrictive procedures.  
183.21 The district shall maintain records of staff who have been trained and the organization  
183.22 or professional that conducted the training. The district may collaborate with children's  
183.23 community mental health providers to coordinate trainings.

183.24 Subd. 6. **Behavior supports; reasonable force.** (a) School districts are encouraged  
183.25 to establish effective schoolwide systems of positive behavior interventions and supports.

183.26 (b) Nothing in this section or section 125A.0941 precludes the use of reasonable  
183.27 force under sections 121A.582; 609.06, subdivision 1; and 609.379. For the 2014-2015  
183.28 school year and later, districts must collect and submit to the commissioner summary  
183.29 data, consistent with subdivision 3, paragraph (b), on district use of reasonable force  
183.30 that is consistent with the definition of physical holding or seclusion for a child with a  
183.31 disability under this section.

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

183.33 Sec. 2. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1, is  
183.34 amended to read:

184.1 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and  
184.2 later, when a school district provides special instruction and services for a pupil with  
184.3 a disability as defined in section 125A.02 outside the district of residence, excluding  
184.4 a pupil for whom an adjustment to special education aid is calculated according to  
184.5 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the  
184.6 resident district must be reduced by an amount equal to (1) the actual cost of providing  
184.7 special instruction and services to the pupil, including a proportionate amount for special  
184.8 transportation and unreimbursed building lease and debt service costs for facilities used  
184.9 primarily for special education, plus (2) the amount of general education revenue and  
184.10 referendum equalization aid attributable to that pupil, calculated using the resident district's  
184.11 average general education revenue and referendum equalization aid per adjusted pupil  
184.12 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity  
184.13 revenue, minus (3) the amount of special education aid for children with a disability  
184.14 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives  
184.15 special instruction and services outside the regular classroom for more than 60 percent  
184.16 of the school day, the amount of general education revenue and referendum equalization  
184.17 aid, excluding portions attributable to district and school administration, district support  
184.18 services, operations and maintenance, capital expenditures, and pupil transportation,  
184.19 attributable to that pupil for the portion of time the pupil receives special instruction  
184.20 and services outside of the regular classroom, calculated using the resident district's  
184.21 average general education revenue and referendum equalization aid per adjusted pupil unit  
184.22 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue  
184.23 and the serving district's basic skills revenue, elementary sparsity revenue and secondary  
184.24 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils  
184.25 served by a cooperative unit without a fiscal agent school district, the general education  
184.26 revenue and referendum equalization aid attributable to a pupil must be calculated using  
184.27 the resident district's average general education revenue and referendum equalization aid  
184.28 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity  
184.29 revenue. Special education aid paid to the district or cooperative providing special  
184.30 instruction and services for the pupil must be increased by the amount of the reduction in  
184.31 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision  
184.32 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and  
184.33 expenditures on the resident school district's books of account under sections 123B.75  
184.34 and 123B.76. If the resident district's special education aid is insufficient to make the full  
184.35 adjustment, the remaining adjustment shall be made to other state aid due to the district.



185.1 (b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs  
185.2 (b) to (d), a charter school where more than 30 percent of enrolled students receive special  
185.3 education and related services, a site approved under section 125A.515, an intermediate  
185.4 district, a special education cooperative, or a school district that served as the applicant  
185.5 agency for a group of school districts for federal special education aids for fiscal year  
185.6 2006 may apply to the commissioner for authority to charge the resident district an  
185.7 additional amount to recover any remaining unreimbursed costs of serving pupils with  
185.8 a disability. The application must include a description of the costs and the calculations  
185.9 used to determine the unreimbursed portion to be charged to the resident district. Amounts  
185.10 approved by the commissioner under this paragraph must be included in the tuition billings  
185.11 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs  
185.12 (b) to (d), as applicable.

185.13 (c) For purposes of this subdivision and section 127A.47, subdivision 7, ~~paragraphs~~  
185.14 ~~(d) and (e)~~ paragraph (b), "general education revenue and referendum equalization aid"  
185.15 means the sum of the general education revenue according to section 126C.10, subdivision  
185.16 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph  
185.17 (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

185.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
185.19 and later.

185.20 Sec. 3. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is  
185.21 amended to read:

185.22 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,  
185.23 the definitions in this subdivision apply.

185.24 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.  
185.25 For the purposes of computing basic revenue pursuant to this section, each child with a  
185.26 disability shall be counted as prescribed in section 126C.05, subdivision 1.

185.27 (c) "Essential personnel" means teachers, cultural liaisons, related services, and  
185.28 support services staff providing services to students. Essential personnel may also include  
185.29 special education paraprofessionals or clericals providing support to teachers and students  
185.30 by preparing paperwork and making arrangements related to special education compliance  
185.31 requirements, including parent meetings and individualized education programs. Essential  
185.32 personnel does not include administrators and supervisors.

185.33 (d) "Average daily membership" has the meaning given it in section 126C.05.

186.1 (e) "Program growth factor" means 1.046 for fiscal years 2012 ~~though~~ through 2015,  
186.2 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the  
186.3 program growth factor for the previous year for fiscal year 2018 and later.

186.4 (f) "Nonfederal special education expenditure" means all direct expenditures that  
186.5 are necessary and essential to meet the district's obligation to provide special instruction  
186.6 and services to children with a disability according to sections 124D.454, 125A.03 to  
186.7 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by  
186.8 the department under section 125A.75, subdivision 4, excluding expenditures:

- 186.9 (1) reimbursed with federal funds;  
186.10 (2) reimbursed with other state aids under this chapter;  
186.11 (3) for general education costs of serving students with a disability;  
186.12 (4) for facilities;  
186.13 (5) for pupil transportation; and  
186.14 (6) for postemployment benefits.

186.15 (g) "Old formula special education expenditures" means expenditures eligible for  
186.16 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

186.17 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy  
186.18 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and  
186.19 fringe benefits of one-to-one instructional and behavior management aides and one-to-one  
186.20 licensed, certified professionals assigned to a child attending the academy, if the aides or  
186.21 professionals are required by the child's individualized education program.

186.22 ~~(h)~~ (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year  
186.23 2014 and 2.27 percent for fiscal year 2015.

186.24 ~~(i)~~ (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48  
186.25 for fiscal year 2015.

186.26 ~~(j)~~ (k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100  
186.27 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education  
186.28 aid increase limit for the previous fiscal year and \$40.

186.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
186.30 and later.

186.31 Sec. 4. Minnesota Statutes 2012, section 125A.76, subdivision 2, is amended to read:

186.32 Subd. 2. **Special education initial aid.** The special education initial aid equals the  
186.33 sum of the following amounts computed using current year data:

187.1 (1) 68 percent of the salary of each essential person employed in the district's program  
187.2 for children with a disability during the fiscal year, whether the person is employed by one  
187.3 or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

187.4 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy  
187.5 for the Blind, 68 percent of the salary of each ~~one-to-one~~ one-to-one instructional and  
187.6 behavior management aide and one-to-one licensed, certified professional assigned to  
187.7 a child attending the academy, if the aides or professionals are required by the child's  
187.8 individualized education program;

187.9 (3) for special instruction and services provided to any pupil by contracting with  
187.10 public, private, or voluntary agencies other than school districts, in place of special  
187.11 instruction and services provided by the district, 52 percent of the difference between  
187.12 the amount of the contract and the general education revenue, excluding basic skills  
187.13 revenue and alternative teacher compensation revenue, and referendum equalization aid  
187.14 attributable to a pupil, calculated using the resident district's average general education  
187.15 revenue and referendum equalization aid per adjusted pupil unit for the fraction of the  
187.16 school day the pupil receives services under the contract. This includes children who  
187.17 are residents of the state, receive services under this subdivision and subdivision 1, and  
187.18 are placed in a care and treatment facility by court action in a state that does not have a  
187.19 reciprocity agreement with the commissioner under section 125A.155 as provided for in  
187.20 section 125A.79, subdivision 8;

187.21 (4) for special instruction and services provided to any pupil by contracting for  
187.22 services with public, private, or voluntary agencies other than school districts, that are  
187.23 supplementary to a full educational program provided by the school district, 52 percent of  
187.24 the amount of the contract for that pupil;

187.25 (5) for supplies and equipment purchased or rented for use in the instruction of  
187.26 children with a disability, an amount equal to 47 percent of the sum actually expended by  
187.27 the district, or a Minnesota correctional facility operating on a fee-for-service basis, but  
187.28 not to exceed an average of \$47 in any one school year for each child with a disability  
187.29 receiving instruction;

187.30 (6) for fiscal years 1997 and later, special education base revenue shall include  
187.31 amounts under clauses (1) to (5) for special education summer programs provided during  
187.32 the base year for that fiscal year;

187.33 (7) the cost of providing transportation services for children with disabilities under  
187.34 section 123B.92, subdivision 1, paragraph (b), clause (4); and

187.35 (8) the district's transition-disabled program initial aid according to section  
187.36 124D.454, subdivision 3.

188.1 The department shall establish procedures through the uniform financial accounting  
188.2 and reporting system to identify and track all revenues generated from third-party billings  
188.3 as special education revenue at the school district level; include revenue generated from  
188.4 third-party billings as special education revenue in the annual cross-subsidy report; and  
188.5 exclude third-party revenue from calculation of excess cost aid to the districts.

188.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
188.7 and later.

188.8 Sec. 5. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2a, is  
188.9 amended to read:

188.10 Subd. 2a. **Special education initial aid.** For fiscal year 2016 and later, a district's  
188.11 special education initial aid equals the sum of:

188.12 (1) the ~~lesser~~ least of 62 percent of the district's old formula special education  
188.13 expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50  
188.14 percent of the district's nonfederal special education expenditures for the prior year,  
188.15 excluding pupil transportation expenditures, or 56 percent of the product of the sum of the  
188.16 following amounts, computed using prior fiscal year data, and the program growth factor:

188.17 (i) the product of the district's average daily membership served and the sum of:

188.18 (A) \$450; plus

188.19 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1  
188.20 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1  
188.21 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

188.22 (C) .008 times the district's average daily membership served; plus

188.23 (ii) \$10,400 times the December 1 child count for the primary disability areas of  
188.24 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

188.25 (iii) \$18,000 times the December 1 child count for the primary disability areas of  
188.26 deaf and hard-of-hearing and emotional or behavioral disorders; plus

188.27 (iv) \$27,000 times the December 1 child count for the primary disability areas of  
188.28 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,  
188.29 physically impaired, visually impaired, and deafblind; plus

188.30 (2) the cost of providing transportation services for children with disabilities under  
188.31 section 123B.92, subdivision 1, paragraph (b), clause (4).

188.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
188.33 and later.

Sec. 6. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2b, is amended to read:

Subd. 2b. **Cross subsidy reduction aid.** For fiscal years 2014 and 2015, the cross subsidy reduction aid for a school district, not including a charter school, equals the lesser of (a) the product of the cross subsidy reduction aid limit and the district's average daily membership served or (b) the sum of the product of the cross subsidy reduction aid percentage, the district's average daily membership served, and the sum of:

(1) \$450; plus

(2) \$400 times the ratio of the sum of the number of pupils enrolled on October 1 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

(3) .008 times the district's average daily membership served; plus the product of the cross subsidy aid percentage and the sum of:

(i) \$10,100 times the December 1 child count for the primary disability areas of autism spectrum disorders, developmental delay, and severely multiply impaired; plus

(ii) \$17,500 times the December 1 child count for the primary disability areas of deaf and hard-of-hearing and emotional or behavioral disorders; plus

(iii) \$26,000 times the December 1 child count for the primary disability areas of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, and deafblind.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 7. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c, is amended to read:

Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a district's special education aid equals the sum of the district's special education ~~initial~~ aid under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the district's excess cost aid under section 125A.79, subdivision 7.

(b) For fiscal year 2016 and later, a district's special education aid equals the sum of the district's special education initial aid under subdivision 2a and the district's excess cost aid under section 125A.79, subdivision 5.

(c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for a school district must not exceed the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and

127A.47, subdivision 7, and the product of the district's average daily membership served and the special education aid increase limit.

(d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education aid for a school district must not exceed the sum of: (i) the product of the district's average daily membership served and the special education aid increase limit and (ii) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's average daily membership served for the current fiscal year to the district's average daily membership served for fiscal year 2016, and the program growth factor.

(e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education aid for a school district, not including a charter school, must not be less than the lesser of (1) the district's nonfederal special education expenditures for that fiscal year or (2) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the program growth factor.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 8. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed old formula special education expenditures" means:

(1) old formula special education expenditures for the prior fiscal year; minus

(2) for fiscal years 2014 and 2015, the sum of the special education aid under section 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education initial aid under section 125A.76, subdivision 2a; minus

(3) the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside the regular classroom, excluding portions attributable to

191.1 district and school administration, district support services, operations and maintenance,  
191.2 capital expenditures, and pupil transportation.

191.3 (b) "Unreimbursed nonfederal special education expenditures" means:

191.4 (1) nonfederal special education expenditures for the prior fiscal year; minus

191.5 (2) special education initial aid under section 125A.76, subdivision 2a; minus

191.6 (3) for fiscal year 2016 and later, the amount of general education revenue and

191.7 referendum equalization aid for the prior fiscal year attributable to pupils receiving

191.8 special instruction and services outside the regular classroom for more than 60 percent of

191.9 the school day for the portion of time the pupils receive special instruction and services

191.10 outside of the regular classroom, excluding portions attributable to district and school

191.11 administration, district support services, operations and maintenance, capital expenditures,

191.12 and pupil transportation.

191.13 (c) "General revenue" for a school district means the sum of the general education

191.14 revenue according to section 126C.10, subdivision 1, excluding alternative teacher

191.15 compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, local optional

191.16 revenue, and total operating capital revenue. "General revenue" for a charter school means

191.17 the sum of the general education revenue according to section 124D.11, subdivision 1, and

191.18 transportation revenue according to section 124D.11, subdivision 2, excluding alternative

191.19 teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~, transportation

191.20 sparsity revenue ~~minus~~, and operating capital revenue.

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

191.22 and applies to revenue for fiscal year 2014 and later.

191.23 Sec. 9. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is  
191.24 amended to read:

191.25 Subd. 5. **Initial Excess cost aid.** For fiscal year 2016 and later, a district's ~~initial~~  
191.26 excess cost aid equals the greater of:

191.27 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal  
191.28 special education expenditures and (ii) 7.0 percent of the district's general revenue;

191.29 (2) 62 percent of the difference between (i) the district's unreimbursed old formula  
191.30 special education expenditures and (ii) 2.5 percent of the district's general revenue; or

191.31 (3) zero.

191.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016

191.33 and later.

192.1 Sec. 10. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is  
192.2 amended to read:

192.3 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive  
192.4 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and  
192.5 treatment facility by court action in a state that does not have a reciprocity agreement with  
192.6 the commissioner under section 125A.155, the resident school district shall ~~submit the~~  
192.7 ~~balance~~ receive special education out-of-state tuition aid equal to the amount of the tuition  
192.8 bills, minus (1) the general education revenue, excluding basic skills revenue and the local  
192.9 optional levy attributable to the pupil, calculated using the resident district's average  
192.10 general education revenue per adjusted pupil unit, and (2) the referendum equalization aid  
192.11 attributable to the pupil, calculated using the resident district's average general education  
192.12 revenue and referendum equalization aid per adjusted pupil unit minus, and (3) the special  
192.13 education contracted services initial revenue aid attributable to the pupil.

192.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
192.15 and later.

192.16 Sec. 11. Laws 2013, chapter 116, article 5, section 31, subdivision 8, is amended to read:

192.17 Subd. 8. **Special education paperwork cost savings.** (a) For the contract to  
192.18 customize a statewide online reporting system and effect special education paperwork  
192.19 cost savings:

192.20 \$ 1,763,000 ..... 2014

192.21 For a transfer to MNIT. This appropriation is available in fiscal year 2015 ~~if not~~ and  
192.22 must be expended according to this subdivision for online due process reporting.

192.23 (b) To ensure a strong focus on outcomes for children with disabilities informs  
192.24 federal and state compliance and accountability requirements and to increase opportunities  
192.25 for special educators and related-services providers to focus on teaching children with  
192.26 disabilities, the commissioner must customize a streamlined, user-friendly statewide  
192.27 online system, with a single model online form, for effectively and efficiently collecting  
192.28 and reporting required special education-related data to individuals with a legitimate  
192.29 educational interest and who are authorized by law to access the data.

192.30 (c) The commissioner must consult with qualified experts, including information  
192.31 technology specialists, licensed special education teachers and directors of special  
192.32 education, related-services providers, third-party vendors, a designee of the commissioner  
192.33 of human services, parents of children with disabilities, representatives of advocacy groups  
192.34 representing children with disabilities, and representatives of school districts and special



193.1 education cooperatives on integrating, field testing, customizing, and sustaining this simple,  
193.2 easily accessible, efficient, and effective online data system for uniform statewide reporting  
193.3 of required due process compliance data. Among other outcomes, the system must:

193.4 (1) reduce special education teachers' paperwork burden and thereby increase the  
193.5 teachers' opportunities to focus on teaching children;

193.6 (2) to the extent authorized by chapter 13 or other applicable state or federal law  
193.7 governing access to and dissemination of educational records, provide for efficiently  
193.8 and effectively transmitting the records of all transferring children with disabilities,  
193.9 including highly mobile and homeless children with disabilities, among others, and avoid  
193.10 fragmented service delivery;

193.11 (3) address language and other barriers and disparities that prevent parents from  
193.12 understanding and communicating information about the needs of their children with  
193.13 disabilities; and

193.14 (4) help continuously improve the interface among the online systems serving  
193.15 children with disabilities in order to maintain and reinforce the children's ability to learn.

193.16 (d) The commissioner must use the federal Office of Special Education Programs  
193.17 model forms for the (1) individualized education program, (2) notice of procedural  
193.18 safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate  
193.19 and customize a state-sponsored universal special education online case management  
193.20 system, consistent with the requirements of state law and this subdivision for customizing  
193.21 a statewide online reporting system. The commissioner must use a request for proposal  
193.22 process to contract for the technology and software needed for customizing the online  
193.23 system in order for the system to be fully functional, consistent with the requirements of  
193.24 this subdivision. This online system must be made available to school districts without  
193.25 charge beginning in the 2015-2016 school year. All actions in which data in the system  
193.26 are entered, updated, accessed, or shared or disseminated outside of the system, must be  
193.27 recorded in a data audit trail. The audit trail must identify the user responsible for the  
193.28 action, and the date and time the action occurred. Data contained in the audit trail maintain  
193.29 the same classification as the underlying data that was affected by the action, and may be  
193.30 accessed by the responsible authority at any time for purposes of auditing the system's  
193.31 user activity and security safeguards. For the 2015-2016 through 2017-2018 school years,  
193.32 school districts may use this online system or may contract with an outside vendor for  
193.33 compliance reporting. Beginning in the 2018-2019 school year and later, school districts  
193.34 must use this online system for compliance reporting.

193.35 (e) Consistent with this subdivision, the commissioner must establish a public  
193.36 Internet Web interface to provide information to educators, parents, and the public about

194.1 the form and content of required special education reports, to respond to queries from  
194.2 educators, parents, and the public about specific aspects of special education reports and  
194.3 reporting, and to use the information garnered from the interface to streamline and revise  
194.4 special education reporting on the online system under this subdivision. The public Internet  
194.5 Web interface must not provide access to the educational records of any individual child.

194.6 (f) The commissioner annually by February 1 must submit to the legislature a report  
194.7 on the status, recent changes, and sustainability of the online system under this subdivision.

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

194.9 Sec. 12. **RULEMAKING AUTHORITY; SPECIAL EDUCATION TASK FORCE**  
194.10 **RECOMMENDATIONS.**

194.11 The commissioner of education must use the expedited rulemaking process under  
194.12 Minnesota Statutes, section 14.389, including subdivision 5, to make the rule changes  
194.13 recommended by the Special Education Case Load and Rule Alignment Task Force in  
194.14 its 2014 report entitled "Recommendations for Special Education Case Load and Rule  
194.15 Alignment" submitted to the legislature on February 15, 2014.

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

194.17 Sec. 13. **APPROPRIATION.**

194.18 Subdivision 1. **Department of Education.** The sums indicated in this section are  
194.19 appropriated from the general fund to the Department of Education for the fiscal years  
194.20 designated.

194.21 Subd. 2. **Department assistance.** For the commissioner of education to assist  
194.22 school districts in meeting the needs of children who have experienced a high use of prone  
194.23 restraints, consistent with Minnesota Statutes 2013 Supplement, section 125A.0942:

194.24 §            250,000     ....   2015

194.25 The commissioners of education and human services, or their designees, must  
194.26 discuss coordinating use of funds and personnel available for this purpose within their  
194.27 respective departments. This is a onetime appropriation.

194.28 **ARTICLE 20**

194.29 **FACILITIES**

194.30 Section 1. **[123A.482] JOINT POWERS COOPERATIVE FACILITY.**

195.1        Subdivision 1. **Schools may be jointly operated.** Two or more school districts may  
195.2 agree to jointly operate a secondary facility. The districts may choose to operate the  
195.3 facility according to a joint powers agreement under section 123A.78 or 471.59.

195.4        Subd. 2. **Expanded program offerings.** A jointly operated secondary program  
195.5 seeking funding under section 123A.485 must demonstrate to the commissioner's  
195.6 satisfaction that the jointly operated program provides enhanced learning opportunities and  
195.7 broadier curriculum offerings to the students attending that program. The commissioner  
195.8 must approve or disapprove a cooperative secondary program within 60 days of receipt of  
195.9 an application.

195.10       Subd. 3. **Transfer of employees.** If an employee is transferred between two  
195.11 employer members of the joint powers agreement under this section, the employee's  
195.12 length of service under section 122A.40, subdivision 5, remains uninterrupted. The  
195.13 employee shall receive credit on the receiving district's salary schedule for the employee's  
195.14 educational attainment and years of continuous service in the sending district, or shall  
195.15 receive a comparable salary, whichever is greater. The employee shall receive credit for  
195.16 accrued sick leave and rights to severance benefits as if the employee had been employed  
195.17 by the receiving district during the employee's years of employment in the sending district.

195.18       Subd. 4. **Revenue.** An approved program that is jointly operated under this section  
195.19 is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections  
195.20 123A.44 to 123A.446.

195.21       Subd. 5. **Duty to maintain elementary and secondary schools met.** A school  
195.22 district operating a joint facility under this section meets the requirements of section  
195.23 123A.64.

195.24       Subd. 6. **Estimated market value limit exclusion.** Bonds for a cooperative facility  
195.25 operated under this section issued by a member school district are not subject to the net  
195.26 debt limit under section 475.53, subdivision 4.

195.27       Subd. 7. **Allocation of levy authority for joint facility.** For purposes of determining  
195.28 each member district's school levy, a jointly operated secondary program may allocate  
195.29 program costs to each member district according to the joint powers agreement and each  
195.30 member district may include those costs in its tax levy. The joint powers agreement may  
195.31 choose to allocate costs on any basis adopted as part of the joint powers agreement.

195.32       Subd. 8. **Effect of consolidation.** The joint powers agreement may allow member  
195.33 school districts that choose to consolidate to continue to certify levies separately based on  
195.34 each component district's characteristics.

195.35       Subd. 9. **Bonds.** A joint powers district formed under this section may issue bonds  
195.36 according to section 123A.78 or its member districts may issue bonds individually after

complying with this subdivision. The joint powers board must submit the project for review and comment under section 123B.71. The joint powers board must hold a hearing on the proposal. If the bonds are not issued under section 123A.78, each member district of the joint powers district must submit the question of authorizing borrowing of funds for the project to the voters of the district at a special election. The question submitted shall state the total amount of funding needed from that district. The member district may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question in that district vote in the affirmative and only after the board has adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy shortages that, together with other funds available, would allow the member school board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of any bond elections to the commissioner. Bonds issued under this section first qualify for debt service equalization aid in fiscal year 2018.

**Subd. 10. Election.** A district entering into a joint powers agreement under this section may conduct a referendum seeking approval for a new facility. This election may be held separately or at the same time as a bond election under subdivision 9. If the election is held at the same time, the questions may be asked separately or as a conjunctive question. The question must be approved by a majority of those voting on the question. If asked separately and the question fails, a district may not proceed with the sale of bonds according to subdivision 9.

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

Sec. 2. Minnesota Statutes 2012, section 123A.485, is amended to read:

**123A.485 CONSOLIDATION TRANSITION REVENUE AID.**

Subdivision 1. **Eligibility and use.** A district that operates a cooperative facility under section 123A.482 or that has been reorganized after June 30, 1994, under section 123A.48 is eligible for consolidation transition revenue. ~~Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3.~~ Consolidation transition revenue aid may only be used according to this section. Revenue must be used for the following purposes and may be distributed among these purposes at the discretion of the district or the governing board of the cooperative facility:

(1) to offer early retirement incentives as provided by section 123A.48, subdivision 23;

(2) to reduce operating debt as defined in section 123B.82;

197.1 (3) to enhance learning opportunities for students in the reorganized district; ~~and~~  
197.2 (4) to repay building debt; or  
197.3 (5) for other costs incurred in the reorganization.

197.4 Revenue received and utilized under clause (3) or ~~(4)~~ (5) may be expended for  
197.5 operating, facilities, and/or equipment.

197.6 Subd. 2. **Aid.** ~~(a) Consolidation transition aid is equal to \$200 \$300 times the~~  
197.7 ~~number of resident adjusted pupil units in the newly created cooperative facility under~~  
197.8 ~~section 123A.482 or the consolidated district in the year of consolidation and \$100 times~~  
197.9 ~~the number of resident pupil units in the first year following the year of consolidation~~  
197.10 ~~under section 123A.48. The number of pupil units used to calculate aid in either year~~  
197.11 ~~shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts~~  
197.12 ~~consolidating July 1, 1995, and thereafter~~ A district may receive aid under this section for  
197.13 not more than five years except as provided in subdivision 4.

197.14 ~~(b) If the total appropriation for consolidation transition aid for any fiscal year, plus~~  
197.15 ~~any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all~~  
197.16 ~~districts the full amount of aid earned, the department must first pay the districts in the first~~  
197.17 ~~year following the year of consolidation the full amount of aid earned and distribute any~~  
197.18 ~~remaining funds to the newly created districts in the first year of consolidation.~~

197.19 Subd. 3. **Levy.** If the aid available in subdivision 2 is insufficient to cover the costs  
197.20 of the district under section 123A.48, subdivision 23, the district may levy the difference  
197.21 over a period of time not to exceed three years.

197.22 Subd. 4. **New districts.** If a district enters into a cooperative secondary facilities  
197.23 program or consolidates with another district that has received aid under section 123A.39,  
197.24 subdivision 3, or 123A.485 for a combination or consolidation taking effect within  
197.25 six years of the effective date of the new consolidation or the start of the cooperative  
197.26 secondary facilities program, only the pupil units in the district or districts not previously  
197.27 cooperating or reorganized must be counted for aid purposes under subdivision 2. If  
197.28 two or more districts consolidate and all districts received aid under subdivision 2 for a  
197.29 consolidation taking effect within six years of the effective date of the new consolidation,  
197.30 only one quarter of the pupil units in the newly created district must be used to determine  
197.31 aid under subdivision 2.

197.32 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2017  
197.33 and later.

198.1 Sec. 3. Minnesota Statutes 2012, section 123A.64, is amended to read:

198.2 **123A.64 DUTY TO MAINTAIN ELEMENTARY AND SECONDARY**  
198.3 **SCHOOLS.**

198.4 Each district must maintain classified elementary and secondary schools, grades 1  
198.5 through 12, unless the district is exempt according to section 123A.61 or 123A.62, has  
198.6 made an agreement with another district or districts as provided in sections 123A.30,  
198.7 123A.32, or sections 123A.35 to 123A.43, or 123A.17, subdivision 7, ~~or~~ has received a  
198.8 grant under sections 123A.441 to 123A.446, or has formed a cooperative under section  
198.9 123A.482. A district that has an agreement according to sections 123A.35 to 123A.43 or  
198.10 123A.32 must operate a school with the number of grades required by those sections. A  
198.11 district that has an agreement according to section 123A.30 or 123A.17, subdivision 7, or  
198.12 has received a grant under sections 123A.441 to 123A.446 must operate a school for the  
198.13 grades not included in the agreement, but not fewer than three grades.

198.14 Sec. 4. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 1, is  
198.15 amended to read:

198.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service  
198.17 revenue of a district is defined as follows:

198.18 (1) the amount needed to produce between five and six percent in excess of the  
198.19 amount needed to meet when due the principal and interest payments on the obligations  
198.20 of the district for eligible projects according to subdivision 2, including the amounts  
198.21 necessary for repayment of energy loans according to section 216C.37 or sections 298.292  
198.22 to 298.298, debt service loans and capital loans, lease purchase payments under section  
198.23 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision  
198.24 5, paragraph (a), minus

198.25 (2) the amount of debt service excess levy reduction for that school year calculated  
198.26 according to the procedure established by the commissioner.

198.27 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

198.28 (1) obligations under section 123B.61;

198.29 (2) the part of debt service principal and interest paid from the taconite environmental  
198.30 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of  
198.31 taconite payments from the Iron Range school consolidation and cooperatively operated  
198.32 school account under section 298.28, subdivision 7a;

198.33 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as  
198.34 amended by Laws 1992, chapter 499, article 5, section 24; ~~and~~

198.35 (4) obligations under section 123B.62; and

199.1 (5) obligations equalized under section 123B.535.

199.2 (c) For purposes of this section, if a preexisting school district reorganized under  
199.3 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement  
199.4 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt  
199.5 service equalization aid must be computed separately for each of the preexisting districts.

199.6 (d) For purposes of this section, the adjusted net tax capacity determined according  
199.7 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
199.8 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

199.9 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

199.10 Sec. 5. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 5, is  
199.11 amended to read:

199.12 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a  
199.13 district equals the sum of the first tier equalized debt service levy and the second tier  
199.14 equalized debt service levy.

199.15 (b) A district's first tier equalized debt service levy equals the district's first tier debt  
199.16 service equalization revenue times the lesser of one or the ratio of:

199.17 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
199.18 the year before the year the levy is certified by the adjusted pupil units in the district for  
199.19 the school year ending in the year prior to the year the levy is certified; to

199.20 (2) ~~\$3,550~~ \$4,970.

199.21 (c) A district's second tier equalized debt service levy equals the district's second tier  
199.22 debt service equalization revenue times the lesser of one or the ratio of:

199.23 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
199.24 the year before the year the levy is certified by the adjusted pupil units in the district for  
199.25 the school year ending in the year prior to the year the levy is certified; to

199.26 (2) ~~\$7,900~~ \$8,000.

199.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
199.28 and later.

199.29 Sec. 6. **[123B.535] NATURAL DISASTER DEBT SERVICE EQUALIZATION.**

199.30 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible natural  
199.31 disaster debt service revenue of a district is defined as the amount needed to produce  
199.32 between five and six percent in excess of the amount needed to meet when due the

200.1 principal and interest payments on the obligations of the district that would otherwise  
200.2 qualify under section 123B.53 under the following conditions:

200.3 (1) the district was impacted by a natural disaster event or area occurring January  
200.4 1, 2005, or later, as declared by the President of the United States of America, which is  
200.5 eligible for Federal Emergency Management Agency payments;

200.6 (2) the natural disaster caused \$500,000 or more in damages to school district  
200.7 buildings; and

200.8 (3) the repair and replacement costs are not covered by insurance payments or  
200.9 Federal Emergency Management Agency payments.

200.10 (b) For purposes of this section, the adjusted net tax capacity equalizing factor  
200.11 equals the quotient derived by dividing the total adjusted net tax capacity of all school  
200.12 districts in the state for the year before the year the levy is certified by the total number of  
200.13 adjusted pupil units in the state for the year prior to the year the levy is certified.

200.14 (c) For purposes of this section, the adjusted net tax capacity determined according  
200.15 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
200.16 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

200.17 Subd. 2. **Notification.** A district eligible for natural disaster debt service  
200.18 equalization revenue under subdivision 1 must notify the commissioner of the amount of  
200.19 its intended natural disaster debt service revenue calculated under subdivision 1 for all  
200.20 bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

200.21 Subd. 3. **Natural disaster debt service equalization revenue.** The debt service  
200.22 equalization revenue of a district equals the greater of zero or the eligible debt service  
200.23 revenue, minus the greater of zero or the difference between:

200.24 (1) the amount raised by a levy of ten percent times the adjusted net tax capacity  
200.25 of the district; and

200.26 (2) the district's eligible debt service revenue under section 123B.53.

200.27 Subd. 4. **Equalized natural disaster debt service levy.** A district's equalized  
200.28 natural disaster debt service levy equals the district's natural disaster debt service  
200.29 equalization revenue times the lesser of one or the ratio of:

200.30 (1) the quotient derived by dividing the adjusted net tax capacity of the district for  
200.31 the year before the year the levy is certified by the adjusted pupil units in the district for  
200.32 the school year ending in the year prior to the year the levy is certified; to

200.33 (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

200.34 Subd. 5. **Natural disaster debt service equalization aid.** A district's natural  
200.35 disaster debt service equalization aid equals the difference between the district's natural



201.1 disaster debt service equalization revenue and the district's equalized natural disaster  
201.2 debt service levy.

201.3 Subd. 6. **Natural disaster debt service equalization aid payment schedule.** Debt  
201.4 service equalization aid must be paid according to section 127A.45, subdivision 10.

201.5 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
201.6 revenue for fiscal year 2017 and later.

201.7 Sec. 7. Minnesota Statutes 2013 Supplement, section 123B.54, is amended to read:

201.8 **123B.54 DEBT SERVICE APPROPRIATION.**

201.9 (a) The amount necessary to make debt service equalization aid payments under  
201.10 ~~section~~ sections 123B.53 and 123B.535 is annually appropriated from the general fund to  
201.11 the commissioner of education.

201.12 (b) The appropriations in paragraph (a) must be reduced by the amount of any  
201.13 money specifically appropriated for the same purpose in any year from any state fund.

201.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
201.15 and later.

201.16 Sec. 8. Minnesota Statutes 2012, section 123B.71, subdivision 8, is amended to read:

201.17 Subd. 8. **Review and comment.** A school district, a special education cooperative,  
201.18 or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not  
201.19 initiate an installment contract for purchase or a lease agreement, hold a referendum for  
201.20 bonds, nor solicit bids for new construction, expansion, or remodeling of an educational  
201.21 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital  
201.22 loan outstanding, or ~~\$1,400,000~~ \$2,000,000 per school site if it does not have a capital  
201.23 loan outstanding, prior to review and comment by the commissioner. ~~The commissioner~~  
201.24 ~~may exempt~~ A facility addition, maintenance project, or remodeling project funded only  
201.25 with general education aid and levy revenue, deferred maintenance revenue, alternative  
201.26 facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond  
201.27 proceeds, or health and safety revenue is exempt from this provision ~~after reviewing a~~  
201.28 ~~written request from a school district describing the scope of work.~~ A capital project under  
201.29 section 123B.63 addressing only technology is exempt from this provision if the district  
201.30 submits a school board resolution stating that funds approved by the voters will be used  
201.31 only as authorized in section 126C.10, subdivision 14. A school board shall not separate  
201.32 portions of a single project into components to avoid the requirements of this subdivision.

202.1 Sec. 9. Minnesota Statutes 2012, section 123B.71, subdivision 9, is amended to read:

202.2 Subd. 9. **Information required.** A school board proposing to construct, expand,  
202.3 or remodel a facility ~~described in that requires a review and comment under~~ subdivision  
202.4 8 shall submit to the commissioner a proposal containing information including at least  
202.5 the following:

202.6 (1) the geographic area and population to be served, preschool through grade 12  
202.7 student enrollments for the past five years, and student enrollment projections for the  
202.8 next five years;

202.9 (2) a list of existing facilities by year constructed, their uses, and an assessment of  
202.10 the extent to which alternate facilities are available within the school district boundaries  
202.11 and in adjacent school districts;

202.12 (3) a list of the specific deficiencies of the facility that demonstrate the need for a  
202.13 new or renovated facility to be provided, the process used to determine the deficiencies, a  
202.14 list of those deficiencies that will and will not be addressed by the proposed project, and a  
202.15 list of the specific benefits that the new or renovated facility will provide to the students,  
202.16 teachers, and community users served by the facility;

202.17 ~~(4) the relationship of the project to any priorities established by the school district,~~  
202.18 ~~educational cooperatives that provide support services, or other public bodies in the~~  
202.19 ~~service area;~~

202.20 ~~(5) a description of the pedestrian, bicycle, and transit connections between the~~  
202.21 ~~school and nearby residential areas that make it easier for children, teachers, and parents~~  
202.22 ~~to get to the school by walking, bicycling, and taking transit;~~

202.23 ~~(6) a specification of how the project maximizes the opportunity for cooperative use~~  
202.24 ~~of existing park, recreation, and other public facilities and whether and how the project~~  
202.25 ~~will increase collaboration with other governmental or nonprofit entities;~~

202.26 ~~(7)~~ (4) a description of the project, including the specification of site and outdoor  
202.27 space acreage and square footage allocations for classrooms, laboratories, and support  
202.28 spaces; estimated expenditures for the major portions of the project; and the dates the  
202.29 project will begin and be completed;

202.30 ~~(8)~~ (5) a specification of the source of financing the project, including applicable  
202.31 statutory citations; the scheduled date for a bond issue or school board action; a schedule  
202.32 of payments, including debt service equalization aid; and the effect of a bond issue on  
202.33 local property taxes by the property class and valuation;

202.34 ~~(9) an analysis of how the proposed new or remodeled facility will affect school~~  
202.35 ~~district operational or administrative staffing costs, and how the district's operating budget~~  
202.36 ~~will cover any increased operational or administrative staffing costs;~~

203.1 ~~(10) a description of the consultation with local or state transportation officials~~  
203.2 ~~on multimodal school site access and safety issues, and the ways that the project will~~  
203.3 ~~address those issues;~~

203.4 ~~(11) a description of how indoor air quality issues have been considered and a~~  
203.5 ~~certification that the architects and engineers designing the facility will have professional~~  
203.6 ~~liability insurance;~~

203.7 ~~(12) as required under section 123B.72, for buildings coming into service after July 1,~~  
203.8 ~~2002, a certification that the plans and designs for the extensively renovated or new facility's~~  
203.9 ~~heating, ventilation, and air conditioning systems will meet or exceed code standards; will~~  
203.10 ~~provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and~~  
203.11 ~~will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;~~

203.12 ~~(13) a specification of any desegregation requirements that cannot be met by any~~  
203.13 ~~other reasonable means;~~

203.14 ~~(14) a specification of how the facility will utilize environmentally sustainable~~  
203.15 ~~school facility design concepts;~~

203.16 ~~(15) a description of how the architects and engineers have considered the American~~  
203.17 ~~National Standards Institute Acoustical Performance Criteria, Design Requirements~~  
203.18 ~~and Guidelines for Schools of the maximum background noise level and reverberation~~  
203.19 ~~times; and~~

203.20 ~~(16) any existing information from the relevant local unit of government about the~~  
203.21 ~~cumulative costs to provide infrastructure to serve the school, such as utilities, sewer,~~  
203.22 ~~roads, and sidewalks.~~

203.23 (6) documents obligating the school district and contractors to comply with items (i)  
203.24 to (vii) in planning and executing the project:

203.25 (i) section 471.346 governing municipal contracts;

203.26 (ii) sustainable design;

203.27 (iii) school facility commissioning under section 123B.72 certifying the plans and  
203.28 designs for the heating, ventilating, air conditioning, and air filtration for an extensively  
203.29 renovated or new facility meet or exceed current code standards, including the ASHRAE  
203.30 air filtration standard 52.1;

203.31 (iv) American National Standards Institute Acoustical Performance Criteria, Design  
203.32 Requirements and Guidelines for Schools on maximum background noise level and  
203.33 reverberation times;

203.34 (v) State Fire Code;

203.35 (vi) chapter 326B governing building codes; and

204.1 (vii) consultation with affected government units about the impact of the project  
204.2 on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic,  
204.3 access to mass transit, and safe access for pedestrians and cyclists.

204.4 Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2d,  
204.5 is amended to read:

204.6 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining  
204.7 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the  
204.8 formula allowance for that year and (2) the difference between the adjusted pupil units for  
204.9 the preceding year and the adjusted pupil units for the current year.

204.10 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil  
204.11 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the  
204.12 district or charter school in which the pupil was last counted in average daily membership.

204.13 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.48, subdivision 8, is  
204.14 amended to read:

204.15 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies  
204.16 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

204.17 (2) Notwithstanding any other law to the contrary, districts that have revenue  
204.18 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed  
204.19 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34  
204.20 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon  
204.21 severed mineral values must reduce the levies authorized by this chapter and chapters  
204.22 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the  
204.23 previous year's revenue specified under this clause and the amount attributable to the same  
204.24 production year distributed to the cities and townships within the school district under  
204.25 section 298.28, subdivision 2, paragraph (c).

204.26 (3) The amount of any voter approved referendum, facilities down payment, and  
204.27 debt levies shall not be reduced by more than 50 percent under this subdivision, except  
204.28 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by  
204.29 more than 50 percent. In administering this paragraph, the commissioner shall first reduce  
204.30 the nonvoter approved levies of a district; then, if any payments, severed mineral value  
204.31 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall  
204.32 reduce any voter approved referendum levies authorized under section 126C.17; then, if  
204.33 any payments, severed mineral value tax revenue or recognized revenue under paragraph  
204.34 (2) remains, the commissioner shall reduce any voter approved facilities down payment

205.1 levies authorized under section 123B.63 and then, if any payments, severed mineral value  
205.2 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall  
205.3 reduce any voter approved debt levies.

205.4 (4) Before computing the reduction pursuant to this subdivision of the health and  
205.5 safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner  
205.6 shall ascertain from each affected school district the amount it proposes to levy under  
205.7 each section or subdivision. The reduction shall be computed on the basis of the amount  
205.8 so ascertained.

205.9 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the  
205.10 limitation in paragraph (3), an amount equal to the excess must be distributed from the  
205.11 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following  
205.12 year to the cities and townships within the school district in the proportion that their  
205.13 taxable net tax capacity within the school district bears to the taxable net tax capacity of  
205.14 the school district for property taxes payable in the year prior to distribution. No city or  
205.15 township shall receive a distribution greater than its levy for taxes payable in the year prior  
205.16 to distribution. The commissioner of revenue shall certify the distributions of cities and  
205.17 towns under this paragraph to the county auditor by September 30 of the year preceding  
205.18 distribution. The county auditor shall reduce the proposed and final levies of cities and  
205.19 towns receiving distributions by the amount of their distribution. Distributions to the cities  
205.20 and towns shall be made at the times provided under section 298.27.

205.21 Sec. 12. Minnesota Statutes 2012, section 127A.49, subdivision 2, is amended to read:

205.22 Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86,  
205.23 375.192, or otherwise, the net tax capacity or referendum market value of any district for  
205.24 any taxable year is changed after the taxes for that year have been spread by the county  
205.25 auditor and the local tax rate as determined by the county auditor based upon the original  
205.26 net tax capacity is applied upon the changed net tax capacities, the county auditor shall,  
205.27 prior to February 1 of each year, certify to the commissioner of education the amount of  
205.28 any resulting net revenue loss that accrued to the district during the preceding year. Each  
205.29 year, the commissioner shall pay an abatement adjustment to the district in an amount  
205.30 calculated according to the provisions of this subdivision. This amount shall be deducted  
205.31 from the amount of the levy authorized by section 126C.46. The amount of the abatement  
205.32 adjustment must be the product of:

205.33 (1) the net revenue loss as certified by the county auditor, times

205.34 (2) the ratio of:

206.1 (i) the sum of the amounts of the district's certified levy in the third preceding year  
 206.2 according to the following:

206.3 (A) section 123B.57, if the district received health and safety aid according to that  
 206.4 section for the second preceding year;

206.5 (B) section 124D.20, if the district received aid for community education programs  
 206.6 according to that section for the second preceding year;

206.7 (C) section 124D.135, subdivision 3, if the district received early childhood family  
 206.8 education aid according to section 124D.135 for the second preceding year;

206.9 (D) section 126C.17, subdivision 6, if the district received referendum equalization  
 206.10 aid according to that section for the second preceding year;

206.11 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
 206.12 according to section 126C.10, subdivision 13b, in the second preceding year;

206.13 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
 206.14 section 126C.10, subdivision 30, in the second preceding year;

206.15 (G) section 126C.10, subdivision 32, if the district received transition aid according  
 206.16 to section 126C.10, subdivision 33, in the second preceding year;

206.17 (H) section 123B.53, subdivision 5, if the district received debt service equalization  
 206.18 aid according to section 123B.53, subdivision 6, in the second preceding year;

206.19 (I) section 123B.535, subdivision 4, if the district received natural disaster debt  
 206.20 service equalization aid according to section 123B.535, subdivision 5, in the second  
 206.21 preceding year;

206.22 ~~(H)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid  
 206.23 according to section 124D.22, subdivision 4, in the second preceding year;

206.24 ~~(J)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance  
 206.25 aid according to section 123B.591, subdivision 4, in the second preceding year; and

206.26 ~~(K)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher  
 206.27 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
 206.28 (a), in the second preceding year; to

206.29 (ii) the total amount of the district's certified levy in the third preceding December,  
 206.30 plus or minus auditor's adjustments.

206.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
 206.32 and later.

206.33 Sec. 13. Minnesota Statutes 2012, section 127A.49, subdivision 3, is amended to read:

206.34 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a  
 206.35 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon

207.1 decertification of a tax increment district, the school district's aid and levy limitations  
207.2 must be adjusted for the fiscal year in which the excess tax increment is paid under the  
207.3 provisions of this subdivision.

207.4 (b) An amount must be subtracted from the district's aid for the current fiscal year  
207.5 equal to the product of:

207.6 (1) the amount of the payment of excess tax increment to the district, times

207.7 (2) the ratio of:

207.8 (i) the sum of the amounts of the district's certified levy for the fiscal year in which  
207.9 the excess tax increment is paid according to the following:

207.10 (A) section 123B.57, if the district received health and safety aid according to that  
207.11 section for the second preceding year;

207.12 (B) section 124D.20, if the district received aid for community education programs  
207.13 according to that section for the second preceding year;

207.14 (C) section 124D.135, subdivision 3, if the district received early childhood family  
207.15 education aid according to section 124D.135 for the second preceding year;

207.16 (D) section 126C.17, subdivision 6, if the district received referendum equalization  
207.17 aid according to that section for the second preceding year;

207.18 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
207.19 according to section 126C.10, subdivision 13b, in the second preceding year;

207.20 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
207.21 section 126C.10, subdivision 30, in the second preceding year;

207.22 (G) section 126C.10, subdivision 32, if the district received transition aid according  
207.23 to section 126C.10, subdivision 33, in the second preceding year;

207.24 (H) section 123B.53, subdivision 5, if the district received debt service equalization  
207.25 aid according to section 123B.53, subdivision 6, in the second preceding year;

207.26 (I) section 123B.535, subdivision 4, if the district received natural disaster debt  
207.27 service equalization aid according to section 123B.535, subdivision 5, in the second  
207.28 preceding year;

207.29 ~~(H)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid  
207.30 according to section 124D.22, subdivision 4, in the second preceding year;

207.31 ~~(H)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance  
207.32 aid according to section 123B.591, subdivision 4, in the second preceding year; and

207.33 ~~(K)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher  
207.34 compensation equalization aid according to section 126C.10, subdivision 36, paragraph

207.35 (a), in the second preceding year; to

208.1 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus  
208.2 auditor's adjustments.

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

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

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

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

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

208.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
208.15 and later.

208.16 Sec. 14. Minnesota Statutes 2012, section 129C.10, subdivision 3, is amended to read:

208.17 Subd. 3. **Powers and duties of board.** (a) The board has the powers necessary for  
208.18 the care, management, and control of the Perpich Center for Arts Education and any other  
208.19 school authorized in this chapter, and all ~~its~~ their real and personal property. The powers  
208.20 shall include, but are not limited to, those listed in this subdivision.

208.21 (b) The board may employ and discharge necessary employees, and contract for  
208.22 other services to ensure the efficient operation of the Center for Arts Education and any  
208.23 other school authorized in this chapter.

208.24 (c) The board may receive and award grants. The board may establish a charitable  
208.25 foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for  
208.26 educational purposes and hold, manage, invest, and dispose of them and the proceeds  
208.27 and income of them according to the terms and conditions of the gift, grant, bequest, or  
208.28 devise and its acceptance. The board must adopt internal procedures to administer and  
208.29 monitor aids and grants.

208.30 (d) The board may establish or coordinate evening, continuing education, extension,  
208.31 and summer programs for teachers and pupils.

208.32 (e) The board may identify pupils who have artistic talent, either demonstrated or  
208.33 potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more  
208.34 than one art form.

208.35 (f) The board must educate pupils with artistic talent by providing:



209.1 (1) an interdisciplinary academic and arts program for pupils in the 11th and 12th  
209.2 grades. The total number of pupils accepted under this clause and clause (2) shall not  
209.3 exceed 310;

209.4 (2) additional instruction to pupils for a 13th grade. Pupils eligible for this  
209.5 instruction are those enrolled in 12th grade who need extra instruction and who apply  
209.6 to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes  
209.7 established by the board;

209.8 (3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

209.9 (4) summer arts institutes for pupils in grades 9 to 12;

209.10 (5) artist mentor and extension programs in regional sites; and

209.11 (6) teacher education programs for indirect curriculum delivery.

209.12 (g) The board may determine the location for the Perpich Center for Arts Education  
209.13 and any additional facilities related to the center, including the authority to lease a  
209.14 temporary facility.

209.15 (h) The board must plan for the enrollment of pupils on an equal basis from each  
209.16 congressional district.

209.17 (i) The board may establish task forces as needed to advise the board on policies and  
209.18 issues. The task forces expire as provided in section 15.059, subdivision 6.

209.19 (j) The board may request the commissioner of education for assistance and services.

209.20 (k) The board may enter into contracts with other public and private agencies  
209.21 and institutions for residential and building maintenance services if it determines that  
209.22 these services could be provided more efficiently and less expensively by a contractor  
209.23 than by the board itself. The board may also enter into contracts with public or private  
209.24 agencies and institutions, school districts or combinations of school districts, or service  
209.25 cooperatives to provide supplemental educational instruction and services.

209.26 (l) The board may provide or contract for services and programs by and for the  
209.27 Center for Arts Education, including a store, operating in connection with the center;  
209.28 theatrical events; and other programs and services that, in the determination of the board,  
209.29 serve the purposes of the center.

209.30 (m) The board may provide for transportation of pupils to and from the Center for  
209.31 Arts Education for all or part of the school year, as the board considers advisable and  
209.32 subject to its rules. Notwithstanding any other law to the contrary, the board may charge a  
209.33 reasonable fee for transportation of pupils. Every driver providing transportation of pupils  
209.34 under this paragraph must possess all qualifications required by the commissioner of  
209.35 education. The board may contract for furnishing authorized transportation under rules  
209.36 established by the commissioner of education and may purchase and furnish gasoline to a

210.1 contract carrier for use in the performance of a contract with the board for transportation  
210.2 of pupils to and from the Center for Arts Education. When transportation is provided,  
210.3 scheduling of routes, establishment of the location of bus stops, the manner and method of  
210.4 transportation, the control and discipline of pupils, and any other related matter is within  
210.5 the sole discretion, control, and management of the board.

210.6 (n) The board may provide room and board for its pupils. If the board provides room  
210.7 and board, it shall charge a reasonable fee for the room and board. The fee is not subject  
210.8 to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

210.9 (o) The board may establish and set fees for services and programs. If the board sets  
210.10 fees not authorized or prohibited by the Minnesota public school fee law, it may do so  
210.11 without complying with the requirements of section 123B.38.

210.12 (p) The board may apply for all competitive grants administered by agencies of the  
210.13 state and other government or nongovernment sources.

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

210.15 Sec. 15. Minnesota Statutes 2012, section 129C.10, is amended by adding a  
210.16 subdivision to read:

210.17 Subd. 5a. **Interdistrict voluntary integration magnet program.** Notwithstanding  
210.18 Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate  
210.19 an interdistrict integration magnet program according to section 129C.30. For fiscal year  
210.20 2016 and later, the board must have an approved achievement and integration plan and  
210.21 budget under section 124D.861.

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

210.23 Sec. 16. **[129C.30] CROSSWINDS INTEGRATION MAGNET SCHOOL.**

210.24 Subdivision 1. **Definitions.** (a) The following terms having the meanings given  
210.25 them for this chapter.

210.26 (b) "Board" means the board of directors of the Perpich Center for Arts Education.

210.27 (c) "Crosswinds school" means the Crosswinds school in Woodbury operated during  
210.28 the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration  
210.29 District.

210.30 Subd. 2. **Board to operate the Crosswinds school.** The board may operate the  
210.31 Crosswinds school with the powers and duties granted to it under this chapter. A student  
210.32 may apply to the Crosswinds school under section 124D.03 and the Crosswinds school  
210.33 may accept students under that section.

211.1        Subd. 3. **General education funding.** General education revenue must be paid to  
211.2 the Crosswinds school as though it were a district. The general education revenue for each  
211.3 adjusted pupil unit is the state average general education revenue per pupil unit, plus  
211.4 the referendum equalization aid allowance in the pupil's district of residence, minus an  
211.5 amount equal to the product of the formula allowance according to section 126C.10,  
211.6 subdivision 2, times .0466, calculated without declining enrollment, basic skills revenue,  
211.7 extended time revenue, pension adjustment revenue, transition revenue, and transportation  
211.8 sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue,  
211.9 pension adjustment revenue, and transition revenue as though the school were a school  
211.10 district. The general education revenue for each extended time pupil unit equals \$4,794.

211.11        Subd. 4. **Special education funding.** Special education aid must be paid to the  
211.12 Crosswinds school according to sections 125A.76 and 125A.79, as though it were a  
211.13 school district. The special education aid paid to the Crosswinds school shall be adjusted  
211.14 as follows:

211.15        (1) if the Crosswinds school does not receive general education revenue on behalf of  
211.16 the student according to subdivision 3, the aid shall be adjusted as provided in section  
211.17 125A.11; or

211.18        (2) if the Crosswinds school receives general education revenue on behalf of the  
211.19 student according to subdivision 3, the aid shall be adjusted as provided in section  
211.20 127A.47, subdivision 7, paragraphs (b) to (d).

211.21        Subd. 5. **Pupil transportation.** (a) For fiscal year 2015 only, a member district of  
211.22 Joint Powers District No. 6067, East Metro Integration District, must transport pupils  
211.23 enrolled at the Crosswinds school in the same manner as they were transported in fiscal  
211.24 year 2014.

211.25        (b) Pupil transportation expenses under this section are reimbursable under section  
211.26 124D.87.

211.27        Subd. 6. **Achievement and integration aid.** For fiscal year 2016 and later, the  
211.28 Crosswinds school is eligible for achievement and integration aid under section 124D.862  
211.29 as if it were a school district.

211.30        Subd. 7. **Other aids, grants, revenue.** (a) The Crosswinds school is eligible to  
211.31 receive other aids, grants, and revenue according to chapters 120A to 129C as though it  
211.32 were a district.

211.33        (b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a  
211.34 grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue  
211.35 replaces levy revenue that is not general education revenue, except as otherwise provided  
211.36 in this section.

212.1 (c) Federal aid received by the state must be paid to the school if it qualifies for  
212.2 the aid as though it were a school district.

212.3 (d) In the year-end report to the commissioner of education, the Crosswinds school  
212.4 shall report the total amount of funds received from grants and other outside sources.

212.5 Subd. 8. **Year-round programming.** The Crosswinds school may operate as a  
212.6 flexible learning year program under sections 124D.12 to 124D.127.

212.7 Subd. 9. **Data requirements.** The commissioner of education shall require the  
212.8 Crosswinds school to follow the budget and accounting procedures required for school  
212.9 districts and the Crosswinds school shall report all data to the Department of Education in  
212.10 the form and manner required by the commissioner.

212.11 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 5, is amended to read:

212.12 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications  
212.13 access:

212.14 \$ 3,750,000 ..... 2014

212.15 ~~3,750,000~~

212.16 \$ 8,750,000 ..... 2015

212.17 If the appropriation amount is insufficient, the commissioner shall reduce the  
212.18 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
212.19 revenue for fiscal years 2014 and 2015 shall be prorated.

212.20 Any balance in the first year does not cancel but is available in the second year.

212.21 The base appropriation for this program for fiscal years 2016 and 2017 is \$8,750,000  
212.22 for each year.

212.23 Sec. 18. **HARAMBEE COMMUNITY SCHOOL TRANSITION.**

212.24 Subdivision 1. **Facilities.** Notwithstanding the appropriations of state general  
212.25 obligation bond proceeds in Laws 1994, chapter 643, section 14, subdivision 7, to Joint  
212.26 Powers District No. 6067, East Metro Integration District, to acquire and better the  
212.27 Harambee community school, in Maplewood, the real and personal property of the  
212.28 Harambee school, may be conveyed to Independent School District No. 623, Roseville,  
212.29 for operation of a multidistrict integration facility that serves students in any grade from  
212.30 early education through grade 12.

212.31 Subd. 2. **Student enrollment.** A student enrolled in the Harambee community  
212.32 school during the 2013-2014 school year may continue to enroll in the Harambee  
212.33 community school in any subsequent year. For the 2014-2015 school year and later, other  
212.34 students may apply for enrollment under Minnesota Statutes, section 124D.03.

213.1        **Subd. 3. Compensatory revenue; literacy aid; alternative compensation**  
213.2 **revenue.** For the 2014-2015 school year only, the Department of Education must calculate  
213.3 compensatory revenue, literacy aid, and alternative compensation revenue for the  
213.4 Harambee community school based on the October 1, 2013, enrollment counts.

213.5        **Subd. 4. Year-round programming.** Harambee community school may operate as  
213.6 a flexible learning year program under Minnesota Statutes, sections 124D.12 to 124D.127.

213.7        **Subd. 5. Pupil transportation.** The board may transport pupils enrolled in the  
213.8 2013-2014 school year to and from the Harambee community school in succeeding school  
213.9 years regardless of the students' districts of residence. Pupil transportation expenses under  
213.10 this section are reimbursable under Minnesota Statutes, section 124D.87.

213.11        Sec. 19. **TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

213.12        **Subdivision 1. Transfer.** Notwithstanding the appropriation of state general  
213.13 obligation bond proceeds in Laws 1998, chapter 404, section 5, subdivision 5; Laws 1999,  
213.14 chapter 240, article 1, section 3; Laws 2000, chapter 492, article 1, section 5, subdivision  
213.15 2; Laws 2001, First Special Session chapter 12, section 2, subdivision 2; and Laws  
213.16 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and better the Crosswinds  
213.17 school facilities by the Joint Powers District No. 6067, East Metro Integration District,  
213.18 in Woodbury, the Crosswinds school may be conveyed to the Perpich Center for Arts  
213.19 Education for use as an east metropolitan area integration magnet school.

213.20        **Subd. 2. Student enrollment.** Any student enrolled in the Crosswinds school  
213.21 during the 2013-2014 school year may continue to enroll in the Crosswinds school in  
213.22 any subsequent year. For the 2014-2015 school year and later, a student may apply for  
213.23 enrollment to the school under Minnesota Statutes, section 124D.03.

213.24        **Subd. 3. Compensatory revenue, literacy aid, and alternative compensation**  
213.25 **revenue.** For the 2014-2015 school year only, the Department of Education must calculate  
213.26 compensatory revenue, literacy aid, and alternative compensation revenue for the  
213.27 Crosswinds school based on the October 1, 2013, enrollment counts at that site.

213.28        **Subd. 4. Title 1 funding.** To the extent possible, the Department of Education  
213.29 must qualify the Crosswinds school for Title 1, and, if applicable, other federal funding  
213.30 as if the program were still operated by Joint Powers District No. 6067, East Metro  
213.31 Integration District.

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

213.33        Sec. 20. **LEASE LEVY; TRANSPORTATION HUB FOR ROSEMOUNT-APPLE**  
213.34 **VALLEY-EAGAN SCHOOL DISTRICT.**

214.1 Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent  
214.2 School District No. 196, Rosemount-Apple Valley-Eagan, may lease a transportation  
214.3 hub under Minnesota Statutes, section 126C.40, subdivision 1. Levy authority under  
214.4 this section shall not exceed the total levy authority under Minnesota Statutes, section  
214.5 126C.40, subdivision 1, paragraph (e).

214.6 **EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

214.7 Sec. 21. **REPEALER.**

214.8 Minnesota Statutes 2012, section 123B.71, subdivision 1, is repealed.

## 214.9 **ARTICLE 21**

## 214.10 **NUTRITION**

214.11 Section 1. Minnesota Statutes 2013 Supplement, section 124D.111, subdivision 1,  
214.12 is amended to read:

214.13 Subdivision 1. **School lunch aid computation.** Each school year, the state must  
214.14 pay participants in the national school lunch program the amount of 12.5 cents for each  
214.15 full paid,~~reduced-price~~, and free student lunch and 52.5 cents for each reduced-price  
214.16 lunch served to students.

214.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
214.18 and later.

214.19 Sec. 2. Minnesota Statutes 2012, section 124D.111, is amended by adding a  
214.20 subdivision to read:

214.21 Subd. 4. **No fees.** A participant that receives school lunch aid under this section  
214.22 must make lunch available without charge to all participating students who qualify for  
214.23 free or reduced-price meals. The participant must also ensure that any reminders for  
214.24 payment of outstanding student meal balances do not demean or stigmatize any child  
214.25 participating in the school lunch program.

214.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
214.27 and later.

214.28 Sec. 3. Laws 2013, chapter 116, article 7, section 21, subdivision 2, is amended to read:

214.29 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,  
214.30 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

215.1		<del>13,032,000</del>		
215.2	\$	<u>12,417,000</u>	.....	2014
215.3		<del>13,293,000</del>		
215.4	\$	<u>16,185,000</u>	.....	2015

## ARTICLE 22

### EARLY EDUCATION, COMMUNITY EDUCATION, SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2012, section 121A.19, is amended to read:

#### **121A.19 DEVELOPMENTAL SCREENING AID.**

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$80 for a child screened at age three; (2) ~~\$50~~ \$55 for a child screened at age four; (3) \$40 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

**EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2012, section 124D.16, subdivision 2, is amended to read:

Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been approved by the commissioner.

(b) ~~For fiscal year 2002 and thereafter,~~ A district must receive school readiness aid equal to:

216.1 (1) the number of four-year-old children in the district on October 1 for the previous  
216.2 school year times the ratio of 50 percent of the total school readiness aid for that year to  
216.3 the total number of four-year-old children reported to the commissioner for the previous  
216.4 school year; plus

216.5 (2) the number of pupils enrolled in the school district from families eligible for the  
216.6 free or reduced school lunch program for the previous school year times the ratio of  
216.7 50 percent of the total school readiness aid for that year to the total number of pupils  
216.8 in the state from families eligible for the free or reduced school lunch program for the  
216.9 previous school year.

216.10 (c) For fiscal year 2015 and later, total school readiness aid equals \$12,000,000.

216.11 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015  
216.12 and later.

216.13 Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 5, is  
216.14 amended to read:

216.15 Subd. 5. **Report required.** The commissioner shall contract with an independent  
216.16 contractor to evaluate the early learning scholarship program. The evaluation must  
216.17 include recommendations regarding the appropriate scholarship amount, efficiency, and  
216.18 effectiveness of the administration, and impact on kindergarten readiness. By January  
216.19 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs  
216.20 and ranking minority members of the legislative committees and divisions with primary  
216.21 jurisdiction over kindergarten through grade 12 education.

216.22 Sec. 4. Minnesota Statutes 2012, section 124D.522, is amended to read:

216.23 **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**  
216.24 **GRANTS.**

216.25 (a) The commissioner, in consultation with the policy review task force under  
216.26 section 124D.521, may make grants to nonprofit organizations to provide services that  
216.27 are not offered by a district adult basic education program or that are supplemental to  
216.28 either the statewide adult basic education program, or a district's adult basic education  
216.29 program. The commissioner may make grants for: staff development for adult basic  
216.30 education teachers and administrators; training for volunteer tutors; training, services, and  
216.31 materials for serving disabled students through adult basic education programs; statewide  
216.32 promotion of adult basic education services and programs; development and dissemination  
216.33 of instructional and administrative technology for adult basic education programs;



217.1 programs which primarily serve communities of color; adult basic education distance  
217.2 learning projects, including television instruction programs; and other supplemental  
217.3 services to support the mission of adult basic education and innovative delivery of adult  
217.4 basic education services.

217.5 (b) The commissioner must establish eligibility criteria and grant application  
217.6 procedures. Grants under this section must support services throughout the state, focus on  
217.7 educational results for adult learners, and promote outcome-based achievement through  
217.8 adult basic education programs. Beginning in fiscal year 2002, the commissioner may  
217.9 make grants under this section from the state total adult basic education aid set aside for  
217.10 supplemental service grants under section 124D.531. Up to one-fourth of the appropriation  
217.11 for supplemental service grants must be used for grants for adult basic education programs  
217.12 to encourage and support innovations in adult basic education instruction and service  
217.13 delivery. A grant to a single organization cannot exceed ~~20~~ 40 percent of the total  
217.14 supplemental services aid. Nothing in this section prevents an approved adult basic  
217.15 education program from using state or federal aid to purchase supplemental services.

217.16 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is  
217.17 amended to read:

217.18 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
217.19 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid  
217.20 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph  
217.21 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later  
217.22 fiscal years equals:

217.23 (1) the state total adult basic education aid for the preceding fiscal year plus any  
217.24 amount that is not paid for during the previous fiscal year, as a result of adjustments under  
217.25 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

217.26 (2) the lesser of:

217.27 (i) ~~1.025~~ 1.03; or

217.28 (ii) the average growth in state total contact hours over the prior ten program years.

217.29 ~~Beginning in fiscal year 2002, two~~ Three percent of the state total adult basic  
217.30 education aid must be set aside for adult basic education supplemental service grants  
217.31 under section 124D.522.

217.32 (b) The state total adult basic education aid, excluding basic population aid, equals  
217.33 the difference between the amount computed in paragraph (a), and the state total basic  
217.34 population aid under subdivision 2.

218.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 218.2 and later.

218.3 Sec. 6. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

218.4 Subd. 3. **Program revenue.** Adult basic education programs established under  
 218.5 section 124D.52 and approved by the commissioner are eligible for revenue under this  
 218.6 subdivision. For fiscal year 2001 and later, adult basic education revenue for each  
 218.7 approved program equals the sum of:

218.8 (1) the basic population aid under subdivision 2 for districts participating in the  
 218.9 program during the current program year; plus

218.10 (2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the  
 218.11 ratio of the contact hours for students participating in the program during the first prior  
 218.12 program year to the state total contact hours during the first prior program year; plus

218.13 (3) eight percent times the amount computed in subdivision 1, paragraph (b), times  
 218.14 the ratio of the enrollment of English learners during the second prior school year in  
 218.15 districts participating in the program during the current program year to the state total  
 218.16 enrollment of English learners during the second prior school year in districts participating  
 218.17 in adult basic education programs during the current program year; plus

218.18 (4) eight percent times the amount computed in subdivision 1, paragraph (b), times  
 218.19 the ratio of the latest federal census count of the number of adults aged ~~20~~ 25 or older  
 218.20 with no diploma residing in the districts participating in the program during the current  
 218.21 program year to the latest federal census count of the state total number of adults aged ~~20~~  
 218.22 25 or older with no diploma residing in the districts participating in adult basic education  
 218.23 programs during the current program year.

218.24 Sec. 7. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:

218.25 Subd. 2. **School readiness.** For revenue for school readiness programs under  
 218.26 Minnesota Statutes, sections 124D.15 and 124D.16:

218.27 ~~10,095,000~~  
 218.28 \$ 10,458,000 ..... 2014

218.29 ~~10,159,000~~  
 218.30 \$ 11,809,000 ..... 2015

218.31 The 2014 appropriation includes \$1,372,000 for 2013 and ~~\$8,723,000~~ \$9,086,000  
 218.32 for 2014.

218.33 The 2015 appropriation includes ~~\$1,372,000~~ \$1,009,000 for 2014 and ~~\$8,787,000~~  
 218.34 \$10,800,000 for 2015.

219.1 Sec. 8. Laws 2013, chapter 116, article 8, section 5, subdivision 4, is amended to read:

219.2 Subd. 4. **Health and developmental screening aid.** For health and developmental  
219.3 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

219.4 \$ 3,421,000 ..... 2014

219.5 ~~3,344,000~~

219.6 \$ 3,569,000 ..... 2015

219.7 The 2014 appropriation includes \$474,000 for 2013 and \$2,947,000 for 2014.

219.8 The 2015 appropriation includes \$463,000 for 2014 and ~~\$2,881,000~~ \$3,106,000

219.9 for 2015.

219.10 Sec. 9. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

219.11 Subd. 14. **Adult basic education aid.** For adult basic education aid under  
219.12 Minnesota Statutes, section 124D.531:

219.13 ~~47,005,000~~

219.14 \$ 48,782,000 ..... 2014

219.15 ~~48,145,000~~

219.16 \$ 48,415,000 ..... 2015

219.17 The 2014 appropriation includes \$6,284,000 for 2013 and ~~\$40,721,000~~ \$42,498,000

219.18 for 2014.

219.19 The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~

219.20 \$43,693,000 for 2015.

219.21 Sec. 10. **APPROPRIATIONS.**

219.22 Subdivision 1. **Department of Education.** The sums indicated in this section are  
219.23 appropriated from the general fund to the Department of Education for the fiscal years  
219.24 designated.

219.25 Subd. 2. **Northside Achievement Zone.** (a) For a grant to the Northside  
219.26 Achievement Zone:

219.27 \$ 1,132,000 ..... 2015

219.28 (b) Funds appropriated in this subdivision are to reduce multigenerational poverty  
219.29 and the educational achievement gap through increased enrollment of families within  
219.30 the zone, and may be used for Northside Achievement Zone programming and services  
219.31 consistent with federal Promise Neighborhood program agreements and requirements.

219.32 (c) The Northside Achievement Zone shall submit a report by October 1, 2015, to  
219.33 the chairs of the legislative committees with jurisdiction over early childhood through

220.1 grade 12 education policy and finance that, at a minimum, summarizes program activities,  
220.2 specifies performance measures, and analyzes program outcomes.

220.3 (d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

220.4 Subd. 3. **St. Paul Promise Neighborhood.** (a) For a grant to the St. Paul Promise  
220.5 Neighborhood:

220.6 \$ 1,132,000 ..... 2015

220.7 (b) Funds appropriated in this subdivision are to reduce multigenerational poverty  
220.8 and the educational achievement gap through increased enrollment of families within the  
220.9 zone, and may be used for St. Paul Promise Neighborhood programming and services  
220.10 consistent with federal Promise Neighborhood program agreements and requirements.

220.11 (c) The St. Paul Promise Neighborhood shall submit a report by October 1, 2015, to  
220.12 the chairs of the legislative committees with jurisdiction over early childhood through  
220.13 grade 12 education policy and finance that, at a minimum, summarizes program activities,  
220.14 specifies performance measures, and analyzes program outcomes.

220.15 (d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

## 220.16 **ARTICLE 23**

### 220.17 **STATE AGENCIES**

220.18 Section 1. Laws 2013, chapter 116, article 9, section 1, subdivision 2, is amended to read:

220.19 Subd. 2. **Department.** (a) For the Department of Education:

220.20 \$ 20,058,000 ..... 2014

220.21 ~~19,308,000~~

220.22 \$ 19,716,000 ..... 2015

220.23 Any balance in the first year does not cancel but is available in the second year.

220.24 (b) \$260,000 each year is for the Minnesota Children's Museum.

220.25 (c) \$41,000 each year is for the Minnesota Academy of Science.

220.26 (d) \$50,000 each year is for the Duluth Children's Museum.

220.27 (e) ~~\$618,000 each~~ in fiscal year 2014 and \$718,000 in fiscal year is 2015 only are

220.28 for the Board of Teaching. Any balance in the first year does not cancel but is available  
220.29 in the second year.

220.30 (f) ~~\$167,000 each~~ in fiscal year 2014 and \$225,000 in fiscal year is 2015 are for  
220.31 the Board of School Administrators. Any balance in the first year does not cancel but  
220.32 is available in the second year.

220.33 (g) \$75,000 in fiscal year 2015 only is for The Works Museum.

221.1 (h) \$50,000 in fiscal year 2015 only is for a grant to the Headwaters Science Center  
221.2 for hands-on science, technology, engineering, and math (STEM) education.

221.3 (i) \$25,000 each year is for innovation pilot grants under Laws 2012, chapter 263,  
221.4 section 1.

221.5 (j) The expenditures of federal grants and aids as shown in the biennial budget  
221.6 document and its supplements are approved and appropriated and shall be spent as  
221.7 indicated.

221.8 ~~(h)~~ (k) None of the amounts appropriated under this subdivision may be used for  
221.9 Minnesota's Washington, D.C. office.

221.10 ~~(i)~~ (l) \$250,000 each year is for the School Finance Division to enhance financial  
221.11 data analysis.

221.12 ~~(j)~~ (m) \$750,000 in fiscal year 2014 only is for departmental costs associated with  
221.13 teacher development and evaluation. Any balance in the first year does not cancel and  
221.14 is available in the second year.

221.15 Sec. 2. Laws 2013, chapter 116, article 9, section 2, is amended to read:

221.16 Sec. 2. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

221.17 The sums indicated in this section are appropriated from the general fund to the  
221.18 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

221.19 \$ 11,749,000 ..... 2014

221.20 ~~11,664,000~~

221.21 \$ 11,964,000 ..... 2015

221.22 \$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading  
221.23 kitchen facilities. Any balance in the first year does not cancel but is available in the  
221.24 second year.

221.25 Sec. 3. **APPROPRIATION; RESPONSES TO HEALTH INSURANCE**

221.26 **TRANSPARENCY ACT BID REQUESTS.**

221.27 (a) \$294,000 is appropriated for fiscal year 2015 from the general fund to the  
221.28 commissioner of management and budget to comply with the requirements relating to  
221.29 health insurance transparency similar to those proposed in House File 2180, if enacted in  
221.30 the 2014 regular legislative session. This is a onetime appropriation.

221.31 (b) If a bill meeting the requirements of paragraph (a) is enacted, the commissioner  
221.32 of management and budget shall report by January 15, 2015, to the legislative chairs  
221.33 and ranking minority members with jurisdiction over state government finance on the  
221.34 ongoing costs incurred by the public employees insurance program in compliance with

222.1 the requirements of the health insurance transparency act and may request additional  
222.2 appropriations, if necessary.

222.3 **ARTICLE 24**

222.4 **FORECAST ADJUSTMENTS**

222.5 **A. GENERAL EDUCATION**

222.6 Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 3, is amended to  
222.7 read:

222.8 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
222.9 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
222.10 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

222.11		<del>44,000</del>		
222.12	\$	<u>37,000</u>	.....	2014
222.13		<del>48,000</del>		
222.14	\$	<u>40,000</u>	.....	2015

222.15 Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 4, is amended to read:

222.16 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
222.17 127A.49:

222.18		<del>2,747,000</del>		
222.19	\$	<u>2,876,000</u>	.....	2014
222.20		<del>3,136,000</del>		
222.21	\$	<u>3,103,000</u>	.....	2015

222.22 The 2014 appropriation includes \$301,000 for 2013 and ~~\$2,446,000~~ \$2,575,000  
222.23 for 2014.

222.24 The 2015 appropriation includes ~~\$385,000~~ \$286,000 for 2014 and ~~\$2,751,000~~  
222.25 \$2,817,000 for 2015.

222.26 Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 5, is amended to read:

222.27 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
222.28 Statutes, section 123A.485:

222.29		<del>472,000</del>		
222.30	\$	<u>585,000</u>	.....	2014
222.31		<del>480,000</del>		
222.32	\$	<u>254,000</u>	.....	2015

222.33 The 2014 appropriation includes \$40,000 for 2013 and ~~\$432,000~~ \$545,000 for 2014.

223.1 The 2015 appropriation includes ~~\$68,000~~ \$60,000 for 2014 and ~~\$412,000~~ \$194,000  
223.2 for 2015.

223.3 Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 6, is amended to read:

223.4 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
223.5 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

223.6 ~~15,582,000~~  
223.7 \$ 16,068,000 ..... 2014

223.8 ~~16,169,000~~  
223.9 \$ 16,074,000 ..... 2015

223.10 The 2014 appropriation includes \$2,099,000 for 2013 and ~~\$13,483,000~~ \$13,969,000  
223.11 for 2014.

223.12 The 2015 appropriation includes ~~\$2,122,000~~ \$1,552,000 for 2014 and ~~\$14,047,000~~  
223.13 \$14,522,000 for 2015.

223.14 Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 7, is amended to read:

223.15 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid  
223.16 under Minnesota Statutes, section 123B.92, subdivision 9:

223.17 ~~18,565,000~~  
223.18 \$ 18,566,000 ..... 2014

223.19 ~~18,946,000~~  
223.20 \$ 17,646,000 ..... 2015

223.21 The 2014 appropriation includes \$2,668,000 for 2013 and ~~\$15,897,000~~ \$15,898,000  
223.22 for 2014.

223.23 The 2015 appropriation includes ~~\$2,502,000~~ \$1,766,000 for 2014 and ~~\$16,444,000~~  
223.24 \$15,880,000 for 2015.

223.25 Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 11, is amended to read:

223.26 Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota  
223.27 Statutes, section 124D.4531, subdivision 1b:

223.28 ~~4,320,000~~  
223.29 \$ 3,959,000 ..... 2014

223.30 ~~5,680,000~~  
223.31 \$ 5,172,000 ..... 2015

223.32 The 2014 appropriation includes \$0 for 2014 and ~~\$4,320,000~~ \$3,959,000 for 2015.

223.33 The 2015 appropriation includes ~~\$680,000~~ \$439,000 for 2014 and ~~\$5,000,000~~  
223.34 \$4,733,000 for 2015.

223.35 **B. EDUCATION EXCELLENCE**

224.1 Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 3, is amended to read:

224.2 Subd. 3. **Achievement and integration aid.** For achievement and integration aid  
224.3 under Minnesota Statutes, section 124D.862:

224.4		<del>58,911,000</del>		
224.5	\$	<u>55,609,000</u>	.....	2014
224.6		<del>68,623,000</del>		
224.7	\$	<u>62,692,000</u>	.....	2015

224.8 The 2014 appropriation includes \$0 for 2013 and ~~\$58,911,000~~ \$55,609,000 for 2014.

224.9 The 2015 appropriation includes ~~\$9,273,000~~ \$6,178,000 for 2014 and ~~\$59,350,000~~  
224.10 \$56,514,000 for 2015.

224.11 Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 4, is amended to read:

224.12 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota  
224.13 Statutes, section 124D.98:

224.14		<del>52,514,000</del>		
224.15	\$	<u>50,998,000</u>	.....	2014
224.16		<del>53,818,000</del>		
224.17	\$	<u>47,458,000</u>	.....	2015

224.18 The 2014 appropriation includes \$6,607,000 for 2013 and ~~\$45,907,000~~ \$44,391,000  
224.19 for 2014.

224.20 The 2015 appropriation includes ~~\$7,225,000~~ \$4,932,000 for 2014 and ~~\$46,593,000~~  
224.21 \$42,526,000 for 2015.

224.22 Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 5, is amended to read:

224.23 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For  
224.24 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
224.25 section 124D.87:

224.26		<del>13,968,000</del>		
224.27	\$	<u>13,521,000</u>	.....	2014
224.28		<del>14,712,000</del>		
224.29	\$	<u>14,248,000</u>	.....	2015

224.30 Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 6, is amended to read:

224.31 Subd. 6. **Success for the future.** For American Indian success for the future grants  
224.32 under Minnesota Statutes, section 124D.81:

224.33		<del>2,137,000</del>		
224.34	\$	<u>2,214,000</u>	.....	2014
224.35	\$	<u>2,137,000</u>	.....	2015



225.1 The 2014 appropriation includes \$290,000 for 2013 and ~~\$1,847,000~~ \$1,924,000  
225.2 for 2014.

225.3 The 2015 appropriation includes ~~\$290,000~~ \$213,000 for 2014 and ~~\$1,847,000~~  
225.4 \$1,924,000 for 2015.

225.5 Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 8, is amended to read:

225.6 Subd. 8. **Tribal contract schools.** For tribal contract school aid under Minnesota  
225.7 Statutes, section 124D.83:

225.8 ~~2,080,000~~  
225.9 \$ 2,144,000 ..... 2014

225.10 ~~2,230,000~~  
225.11 \$ 2,152,000 ..... 2015

225.12 The 2014 appropriation includes \$266,000 for 2013 and ~~\$1,814,000~~ \$1,878,000  
225.13 for 2014.

225.14 The 2015 appropriation includes ~~\$285,000~~ \$208,000 for 2014 and ~~\$1,945,000~~  
225.15 \$1,944,000 for 2015.

225.16 Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 20, is amended to  
225.17 read:

225.18 Subd. 20. **Alternative compensation.** For alternative teacher compensation aid  
225.19 under Minnesota Statutes, section 122A.415, subdivision 4:

225.20 ~~60,340,000~~  
225.21 \$ 71,599,000 ..... 2015

225.22 The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

225.23 **C. CHARTER SCHOOLS**

225.24 Sec. 13. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

225.25 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
225.26 Statutes, section 124D.11, subdivision 4:

225.27 ~~54,484,000~~  
225.28 \$ 54,763,000 ..... 2014

225.29 ~~59,533,000~~  
225.30 \$ 58,294,000 ..... 2015

225.31 The 2014 appropriation includes \$6,819,000 for 2013 and ~~\$47,665,000~~ \$47,944,000  
225.32 for 2014.

225.33 The 2015 appropriation includes ~~\$7,502,000~~ \$5,327,000 for 2014 and ~~\$52,031,000~~  
225.34 \$52,967,000 for 2015.

226.1

**D. SPECIAL PROGRAMS**

226.2 Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 2, is amended to read:

226.3 Subd. 2. **Special education; regular.** For special education aid under Minnesota

226.4 Statutes, section 125A.75:

226.5 ~~997,725,000~~

226.6 \$ 1,038,514,000 ..... 2014

226.7 ~~1,108,211,000~~

226.8 \$ 1,111,641,000 ..... 2015

226.9 The 2014 appropriation includes \$118,232,000 for 2013 and ~~\$802,884,000~~

226.10 \$920,282,000 for 2014.

226.11 The 2015 appropriation includes ~~\$169,929,000~~ \$129,549,000 for 2014 and

226.12 ~~\$938,282,000~~ \$982,092,000 for 2015.

226.13 Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 3, is amended to read:

226.14 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,  
226.15 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities  
226.16 within the district boundaries for whom no district of residence can be determined:

226.17 ~~1,655,000~~

226.18 \$ 1,548,000 ..... 2014

226.19 ~~1,752,000~~

226.20 \$ 1,674,000 ..... 2015

226.21 If the appropriation for either year is insufficient, the appropriation for the other

226.22 year is available.

226.23 Sec. 16. Laws 2013, chapter 116, article 5, section 31, subdivision 4, is amended to read:

226.24 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
226.25 services under Minnesota Statutes, section 125A.75, subdivision 1:

226.26 ~~345,000~~

226.27 \$ 351,000 ..... 2014

226.28 ~~355,000~~

226.29 \$ 346,000 ..... 2015

226.30 The 2014 appropriation includes \$45,000 for 2013 and ~~\$300,000~~ \$306,000 for 2014.

226.31 The 2015 appropriation includes ~~\$47,000~~ \$33,000 for 2014 and ~~\$308,000~~ \$313,000

226.32 for 2015.

226.33

**E. FACILITIES AND TECHNOLOGY**

226.34 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 2, is amended to read:

227.1 Subd. 2. **Health and safety revenue.** For health and safety aid according to  
227.2 Minnesota Statutes, section 123B.57, subdivision 5:

227.3		<del>463,000</del>		
227.4	\$	<u>473,000</u>	.....	2014
227.5		<del>434,000</del>		
227.6	\$	<u>651,000</u>	.....	2015

227.7 The 2014 appropriation includes \$26,000 for 2013 and ~~\$437,000~~ \$447,000 for 2014.

227.8 The 2015 appropriation includes ~~\$68,000~~ \$49,000 for 2014 and ~~\$366,000~~ \$602,000  
227.9 for 2015.

227.10 Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 3, is amended to read:

227.11 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota  
227.12 Statutes, section 123B.53, subdivision 6:

227.13		<del>19,083,000</del>		
227.14	\$	<u>19,778,000</u>	.....	2014
227.15		<del>25,060,000</del>		
227.16	\$	<u>22,591,000</u>	.....	2015

227.17 The 2014 appropriation includes \$2,397,000 for 2013 and ~~\$16,686,000~~ \$17,381,000  
227.18 for 2014.

227.19 The 2015 appropriation includes ~~\$2,626,000~~ \$1,931,000 for 2014 and ~~\$22,434,000~~  
227.20 \$20,660,000 for 2015.

227.21 Sec. 19. Laws 2013, chapter 116, article 6, section 12, subdivision 4, is amended to read:

227.22 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,  
227.23 according to Minnesota Statutes, section 123B.59, subdivision 1:

227.24		<del>19,287,000</del>		
227.25	\$	<u>19,982,000</u>	.....	2014
227.26	\$	19,287,000	.....	2015

227.27 The 2014 appropriation includes \$2,623,000 for 2013 and ~~\$16,664,000~~ \$17,359,000  
227.28 for 2014.

227.29 The 2015 appropriation includes ~~\$2,623,000~~ \$1,928,000 for 2014 and ~~\$16,664,000~~  
227.30 \$17,359,000 for 2015.

227.31 Sec. 20. Laws 2013, chapter 116, article 6, section 12, subdivision 6, is amended to read:

227.32 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to  
227.33 Minnesota Statutes, section 123B.591, subdivision 4:



229.1 Sec. 24. Laws 2013, chapter 116, article 7, section 21, subdivision 7, is amended to read:

229.2 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota  
229.3 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

229.4		<del>1,300,000</del>		
229.5	\$	<u>1,346,000</u>	.....	2014
229.6	\$	1,300,000	.....	2015

229.7 The 2014 appropriation includes \$176,000 for 2013 and ~~\$1,124,000~~ \$1,170,000  
229.8 for 2014.

229.9 The 2015 appropriation includes ~~\$176,000~~ \$130,000 for 2014 and ~~\$1,124,000~~  
229.10 \$1,170,000 for 2015.

229.11 Sec. 25. Laws 2013, chapter 116, article 7, section 21, subdivision 9, is amended to read:

229.12 Subd. 9. **Regional library telecommunications aid.** For regional library  
229.13 telecommunications aid under Minnesota Statutes, section 134.355:

229.14		<del>2,300,000</del>		
229.15	\$	<u>2,382,000</u>	.....	2014
229.16	\$	2,300,000	.....	2015

229.17 The 2014 appropriation includes \$312,000 for 2013 and ~~\$1,988,000~~ \$2,070,000  
229.18 for 2014.

229.19 The 2015 appropriation includes ~~\$312,000~~ \$230,000 for 2014 and ~~\$1,988,000~~  
229.20 \$2,070,000 for 2015.

229.21 **G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY,**  
229.22 **AND LIFELONG LEARNING**

229.23 Sec. 26. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:

229.24 Subd. 3. **Early childhood family education aid.** For early childhood family  
229.25 education aid under Minnesota Statutes, section 124D.135:

229.26		<del>22,078,000</del>		
229.27	\$	<u>22,797,000</u>	.....	2014
229.28		<del>22,425,000</del>		
229.29	\$	<u>22,001,000</u>	.....	2015

229.30 The 2014 appropriation includes \$3,008,000 for 2013 and ~~\$19,070,000~~ \$19,789,000  
229.31 for 2014.

229.32 The 2015 appropriation includes ~~\$3,001,000~~ \$2,198,000 for 2014 and ~~\$19,424,000~~  
229.33 \$19,803,000 for 2015.

229.34 Sec. 27. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:

230.1 Subd. 10. **Community education aid.** For community education aid under  
230.2 Minnesota Statutes, section 124D.20:

230.3		<del>935,000</del>		
230.4	\$	<u>955,000</u>	.....	2014
230.5		<del>1,056,000</del>		
230.6	\$	<u>1,060,000</u>	.....	2015

230.7 The 2014 appropriation includes \$118,000 for 2013 and ~~\$817,000~~ \$837,000 for 2014.

230.8 The 2015 appropriation includes ~~\$128,000~~ \$93,000 for 2014 and ~~\$928,000~~ \$967,000  
230.9 for 2015.

230.10 Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:

230.11 Subd. 11. **Adults with disabilities program aid.** For adults with disabilities  
230.12 programs under Minnesota Statutes, section 124D.56:

230.13		<del>710,000</del>		
230.14	\$	<u>735,000</u>	.....	2014
230.15	\$	<u>710,000</u>	.....	2015

230.16 The 2014 appropriation includes \$96,000 for 2013 and ~~\$614,000~~ \$639,000 for 2014.

230.17 The 2015 appropriation includes ~~\$96,000~~ \$71,000 for 2014 and ~~\$614,000~~ \$639,000  
230.18 for 2015.

## 230.19 HEALTH AND HUMAN SERVICES

## 230.20 ARTICLE 25

## 230.21 HEALTH DEPARTMENT

230.22 Section 1. Minnesota Statutes 2012, section 144.551, subdivision 1, is amended to read:

230.23 Subdivision 1. **Restricted construction or modification.** (a) The following  
230.24 construction or modification may not be commenced:

230.25 (1) any erection, building, alteration, reconstruction, modernization, improvement,  
230.26 extension, lease, or other acquisition by or on behalf of a hospital that increases the bed  
230.27 capacity of a hospital, relocates hospital beds from one physical facility, complex, or site  
230.28 to another, or otherwise results in an increase or redistribution of hospital beds within  
230.29 the state; and

230.30 (2) the establishment of a new hospital.

230.31 (b) This section does not apply to:

230.32 (1) construction or relocation within a county by a hospital, clinic, or other health  
230.33 care facility that is a national referral center engaged in substantial programs of patient

231.1 care, medical research, and medical education meeting state and national needs that  
231.2 receives more than 40 percent of its patients from outside the state of Minnesota;

231.3 (2) a project for construction or modification for which a health care facility held  
231.4 an approved certificate of need on May 1, 1984, regardless of the date of expiration of  
231.5 the certificate;

231.6 (3) a project for which a certificate of need was denied before July 1, 1990, if a  
231.7 timely appeal results in an order reversing the denial;

231.8 (4) a project exempted from certificate of need requirements by Laws 1981, chapter  
231.9 200, section 2;

231.10 (5) a project involving consolidation of pediatric specialty hospital services within  
231.11 the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the  
231.12 number of pediatric specialty hospital beds among the hospitals being consolidated;

231.13 (6) a project involving the temporary relocation of pediatric-orthopedic hospital beds  
231.14 to an existing licensed hospital that will allow for the reconstruction of a new philanthropic,  
231.15 pediatric-orthopedic hospital on an existing site and that will not result in a net increase in  
231.16 the number of hospital beds. Upon completion of the reconstruction, the licenses of both  
231.17 hospitals must be reinstated at the capacity that existed on each site before the relocation;

231.18 (7) the relocation or redistribution of hospital beds within a hospital building or  
231.19 identifiable complex of buildings provided the relocation or redistribution does not result  
231.20 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds  
231.21 from one physical site or complex to another; or (iii) redistribution of hospital beds within  
231.22 the state or a region of the state;

231.23 (8) relocation or redistribution of hospital beds within a hospital corporate system  
231.24 that involves the transfer of beds from a closed facility site or complex to an existing site  
231.25 or complex provided that: (i) no more than 50 percent of the capacity of the closed facility  
231.26 is transferred; (ii) the capacity of the site or complex to which the beds are transferred  
231.27 does not increase by more than 50 percent; (iii) the beds are not transferred outside of a  
231.28 federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or  
231.29 redistribution does not involve the construction of a new hospital building;

231.30 (9) a construction project involving up to 35 new beds in a psychiatric hospital in  
231.31 Rice County that primarily serves adolescents and that receives more than 70 percent of its  
231.32 patients from outside the state of Minnesota;

231.33 (10) a project to replace a hospital or hospitals with a combined licensed capacity  
231.34 of 130 beds or less if: (i) the new hospital site is located within five miles of the current  
231.35 site; and (ii) the total licensed capacity of the replacement hospital, either at the time of

232.1 construction of the initial building or as the result of future expansion, will not exceed 70  
232.2 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

232.3 (11) the relocation of licensed hospital beds from an existing state facility operated  
232.4 by the commissioner of human services to a new or existing facility, building, or complex  
232.5 operated by the commissioner of human services; from one regional treatment center  
232.6 site to another; or from one building or site to a new or existing building or site on the  
232.7 same campus;

232.8 (12) the construction or relocation of hospital beds operated by a hospital having a  
232.9 statutory obligation to provide hospital and medical services for the indigent that does not  
232.10 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27  
232.11 beds, of which 12 serve mental health needs, may be transferred from Hennepin County  
232.12 Medical Center to Regions Hospital under this clause;

232.13 (13) a construction project involving the addition of up to 31 new beds in an existing  
232.14 nonfederal hospital in Beltrami County;

232.15 (14) a construction project involving the addition of up to eight new beds in an  
232.16 existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

232.17 (15) a construction project involving the addition of 20 new hospital beds  
232.18 used for rehabilitation services in an existing hospital in Carver County serving the  
232.19 southwest suburban metropolitan area. Beds constructed under this clause shall not be  
232.20 eligible for reimbursement under medical assistance, general assistance medical care,  
232.21 or MinnesotaCare;

232.22 (16) a project for the construction or relocation of up to 20 hospital beds for the  
232.23 operation of up to two psychiatric facilities or units for children provided that the operation  
232.24 of the facilities or units have received the approval of the commissioner of human services;

232.25 (17) a project involving the addition of 14 new hospital beds to be used for  
232.26 rehabilitation services in an existing hospital in Itasca County;

232.27 (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin  
232.28 County that closed 20 rehabilitation beds in 2002, provided that the beds are used only  
232.29 for rehabilitation in the hospital's current rehabilitation building. If the beds are used for  
232.30 another purpose or moved to another location, the hospital's licensed capacity is reduced  
232.31 by 20 beds;

232.32 (19) a critical access hospital established under section 144.1483, clause (9), and  
232.33 section 1820 of the federal Social Security Act, United States Code, title 42, section  
232.34 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public  
232.35 Law 105-33, to the extent that the critical access hospital does not seek to exceed the  
232.36 maximum number of beds permitted such hospital under federal law;



233.1 (20) notwithstanding section 144.552, a project for the construction of a new hospital  
233.2 in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

233.3 (i) the project, including each hospital or health system that will own or control the  
233.4 entity that will hold the new hospital license, is approved by a resolution of the Maple  
233.5 Grove City Council as of March 1, 2006;

233.6 (ii) the entity that will hold the new hospital license will be owned or controlled by  
233.7 one or more not-for-profit hospitals or health systems that have previously submitted a  
233.8 plan or plans for a project in Maple Grove as required under section 144.552, and the  
233.9 plan or plans have been found to be in the public interest by the commissioner of health  
233.10 as of April 1, 2005;

233.11 (iii) the new hospital's initial inpatient services must include, but are not limited  
233.12 to, medical and surgical services, obstetrical and gynecological services, intensive  
233.13 care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics,  
233.14 behavioral health services, and emergency room services;

233.15 (iv) the new hospital:

233.16 (A) will have the ability to provide and staff sufficient new beds to meet the growing  
233.17 needs of the Maple Grove service area and the surrounding communities currently being  
233.18 served by the hospital or health system that will own or control the entity that will hold  
233.19 the new hospital license;

233.20 (B) will provide uncompensated care;

233.21 (C) will provide mental health services, including inpatient beds;

233.22 (D) will be a site for workforce development for a broad spectrum of  
233.23 health-care-related occupations and have a commitment to providing clinical training  
233.24 programs for physicians and other health care providers;

233.25 (E) will demonstrate a commitment to quality care and patient safety;

233.26 (F) will have an electronic medical records system, including physician order entry;

233.27 (G) will provide a broad range of senior services;

233.28 (H) will provide emergency medical services that will coordinate care with regional  
233.29 providers of trauma services and licensed emergency ambulance services in order to  
233.30 enhance the continuity of care for emergency medical patients; and

233.31 (I) will be completed by December 31, 2009, unless delayed by circumstances  
233.32 beyond the control of the entity holding the new hospital license; and

233.33 (v) as of 30 days following submission of a written plan, the commissioner of health  
233.34 has not determined that the hospitals or health systems that will own or control the entity  
233.35 that will hold the new hospital license are unable to meet the criteria of this clause;

233.36 (21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility; ~~or~~

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause; or

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete.

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

Sec. 2. **[144.9513] HEALTHY HOUSING GRANTS.**

**Subdivision 1. Definitions.** For purposes of this section and sections 144.9501 to 144.9512, the following terms have the meanings given.

**(a) "Housing" means a room or group of rooms located within a dwelling forming a single habitable unit with facilities used or intended to be used for living, sleeping, cooking, and eating.**

**(b) "Healthy housing" means housing that is sited, designed, built, renovated, and maintained in ways that supports the health of residents.**

**(c) "Housing-based health threat" means a chemical, biologic, or physical agent in the immediate housing environment which constitutes a potential or actual hazard to human health at acute or chronic exposure levels.**

**(d) "Primary prevention" means preventing exposure to housing-based health threats before seeing clinical symptoms or a diagnosis.**

**Subd. 2. Grants; administration.** Grant applicants shall submit applications to the commissioner as directed by a request for proposals. Grants must be competitively awarded and recipients of a grant under this section must prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant. The commissioner shall provide technical assistance and program support as needed to ensure

235.1 that housing-based health threats are effectively identified, mitigated, and evaluated by  
235.2 grantees.

235.3 Subd. 3. **Education and training grant; eligible activities.** (a) Within the limits of  
235.4 available appropriations, the commissioner shall make grants to nonprofit organizations,  
235.5 community health boards, and community action agencies under section 256E.31 with  
235.6 expertise in providing outreach, education, and training on healthy homes subjects and in  
235.7 providing comprehensive healthy homes assessments and interventions to provide healthy  
235.8 housing education, training, and technical assistance services for persons engaged in  
235.9 addressing housing-based health threats and other individuals impacted by housing-based  
235.10 health threats.

235.11 (b) The grantee may conduct the following activities:

235.12 (1) implement and maintain primary prevention programs to reduce housing-based  
235.13 health threats that include the following:

235.14 (i) providing education materials to the general public and to property owners,  
235.15 contractors, code officials, health care providers, public health professionals, health  
235.16 educators, nonprofit organizations, and other persons and organizations engaged in  
235.17 housing and health issues;

235.18 (ii) promoting awareness of community, legal, and housing resources; and

235.19 (iii) promoting the use of hazard reduction measures in new housing construction  
235.20 and housing rehabilitation programs;

235.21 (2) provide training on identifying and addressing housing-based health threats;

235.22 (3) provide technical assistance on the implementation of mitigation measures;

235.23 (4) promote adoption of evidence-based best practices for mitigation of

235.24 housing-based health threats; or

235.25 (5) develop work practices for addressing specific housing-based health threats.

235.26 Sec. 3. **[144A.484] INTEGRATED LICENSURE; HOME AND**  
235.27 **COMMUNITY-BASED SERVICES DESIGNATION.**

235.28 Subdivision 1. **Integrated licensing established.** (a) From January 1, 2014, to June  
235.29 30, 2015, the commissioner of health shall enforce the home and community-based services  
235.30 standards under chapter 245D for those providers who also have a home care license  
235.31 pursuant to chapter 144A as required under Laws 2013, chapter 108, article 11, section 31,  
235.32 and article 8, section 60. During this period, the commissioner shall provide technical  
235.33 assistance on how to achieve and maintain compliance with applicable law or rules  
235.34 governing the provision of home and community-based services, including complying with  
235.35 the service recipient rights notice in subdivision 4, clause (4). If, during the survey, the

commissioner finds that the licensee has failed to achieve compliance with an applicable law or rule under chapter 245D and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a licensing survey report with recommendations for achieving and maintaining compliance.

(b) Beginning July 1, 2015, a home care provider applicant or license holder may apply to the commissioner of health for a home and community-based services designation for the provision of basic home and community-based services identified under section 245D.03, subdivision 1, paragraph (b). The designation allows the license holder to provide basic home and community-based services that would otherwise require licensure under chapter 245D, under the license holder's home care license governed by sections 144A.43 to 144A.481.

Subd. 2. **Application for home and community-based services designation.** An application for a home and community-based services designation must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction for completing the application and provide information about the requirements of other state agencies that affect the applicant. Application for the home and community-based services designation is subject to the requirements under section 144A.473.

Subd. 3. **Home and community-based services designation fees.** A home care provider applicant or licensee applying for the home and community-based services designation or renewal of a home and community-based services designation must submit a fee in the amount specified in subdivision 8.

Subd. 4. **Applicability of home and community-based services requirements.** A home care provider with a home and community-based services designation must comply with the requirements for home care services governed by this chapter. For the provision of basic home and community-based services, the home care provider must also comply with the following home and community-based services licensing requirements:

(1) person-centered planning requirements in section 245D.07;

(2) protection standards in section 245D.06;

(3) emergency use of manual restraints in section 245D.061; and

(4) service recipient rights in section 245D.04, subdivision 3, paragraph (a), clauses (5), (7), (8), (12), and (13), and paragraph (b).

A home care provider with the integrated license-HCBS designation may utilize a bill of rights which incorporates the service recipient rights in section 245D.04, subdivision 3, paragraph (a), clauses (5), (7), (8), (12), and (13), and paragraph (b) with the home care bill of rights in section 144A.44.

Subd. 5. **Monitoring and enforcement.** (a) The commissioner shall monitor for compliance with the home and community-based services requirements identified in subdivision 5, in accordance with this section and any agreements by the commissioners of health and human services.

(b) The commissioner shall enforce compliance with applicable home and community-based services licensing requirements as follows:

(1) the commissioner may deny a home and community-based services designation in accordance with section 144A.473 or 144A.475; and

(2) if the commissioner finds that the applicant or license holder has failed to comply with the applicable home and community-based services designation requirements the commissioner may issue:

(i) a correction order in accordance with section 144A.474;

(ii) an order of conditional license in accordance with section 144A.475;

(iii) a sanction in accordance with section 144A.475; or

(iv) any combination of clauses (i) to (iii).

Subd. 6. **Appeals.** A home care provider applicant that has been denied a temporary license will also be denied their application for the home and community-based services designation. The applicant may request reconsideration in accordance with section 144A.473, subdivision 3. A licensed home care provider whose application for a home and community-based services designation has been denied or whose designation has been suspended or revoked may appeal the denial, suspension, revocation, or refusal to renew a home and community-based services designation in accordance with section 144A.475. A license holder may request reconsideration of a correction order in accordance with section 144A.474, subdivision 12.

Subd. 7. **Agreements.** The commissioners of health and human services shall enter into any agreements necessary to implement this section.

Subd. 8. **Fees; home and community-based services designation.** (a) The initial fee for a basic home and community-based services designation is \$155. A home care provider who is seeking to renew the provider's home and community-based services designation must pay an annual nonrefundable fee with the annual home care license fee according to the following schedule and based on revenues from the home and community-based services:

<u>Provider Annual Revenue from HCBS</u>	<u>HCBS Designation</u>
<u>greater than \$1,500,000</u>	<u>\$320</u>
<u>greater than \$1,275,000 and no more than \$1,500,000</u>	<u>\$300</u>

238.1	<u>greater than \$1,100,000 and no more than \$1,275,000</u>	<u>\$280</u>
238.2	<u>greater than \$950,000 and no more than \$1,100,000</u>	<u>\$260</u>
238.3	<u>greater than \$850,000 and no more than \$950,000</u>	<u>\$240</u>
238.4	<u>greater than \$750,000 and no more than \$850,000</u>	<u>\$220</u>
238.5	<u>greater than \$650,000 and no more than \$750,000</u>	<u>\$200</u>
238.6	<u>greater than \$550,000 and no more than \$650,000</u>	<u>\$180</u>
238.7	<u>greater than \$450,000 and no more than \$550,000</u>	<u>\$160</u>
238.8	<u>greater than \$350,000 and no more than \$450,000</u>	<u>\$140</u>
238.9	<u>greater than \$250,000 and no more than \$350,000</u>	<u>\$120</u>
238.10	<u>greater than \$100,000 and no more than \$250,000</u>	<u>\$100</u>
238.11	<u>greater than \$50,000 and no more than \$100,000</u>	<u>\$80</u>
238.12	<u>greater than \$25,000 and no more than \$50,000</u>	<u>\$60</u>
238.13	<u>no more than \$25,000</u>	<u>\$40</u>

238.14 (b) Fees and penalties collected under this section shall be deposited in the state  
 238.15 treasury and credited to the state government special revenue fund.

238.16 Subd. 9. Study and report about client bill of rights. The commissioner shall  
 238.17 consult with Aging Services of Minnesota, Care Providers of Minnesota, Minnesota Home  
 238.18 Care Association, Department of Human Services, the Ombudsman for Long-Term Care,  
 238.19 and other stakeholders to review how to streamline the client bill of rights requirements  
 238.20 in sections 144A.44, 144A.441, and 245D.04 for providers whose practices fit into one  
 238.21 or several of these practice areas, while assuring and maintaining the health and safety  
 238.22 of clients. The evaluation shall consider the federal client bill of rights requirements for  
 238.23 Medicare-certified home care providers. The evaluation must determine whether there  
 238.24 are duplications or conflicts of client rights, evaluate how to reduce the complexity of the  
 238.25 client bill of rights requirements for providers and consumers, determine which of the  
 238.26 rights must be included in a client bill of rights document, and evaluate whether there are  
 238.27 other ways to ensure that consumers know their rights. The commissioner shall report to  
 238.28 the chairs of the health and human services committees of the legislature no later than  
 238.29 February 15, 2015, along with any recommendations for legislative changes.

238.30 **EFFECTIVE DATE.** Minnesota Statutes, section 144A.484, subdivisions 2 to 8,  
 238.31 are effective July 1, 2015.

238.32 Sec. 4. Minnesota Statutes 2013 Supplement, section 145.4716, subdivision 2, is  
 238.33 amended to read:

238.34 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is  
 238.35 responsible for the following:

239.1 (1) developing and providing comprehensive training on sexual exploitation of  
239.2 youth for social service professionals, medical professionals, public health workers, and  
239.3 criminal justice professionals;

239.4 (2) collecting, organizing, maintaining, and disseminating information on sexual  
239.5 exploitation and services across the state, including maintaining a list of resources on the  
239.6 Department of Health Web site;

239.7 (3) monitoring and applying for federal funding for antitrafficking efforts that may  
239.8 benefit victims in the state;

239.9 (4) managing grant programs established under sections 145.4716 to 145.4718;

239.10 (5) managing the request for proposals for grants for comprehensive services,  
239.11 including trauma-informed, culturally specific services;

239.12 (6) identifying best practices in serving sexually exploited youth, as defined in  
239.13 section 260C.007, subdivision 31;

239.14 ~~(6)~~ (7) providing oversight of and technical support to regional navigators pursuant  
239.15 to section 145.4717;

239.16 ~~(7)~~ (8) conducting a comprehensive evaluation of the statewide program for safe  
239.17 harbor of sexually exploited youth; and

239.18 ~~(8)~~ (9) developing a policy consistent with the requirements of chapter 13 for sharing  
239.19 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,  
239.20 among regional navigators and community-based advocates.

239.21 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.04, subdivision 21, is  
239.22 amended to read:

239.23 Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for  
239.24 Medicare and Medicaid Services determines that a provider is designated "high-risk," the  
239.25 commissioner may withhold payment from providers within that category upon initial  
239.26 enrollment for a 90-day period. The withholding for each provider must begin on the date  
239.27 of the first submission of a claim.

239.28 (b) An enrolled provider that is also licensed by the commissioner under chapter  
239.29 245A or that is licensed by the Department of Health under chapter 144A and has a  
239.30 HCBS designation on the home care license must designate an individual as the entity's  
239.31 compliance officer. The compliance officer must:

239.32 (1) develop policies and procedures to assure adherence to medical assistance laws  
239.33 and regulations and to prevent inappropriate claims submissions;

239.34 (2) train the employees of the provider entity, and any agents or subcontractors of  
239.35 the provider entity including billers, on the policies and procedures under clause (1);

240.1 (3) respond to allegations of improper conduct related to the provision or billing of  
240.2 medical assistance services, and implement action to remediate any resulting problems;

240.3 (4) use evaluation techniques to monitor compliance with medical assistance laws  
240.4 and regulations;

240.5 (5) promptly report to the commissioner any identified violations of medical  
240.6 assistance laws or regulations; and

240.7 (6) within 60 days of discovery by the provider of a medical assistance  
240.8 reimbursement overpayment, report the overpayment to the commissioner and make  
240.9 arrangements with the commissioner for the commissioner's recovery of the overpayment.

240.10 The commissioner may require, as a condition of enrollment in medical assistance, that a  
240.11 provider within a particular industry sector or category establish a compliance program that  
240.12 contains the core elements established by the Centers for Medicare and Medicaid Services.

240.13 (c) The commissioner may revoke the enrollment of an ordering or rendering  
240.14 provider for a period of not more than one year, if the provider fails to maintain and, upon  
240.15 request from the commissioner, provide access to documentation relating to written orders  
240.16 or requests for payment for durable medical equipment, certifications for home health  
240.17 services, or referrals for other items or services written or ordered by such provider, when  
240.18 the commissioner has identified a pattern of a lack of documentation. A pattern means a  
240.19 failure to maintain documentation or provide access to documentation on more than one  
240.20 occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a  
240.21 provider under the provisions of section 256B.064.

240.22 (d) The commissioner shall terminate or deny the enrollment of any individual or  
240.23 entity if the individual or entity has been terminated from participation in Medicare or  
240.24 under the Medicaid program or Children's Health Insurance Program of any other state.

240.25 (e) As a condition of enrollment in medical assistance, the commissioner shall  
240.26 require that a provider designated "moderate" or "high-risk" by the Centers for Medicare  
240.27 and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid  
240.28 Services, its agents, or its designated contractors and the state agency, its agents, or its  
240.29 designated contractors to conduct unannounced on-site inspections of any provider location.  
240.30 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a  
240.31 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria  
240.32 and standards used to designate Medicare providers in Code of Federal Regulations, title  
240.33 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.  
240.34 The commissioner's designations are not subject to administrative appeal.

240.35 (f) As a condition of enrollment in medical assistance, the commissioner shall  
240.36 require that a high-risk provider, or a person with a direct or indirect ownership interest in



241.1 the provider of five percent or higher, consent to criminal background checks, including  
241.2 fingerprinting, when required to do so under state law or by a determination by the  
241.3 commissioner or the Centers for Medicare and Medicaid Services that a provider is  
241.4 designated high-risk for fraud, waste, or abuse.

241.5 (g)(1) Upon initial enrollment, reenrollment, and revalidation, all durable medical  
241.6 equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers operating in  
241.7 Minnesota and receiving Medicaid funds must purchase a surety bond that is annually  
241.8 renewed and designates the Minnesota Department of Human Services as the obligee, and  
241.9 must be submitted in a form approved by the commissioner.

241.10 (2) At the time of initial enrollment or reenrollment, the provider agency must  
241.11 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue  
241.12 in the previous calendar year is up to and including \$300,000, the provider agency must  
241.13 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue  
241.14 in the previous calendar year is over \$300,000, the provider agency must purchase a  
241.15 performance bond of \$100,000. The performance bond must allow for recovery of costs  
241.16 and fees in pursuing a claim on the bond.

241.17 (h) The Department of Human Services may require a provider to purchase a  
241.18 performance surety bond as a condition of initial enrollment, reenrollment, reinstatement,  
241.19 or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the  
241.20 department determines there is significant evidence of or potential for fraud and abuse by  
241.21 the provider, or (3) the provider or category of providers is designated high-risk pursuant  
241.22 to paragraph (a) and as per Code of Federal Regulations, title 42, section 455.450. The  
241.23 performance bond must be in an amount of \$100,000 or ten percent of the provider's  
241.24 payments from Medicaid during the immediately preceding 12 months, whichever is  
241.25 greater. The performance bond must name the Department of Human Services as an  
241.26 obligee and must allow for recovery of costs and fees in pursuing a claim on the bond.

241.27 Sec. 6. **LEGISLATIVE HEALTH CARE WORKFORCE COMMISSION.**

241.28 **Subdivision 1. Legislative oversight.** The Legislative Health Care Workforce  
241.29 Commission is created to study and make recommendations to the legislature on how to  
241.30 achieve the goal of strengthening the workforce in healthcare.

241.31 **Subd. 2. Membership.** The Legislative Health Care Workforce Commission  
241.32 consists of five members of the senate appointed by the Subcommittee on Committees  
241.33 of the Committee on Rules and Administration and five members of the house of  
241.34 representatives appointed by the speaker of the house. The Legislative Health Care

242.1 Workforce Commission must include three members of the majority party and two  
242.2 members of the minority party in each house.

242.3 Subd. 3. **Report to the legislature.** The Legislative Health Care Workforce  
242.4 Commission must provide a report making recommendations to the legislature by  
242.5 December 31, 2014. The report must:

242.6 (1) identify current and anticipated health care workforce shortages, by both  
242.7 provider type and geography;

242.8 (2) evaluate the effectiveness of incentives currently available to develop, attract,  
242.9 and retain a highly skilled health care workforce;

242.10 (3) study alternative incentives to develop, attract, and retain a highly skilled and  
242.11 diverse health care workforce; and

242.12 (4) identify current causes and potential solutions to barriers related to the primary  
242.13 care workforce, including, but not limited to:

242.14 (i) training and residency shortages;

242.15 (ii) disparities in income between primary care and other providers; and

242.16 (iii) negative perceptions of primary care among students.

242.17 Subd. 4. **Assistance to the commission.** The commissioners of health, human  
242.18 services, commerce, and other state agencies shall provide assistance and technical  
242.19 support to the commission at the request of the commission. The commission may  
242.20 convene subcommittees to provide additional assistance and advice to the commission.

242.21 Subd. 5. **Expiration.** The Legislative Health Care Workforce Commission expires  
242.22 on January 1, 2015.

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

242.24 Sec. 7. **GRANT PROGRAMS TO ADDRESS MINORITY HEALTH**  
242.25 **DISPARITIES.**

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

242.28 (b) "Dementia" means a condition ascribed within the brain that leads to confusion,  
242.29 lack of focus, and decreased memory.

242.30 (c) "Education activities" means providing materials related to health care topics  
242.31 in ethnic-specific languages through materials including, but not limited to, Web sites,  
242.32 brochures, flyers, and other similar vehicles.

242.33 (d) "Minority populations" means racial and ethnic groups including, but not limited  
242.34 to, African-Americans, Native Americans, Hmong, Asians, and other similar groups.

243.1 (e) "Outreach" means the active pursuit of people within the minority groups  
243.2 through specific and targeted activities to contact individuals who may not regularly  
243.3 be contacted by health care professionals.

243.4 Subd. 2. **Grants; distribution.** The commissioner of health shall distribute grant  
243.5 funds to grantees for the following purposes:

243.6 (1) dementia education and training to specific minority and under-represented  
243.7 groups;

243.8 (2) a training conference related to immigrant and refugee mental health issues; and

243.9 (3) other programs, as prioritized by the commissioner, relating to health disparities  
243.10 in minority populations, including, but not limited to, a Somali women-led prevention  
243.11 health care agency located in Minnesota focused on minority women's health disparities.

243.12 Subd. 3. **Grants; administration.** Grant applicants shall submit applications  
243.13 to the commissioner of health as directed by a request for proposals. Grants must be  
243.14 competitively awarded and recipients of a grant under this section must prepare and  
243.15 submit a quarterly progress report to the commissioner beginning three months after  
243.16 receipt of the grant. The commissioner shall provide technical assistance and program  
243.17 support as needed, including, but not limited to, assurance that minority individuals with  
243.18 dementia are effectively identified, mitigated, and evaluated by grantees.

243.19 Subd. 4. **Dementia education and training grant; eligible activities for dementia**  
243.20 **outreach.** (a) Within the limits of available appropriations, the commissioner shall make  
243.21 a grant to a nonprofit organization with expertise in providing outreach, education, and  
243.22 training on dementia, Alzheimer's, and other related disabilities within specific minority  
243.23 and under-represented groups.

243.24 (b) The grantee must conduct the following activities:

243.25 (1) providing and making available educational materials to the general public  
243.26 as well as specific minority populations;

243.27 (2) promoting awareness of dementia-related resources and educational materials;  
243.28 and

243.29 (3) promoting the use of materials within health care organizations.

243.30 Sec. 8. **FULL-TIME EMPLOYEE RESTRICTION.**

243.31 No more than one full-time employee may be hired by the Department of Health to  
243.32 administer the grants under Minnesota Statutes, section 144.9513.

**ARTICLE 26****HEALTH CARE**

Section 1. Minnesota Statutes 2012, section 256.01, is amended by adding a subdivision to read:

Subd. 38. **Contract to match recipient third-party liability information.** The commissioner may enter into a contract with a national organization to match recipient third-party liability information and provide coverage and insurance primacy information to the department at no charge to providers and the clearinghouses.

Sec. 2. Minnesota Statutes 2012, section 256.9685, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. Services must meet the requirements of section 256B.04, subdivision 15, ~~or 256D.03, subdivision 7, paragraph (b)~~, to be eligible for payment.

(b) The commissioner may reduce the types of inpatient hospital admissions that are required to be certified as medically necessary after notice in the State Register and a 30-day comment period.

Sec. 3. Minnesota Statutes 2012, section 256.9685, subdivision 1a, is amended to read:

Subd. 1a. **Administrative reconsideration.** Notwithstanding ~~sections~~ section 256B.04, subdivision 15, ~~and 256D.03, subdivision 7~~, the commissioner shall establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. A physician or hospital may request a reconsideration of the decision that inpatient hospital services are not medically necessary by submitting a written request for review to the commissioner within 30 days after receiving notice of the decision. The reconsideration process shall take place prior to the procedures of subdivision 1b and shall be conducted by physicians that are independent of the case under reconsideration. A majority decision by the physicians is necessary to make a determination that the services were not medically necessary.

Sec. 4. Minnesota Statutes 2012, section 256.9686, subdivision 2, is amended to read:

245.1 Subd. 2. **Base year.** "Base year" means a hospital's fiscal year that is recognized  
245.2 by the Medicare program or a hospital's fiscal year specified by the commissioner if a  
245.3 hospital is not required to file information by the Medicare program from which cost and  
245.4 statistical data are used to establish medical assistance ~~and general assistance medical~~  
245.5 ~~care~~ payment rates.

245.6 Sec. 5. Minnesota Statutes 2012, section 256.969, subdivision 1, is amended to read:

245.7 Subdivision 1. **Hospital cost index.** (a) The hospital cost index shall be the change  
245.8 in the Consumer Price Index-All Items (United States city average) (CPI-U) forecasted  
245.9 by Data Resources, Inc. The commissioner shall use the indices as forecasted in the  
245.10 third quarter of the calendar year prior to the rate year. The hospital cost index may be  
245.11 used to adjust the base year operating payment rate through the rate year on an annually  
245.12 compounded basis.

245.13 (b) ~~For fiscal years beginning on or after July 1, 1993, the commissioner of human~~  
245.14 ~~services shall not provide automatic annual inflation adjustments for hospital payment~~  
245.15 ~~rates under medical assistance, nor under general assistance medical care, except that~~  
245.16 ~~the inflation adjustments under paragraph (a) for medical assistance, excluding general~~  
245.17 ~~assistance medical care, shall apply through calendar year 2001. The index for calendar~~  
245.18 ~~year 2000 shall be reduced 2.5 percentage points to recover overprojections of the index~~  
245.19 ~~from 1994 to 1996. The commissioner of management and budget shall include as a~~  
245.20 ~~budget change request in each biennial detailed expenditure budget submitted to the~~  
245.21 ~~legislature under section 16A.11 annual adjustments in hospital payment rates under~~  
245.22 ~~medical assistance and general assistance medical care, based upon the hospital cost index.~~

245.23 Sec. 6. Minnesota Statutes 2012, section 256.969, subdivision 2, is amended to read:

245.24 Subd. 2. **Diagnostic categories.** The commissioner shall use to the extent possible  
245.25 existing diagnostic classification systems, including such as the system used by the  
245.26 Medicare program all patient refined diagnosis-related groups (APR-DRGs) or other  
245.27 similar classification programs to determine the relative values of inpatient services  
245.28 and case mix indices. The commissioner may combine diagnostic classifications into  
245.29 diagnostic categories and may establish separate categories and numbers of categories  
245.30 based on ~~program eligibility or hospital peer group~~. Relative values shall be ~~re~~calculated  
245.31 recalibrated when the base year is changed. Relative value determinations shall include  
245.32 paid claims for admissions during each hospital's base year. The commissioner may  
245.33 ~~extend the time period forward to obtain sufficiently valid information to establish relative~~  
245.34 values supplement the diagnostic classification systems data with national averages.

246.1 Relative value determinations shall not include ~~property cost data~~, Medicare crossover  
246.2 data, and data on admissions that are paid a per day transfer rate under subdivision 14. The  
246.3 computation of the base year cost per admission must include identified outlier cases and  
246.4 their weighted costs up to the point that they become outlier cases, but must exclude costs  
246.5 recognized in outlier payments beyond that point. The commissioner may recategorize the  
246.6 diagnostic classifications and ~~reecalculate~~ recalibrate relative values and case mix indices  
246.7 to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce  
246.8 variances within the diagnostic categories after notice in the State Register and a 30-day  
246.9 comment period. ~~The commissioner shall recategorize the diagnostic classifications and~~  
246.10 ~~reecalculate relative values and case mix indices based on the two-year schedule in effect~~  
246.11 ~~prior to January 1, 2013, reflected in subdivision 2b. The first recategorization shall occur~~  
246.12 ~~January 1, 2013, and shall occur every two years after. When rates are not rebased under~~  
246.13 ~~subdivision 2b, the commissioner may establish relative values and case mix indices based~~  
246.14 ~~on charge data and may update the base year to the most recent data available.~~

246.15 Sec. 7. Minnesota Statutes 2012, section 256.969, subdivision 2b, is amended to read:

246.16 Subd. 2b. **Operating Hospital payment rates.** (a) For discharges occurring on and  
246.17 after September 1, 2014, hospital inpatient services for hospitals located in Minnesota  
246.18 shall be paid according to the following:

246.19 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based  
246.20 methodology;

246.21 (2) long-term care hospitals as defined by Medicare shall be paid on a per diem  
246.22 methodology under subdivision 25;

246.23 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation  
246.24 distinct parts as defined by Medicare shall be paid according to the methodology under  
246.25 subdivision 12; and

246.26 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

246.27 (b) ~~In determining operating payment rates for admissions occurring on or after the~~  
246.28 ~~rate year beginning January 1, 1991, and every two years after, or more frequently as~~  
246.29 ~~determined by the commissioner, the commissioner shall obtain operating data from an~~  
246.30 ~~updated base year and establish operating payment rates per admission for each hospital~~  
246.31 ~~based on the cost-finding methods and allowable costs of the Medicare program in effect~~  
246.32 ~~during the base year. Rates under the general assistance medical care, medical assistance,~~  
246.33 ~~and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997,~~  
246.34 ~~January 1, 2005, for the first 24 months of the rebased period beginning January 1, 2009.~~  
246.35 For the rebased period beginning January 1, 2011, through August 31, 2014, rates shall not

be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For subsequent rate setting periods after September 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals. ~~Effective January 1, 2013, and after, rates shall not be rebased.~~

(c) Effective for discharges occurring on and after September 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except those hospitals paid under the methodologies under paragraph (a), clauses (2) and (3), shall be rebased incorporating cost and payment methodologies in a manner similar to Medicare. The base year for the rates effective September 1, 2014, shall be state fiscal year 2012. The rebasing must be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Any rate increases or decreases under subdivision 3a that applied to the hospitals being rebased during the base period shall be incorporated into the budget neutrality calculation. Any rate increases or decreases that did not apply to the base period shall not be considered in the budget neutrality calculation.

(d) For discharges occurring September 1, 2014, through and including June 30, 2016, the rebased rates shall include necessary adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. In addition to such adjustments, the commissioner may make adjustments to rates and must consider the impact of changes on at least the following when evaluating whether additional adjustments should be made:

- (1) pediatric services;
- (2) behavioral health services;
- (3) trauma services as defined by the National Uniform Billing Committee;
- (4) transplant services;
- (5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;
- (6) outlier admissions;
- (7) low volume providers; and
- (8) services provided by small rural hospitals that are not critical access hospitals.

(e) Hospital payment rates established under paragraph (c) shall incorporate the following:

248.1 (1) for hospitals paid under the DRG methodology, the base year operating payment  
248.2 rate per admission is standardized by the ease-mix index and adjusted by the hospital cost  
248.3 index, relative values, and disproportionate population adjustment. applicable Medicare  
248.4 wage index and adjusted by the hospital's disproportionate population adjustment;

248.5 (2) for critical access hospitals, interim per diem payment rates shall be based on the  
248.6 ratio of cost and charges reported on the base year Medicare cost report or reports and  
248.7 applied to medical assistance utilization data. Final settlement payments for a state fiscal  
248.8 year will be determined based on a review of the Medicaid cost report for the applicable  
248.9 state fiscal year;

248.10 (3) the cost and charge data used to establish operating hospital payment rates shall  
248.11 only reflect inpatient services covered by medical assistance and shall not include property  
248.12 cost information and costs recognized in outlier payments; and

248.13 (4) in determining hospital payment rates for discharges occurring on or after the  
248.14 rate year beginning January 1, 2011, through December 31, 2012, the hospital payment  
248.15 rate per discharge must be based on the cost-finding methods and allowable costs of the  
248.16 Medicare program in effect during the base year or years.

248.17 Sec. 8. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
248.18 to read:

248.19 Subd. 2d. **Budget neutrality factor.** For the rebased period effective September 1,  
248.20 2014, when rebasing rates under subdivision 2b, paragraph (c), the commissioner must  
248.21 apply a budget neutrality factor if applicable to all hospitals' rebased rates to ensure that  
248.22 total DRG and critical access hospital payments to hospitals do not exceed total DRG and  
248.23 critical access hospital payments that would have been made to hospitals for the same  
248.24 number and types of services if the relative rates and weights had not been recalibrated  
248.25 and cost-based payments for critical access hospitals had not been established. For the  
248.26 purposes of this section, budget neutrality factor equals the percentage change from total  
248.27 aggregate payments calculated under a new payment system to total aggregate payments  
248.28 calculated under the old system for the same number and types of services.

248.29 Sec. 9. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
248.30 to read:

248.31 Subd. 2e. **Interim payments.** Notwithstanding subdivision 2b, for discharges  
248.32 occurring on or after September 1, 2014, and no later than June 30, 2015, the commissioner  
248.33 may implement an interim payment process to pay hospitals, including payments based on  
248.34 each hospital's average payments per claim for state fiscal years 2011 and 2012. These



249.1 interim payments may be used to pay hospitals if the new payment system and rebasing  
249.2 under subdivision 2b is not complete by September 1, 2014. Claims paid at interim  
249.3 payment rates shall be reprocessed and paid at the rates established under the new system  
249.4 upon implementation of the new system.

249.5 Sec. 10. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
249.6 to read:

249.7 Subd. 2f. **Report required.** (a) The commissioner shall annually report to the  
249.8 legislature beginning March 1, 2015, and ending March 1, 2016, on the financial impacts  
249.9 by hospital and policy ramifications, if any, resulting from payment methodology changes  
249.10 implemented after August 31, 2014, and before December 31, 2015.

249.11 (b) The commissioner shall provide, at a minimum, the following information:

249.12 (1) case-mix adjusted calculations of net payment impacts for each hospital resulting  
249.13 from the difference between the payments each hospital would have received under the  
249.14 payment methodology for discharges before August 31, 2014, and the payments each  
249.15 hospital has or is expected to receive for the same number and types of services under the  
249.16 payment methodology implemented effective September 1, 2014;

249.17 (2) any adjustments authorized under subdivision 2b, paragraph (d), that were made  
249.18 and the impacts of those adjustments; and

249.19 (3) recommendations for further refinement or improvement of the hospital inpatient  
249.20 payment system or methodologies.

249.21 Sec. 11. Minnesota Statutes 2012, section 256.969, subdivision 3a, is amended to read:

249.22 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical  
249.23 assistance program must not be submitted until the recipient is discharged. However,  
249.24 the commissioner shall establish monthly interim payments for inpatient hospitals that  
249.25 have individual patient lengths of stay over 30 days regardless of diagnostic category.  
249.26 Except as provided in section 256.9693, medical assistance reimbursement for treatment  
249.27 of mental illness shall be reimbursed based on diagnostic classifications. Individual  
249.28 hospital payments established under this section and sections 256.9685, 256.9686, and  
249.29 256.9695, in addition to third-party and recipient liability, for discharges occurring during  
249.30 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered  
249.31 inpatient services paid for the same period of time to the hospital. ~~This payment limitation~~  
249.32 ~~shall be calculated separately for medical assistance and general assistance medical~~  
249.33 ~~care services. The limitation on general assistance medical care shall be effective for~~  
249.34 ~~admissions occurring on or after July 1, 1991.~~ Services that have rates established under

250.1 subdivision ~~11~~ or 12, must be limited separately from other services. After consulting with  
250.2 the affected hospitals, the commissioner may consider related hospitals one entity and may  
250.3 merge the payment rates while maintaining separate provider numbers. The operating and  
250.4 property base rates per admission or per day shall be derived from the best Medicare and  
250.5 claims data available when rates are established. The commissioner shall determine the  
250.6 best Medicare and claims data, taking into consideration variables of recency of the data,  
250.7 audit disposition, settlement status, and the ability to set rates in a timely manner. The  
250.8 commissioner shall notify hospitals of payment rates by ~~December 1 of the year preceding~~  
250.9 ~~the rate year~~ 30 days prior to implementation. The rate setting data must reflect the  
250.10 admissions data used to establish relative values. ~~Base year changes from 1981 to the base~~  
250.11 ~~year established for the rate year beginning January 1, 1991, and for subsequent rate years,~~  
250.12 ~~shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase~~  
250.13 ~~under subdivision 1.~~ The commissioner may adjust base year cost, relative value, and case  
250.14 mix index data to exclude the costs of services that have been discontinued by the October  
250.15 1 of the year preceding the rate year or that are paid separately from inpatient services.  
250.16 Inpatient stays that encompass portions of two or more rate years shall have payments  
250.17 established based on payment rates in effect at the time of admission unless the date of  
250.18 admission preceded the rate year in effect by six months or more. In this case, operating  
250.19 payment rates for services rendered during the rate year in effect and established based on  
250.20 the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

250.21 (b) For fee-for-service admissions occurring on or after July 1, 2002, the total  
250.22 payment, before third-party liability and spenddown, made to hospitals for inpatient  
250.23 services is reduced by .5 percent from the current statutory rates.

250.24 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service  
250.25 admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before  
250.26 third-party liability and spenddown, is reduced five percent from the current statutory  
250.27 rates. Mental health services within diagnosis related groups 424 to 432 or corresponding  
250.28 APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph.

250.29 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for  
250.30 fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for  
250.31 inpatient services before third-party liability and spenddown, is reduced 6.0 percent from  
250.32 the current statutory rates. Mental health services within diagnosis related groups 424 to  
250.33 432 or corresponding APR-DRGs and facilities defined under subdivision 16 are excluded  
250.34 from this paragraph. ~~Notwithstanding section 256.9686, subdivision 7, for purposes~~  
250.35 ~~of this paragraph, medical assistance does not include general assistance medical care.~~

251.1 Payments made to managed care plans shall be reduced for services provided on or after  
251.2 January 1, 2006, to reflect this reduction.

251.3 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment  
251.4 for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009,  
251.5 made to hospitals for inpatient services before third-party liability and spenddown,  
251.6 is reduced 3.46 percent from the current statutory rates. Mental health services with  
251.7 diagnosis related groups 424 to 432 or corresponding APR-DRGs and facilities defined  
251.8 under subdivision 16 are excluded from this paragraph. Payments made to managed care  
251.9 plans shall be reduced for services provided on or after January 1, 2009, through June  
251.10 30, 2009, to reflect this reduction.

251.11 (f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment  
251.12 for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011,  
251.13 made to hospitals for inpatient services before third-party liability and spenddown, is  
251.14 reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis  
251.15 related groups 424 to 432 or corresponding APR-DRGs and facilities defined under  
251.16 subdivision 16 are excluded from this paragraph. Payments made to managed care plans  
251.17 shall be reduced for services provided on or after July 1, 2009, through June 30, 2011,  
251.18 to reflect this reduction.

251.19 (g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment  
251.20 for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for  
251.21 inpatient services before third-party liability and spenddown, is reduced 1.79 percent from  
251.22 the current statutory rates. Mental health services with diagnosis related groups 424 to 432  
251.23 or corresponding APR-DRGs and facilities defined under subdivision 16 are excluded  
251.24 from this paragraph. Payments made to managed care plans shall be reduced for services  
251.25 provided on or after July 1, 2011, to reflect this reduction.

251.26 (h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total  
251.27 payment for fee-for-service admissions occurring on or after July 1, 2009, made to  
251.28 hospitals for inpatient services before third-party liability and spenddown, is reduced  
251.29 one percent from the current statutory rates. Facilities defined under subdivision 16 are  
251.30 excluded from this paragraph. Payments made to managed care plans shall be reduced for  
251.31 services provided on or after October 1, 2009, to reflect this reduction.

251.32 (i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total  
251.33 payment for fee-for-service admissions occurring on or after July 1, 2011, made to  
251.34 hospitals for inpatient services before third-party liability and spenddown, is reduced  
251.35 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are

252.1 excluded from this paragraph. Payments made to managed care plans shall be reduced for  
 252.2 services provided on or after January 1, 2011, to reflect this reduction.

252.3 (j) Effective for discharges on and after September 1, 2014, from hospitals paid  
 252.4 under subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this  
 252.5 subdivision shall be incorporated into the rebased rates established under subdivision 2b,  
 252.6 paragraph (c), and shall not be applied to each claim.

252.7 Sec. 12. Minnesota Statutes 2012, section 256.969, subdivision 3b, is amended to read:

252.8 Subd. 3b. **Nonpayment for hospital-acquired conditions and for certain**  
 252.9 **treatments.** (a) The commissioner must not make medical assistance payments to a  
 252.10 hospital for any costs of care that result from a condition listed identified in paragraph  
 252.11 (c), if the condition was hospital acquired.

252.12 (b) For purposes of this subdivision, a condition is hospital acquired if it is not  
 252.13 identified by the hospital as present on admission. For purposes of this subdivision,  
 252.14 medical assistance includes ~~general assistance medical care and MinnesotaCare.~~

252.15 (c) The prohibition in paragraph (a) applies to payment for each hospital-acquired  
 252.16 condition listed identified in this paragraph that is represented by an ICD-9-CM or  
 252.17 ICD-10-CM diagnosis code ~~and is designated as a complicating condition or a major~~  
 252.18 ~~complicating condition.~~ The list of conditions shall be the hospital-acquired conditions  
 252.19 list defined by the Centers for Medicare and Medicaid Services on an annual basis.

252.20 ~~(1) foreign object retained after surgery (ICD-9-CM codes 998.4 or 998.7);~~  
 252.21 ~~(2) air embolism (ICD-9-CM code 999.1);~~  
 252.22 ~~(3) blood incompatibility (ICD-9-CM code 999.6);~~  
 252.23 ~~(4) pressure ulcers stage III or IV (ICD-9-CM codes 707.23 or 707.24);~~  
 252.24 ~~(5) falls and trauma, including fracture, dislocation, intracranial injury, crushing~~  
 252.25 ~~injury, burn, and electric shock (ICD-9-CM codes with these ranges on the complicating~~  
 252.26 ~~condition and major complicating condition list: 800-829; 830-839; 850-854; 925-929;~~  
 252.27 ~~940-949; and 991-994);~~

252.28 ~~(6) catheter-associated urinary tract infection (ICD-9-CM code 996.64);~~  
 252.29 ~~(7) vascular catheter-associated infection (ICD-9-CM code 999.31);~~  
 252.30 ~~(8) manifestations of poor glycemic control (ICD-9-CM codes 249.10; 249.11;~~  
 252.31 ~~249.20; 249.21; 250.10; 250.11; 250.12; 250.13; 250.20; 250.21; 250.22; 250.23; and~~  
 252.32 ~~251.0);~~

252.33 ~~(9) surgical site infection (ICD-9-CM codes 996.67 or 998.59) following certain~~  
 252.34 ~~orthopedic procedures (procedure codes 81.01; 81.02; 81.03; 81.04; 81.05; 81.06; 81.07;~~

253.1 ~~81.08; 81.23; 81.24; 81.31; 81.32; 81.33; 81.34; 81.35; 81.36; 81.37; 81.38; 81.83; and~~  
253.2 ~~81.85);~~

253.3 ~~(10) surgical site infection (ICD-9-CM code 998.59) following bariatric surgery~~  
253.4 ~~(procedure codes 44.38; 44.39; or 44.95) for a principal diagnosis of morbid obesity~~  
253.5 ~~(ICD-9-CM code 278.01);~~

253.6 ~~(11) surgical site infection, mediastinitis (ICD-9-CM code 519.2) following coronary~~  
253.7 ~~artery bypass graft (procedure codes 36.10 to 36.19); and~~

253.8 ~~(12) deep vein thrombosis (ICD-9-CM codes 453.40 to 453.42) or pulmonary~~  
253.9 ~~embolism (ICD-9-CM codes 415.11 or 415.19) following total knee replacement~~  
253.10 ~~(procedure code 81.54) or hip replacement (procedure codes 00.85 to 00.87 or 81.51~~  
253.11 ~~to 81.52).~~

253.12 (d) The prohibition in paragraph (a) applies to any additional payments that result  
253.13 from a hospital-acquired condition ~~listed~~ identified in paragraph (c), including, but not  
253.14 limited to, additional treatment or procedures, readmission to the facility after discharge,  
253.15 increased length of stay, change to a higher diagnostic category, or transfer to another  
253.16 hospital. In the event of a transfer to another hospital, the hospital where the condition  
253.17 ~~listed~~ identified under paragraph (c) was acquired is responsible for any costs incurred at  
253.18 the hospital to which the patient is transferred.

253.19 (e) A hospital shall not bill a recipient of services for any payment disallowed under  
253.20 this subdivision.

253.21 Sec. 13. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
253.22 to read:

253.23 Subd. 3d. **Rate increase.** The total payment for fee for service admissions occurring  
253.24 on or after July 1, 2014, through December 31, 2014, made to hospitals for inpatient  
253.25 services before third-party liability and spenddown, is increased by three percent from  
253.26 the current statutory rates. Facilities defined under subdivision 16, long-term hospitals  
253.27 as determined under the Medicare program, children's hospitals whose inpatients are  
253.28 predominantly under 18 years of age, and payments under managed care are excluded  
253.29 from this rate increase.

253.30 Sec. 14. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
253.31 to read:

253.32 Subd. 4b. **Medical assistance cost reports for services.** (a) A hospital that meets  
253.33 one of the following criteria must annually file medical assistance cost reports within six  
253.34 months of the end of the hospital's fiscal year:

254.1 (1) a hospital designated as a critical access hospital that receives medical assistance  
254.2 payments; or

254.3 (2) a Minnesota hospital or out-of-state hospital located within a Minnesota local  
254.4 trade area that receives a disproportionate population adjustment under subdivision 9.

254.5 For purposes of this subdivision, local trade area has the meaning given in subdivision 17.

254.6 (b) The Department of Human Services must suspend payments to any hospital that  
254.7 fails to file a report required under this subdivision. Payments must remain suspended  
254.8 until the report has been filed with and accepted by the Department of Human Services  
254.9 inpatient rates unit.

254.10 Sec. 15. Minnesota Statutes 2012, section 256.969, subdivision 6a, is amended to read:

254.11 Subd. 6a. **Special considerations.** In determining the payment rates, the  
254.12 commissioner shall consider whether the circumstances in subdivisions 7 8 to 14 exist.

254.13 Sec. 16. Minnesota Statutes 2012, section 256.969, subdivision 8, is amended to read:

254.14 Subd. 8. **Unusual length of stay experience.** (a) The commissioner shall establish  
254.15 day outlier thresholds for each diagnostic category established under subdivision 2 at  
254.16 two standard deviations beyond the mean length of stay. Payment for the days beyond  
254.17 the outlier threshold shall be in addition to the operating and property payment rates per  
254.18 admission established under subdivisions 2, and 2b, ~~and 2c~~. Payment for outliers shall  
254.19 be at 70 percent of the allowable operating cost, after adjustment by the case mix index,  
254.20 hospital cost index, relative values and the disproportionate population adjustment. The  
254.21 outlier threshold for neonatal and burn diagnostic categories shall be established at one  
254.22 standard deviation beyond the mean length of stay, and payment shall be at 90 percent  
254.23 of allowable operating cost calculated in the same manner as other outliers. A hospital  
254.24 may choose an alternative to the 70 percent outlier payment that is at a minimum of 60  
254.25 percent and a maximum of 80 percent if the commissioner is notified in writing of the  
254.26 request by October 1 of the year preceding the rate year. The chosen percentage applies  
254.27 to all diagnostic categories except burns and neonates. The percentage of allowable cost  
254.28 that is unrecognized by the outlier payment shall be added back to the base year operating  
254.29 payment rate per admission.

254.30 (b) Effective for transfers occurring on or after September 1, 2014, the commissioner  
254.31 shall establish payment rates for acute transfers that are based on Medicare methodologies.

254.32 Sec. 17. Minnesota Statutes 2012, section 256.969, subdivision 8a, is amended to read:

255.1 Subd. 8a. **Short length of stay.** ~~Except as provided in subdivision 13, for~~  
255.2 ~~admissions occurring on or after July 1, 1995, payment shall be determined as follows and~~  
255.3 ~~shall be included in the base year for rate setting purposes:~~

255.4 ~~(1) for an admission that is categorized to a neonatal diagnostic related group~~  
255.5 ~~in which the length of stay is less than 50 percent of the average length of stay for the~~  
255.6 ~~category in the base year and the patient at admission is equal to or greater than the age of~~  
255.7 ~~one, payments shall be established according to the methods of subdivision 14;~~

255.8 (2) For an admission that is categorized to a diagnostic category that includes  
255.9 neonatal respiratory distress syndrome, the hospital must have a level II or level III  
255.10 nursery and the patient must receive treatment in that unit or payment will be made  
255.11 without regard to the syndrome condition.

255.12 Sec. 18. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision  
255.13 to read:

255.14 Subd. 8c. **Hospital residents.** Payments for hospital residents shall be made  
255.15 as follows:

255.16 (1) payments for the first 180 days of inpatient care shall be the DRG system  
255.17 payment plus any appropriate outliers; and

255.18 (2) payment for all medically necessary patient care subsequent to 180 days shall  
255.19 be reimbursed at a rate equal to 80 percent of the product of the statewide average  
255.20 cost-to-charge ratio multiplied by the usual and customary charges.

255.21 Sec. 19. Minnesota Statutes 2012, section 256.969, subdivision 9, is amended to read:

255.22 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For  
255.23 admissions occurring on or after October 1, 1992, through December 31, 1992, the  
255.24 medical assistance disproportionate population adjustment shall comply with federal law  
255.25 and shall be paid to a hospital, excluding regional treatment centers and facilities of the  
255.26 federal Indian Health Service, with a medical assistance inpatient utilization rate in excess  
255.27 of the arithmetic mean. The adjustment must be determined as follows:

255.28 (1) for a hospital with a medical assistance inpatient utilization rate above the  
255.29 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the  
255.30 federal Indian Health Service but less than or equal to one standard deviation above the  
255.31 mean, the adjustment must be determined by multiplying the total of the operating and  
255.32 property payment rates by the difference between the hospital's actual medical assistance  
255.33 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional  
255.34 treatment centers and facilities of the federal Indian Health Service; and

256.1 (2) for a hospital with a medical assistance inpatient utilization rate above one  
256.2 standard deviation above the mean, the adjustment must be determined by multiplying  
256.3 the adjustment that would be determined under clause (1) for that hospital by 1.1. If  
256.4 federal matching funds are not available for all adjustments under this subdivision, the  
256.5 commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for  
256.6 federal match. ~~The commissioner may establish a separate disproportionate population~~  
256.7 ~~operating payment rate adjustment under the general assistance medical care program.~~  
256.8 ~~For purposes of this subdivision medical assistance does not include general assistance~~  
256.9 ~~medical care.~~ The commissioner shall report annually on the number of hospitals likely to  
256.10 receive the adjustment authorized by this paragraph. The commissioner shall specifically  
256.11 report on the adjustments received by public hospitals and public hospital corporations  
256.12 located in cities of the first class.

256.13 (b) For admissions occurring on or after July 1, 1993, the medical assistance  
256.14 disproportionate population adjustment shall comply with federal law and shall be paid to  
256.15 a hospital, excluding regional treatment centers and facilities of the federal Indian Health  
256.16 Service, with a medical assistance inpatient utilization rate in excess of the arithmetic  
256.17 mean. The adjustment must be determined as follows:

256.18 (1) for a hospital with a medical assistance inpatient utilization rate above the  
256.19 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the  
256.20 federal Indian Health Service but less than or equal to one standard deviation above the  
256.21 mean, the adjustment must be determined by multiplying the total of the operating and  
256.22 property payment rates by the difference between the hospital's actual medical assistance  
256.23 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional  
256.24 treatment centers and facilities of the federal Indian Health Service; and

256.25 (2) for a hospital with a medical assistance inpatient utilization rate above one  
256.26 standard deviation above the mean, the adjustment must be determined by multiplying  
256.27 the adjustment that would be determined under clause (1) for that hospital by 1.1. The  
256.28 commissioner may establish a separate disproportionate population operating payment  
256.29 rate adjustment under the general assistance medical care program. For purposes of this  
256.30 subdivision, medical assistance does not include general assistance medical care. The  
256.31 commissioner shall report annually on the number of hospitals likely to receive the  
256.32 adjustment authorized by this paragraph. The commissioner shall specifically report on  
256.33 the adjustments received by public hospitals and public hospital corporations located in  
256.34 cities of the first class; and

256.35 (3) ~~for a hospital that had medical assistance fee-for-service payment volume during~~  
256.36 ~~calendar year 1991 in excess of 13 percent of total medical assistance fee-for-service~~



257.1 ~~payment volume, a medical assistance disproportionate population adjustment shall be~~  
257.2 ~~paid in addition to any other disproportionate payment due under this subdivision as~~  
257.3 ~~follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995.~~  
257.4 ~~For a hospital that had medical assistance fee-for-service payment volume during calendar~~  
257.5 ~~year 1991 in excess of eight percent of total medical assistance fee-for-service payment~~  
257.6 ~~volume and was the primary hospital affiliated with the University of Minnesota, a~~  
257.7 ~~medical assistance disproportionate population adjustment shall be paid in addition to any~~  
257.8 ~~other disproportionate payment due under this subdivision as follows: \$505,000 due on~~  
257.9 ~~the 15th of each month after noon, beginning July 15, 1995; and~~

257.10 ~~(4) effective August 1, 2005, the payments in paragraph (b), clause (3), shall be~~  
257.11 ~~reduced to zero.~~

257.12 ~~(c) The commissioner shall adjust rates paid to a health maintenance organization~~  
257.13 ~~under contract with the commissioner to reflect rate increases provided in paragraph (b),~~  
257.14 ~~clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those~~  
257.15 ~~rates to reflect payments provided in clause (3).~~

257.16 ~~(d) If federal matching funds are not available for all adjustments under paragraph~~  
257.17 ~~(b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a~~  
257.18 ~~pro rata basis so that all adjustments under paragraph (b) qualify for federal match.~~

257.19 ~~(e) For purposes of this subdivision, medical assistance does not include general~~  
257.20 ~~assistance medical care.~~

257.21 ~~(f) For hospital services occurring on or after July 1, 2005, to June 30, 2007:~~

257.22 ~~(1) general assistance medical care expenditures for fee-for-service inpatient and~~  
257.23 ~~outpatient hospital payments made by the department shall be considered Medicaid~~  
257.24 ~~disproportionate share hospital payments, except as limited below:~~

257.25 ~~(i) only the portion of Minnesota's disproportionate share hospital allotment under~~  
257.26 ~~section 1923(f) of the Social Security Act that is not spent on the disproportionate~~  
257.27 ~~population adjustments in paragraph (b), clauses (1) and (2), may be used for general~~  
257.28 ~~assistance medical care expenditures;~~

257.29 ~~(ii) only those general assistance medical care expenditures made to hospitals that~~  
257.30 ~~qualify for disproportionate share payments under section 1923 of the Social Security Act~~  
257.31 ~~and the Medicaid state plan may be considered disproportionate share hospital payments;~~

257.32 ~~(iii) only those general assistance medical care expenditures made to an individual~~  
257.33 ~~hospital that would not cause the hospital to exceed its individual hospital limits under~~  
257.34 ~~section 1923 of the Social Security Act may be considered; and~~

257.35 ~~(iv) general assistance medical care expenditures may be considered only to the~~  
257.36 ~~extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act.~~

258.1 ~~All hospitals and prepaid health plans participating in general assistance medical care~~  
258.2 ~~must provide any necessary expenditure, cost, and revenue information required by the~~  
258.3 ~~commissioner as necessary for purposes of obtaining federal Medicaid matching funds for~~  
258.4 ~~general assistance medical care expenditures; and~~

258.5       (2) (c) Certified public expenditures made by Hennepin County Medical Center shall  
258.6 be considered Medicaid disproportionate share hospital payments. Hennepin County  
258.7 and Hennepin County Medical Center shall report by June 15, 2007, on payments made  
258.8 beginning July 1, 2005, or another date specified by the commissioner, that may qualify  
258.9 for reimbursement under federal law. Based on these reports, the commissioner shall  
258.10 apply for federal matching funds.

258.11       ~~(g)~~ (d) Upon federal approval of the related state plan amendment, paragraph ~~(f)~~ (c)  
258.12 is effective retroactively from July 1, 2005, or the earliest effective date approved by the  
258.13 Centers for Medicare and Medicaid Services.

258.14       Sec. 20. Minnesota Statutes 2012, section 256.969, subdivision 10, is amended to read:

258.15       Subd. 10. **Separate billing by certified registered nurse anesthetists.** Hospitals  
258.16 ~~may~~ must exclude certified registered nurse anesthetist costs from the operating payment  
258.17 rate ~~as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must~~  
258.18 ~~notify the commissioner in writing by October 1 of even-numbered years to exclude~~  
258.19 ~~certified registered nurse anesthetist costs. The hospital must agree that all hospital~~  
258.20 ~~claims for the cost and charges of certified registered nurse anesthetist services will not~~  
258.21 ~~be included as part of the rates for inpatient services provided during the rate year. In~~  
258.22 ~~this case, the operating payment rate shall be adjusted to exclude the cost of certified~~  
258.23 ~~registered nurse anesthetist services.~~

258.24       ~~For admissions occurring on or after July 1, 1991, and until the expiration date of~~  
258.25 ~~section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided~~  
258.26 ~~on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when~~  
258.27 ~~the hospital's base year did not include the cost of these services. To be eligible, a hospital~~  
258.28 ~~must notify the commissioner in writing by July 1, 1991, of the request and must comply~~  
258.29 ~~with all other requirements of this subdivision.~~

258.30       Sec. 21. Minnesota Statutes 2012, section 256.969, subdivision 12, is amended to read:

258.31       Subd. 12. **Rehabilitation distinct parts.** (a) Units of hospitals that are recognized  
258.32 as rehabilitation distinct parts by the Medicare program shall have separate provider  
258.33 numbers under the medical assistance program for rate establishment and billing  
258.34 purposes only. These units shall also have operating ~~and property~~ payment rates and the

259.1 disproportionate population adjustment, if allowed by federal law, established separately  
259.2 from other inpatient hospital services.

259.3       (b) The commissioner ~~may~~ shall establish separate relative values under subdivision  
259.4 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program.

259.5       Effective for discharges on or after September 1, 2014, the commissioner, to the extent  
259.6 possible, shall replicate the existing payment rate methodology under the new diagnostic  
259.7 classification system. The result must be budget neutral, ensuring that the total aggregate  
259.8 payments under the new system are equal to the total aggregate payments made for the  
259.9 same number and types of services in the base year, state fiscal year 2012.

259.10       (c) For individual hospitals that did not have separate medical assistance  
259.11 rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals  
259.12 shall provide the information needed to separate rehabilitation distinct part cost and claims  
259.13 data from other inpatient service data.

259.14       Sec. 22. Minnesota Statutes 2012, section 256.969, subdivision 14, is amended to read:

259.15       Subd. 14. **Transfers.** ~~Except as provided in subdivisions 11 and 13, (a)~~ Operating  
259.16 and property payment rates for admissions that result in transfers and transfers shall be  
259.17 established on a per day payment system. The per day payment rate shall be the sum of  
259.18 the adjusted operating and property payment rates determined under this subdivision and  
259.19 subdivisions 2, 2b, ~~2e~~, 3a, 4a, 5a, and 7 to 12, divided by the arithmetic mean length of  
259.20 stay for the diagnostic category. Each admission that results in a transfer and each transfer  
259.21 is considered a separate admission to each hospital, and the total of the admission and  
259.22 transfer payments to each hospital must not exceed the total per admission payment that  
259.23 would otherwise be made to each hospital under this subdivision and subdivisions 2, 2b,  
259.24 ~~2e~~, 3a, 4a, 5a, and ~~7 to 13~~ 8 to 12.

259.25       (b) Effective for transfers occurring on and after September 1, 2014, the commissioner  
259.26 shall establish payment rates for acute transfers that are based on Medicare methodologies.

259.27       Sec. 23. Minnesota Statutes 2012, section 256.969, subdivision 17, is amended to read:

259.28       Subd. 17. **Out-of-state hospitals in local trade areas.** Out-of-state hospitals that  
259.29 are located within a Minnesota local trade area and that have more than 20 admissions in  
259.30 the base year or years shall have rates established using the same procedures and methods  
259.31 that apply to Minnesota hospitals. For this subdivision and subdivision 18, local trade area  
259.32 means a county contiguous to Minnesota and located in a metropolitan statistical area as  
259.33 determined by Medicare for October 1 prior to the most current rebased rate year. Hospitals  
259.34 that are not required by law to file information in a format necessary to establish rates shall

260.1 have rates established based on the commissioner's estimates of the information. Relative  
260.2 values of the diagnostic categories shall not be redetermined under this subdivision until  
260.3 required by ~~rule~~ statute. Hospitals affected by this subdivision shall then be included in  
260.4 determining relative values. However, hospitals that have rates established based upon  
260.5 the commissioner's estimates of information shall not be included in determining relative  
260.6 values. This subdivision is effective for hospital fiscal years beginning on or after July  
260.7 1, 1988. A hospital shall provide the information necessary to establish rates under this  
260.8 subdivision at least 90 days before the start of the hospital's fiscal year.

260.9 Sec. 24. Minnesota Statutes 2012, section 256.969, subdivision 18, is amended to read:

260.10 Subd. 18. **Out-of-state hospitals outside local trade areas.** Hospitals that are  
260.11 not located within Minnesota or a Minnesota local trade area shall have ~~operating and~~  
260.12 ~~property inpatient hospital~~ rates established at the average of statewide and local trade area  
260.13 rates or, at the commissioner's discretion, at an amount negotiated by the commissioner.  
260.14 Relative values shall not include data from hospitals that have rates established under this  
260.15 subdivision. Payments, including third-party and recipient liability, established under this  
260.16 subdivision may not exceed the charges on a claim specific basis for inpatient services that  
260.17 are covered by medical assistance.

260.18 Sec. 25. Minnesota Statutes 2012, section 256.969, subdivision 25, is amended to read:

260.19 Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid a per  
260.20 diem rate established by the commissioner.

260.21 (b) For admissions occurring on or after April 1, 1995, a long-term hospital as  
260.22 designated by Medicare that does not have admissions in the base year shall have  
260.23 inpatient rates established at the average of other hospitals with the same designation. For  
260.24 subsequent rate-setting periods in which base years are updated, the hospital's base year  
260.25 shall be the first Medicare cost report filed with the long-term hospital designation and  
260.26 shall remain in effect until it falls within the same period as other hospitals.

260.27 Sec. 26. Minnesota Statutes 2012, section 256.969, subdivision 30, is amended to read:

260.28 Subd. 30. **Payment rates for births.** (a) For admissions occurring on or after  
260.29 ~~October 1, 2009, September 1, 2014,~~ the total operating and property payment rate,  
260.30 excluding disproportionate population adjustment, for the following diagnosis-related  
260.31 groups, as they fall within the diagnostic APR-DRG categories: ~~(1) 371 cesarean section~~  
260.32 ~~without complicating diagnosis; (2) 372 vaginal delivery with complicating diagnosis;~~

261.1 ~~and (3) 373 vaginal delivery without complicating diagnosis, 5401, 5402, 5403, and 5404~~  
261.2 cesarean section, shall be no greater than \$3,528.

261.3 (b) The rates described in this subdivision do not include newborn care.

261.4 (c) Payments to managed care and county-based purchasing plans under section  
261.5 256B.69, 256B.692, or 256L.12 shall be reduced for services provided on or after October  
261.6 1, 2009, to reflect the adjustments in paragraph (a).

261.7 (d) Prior authorization shall not be required before reimbursement is paid for a  
261.8 cesarean section delivery.

261.9 Sec. 27. Minnesota Statutes 2012, section 256B.04, is amended by adding a  
261.10 subdivision to read:

261.11 Subd. 24. **Medicaid waiver requests and state plan amendments.** Prior to  
261.12 submitting any Medicaid waiver request or Medicaid state plan amendment to the federal  
261.13 government for approval, the commissioner shall publish the text of the waiver request or  
261.14 state plan amendment, and a summary of and explanation of the need for the request, on  
261.15 the agency's Web site and provide a 30-day public comment period. The commissioner  
261.16 shall notify the public of the availability of this information through the agency's electronic  
261.17 subscription service. The commissioner shall consider public comments when preparing  
261.18 the final waiver request or state plan amendment that is to be submitted to the federal  
261.19 government for approval. The commissioner shall also publish on the agency's Web site  
261.20 notice of any federal decision related to the state request for approval, within 30 days of  
261.21 the decision. This notice must describe any modifications to the state request that have  
261.22 been agreed to by the commissioner as a condition of receiving federal approval.

261.23 Sec. 28. Minnesota Statutes 2013 Supplement, section 256B.056, subdivision 5c,  
261.24 is amended to read:

261.25 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents  
261.26 and caretaker relatives, pregnant women, infants, and children ages two through 20 is the  
261.27 standard specified in subdivision 4, paragraph (b).

261.28 (b) The excess income standard for a person whose eligibility is based on blindness,  
261.29 disability, or age of 65 or more years shall equal 75 percent of the federal poverty  
261.30 guidelines. The excess income standard under this paragraph shall equal 80 percent of  
261.31 the federal poverty guidelines, effective January 1, 2017.

261.32 Sec. 29. Minnesota Statutes 2012, section 256B.0625, subdivision 30, is amended to  
261.33 read:

262.1 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic  
262.2 services, federally qualified health center services, nonprofit community health clinic  
262.3 services, and public health clinic services. Rural health clinic services and federally  
262.4 qualified health center services mean services defined in United States Code, title 42,  
262.5 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified  
262.6 health center services shall be made according to applicable federal law and regulation.

262.7 (b) A federally qualified health center that is beginning initial operation shall submit  
262.8 an estimate of budgeted costs and visits for the initial reporting period in the form and  
262.9 detail required by the commissioner. A federally qualified health center that is already in  
262.10 operation shall submit an initial report using actual costs and visits for the initial reporting  
262.11 period. Within 90 days of the end of its reporting period, a federally qualified health  
262.12 center shall submit, in the form and detail required by the commissioner, a report of  
262.13 its operations, including allowable costs actually incurred for the period and the actual  
262.14 number of visits for services furnished during the period, and other information required  
262.15 by the commissioner. Federally qualified health centers that file Medicare cost reports  
262.16 shall provide the commissioner with a copy of the most recent Medicare cost report filed  
262.17 with the Medicare program intermediary for the reporting year which support the costs  
262.18 claimed on their cost report to the state.

262.19 (c) In order to continue cost-based payment under the medical assistance program  
262.20 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic  
262.21 must apply for designation as an essential community provider within six months of final  
262.22 adoption of rules by the Department of Health according to section 62Q.19, subdivision  
262.23 7. For those federally qualified health centers and rural health clinics that have applied  
262.24 for essential community provider status within the six-month time prescribed, medical  
262.25 assistance payments will continue to be made according to paragraphs (a) and (b) for the  
262.26 first three years after application. For federally qualified health centers and rural health  
262.27 clinics that either do not apply within the time specified above or who have had essential  
262.28 community provider status for three years, medical assistance payments for health services  
262.29 provided by these entities shall be according to the same rates and conditions applicable  
262.30 to the same service provided by health care providers that are not federally qualified  
262.31 health centers or rural health clinics.

262.32 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally  
262.33 qualified health center or a rural health clinic to make application for an essential  
262.34 community provider designation in order to have cost-based payments made according  
262.35 to paragraphs (a) and (b) no longer apply.

263.1 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)  
263.2 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

263.3 (f) Effective January 1, 2001, each federally qualified health center and rural health  
263.4 clinic may elect to be paid either under the prospective payment system established  
263.5 in United States Code, title 42, section 1396a(aa), or under an alternative payment  
263.6 methodology consistent with the requirements of United States Code, title 42, section  
263.7 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The  
263.8 alternative payment methodology shall be 100 percent of cost as determined according to  
263.9 Medicare cost principles.

263.10 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

263.11 (1) has nonprofit status as specified in chapter 317A;

263.12 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

263.13 (3) is established to provide health services to low-income population groups,  
263.14 uninsured, high-risk and special needs populations, underserved and other special needs  
263.15 populations;

263.16 (4) employs professional staff at least one-half of which are familiar with the  
263.17 cultural background of their clients;

263.18 (5) charges for services on a sliding fee scale designed to provide assistance to  
263.19 low-income clients based on current poverty income guidelines and family size; and

263.20 (6) does not restrict access or services because of a client's financial limitations or  
263.21 public assistance status and provides no-cost care as needed.

263.22 (h) Effective for dates of service on and after January 1, 2015, all claims for payment  
263.23 of clinic services provided by federally qualified health centers and rural health clinics  
263.24 shall be submitted directly to the commissioner and paid by the commissioner. The  
263.25 commissioner shall provide claims information received by the commissioner under  
263.26 this paragraph for recipients enrolled in managed care to managed care organizations  
263.27 on a regular basis.

263.28 (i) For clinic services provided prior to January 1, 2015, the commissioner shall  
263.29 calculate and pay monthly the proposed managed care supplemental payments to clinics  
263.30 and clinics shall conduct a timely review of the payment calculation data in order to  
263.31 finalize all supplemental payments in accordance with federal law. Any issues arising  
263.32 from a clinic's review must be reported to the commissioner by January 1, 2017. Upon  
263.33 final agreement between the commissioner and a clinic on issues identified under this  
263.34 subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no  
263.35 supplemental payments for managed care claims for dates of service prior to January 1,  
263.36 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to

264.1 resolve issues under this subdivision, the parties shall submit the dispute to the arbitration  
264.2 process under section 14.57.

264.3 Sec. 30. Minnesota Statutes 2012, section 256B.0751, is amended by adding a  
264.4 subdivision to read:

264.5 Subd. 10. **Health care homes advisory committee.** (a) The commissioners of  
264.6 health and human services shall establish a health care homes advisory committee to  
264.7 advise the commissioners on the ongoing statewide implementation of the health care  
264.8 homes program authorized in this section.

264.9 (b) The commissioners shall establish an advisory committee that includes  
264.10 representatives of the health care professions such as primary care providers; mental  
264.11 health providers; nursing and care coordinators; certified health care home clinics with  
264.12 statewide representation; health plan companies; state agencies; employers; academic  
264.13 researchers; consumers; and organizations that work to improve health care quality in  
264.14 Minnesota. At least 25 percent of the committee members must be consumers or patients  
264.15 in health care homes. The commissioners, in making appointments to the committee, shall  
264.16 ensure geographic representation of all regions of the state.

264.17 (c) The advisory committee shall advise the commissioners on ongoing  
264.18 implementation of the health care homes program, including, but not limited to, the  
264.19 following activities:

264.20 (1) implementation of certified health care homes across the state on performance  
264.21 management and implementation of benchmarking;

264.22 (2) implementation of modifications to the health care homes program based on  
264.23 results of the legislatively mandated health care home evaluation;

264.24 (3) statewide solutions for engagement of employers and commercial payers;

264.25 (4) potential modifications of the health care home rules or statutes;

264.26 (5) consumer engagement, including patient and family-centered care, patient  
264.27 activation in health care, and shared decision making;

264.28 (6) oversight for health care home subject matter task forces or workgroups; and

264.29 (7) other related issues as requested by the commissioners.

264.30 (d) The advisory committee shall have the ability to establish subcommittees on  
264.31 specific topics. The advisory committee is governed by section 15.059. Notwithstanding  
264.32 section 15.059, the advisory committee does not expire.

264.33 Sec. 31. Minnesota Statutes 2012, section 256B.199, is amended to read:

264.34 **256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.**



265.1 (a) ~~Effective July 1, 2007,~~ The commissioner shall apply for federal matching  
265.2 funds for the expenditures in paragraphs (b) and (c). ~~Effective September 1, 2011, the~~  
265.3 ~~commissioner shall apply for matching funds for expenditures in paragraph (c).~~

265.4 (b) The commissioner shall apply for federal matching funds for certified public  
265.5 expenditures as follows:

265.6 (1) Hennepin County, Hennepin County Medical Center, Ramsey County, and  
265.7 ~~Regions Hospital, the University of Minnesota, and Fairview-University Medical Center~~  
265.8 shall report quarterly to the commissioner beginning June 1, 2007, payments made during  
265.9 the second previous quarter that may qualify for reimbursement under federal law;

265.10 (2) based on these reports, the commissioner shall apply for federal matching  
265.11 funds. ~~These funds are appropriated to the commissioner for the payments under section~~  
265.12 ~~256.969, subdivision 27; and~~

265.13 (3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform  
265.14 the nonstate entities listed in paragraph (a) of the amount of federal disproportionate share  
265.15 hospital payment money expected to be available in the current federal fiscal year.

265.16 (c) ~~The commissioner shall apply for federal matching funds for general assistance~~  
265.17 ~~medical care expenditures as follows:~~

265.18 (1) ~~for hospital services occurring on or after July 1, 2007, general assistance medical~~  
265.19 ~~care expenditures for fee-for-service inpatient and outpatient hospital payments made by~~  
265.20 ~~the department shall be used to apply for federal matching funds, except as limited below:~~

265.21 (i) ~~only those general assistance medical care expenditures made to an individual~~  
265.22 ~~hospital that would not cause the hospital to exceed its individual hospital limits under~~  
265.23 ~~section 1923 of the Social Security Act may be considered; and~~

265.24 (ii) ~~general assistance medical care expenditures may be considered only to the extent~~  
265.25 ~~of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and~~

265.26 (2) ~~all hospitals must provide any necessary expenditure, cost, and revenue~~  
265.27 ~~information required by the commissioner as necessary for purposes of obtaining federal~~  
265.28 ~~Medicaid matching funds for general assistance medical care expenditures.~~

265.29 (d) (c) For the period from April 1, 2009, to September 30, 2010, the commissioner  
265.30 shall apply for additional federal matching funds available as disproportionate share  
265.31 hospital payments under the American Recovery and Reinvestment Act of 2009. These  
265.32 ~~funds shall be made available as the state share of payments under section 256.969,~~  
265.33 ~~subdivision 28.~~ The entities required to report certified public expenditures under  
265.34 paragraph (b), clause (1), shall report additional certified public expenditures as necessary  
265.35 under this paragraph.

266.1       ~~(e)~~ (d) For services provided on or after September 1, 2011, the commissioner shall  
266.2 apply for additional federal matching funds available as disproportionate share hospital  
266.3 payments under the MinnesotaCare program ~~according to the requirements and conditions~~  
266.4 ~~of paragraph (e)~~. A hospital may elect on an annual basis to not be a disproportionate  
266.5 share hospital for purposes of this paragraph, if the hospital does not qualify for a payment  
266.6 under section 256.969, subdivision 9, paragraph (b).

266.7       Sec. 32. Minnesota Statutes 2012, section 256B.35, subdivision 1, is amended to read:

266.8       Subdivision 1. **Personal needs allowance.** (a) Notwithstanding any law to the  
266.9 contrary, welfare allowances for clothing and personal needs for individuals receiving  
266.10 medical assistance while residing in any skilled nursing home, intermediate care facility,  
266.11 or medical institution including recipients of Supplemental Security Income, in this state  
266.12 shall not be less than \$45 per month from all sources. When benefit amounts for Social  
266.13 Security or Supplemental Security Income recipients are increased pursuant to United  
266.14 States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the  
266.15 month in which the increase takes effect, increase by the same percentage to the nearest  
266.16 whole dollar the clothing and personal needs allowance for individuals receiving medical  
266.17 assistance while residing in any skilled nursing home, medical institution, or intermediate  
266.18 care facility. The commissioner shall provide timely notice to local agencies, providers,  
266.19 and recipients of increases under this provision.

266.20       (b) The personal needs allowance may be paid as part of the Minnesota supplemental  
266.21 aid program, and payments to recipients of Minnesota supplemental aid may be made once  
266.22 each three months covering liabilities that accrued during the preceding three months.

266.23       (c) The personal needs allowance shall be increased to include income garnished  
266.24 for child support under a court order, up to a maximum of \$250 per month but only to  
266.25 the extent that the amount garnished is not deducted as a monthly allowance for children  
266.26 under section 256B.0575, paragraph (a), clause (5).

266.27       (d) Solely for the purpose of section 256B.0575, subdivision 1, paragraph (a), clause  
266.28 (1), the personal needs allowance shall be increased to include income garnished for  
266.29 spousal maintenance under a judgment and decree for dissolution of marriage, and any  
266.30 administrative fees garnished for collection efforts.

266.31       Sec. 33. Minnesota Statutes 2013 Supplement, section 256B.69, subdivision 34,  
266.32 is amended to read:

266.33       Subd. 34. **Supplemental recovery program.** The commissioner shall conduct a  
266.34 supplemental recovery program for third-party liabilities, identified through coordination

267.1 of benefits, not recovered by managed care plans and county-based purchasing plans for  
267.2 state public health programs. Any third-party liability identified through coordination  
267.3 of benefits, and recovered by the commissioner more than six ~~six~~ eight months after the  
267.4 date a managed care plan or county-based purchasing plan receives adjudicates a health  
267.5 care claim, shall be retained by the commissioner and deposited in the general fund.  
267.6 The commissioner shall establish a mechanism, including a reconciliation process, for  
267.7 managed care plans and county-based purchasing plans to coordinate third-party liability  
267.8 collections efforts resulting from coordination of benefits under this subdivision with the  
267.9 commissioner to ensure there is no duplication of efforts. The coordination mechanism  
267.10 must be consistent with the reporting requirements in subdivision 9c. The commissioner  
267.11 shall share accurate and timely third-party liability data with managed care organizations.

267.12 Sec. 34. Laws 2013, chapter 108, article 1, section 24, the effective date, is amended to  
267.13 read:

267.14 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2014.

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

267.16 Sec. 35. **MEDICAL ASSISTANCE SPENDDOWN REQUIREMENTS.**

267.17 The commissioner of human services, in consultation with interested stakeholders,  
267.18 shall review medical assistance spenddown requirements and processes, including those  
267.19 used in other states, for individuals with disabilities and seniors age 65 years of age or  
267.20 older. Based on this review, the commissioner shall recommend alternative medical  
267.21 assistance spenddown payment requirements and processes that:

267.22 (1) are practical for current and potential medical assistance recipients, providers,  
267.23 and the Department of Human Services;

267.24 (2) improve the medical assistance payment process for providers; and

267.25 (3) allow current and potential medical assistance recipients to obtain consistent  
267.26 and affordable medical coverage.

267.27 The commissioner shall report these recommendations, along with the projected cost,  
267.28 to the chairs and ranking minority members of the legislative committees and divisions  
267.29 with jurisdiction over health and human services policy and finance by November 15, 2015.

267.30 Sec. 36. **REPEALER.**

267.31 Minnesota Statutes 2012, sections 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13, 20,  
267.32 21, 22, 26, 27, and 28; and 256.9695, subdivisions 3 and 4, are repealed.

## ARTICLE 27

CHILDREN AND FAMILY SERVICES AND NORTHSTAR  
CARE FOR CHILDREN

Section 1. Minnesota Statutes 2012, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints.** (a) Except as provided in paragraph (c), for any background study completed under this chapter, when the commissioner has reasonable cause to believe that further pertinent information may exist on the subject of the background study, the subject shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency.

(b) For purposes of requiring fingerprints, the commissioner has reasonable cause when, but not limited to, the:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined; or

(3) commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota.

(c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for background studies conducted by the commissioner for child foster care or, adoptions, or a transfer of permanent legal and physical custody of a child, the subject of the background study, who is 18 years of age or older, shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency.

Sec. 2. Minnesota Statutes 2013 Supplement, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information from the national crime information system when the commissioner has reasonable cause as defined under section 245C.05, subdivision 5; and

(6) for a background study related to a child foster care application for licensure, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years; and

(ii) information from national crime information databases, when the background study subject is 18 years of age or older.

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

Sec. 3. Minnesota Statutes 2012, section 245C.33, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by commissioner.** (a) Before placement of a child for purposes of adoption, the commissioner shall conduct a background study on individuals listed in ~~section~~ sections 259.41, subdivision 3, and 260C.611, for county agencies and private agencies licensed to place children for adoption. When a prospective adoptive parent is seeking to adopt a child who is currently placed in the prospective adoptive parent's home and is under the guardianship of the commissioner according to section 260C.325, subdivision 1, paragraph (b), and the prospective adoptive parent holds a child foster care license, a new background study is not required when:

(1) a background study was completed on persons required to be studied under section 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

(2) the background study included a review of the information in section 245C.08, subdivisions 1, 3, and 4; and

(3) as a result of the background study, the individual was either not disqualified or, if disqualified, the disqualification was set aside under section 245C.22, or a variance was issued under section 245C.30.

(b) Before the kinship placement agreement is signed for the purpose of transferring permanent legal and physical custody to a relative under sections 260C.503 to 260C.515, the commissioner shall conduct a background study on each person age 13 or older living in the home. When a prospective relative custodian has a child foster care license, a new background study is not required when:

(1) a background study was completed on persons required to be studied under section 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

(2) the background study included a review of the information in section 245C.08, subdivisions 1, 3, and 4; and

(3) as a result of the background study, the individual was either not disqualified or, if disqualified, the disqualification was set aside under section 245C.22, or a variance was issued under section 245C.30. The commissioner and the county agency shall expedite any request for a set aside or variance for a background study required under chapter 256N.

Sec. 4. Minnesota Statutes 2012, section 245C.33, subdivision 4, is amended to read:

Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases, when required under section 245C.08.

(b) The commissioner shall provide any information collected under this subdivision to the county or private agency that initiated the background study. The commissioner shall also provide the agency:

(1) notice whether the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); and

(2) for background studies conducted under subdivision 1, paragraph (a), the date of all adoption-related background studies completed on the subject by the commissioner after June 30, 2007, and the name of the county or private agency that initiated the adoption-related background study.

271.1 Sec. 5. Minnesota Statutes 2012, section 256J.49, subdivision 13, is amended to read:

271.2 Subd. 13. **Work activity.** (a) "Work activity" means any activity in a participant's  
271.3 approved employment plan that leads to employment. For purposes of the MFIP program,  
271.4 this includes activities that meet the definition of work activity under the participation  
271.5 requirements of TANF. Work activity includes:

271.6 (1) unsubsidized employment, including work study and paid apprenticeships or  
271.7 internships;

271.8 (2) subsidized private sector or public sector employment, including grant diversion  
271.9 as specified in section 256J.69, on-the-job training as specified in section 256J.66, paid  
271.10 work experience, and supported work when a wage subsidy is provided;

271.11 (3) unpaid work experience, including community service, volunteer work,  
271.12 the community work experience program as specified in section 256J.67, unpaid  
271.13 apprenticeships or internships, and supported work when a wage subsidy is not provided.  
271.14 Unpaid work experience is only an option if the participant has been unable to obtain or  
271.15 maintain paid employment in the competitive labor market, and no paid work experience  
271.16 programs are available to the participant. Prior to placing a participant in unpaid work,  
271.17 the county must inform the participant that the participant will be notified if a paid work  
271.18 experience or supported work position becomes available. Unless a participant consents in  
271.19 writing to participate in unpaid work experience, the participant's employment plan may  
271.20 only include unpaid work experience if including the unpaid work experience in the plan  
271.21 will meet the following criteria:

271.22 (i) the unpaid work experience will provide the participant specific skills or  
271.23 experience that cannot be obtained through other work activity options where the  
271.24 participant resides or is willing to reside; and

271.25 (ii) the skills or experience gained through the unpaid work experience will result  
271.26 in higher wages for the participant than the participant could earn without the unpaid  
271.27 work experience;

271.28 (4) job search including job readiness assistance, job clubs, job placement,  
271.29 job-related counseling, and job retention services;

271.30 (5) job readiness education, including English as a second language (ESL) or  
271.31 functional work literacy classes ~~as limited by the provisions of section 256J.531,~~  
271.32 ~~subdivision 2,~~ general educational development (GED) or Minnesota adult diploma course  
271.33 work, high school completion, and adult basic education ~~as limited by the provisions of~~  
271.34 ~~section 256J.531, subdivision 1;~~

272.1 (6) job skills training directly related to employment, including postsecondary  
272.2 education and training that can reasonably be expected to lead to employment, ~~as limited~~  
272.3 ~~by the provisions of section 256J.53;~~

272.4 (7) providing child care services to a participant who is working in a community  
272.5 service program;

272.6 (8) activities included in the employment plan that is developed under section  
272.7 256J.521, subdivision 3; and

272.8 (9) preemployment activities including chemical and mental health assessments,  
272.9 treatment, and services; learning disabilities services; child protective services; family  
272.10 stabilization services; or other programs designed to enhance employability.

272.11 (b) "Work activity" does not include activities done for political purposes as defined  
272.12 in section 211B.01, subdivision 6.

272.13 Sec. 6. Minnesota Statutes 2012, section 256J.53, subdivision 1, is amended to read:

272.14 Subdivision 1. **Length of program.** (a) In order for a postsecondary education  
272.15 or training program to be an approved work activity as defined in section 256J.49,  
272.16 subdivision 13, clause (6), it must be a program lasting ~~24 months~~ four years or less, and  
272.17 the participant must meet the requirements of subdivisions 2, 3, and 5.

272.18 (b) Participants with a high school diploma, general educational development (GED)  
272.19 credential, or Minnesota adult diploma must be informed of the opportunity to participate  
272.20 in postsecondary education or training while in the Minnesota family investment program.

272.21 Sec. 7. Minnesota Statutes 2012, section 256J.53, subdivision 2, is amended to read:

272.22 Subd. 2. **Approval of postsecondary education or training.** ~~(a) In order for a~~  
272.23 ~~postsecondary education or training program to be an approved activity in an employment~~  
272.24 ~~plan, the plan must include additional work activities if the education and training~~  
272.25 ~~activities do not meet the minimum hours required to meet the federal work participation~~  
272.26 ~~rate under Code of Federal Regulations, title 45, sections 261.31 and 261.35.~~

272.27 (b) Participants seeking approval of a who are interested in participating in  
272.28 postsecondary education or training plan as part of their employment plan must provide  
272.29 documentation that discuss their education plans with their job counselor. Job counselors  
272.30 must work with participants to evaluate options by:

272.31 ~~(1) the employment goal can only be met with the additional education or training;~~

272.32 (2) advising whether there are suitable employment opportunities that require the  
272.33 specific education or training in the area in which the participant resides or is willing  
272.34 to reside;



273.1 ~~(3) the education or training will result in significantly higher wages for the~~  
273.2 ~~participant than the participant could earn without the education or training;~~

273.3 ~~(4) (2) assisting the participant in exploring whether the participant can meet the~~  
273.4 ~~requirements for admission into the program; and~~

273.5 ~~(5) (3) there is a reasonable expectation that the participant will complete the training~~  
273.6 ~~program discussing the participant's strengths and challenges based on such factors as the~~  
273.7 ~~participant's MFIP assessment, previous education, training, and work history; current~~  
273.8 ~~motivation; and changes in previous circumstances.~~

273.9 (b) The requirements of this subdivision do not apply to participants who are in:

273.10 (1) a recognized career pathway program that leads to stackable credentials;

273.11 (2) a training program lasting 12 weeks or less; or

273.12 (3) the final year of a multi-year postsecondary education or training program.

273.13 Sec. 8. Minnesota Statutes 2012, section 256J.53, subdivision 5, is amended to read:

273.14 Subd. 5. **Requirements after postsecondary education or training.** Upon  
273.15 completion of an approved education or training program, a participant who does not meet  
273.16 the participation requirements in section 256J.55, subdivision 1, through unsubsidized  
273.17 employment must participate in job search. If, after ~~six~~ 12 weeks of job search, the  
273.18 participant does not find a full-time job consistent with the employment goal, the  
273.19 participant must accept any offer of full-time suitable employment, or meet with the job  
273.20 counselor to revise the employment plan to include additional work activities necessary to  
273.21 meet hourly requirements.

273.22 Sec. 9. Minnesota Statutes 2012, section 256J.531, is amended to read:

273.23 **256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.**

273.24 Subdivision 1. **Approval of adult basic education.** ~~With the exception of classes~~  
273.25 ~~related to obtaining a general educational development credential (GED), a participant~~  
273.26 ~~must have reading or mathematics proficiency below a ninth grade level in order for adult~~  
273.27 ~~basic education classes to be an~~ A participant who lacks a high school diploma, general  
273.28 educational development (GED) credential, or Minnesota adult diploma must be allowed  
273.29 to pursue these credentials as an approved work activity, provided that the participant  
273.30 is making satisfactory progress. Participants eligible to pursue a general educational  
273.31 development (GED) credential or Minnesota adult diploma under this subdivision must  
273.32 be informed of the opportunity to participate while in the Minnesota family investment  
273.33 program. ~~The employment plan must also specify that the participant fulfill no more than~~

274.1 ~~one-half of the participation requirements in section 256J.55, subdivision 1, through~~  
274.2 ~~attending adult basic education or general educational development classes.~~

274.3 Subd. 2. **Approval of English as a second language.** In order for English as a  
274.4 second language (ESL) classes to be an approved work activity in an employment plan, a  
274.5 participant must be below a spoken language proficiency level of SPL6 or its equivalent,  
274.6 as measured by a nationally recognized test. In approving ESL as a work activity, the job  
274.7 counselor must give preference to enrollment in a functional work literacy program,  
274.8 if one is available, over a regular ESL program. ~~A participant may not be approved~~  
274.9 ~~for more than a combined total of 24 months of ESL classes while participating in the~~  
274.10 ~~diversionary work program and the employment and training services component of~~  
274.11 ~~MFIP. The employment plan must also specify that the participant fulfill no more than~~  
274.12 ~~one-half of the participation requirements in section 256J.55, subdivision 1, through~~  
274.13 ~~attending ESL classes. For participants enrolled in functional work literacy classes, no~~  
274.14 ~~more than two-thirds of the participation requirements in section 256J.55, subdivision 1,~~  
274.15 ~~may be met through attending functional work literacy classes.~~

274.16 Sec. 10. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 1, is  
274.17 amended to read:

274.18 Subdivision 1. **General eligibility requirements.** (a) To be eligible for guardianship  
274.19 assistance under this section, there must be a judicial determination under section  
274.20 260C.515, subdivision 4, that a transfer of permanent legal and physical custody to a  
274.21 relative is in the child's best interest. For a child under jurisdiction of a tribal court, a  
274.22 judicial determination under a similar provision in tribal code indicating that a relative  
274.23 will assume the duty and authority to provide care, control, and protection of a child who  
274.24 is residing in foster care, and to make decisions regarding the child's education, health  
274.25 care, and general welfare until adulthood, and that this is in the child's best interest is  
274.26 considered equivalent. Additionally, a child must:

274.27 (1) have been removed from the child's home pursuant to a voluntary placement  
274.28 agreement or court order;

274.29 (2)(i) have resided in with the prospective relative custodian who has been a  
274.30 licensed child foster care parent for at least six consecutive months ~~in the home of the~~  
274.31 ~~prospective relative custodian~~; or

274.32 (ii) have received from the commissioner an exemption from the requirement in item  
274.33 (i) ~~from the court~~ that the prospective relative custodian has been a licensed child foster  
274.34 parent for at least six consecutive months, based on a determination that:

274.35 (A) an expedited move to permanency is in the child's best interest;

275.1 (B) expedited permanency cannot be completed without provision of guardianship  
275.2 assistance; and

275.3 (C) the prospective relative custodian is uniquely qualified to meet the child's needs,  
275.4 as defined in section 260C.212, subdivision 2, on a permanent basis;

275.5 (D) the child and prospective relative custodian meet the eligibility requirements  
275.6 of this section; and

275.7 (E) efforts were made by the legally responsible agency to place the child with the  
275.8 prospective relative custodian as a licensed child foster parent for six consecutive months  
275.9 before permanency, or an explanation why these efforts were not in the child's best interests;

275.10 (3) meet the agency determinations regarding permanency requirements in  
275.11 subdivision 2;

275.12 (4) meet the applicable citizenship and immigration requirements in subdivision 3;

275.13 (5) have been consulted regarding the proposed transfer of permanent legal and  
275.14 physical custody to a relative, if the child is at least 14 years of age or is expected to attain  
275.15 14 years of age prior to the transfer of permanent legal and physical custody; and

275.16 (6) have a written, binding agreement under section 256N.25 among the caregiver or  
275.17 caregivers, the financially responsible agency, and the commissioner established prior to  
275.18 transfer of permanent legal and physical custody.

275.19 (b) In addition to the requirements in paragraph (a), the child's prospective relative  
275.20 custodian or custodians must meet the applicable background study requirements in  
275.21 subdivision 4.

275.22 (c) To be eligible for title IV-E guardianship assistance, a child must also meet any  
275.23 additional criteria in section 473(d) of the Social Security Act. The sibling of a child  
275.24 who meets the criteria for title IV-E guardianship assistance in section 473(d) of the  
275.25 Social Security Act is eligible for title IV-E guardianship assistance if the child and  
275.26 sibling are placed with the same prospective relative custodian or custodians, and the  
275.27 legally responsible agency, relatives, and commissioner agree on the appropriateness of  
275.28 the arrangement for the sibling. A child who meets all eligibility criteria except those  
275.29 specific to title IV-E guardianship assistance is entitled to guardianship assistance paid  
275.30 through funds other than title IV-E.

275.31 Sec. 11. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 2, is  
275.32 amended to read:

275.33 Subd. 2. **Agency determinations regarding permanency.** (a) To be eligible for  
275.34 guardianship assistance, the legally responsible agency must complete the following

276.1 determinations regarding permanency for the child prior to the transfer of permanent  
276.2 legal and physical custody:

276.3 (1) a determination that reunification and adoption are not appropriate permanency  
276.4 options for the child; and

276.5 (2) a determination that the child demonstrates a strong attachment to the prospective  
276.6 relative custodian and the prospective relative custodian has a strong commitment to  
276.7 caring permanently for the child.

276.8 (b) The legally responsible agency shall document the determinations in paragraph

276.9 (a) and the eligibility requirements in this section that comply with United States Code,

276.10 title 42, sections 673(d) and 675(1)(F). These determinations must be documented in a

276.11 kinship placement agreement, which must be in the format prescribed by the commissioner

276.12 and must be signed by the prospective relative custodian and the legally responsible

276.13 agency. In the case of a Minnesota tribe, the determinations and eligibility requirements

276.14 in this section may be provided in an alternative format approved by the commissioner.

276.15 Supporting information for completing each determination must be documented in the

276.16 legally responsible agency's case file and make them available for review as requested

276.17 by the financially responsible agency and the commissioner during the guardianship

276.18 assistance eligibility determination process.

276.19 Sec. 12. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 4, is  
276.20 amended to read:

276.21 Subd. 4. **Background study.** (a) A background study ~~under section 245C.33~~ must be  
276.22 completed on each prospective relative custodian and any other adult residing in the home  
276.23 of the prospective relative custodian. The background study must meet the requirements of  
276.24 United States Code, title 42, section 671(a)(20). A study completed under section 245C.33  
276.25 meets this requirement. A background study on the prospective relative custodian or adult  
276.26 residing in the household previously completed under ~~section 245C.04~~ chapter 245C for the  
276.27 purposes of child foster care licensure may under chapter 245A or licensure by a Minnesota  
276.28 tribe, shall be used for the purposes of this section, provided that the background study is  
276.29 ~~current~~ meets the requirements of this subdivision and the prospective relative custodian is  
276.30 a licensed child foster parent at the time of the application for guardianship assistance.

276.31 (b) If the background study reveals:

276.32 (1) a felony conviction at any time for:

276.33 (i) child abuse or neglect;

276.34 (ii) spousal abuse;

276.35 (iii) a crime against a child, including child pornography; or

277.1 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not  
277.2 including other physical assault or battery; or

277.3 (2) a felony conviction within the past five years for:

277.4 (i) physical assault;

277.5 (ii) battery; or

277.6 (iii) a drug-related offense;

277.7 the prospective relative custodian is prohibited from receiving guardianship assistance  
277.8 on behalf of an otherwise eligible child.

277.9 Sec. 13. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 4, is  
277.10 amended to read:

277.11 Subd. 4. **Background study.** (a) A background study under section 259.41 must be  
277.12 completed on each prospective adoptive parent: and all other adults residing in the home.  
277.13 A background study must meet the requirements of United States Code, title 42, section  
277.14 671(a)(20). A study completed under section 245C.33 meets this requirement. If the  
277.15 prospective adoptive parent is a licensed child foster parent licensed under chapter 245A  
277.16 or by a Minnesota tribe, the background study previously completed for the purposes of  
277.17 child foster care licensure shall be used for the purpose of this section, provided that the  
277.18 background study meets all other requirements of this subdivision and the prospective  
277.19 adoptive parent is a licensed child foster parent at the time of the application for adoption  
277.20 assistance.

277.21 (b) If the background study reveals:

277.22 (1) a felony conviction at any time for:

277.23 (i) child abuse or neglect;

277.24 (ii) spousal abuse;

277.25 (iii) a crime against a child, including child pornography; or

277.26 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not  
277.27 including other physical assault or battery; or

277.28 (2) a felony conviction within the past five years for:

277.29 (i) physical assault;

277.30 (ii) battery; or

277.31 (iii) a drug-related offense;

277.32 the adoptive parent is prohibited from receiving adoption assistance on behalf of an  
277.33 otherwise eligible child.

Sec. 14. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 2, is amended to read:

**Subd. 2. Negotiation of agreement.** (a) When a child is determined to be eligible for guardianship assistance or adoption assistance, the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, must negotiate with the caregiver to develop an agreement under subdivision 1. If and when the caregiver and agency reach concurrence as to the terms of the agreement, both parties shall sign the agreement. The agency must submit the agreement, along with the eligibility determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to the commissioner for final review, approval, and signature according to subdivision 1.

(b) A monthly payment is provided as part of the adoption assistance or guardianship assistance agreement to support the care of children unless the child is eligible for adoption assistance and determined to be an at-risk child, in which case ~~the special-at-risk monthly payment under section 256N.26, subdivision 7, must~~ no payment will be made unless and until the caregiver obtains written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself.

(1) The amount of the payment made on behalf of a child eligible for guardianship assistance or adoption assistance is determined through agreement between the prospective relative custodian or the adoptive parent and the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, using the assessment tool established by the commissioner in section 256N.24, subdivision 2, and the associated benefit and payments outlined in section 256N.26. Except as provided under section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes the monthly benefit level for a child under foster care. The monthly payment under a guardianship assistance agreement or adoption assistance agreement may be negotiated up to the monthly benefit level under foster care. In no case may the amount of the payment under a guardianship assistance agreement or adoption assistance agreement exceed the foster care maintenance payment which would have been paid during the month if the child with respect to whom the guardianship assistance or adoption assistance payment is made had been in a foster family home in the state.

(2) The rate schedule for the agreement is determined based on the age of the child on the date that the prospective adoptive parent or parents or relative custodian or custodians sign the agreement.

(3) The income of the relative custodian or custodians or adoptive parent or parents must not be taken into consideration when determining eligibility for guardianship assistance or adoption assistance or the amount of the payments under section 256N.26.

(4) With the concurrence of the relative custodian or adoptive parent, the amount of the payment may be adjusted periodically using the assessment tool established by the commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under subdivision 3 when there is a change in the child's needs or the family's circumstances.

~~(5) The guardianship assistance or adoption assistance agreement of a child who is identified as at-risk receives the special at-risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by an appropriate professional, and the commissioner authorizes commencement of payment by modifying the agreement accordingly. A relative custodian or~~ An adoptive parent of an at-risk child with a guardianship assistance or an adoption assistance agreement may request a reassessment of the child under section 256N.24, subdivision 9 10, and renegotiation of the ~~guardianship assistance or~~ adoption assistance agreement under subdivision 3 to include a monthly payment, if the caregiver has written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself. Documentation of the disability must be limited to evidence deemed appropriate by the commissioner.

(c) For guardianship assistance agreements:

(1) the initial amount of the monthly guardianship assistance payment must be equivalent to the foster care rate in effect at the time that the agreement is signed less any offsets under section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to by the prospective relative custodian and specified in that agreement, ~~unless the child is identified as at-risk or~~ the guardianship assistance agreement is entered into when a child is under the age of six; and

~~(2) an at-risk child must be assigned level A as outlined in section 256N.26 and receive the special at-risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by a qualified expert, and the commissioner authorizes commencement of payment by modifying the agreement accordingly; and~~

~~(3)~~ (2) the amount of the monthly payment for a guardianship assistance agreement for a child, ~~other than an at-risk child,~~ who is under the age of six must be as specified in section 256N.26, subdivision 5.

(d) For adoption assistance agreements:

(1) for a child in foster care with the prospective adoptive parent immediately prior to adoptive placement, the initial amount of the monthly adoption assistance payment must be equivalent to the foster care rate in effect at the time that the agreement is signed less any offsets in section 256N.26, subdivision 11, or a lesser negotiated amount if agreed

280.1 to by the prospective adoptive parents and specified in that agreement, unless the child is  
280.2 identified as at-risk or the adoption assistance agreement is entered into when a child is  
280.3 under the age of six;

280.4 (2) for an at-risk child who must be assigned level A as outlined in section  
280.5 256N.26 and receive the special at-risk monthly payment under section 256N.26,  
280.6 subdivision 7, no payment will be made unless and until the potential disability manifests  
280.7 itself, as documented by an appropriate professional, and the commissioner authorizes  
280.8 commencement of payment by modifying the agreement accordingly;

280.9 (3) the amount of the monthly payment for an adoption assistance agreement for  
280.10 a child under the age of six, other than an at-risk child, must be as specified in section  
280.11 256N.26, subdivision 5;

280.12 (4) for a child who is in the guardianship assistance program immediately prior  
280.13 to adoptive placement, the initial amount of the adoption assistance payment must be  
280.14 equivalent to the guardianship assistance payment in effect at the time that the adoption  
280.15 assistance agreement is signed or a lesser amount if agreed to by the prospective adoptive  
280.16 parent and specified in that agreement, unless the child is identified as an at-risk child; and

280.17 (5) for a child who is not in foster care placement or the guardianship assistance  
280.18 program immediately prior to adoptive placement or negotiation of the adoption assistance  
280.19 agreement, the initial amount of the adoption assistance agreement must be determined  
280.20 using the assessment tool and process in this section and the corresponding payment  
280.21 amount outlined in section 256N.26.

280.22 Sec. 15. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 3, is  
280.23 amended to read:

280.24 Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive  
280.25 parent of a child with a guardianship assistance or adoption assistance agreement may  
280.26 request renegotiation of the agreement when there is a change in the needs of the child  
280.27 or in the family's circumstances. When a relative custodian or adoptive parent requests  
280.28 renegotiation of the agreement, a reassessment of the child must be completed consistent  
280.29 with section 256N.24, subdivisions 9 and 10. If the reassessment indicates that the  
280.30 child's level has changed, the financially responsible agency or, if there is no financially  
280.31 responsible agency, the agency designated by the commissioner or the commissioner's  
280.32 designee, and the caregiver must renegotiate the agreement to include a payment with  
280.33 the level determined through the reassessment process. The agreement must not be  
280.34 renegotiated unless the commissioner, the financially responsible agency, and the caregiver



281.1 mutually agree to the changes. The effective date of any renegotiated agreement must be  
281.2 determined by the commissioner.

281.3 (b) ~~A relative custodian or~~ An adoptive parent of an at-risk child with a ~~guardianship~~  
281.4 ~~assistance or an~~ adoption assistance agreement may request renegotiation of the agreement  
281.5 to include a monthly payment ~~higher than the special at-risk monthly payment~~ under  
281.6 section 256N.26, ~~subdivision 7~~, if the caregiver has written documentation from a  
281.7 qualified expert that the potential disability upon which eligibility for the agreement  
281.8 was based has manifested itself. Documentation of the disability must be limited to  
281.9 evidence deemed appropriate by the commissioner. Prior to renegotiating the agreement, a  
281.10 reassessment of the child must be conducted as outlined in section 256N.24, subdivision  
281.11 9. The reassessment must be used to renegotiate the agreement to include an appropriate  
281.12 monthly payment. The agreement must not be renegotiated unless the commissioner, the  
281.13 financially responsible agency, and the caregiver mutually agree to the changes. The  
281.14 effective date of any renegotiated agreement must be determined by the commissioner.

281.15 (c) Renegotiation of a guardianship assistance or adoption assistance agreement is  
281.16 required when one of the circumstances outlined in section 256N.26, subdivision 13,  
281.17 occurs.

281.18 Sec. 16. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 1, is  
281.19 amended to read:

281.20 Subdivision 1. **Benefits.** (a) There are three benefits under Northstar Care for  
281.21 Children: medical assistance, basic payment, and supplemental difficulty of care payment.

281.22 (b) A child is eligible for medical assistance under subdivision 2.

281.23 (c) A child is eligible for the basic payment under subdivision 3, except for a child  
281.24 assigned level A under section 256N.24, subdivision 1, because the child is determined to  
281.25 be an at-risk child receiving ~~guardianship assistance or~~ adoption assistance.

281.26 (d) A child, including a foster child age 18 to 21, is eligible for an additional  
281.27 supplemental difficulty of care payment under subdivision 4, as determined by the  
281.28 assessment under section 256N.24.

281.29 (e) An eligible child entering guardianship assistance or adoption assistance under  
281.30 the age of six receives a basic payment and supplemental difficulty of care payment as  
281.31 specified in subdivision 5.

281.32 (f) A child transitioning in from a pre-Northstar Care for Children program under  
281.33 section 256N.28, subdivision 7, shall receive basic and difficulty of care supplemental  
281.34 payments according to those provisions.

282.1 Sec. 17. Minnesota Statutes 2013 Supplement, section 256N.27, subdivision 4, is  
282.2 amended to read:

282.3 Subd. 4. **Nonfederal share.** (a) The commissioner shall establish a percentage share  
282.4 of the maintenance payments, reduced by federal reimbursements under title IV-E of the  
282.5 Social Security Act, to be paid by the state and to be paid by the financially responsible  
282.6 agency.

282.7 (b) These state and local shares must initially be calculated based on the ratio of the  
282.8 average appropriate expenditures made by the state and all financially responsible agencies  
282.9 during calendar years 2011, 2012, 2013, and 2014. For purposes of this calculation,  
282.10 appropriate expenditures for the financially responsible agencies must include basic and  
282.11 difficulty of care payments for foster care reduced by federal reimbursements, but not  
282.12 including any initial clothing allowance, administrative payments to child care agencies  
282.13 specified in section 317A.907, child care, or other support or ancillary expenditures. For  
282.14 purposes of this calculation, appropriate expenditures for the state shall include adoption  
282.15 assistance and relative custody assistance, reduced by federal reimbursements.

282.16 (c) For each of the periods January 1, 2015, to June 30, 2016, and fiscal years 2017,  
282.17 2018, and 2019, the commissioner shall adjust this initial percentage of state and local  
282.18 shares to reflect the relative expenditure trends during calendar years 2011, 2012, 2013, and  
282.19 2014, taking into account appropriations for Northstar Care for Children and the turnover  
282.20 rates of the components. In making these adjustments, the commissioner's goal shall be to  
282.21 make these state and local expenditures other than the appropriations for Northstar Care  
282.22 for Children to be the same as they would have been had Northstar Care for Children not  
282.23 been implemented, or if that is not possible, proportionally higher or lower, as appropriate.  
282.24 Except for adjustments so that the costs of the phase-in are borne by the state, the state and  
282.25 local share percentages for fiscal year 2019 must be used for all subsequent years.

282.26 Sec. 18. Minnesota Statutes 2012, section 257.85, subdivision 11, is amended to read:

282.27 Subd. 11. **Financial considerations.** (a) Payment of relative custody assistance  
282.28 under a relative custody assistance agreement is subject to the availability of state funds  
282.29 and payments may be reduced or suspended on order of the commissioner if insufficient  
282.30 funds are available.

282.31 (b) ~~Upon receipt from a local agency of a claim for reimbursement, the commissioner~~  
282.32 ~~shall reimburse the local agency in an amount equal to 100 percent of the relative custody~~  
282.33 ~~assistance payments provided to relative custodians. The~~ A local agency may not seek and  
282.34 the commissioner shall not provide reimbursement for the administrative costs associated  
282.35 with performing the duties described in subdivision 4.

283.1 (c) For the purposes of determining eligibility or payment amounts under MFIP,  
283.2 relative custody assistance payments shall be excluded in determining the family's  
283.3 available income.

283.4 (d) For expenditures made on or before December 31, 2014, upon receipt from a  
283.5 local agency of a claim for reimbursement, the commissioner shall reimburse the local  
283.6 agency in an amount equal to 100 percent of the relative custody assistance payments  
283.7 provided to relative custodians.

283.8 (e) For expenditures made on or after January 1, 2015, upon receipt from a local  
283.9 agency of a claim for reimbursement, the commissioner shall reimburse the local agency as  
283.10 part of the Northstar Care for Children fiscal reconciliation process under section 256N.27.

283.11 Sec. 19. Minnesota Statutes 2012, section 260C.212, subdivision 1, is amended to read:

283.12 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan  
283.13 shall be prepared within 30 days after any child is placed in foster care by court order or a  
283.14 voluntary placement agreement between the responsible social services agency and the  
283.15 child's parent pursuant to section 260C.227 or chapter 260D.

283.16 (b) An out-of-home placement plan means a written document which is prepared  
283.17 by the responsible social services agency jointly with the parent or parents or guardian  
283.18 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the  
283.19 child is an Indian child, the child's foster parent or representative of the foster care facility,  
283.20 and, where appropriate, the child. For a child in voluntary foster care for treatment under  
283.21 chapter 260D, preparation of the out-of-home placement plan shall additionally include  
283.22 the child's mental health treatment provider. As appropriate, the plan shall be:

283.23 (1) submitted to the court for approval under section 260C.178, subdivision 7;

283.24 (2) ordered by the court, either as presented or modified after hearing, under section  
283.25 260C.178, subdivision 7, or 260C.201, subdivision 6; and

283.26 (3) signed by the parent or parents or guardian of the child, the child's guardian ad  
283.27 litem, a representative of the child's tribe, the responsible social services agency, and, if  
283.28 possible, the child.

283.29 (c) The out-of-home placement plan shall be explained to all persons involved in its  
283.30 implementation, including the child who has signed the plan, and shall set forth:

283.31 (1) a description of the foster care home or facility selected, including how the  
283.32 out-of-home placement plan is designed to achieve a safe placement for the child in the  
283.33 least restrictive, most family-like, setting available which is in close proximity to the home  
283.34 of the parent or parents or guardian of the child when the case plan goal is reunification,

284.1 and how the placement is consistent with the best interests and special needs of the child  
284.2 according to the factors under subdivision 2, paragraph (b);

284.3 (2) the specific reasons for the placement of the child in foster care, and when  
284.4 reunification is the plan, a description of the problems or conditions in the home of the  
284.5 parent or parents which necessitated removal of the child from home and the changes the  
284.6 parent or parents must make in order for the child to safely return home;

284.7 (3) a description of the services offered and provided to prevent removal of the child  
284.8 from the home and to reunify the family including:

284.9 (i) the specific actions to be taken by the parent or parents of the child to eliminate  
284.10 or correct the problems or conditions identified in clause (2), and the time period during  
284.11 which the actions are to be taken; and

284.12 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made  
284.13 to achieve a safe and stable home for the child including social and other supportive  
284.14 services to be provided or offered to the parent or parents or guardian of the child, the  
284.15 child, and the residential facility during the period the child is in the residential facility;

284.16 (4) a description of any services or resources that were requested by the child or the  
284.17 child's parent, guardian, foster parent, or custodian since the date of the child's placement  
284.18 in the residential facility, and whether those services or resources were provided and if  
284.19 not, the basis for the denial of the services or resources;

284.20 (5) the visitation plan for the parent or parents or guardian, other relatives as defined  
284.21 in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed  
284.22 together in foster care, and whether visitation is consistent with the best interest of the  
284.23 child, during the period the child is in foster care;

284.24 (6) when a child cannot return to or be in the care of either parent, documentation of  
284.25 steps to finalize the permanency plan for the child, including:

284.26 (i) reasonable efforts to place the child for adoption or legal guardianship of the child  
284.27 if the court has issued an order terminating the rights of both parents of the child or of the  
284.28 only known, living parent of the child. At a minimum, the documentation must include  
284.29 consideration of whether adoption is in the best interests of the child, child-specific  
284.30 recruitment efforts such as relative search and the use of state, regional, and national  
284.31 adoption exchanges to facilitate orderly and timely placements in and outside of the state.  
284.32 A copy of this documentation shall be provided to the court in the review required under  
284.33 section 260C.317, subdivision 3, paragraph (b); and

284.34 (ii) documentation necessary to support the requirements of the kinship placement  
284.35 agreement under section 256N.22 when adoption is determined not to be in the child's  
284.36 best interest;

285.1 (7) efforts to ensure the child's educational stability while in foster care, including:  
285.2 (i) efforts to ensure that the child remains in the same school in which the child was  
285.3 enrolled prior to placement or upon the child's move from one placement to another,  
285.4 including efforts to work with the local education authorities to ensure the child's  
285.5 educational stability; or  
285.6 (ii) if it is not in the child's best interest to remain in the same school that the child  
285.7 was enrolled in prior to placement or move from one placement to another, efforts to  
285.8 ensure immediate and appropriate enrollment for the child in a new school;  
285.9 (8) the educational records of the child including the most recent information  
285.10 available regarding:  
285.11 (i) the names and addresses of the child's educational providers;  
285.12 (ii) the child's grade level performance;  
285.13 (iii) the child's school record;  
285.14 (iv) a statement about how the child's placement in foster care takes into account  
285.15 proximity to the school in which the child is enrolled at the time of placement; and  
285.16 (v) any other relevant educational information;  
285.17 (9) the efforts by the local agency to ensure the oversight and continuity of health  
285.18 care services for the foster child, including:  
285.19 (i) the plan to schedule the child's initial health screens;  
285.20 (ii) how the child's known medical problems and identified needs from the screens,  
285.21 including any known communicable diseases, as defined in section 144.4172, subdivision  
285.22 2, will be monitored and treated while the child is in foster care;  
285.23 (iii) how the child's medical information will be updated and shared, including  
285.24 the child's immunizations;  
285.25 (iv) who is responsible to coordinate and respond to the child's health care needs,  
285.26 including the role of the parent, the agency, and the foster parent;  
285.27 (v) who is responsible for oversight of the child's prescription medications;  
285.28 (vi) how physicians or other appropriate medical and nonmedical professionals  
285.29 will be consulted and involved in assessing the health and well-being of the child and  
285.30 determine the appropriate medical treatment for the child; and  
285.31 (vii) the responsibility to ensure that the child has access to medical care through  
285.32 either medical insurance or medical assistance;  
285.33 (10) the health records of the child including information available regarding:  
285.34 (i) the names and addresses of the child's health care and dental care providers;  
285.35 (ii) a record of the child's immunizations;

286.1 (iii) the child's known medical problems, including any known communicable  
286.2 diseases as defined in section 144.4172, subdivision 2;

286.3 (iv) the child's medications; and

286.4 (v) any other relevant health care information such as the child's eligibility for  
286.5 medical insurance or medical assistance;

286.6 (11) an independent living plan for a child age 16 or older. The plan should include,  
286.7 but not be limited to, the following objectives:

286.8 (i) educational, vocational, or employment planning;

286.9 (ii) health care planning and medical coverage;

286.10 (iii) transportation including, where appropriate, assisting the child in obtaining a  
286.11 driver's license;

286.12 (iv) money management, including the responsibility of the agency to ensure that  
286.13 the youth annually receives, at no cost to the youth, a consumer report as defined under  
286.14 section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

286.15 (v) planning for housing;

286.16 (vi) social and recreational skills; and

286.17 (vii) establishing and maintaining connections with the child's family and  
286.18 community; and

286.19 (12) for a child in voluntary foster care for treatment under chapter 260D, diagnostic  
286.20 and assessment information, specific services relating to meeting the mental health care  
286.21 needs of the child, and treatment outcomes.

286.22 (d) The parent or parents or guardian and the child each shall have the right to legal  
286.23 counsel in the preparation of the case plan and shall be informed of the right at the time  
286.24 of placement of the child. The child shall also have the right to a guardian ad litem.  
286.25 If unable to employ counsel from their own resources, the court shall appoint counsel  
286.26 upon the request of the parent or parents or the child or the child's legal guardian. The  
286.27 parent or parents may also receive assistance from any person or social services agency  
286.28 in preparation of the case plan.

286.29 After the plan has been agreed upon by the parties involved or approved or ordered  
286.30 by the court, the foster parents shall be fully informed of the provisions of the case plan  
286.31 and shall be provided a copy of the plan.

286.32 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and  
286.33 physical custodian, as appropriate, and the child, if appropriate, must be provided with  
286.34 a current copy of the child's health and education record.

286.35 Sec. 20. Minnesota Statutes 2012, section 260C.515, subdivision 4, is amended to read:

287.1 Subd. 4. **Custody to relative.** The court may order permanent legal and physical  
287.2 custody to a fit and willing relative in the best interests of the child according to the  
287.3 following ~~conditions~~ requirements:

287.4 (1) an order for transfer of permanent legal and physical custody to a relative shall  
287.5 only be made after the court has reviewed the suitability of the prospective legal and  
287.6 physical custodian;

287.7 (2) in transferring permanent legal and physical custody to a relative, the juvenile  
287.8 court shall follow the standards applicable under this chapter and chapter 260, and the  
287.9 procedures in the Minnesota Rules of Juvenile Protection Procedure;

287.10 (3) a transfer of legal and physical custody includes responsibility for the protection,  
287.11 education, care, and control of the child and decision making on behalf of the child;

287.12 (4) a permanent legal and physical custodian may not return a child to the permanent  
287.13 care of a parent from whom the court removed custody without the court's approval and  
287.14 without notice to the responsible social services agency;

287.15 (5) the social services agency may file a petition naming a fit and willing relative as  
287.16 a proposed permanent legal and physical custodian. A petition for transfer of permanent  
287.17 legal and physical custody to a relative who is not a parent shall be accompanied by a  
287.18 kinship placement agreement under section 256N.22, subdivision 2, between the agency  
287.19 and proposed permanent legal and physical custodian;

287.20 (6) another party to the permanency proceeding regarding the child may file a  
287.21 petition to transfer permanent legal and physical custody to a relative, ~~but the~~. The petition  
287.22 must include facts upon which the court can make the determination required under clause  
287.23 (7) and must be filed not later than the date for the required admit-deny hearing under  
287.24 section 260C.507; or if the agency's petition is filed under section 260C.503, subdivision  
287.25 2, the petition must be filed not later than 30 days prior to the trial required under section  
287.26 260C.509; and

287.27 (7) where a petition is for transfer of permanent legal and physical custody to a  
287.28 relative who is not a parent, the court must find that:

287.29 (i) transfer of permanent legal and physical custody and receipt of Northstar kinship  
287.30 assistance under chapter 256N, when requested and the child is eligible, is in the child's  
287.31 best interests;

287.32 (ii) adoption is not in the child's best interests based on the determinations in the  
287.33 kinship placement agreement required under section 256N.22, subdivision 2;

287.34 (iii) the agency made efforts to discuss adoption with the child's parent or parents,  
287.35 or the agency did not make efforts to discuss adoption and the reasons why efforts were  
287.36 not made; and

288.1 (iv) there are reasons to separate siblings during placement, if applicable;  
288.2 (8) the court may defer finalization of an order transferring permanent legal and  
288.3 physical custody to a relative when deferring finalization is necessary to determine  
288.4 eligibility for Northstar kinship assistance under chapter 256N;  
288.5 (9) the court may finalize a permanent transfer of physical and legal custody to a  
288.6 relative regardless of eligibility for Northstar kinship assistance under chapter 256N; and  
288.7 ~~(7)~~ (10) the juvenile court may maintain jurisdiction over the responsible social  
288.8 services agency, the parents or guardian of the child, the child, and the permanent legal  
288.9 and physical custodian for purposes of ensuring appropriate services are delivered to the  
288.10 child and permanent legal custodian for the purpose of ensuring conditions ordered by the  
288.11 court related to the care and custody of the child are met.

288.12 Sec. 21. Minnesota Statutes 2012, section 260C.611, is amended to read:

288.13 **260C.611 ADOPTION STUDY REQUIRED.**

288.14 (a) An adoption study under section 259.41 approving placement of the child in the  
288.15 home of the prospective adoptive parent shall be completed before placing any child under  
288.16 the guardianship of the commissioner in a home for adoption. If a prospective adoptive  
288.17 parent has a current child foster care license under chapter 245A and is seeking to adopt  
288.18 a foster child who is placed in the prospective adoptive parent's home and is under the  
288.19 guardianship of the commissioner according to section 260C.325, subdivision 1, the child  
288.20 foster care home study meets the requirements of this section for an approved adoption  
288.21 home study if:

288.22 (1) the written home study on which the foster care license was based is completed  
288.23 in the commissioner's designated format, consistent with the requirements in sections  
288.24 260C.215, subdivision 4, clause (5); and 259.41, subdivision 2; and Minnesota Rules,  
288.25 part 2960.3060, subpart 4;

288.26 (2) the background studies on each prospective adoptive parent and all required  
288.27 household members were completed according to section 245C.33;

288.28 (3) the commissioner has not issued, within the last three years, a sanction on the  
288.29 license under section 245A.07 or an order of a conditional license under section 245A.06;  
288.30 and

288.31 (4) the legally responsible agency determines that the individual needs of the child  
288.32 are being met by the prospective adoptive parent through an assessment under section  
288.33 256N.24, subdivision 2, or a documented placement decision consistent with section  
288.34 260C.212, subdivision 2.



289.1        (b) If a prospective adoptive parent has previously held a foster care license or  
289.2        adoptive home study, any update necessary to the foster care license, or updated or new  
289.3        adoptive home study, if not completed by the licensing authority responsible for the  
289.4        previous license or home study, shall include collateral information from the previous  
289.5        licensing or approving agency, if available.

289.6        Sec. 22. Laws 2013, chapter 108, article 3, section 48, is amended to read:

289.7        Sec. 48. **REPEALER.**

289.8        (a) Minnesota Statutes 2012, section 256J.24, subdivision 6, is repealed ~~January~~  
289.9        July 1, 2015 2014.

289.10       (b) Minnesota Statutes 2012, section 609.093, is repealed effective the day following  
289.11       final enactment.

289.12       **EFFECTIVE DATE.** This section is effective July 1, 2014.

289.13       Sec. 23. **PARENT AWARE QUALITY RATING AND IMPROVEMENT**  
289.14       **SYSTEM ACCESSIBILITY REPORT.**

289.15       Subdivision 1. **Recommendations.** The commissioner of human services, in  
289.16       consultation with representatives from the child care and early childhood advocacy  
289.17       community, child care provider organizations, child care providers, organizations  
289.18       administering Parent Aware, the Departments of Education and Health, counties,  
289.19       and parents, shall make recommendations to the legislature on increasing statewide  
289.20       accessibility for child care providers to the Parent Aware quality rating and improvement  
289.21       system and for increasing access to Parent Aware-rated programs for families with  
289.22       children. The recommendations must address the following factors impacting accessibility:

289.23       (1) availability of rated and nonrated programs by child care provider type, within  
289.24       rural and underserved areas, and for different cultural and non-English-speaking groups;

289.25       (2) time and resources necessary for child care providers to participate in Parent  
289.26       Aware at various rating levels, including cultural and linguistic considerations;

289.27       (3) federal child care development fund regulations; and

289.28       (4) other factors as determined by the commissioner.

289.29       Subd. 2. **Report.** By February 15, 2015, the commissioner of human services  
289.30       shall report to the legislative committees with jurisdiction over the child care  
289.31       assistance programs and the Parent Aware quality rating and improvement system with  
289.32       recommendations to increase access for families and child care providers to Parent Aware,  
289.33       including benchmarks for achieving the maximum participation in Parent Aware-rated  
289.34       child care programs by families receiving child care assistance.

290.1 The recommendations may also include, but are not limited to, potential  
290.2 modifications to Minnesota Statutes, sections 119B.09, subdivision 5; and 119B.125,  
290.3 subdivision 1, if necessary, which may include a delayed effective date, different phase-in  
290.4 process, or repealer.

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

290.6      Sec. 24. **DIRECTION TO COMMISSIONER.**

290.7 The commissioner of human services shall implement the repeal of the MFIP  
290.8 family cap July 1, 2014. The commissioner shall make every effort to complete systems  
290.9 modifications by that date. If systems modifications cannot be completed in time, the  
290.10 commissioner shall implement a manual procedure to implement the change.

290.11      **Sec. 25. REVISOR'S INSTRUCTION.**

290.12           The revisor of statutes shall change the term "guardianship assistance" to "Northstar  
290.13           kinship assistance" wherever it appears in Minnesota Statutes and Minnesota Rules to  
290.14           refer to the program components related to Northstar Care for Children under Minnesota  
290.15           Statutes, chapter 256N.

290.16      **Sec. 26. REPEALER.**

290.17 Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 7, is repealed.

## ARTICLE 28

## COMMUNITY FIRST SERVICES AND SUPPORTS

290.20 Section 1. Minnesota Statutes 2012, section 245C.03, is amended by adding a  
290.21 subdivision to read:

290.22 Subd. 8. **Community first services and supports organizations.** The  
290.23 commissioner shall conduct background studies on any individual required under section  
290.24 256B.85 to have a background study completed under this chapter.

290.25       Sec. 2. Minnesota Statutes 2012, section 245C.04, is amended by adding a subdivision

290.26   to read:

290.27        Subd. 7. **Community first services and supports organizations.** (a) The  
290.28        commissioner shall conduct a background study of an individual required to be studied  
290.29        under section 245C.03, subdivision 8, at least upon application for initial enrollment  
290.30        under section 256B.85.

291.1 (b) Before an individual described in section 245C.03, subdivision 8, begins a  
291.2 position allowing direct contact with a person served by an organization required to initiate  
291.3 a background study under section 256B.85, the organization must receive a notice from  
291.4 the commissioner that the support worker is:

291.5 (1) not disqualified under section 245C.14; or

291.6 (2) disqualified, but the individual has received a set-aside of the disqualification  
291.7 under section 245C.22.

291.8 Sec. 3. Minnesota Statutes 2012, section 245C.10, is amended by adding a subdivision  
291.9 to read:

291.10 Subd. 10. **Community first services and supports organizations.** The  
291.11 commissioner shall recover the cost of background studies initiated by an agency-provider  
291.12 delivering services under section 256B.85, subdivision 11, or a financial management  
291.13 services contractor providing service functions under section 256B.85, subdivision 13,  
291.14 through a fee of no more than \$20 per study, charged to the organization responsible for  
291.15 submitting the background study form. The fees collected under this subdivision are  
291.16 appropriated to the commissioner for the purpose of conducting background studies.

291.17 Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 2, is  
291.18 amended to read:

291.19 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in  
291.20 this subdivision have the meanings given.

291.21 (b) "Activities of daily living" or "ADLs" means eating, toileting, grooming,  
291.22 dressing, bathing, mobility, positioning, and transferring.

291.23 (c) "Agency-provider model" means a method of CFSS under which a qualified  
291.24 agency provides services and supports through the agency's own employees and policies.  
291.25 The agency must allow the participant to have a significant role in the selection and  
291.26 dismissal of support workers of their choice for the delivery of their specific services  
291.27 and supports.

291.28 (d) "Behavior" means a description of a need for services and supports used to  
291.29 determine the home care rating and additional service units. The presence of Level I  
291.30 behavior is used to determine the home care rating. "Level I behavior" means physical  
291.31 aggression towards self or others or destruction of property that requires the immediate  
291.32 response of another person. If qualified for a home care rating as described in subdivision  
291.33 8, additional service units can be added as described in subdivision 8, paragraph (f), for  
291.34 the following behaviors:

- 292.1 (1) Level I behavior;
- 292.2 (2) increased vulnerability due to cognitive deficits or socially inappropriate
- 292.3 behavior; or
- 292.4 (3) increased need for assistance for ~~recipients~~ participants who are verbally
- 292.5 aggressive or resistive to care so that time needed to perform activities of daily living is
- 292.6 increased.
- 292.7 (e) "Budget model" means a service delivery method of CFSS that allows the
- 292.8 use of a service budget and assistance from a vendor fiscal/employer agent financial
- 292.9 management services (FMS) contractor for a participant to directly employ support
- 292.10 workers and purchase supports and goods.
- 292.11 ~~(e)~~ (f) "Complex health-related needs" means an intervention listed in clauses (1)
- 292.12 to (8) that has been ordered by a physician, and is specified in a community support
- 292.13 plan, including:
- 292.14 (1) tube feedings requiring:
- 292.15 (i) a gastrojejunostomy tube; or
- 292.16 (ii) continuous tube feeding lasting longer than 12 hours per day;
- 292.17 (2) wounds described as:
- 292.18 (i) stage III or stage IV;
- 292.19 (ii) multiple wounds;
- 292.20 (iii) requiring sterile or clean dressing changes or a wound vac; or
- 292.21 (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require
- 292.22 specialized care;
- 292.23 (3) parenteral therapy described as:
- 292.24 (i) IV therapy more than two times per week lasting longer than four hours for
- 292.25 each treatment; or
- 292.26 (ii) total parenteral nutrition (TPN) daily;
- 292.27 (4) respiratory interventions, including:
- 292.28 (i) oxygen required more than eight hours per day;
- 292.29 (ii) respiratory vest more than one time per day;
- 292.30 (iii) bronchial drainage treatments more than two times per day;
- 292.31 (iv) sterile or clean suctioning more than six times per day;
- 292.32 (v) dependence on another to apply respiratory ventilation augmentation devices
- 292.33 such as BiPAP and CPAP; and
- 292.34 (vi) ventilator dependence under section 256B.0652;
- 292.35 (5) insertion and maintenance of catheter, including:
- 292.36 (i) sterile catheter changes more than one time per month;

293.1 (ii) clean intermittent catheterization, and including self-catheterization more than  
293.2 six times per day; or  
293.3 (iii) bladder irrigations;  
293.4 (6) bowel program more than two times per week requiring more than 30 minutes to  
293.5 perform each time;  
293.6 (7) neurological intervention, including:  
293.7 (i) seizures more than two times per week and requiring significant physical  
293.8 assistance to maintain safety; or  
293.9 (ii) swallowing disorders diagnosed by a physician and requiring specialized  
293.10 assistance from another on a daily basis; and  
293.11 (8) other congenital or acquired diseases creating a need for significantly increased  
293.12 direct hands-on assistance and interventions in six to eight activities of daily living.  
293.13 ~~(f)~~ (g) "Community first services and supports" or "CFSS" means the assistance and  
293.14 supports program under this section needed for accomplishing activities of daily living,  
293.15 instrumental activities of daily living, and health-related tasks through hands-on assistance  
293.16 to accomplish the task or constant supervision and cueing to accomplish the task, or the  
293.17 purchase of goods as defined in subdivision 7, ~~paragraph (a)~~, clause (3), that replace  
293.18 the need for human assistance.  
293.19 ~~(g)~~ (h) "Community first services and supports service delivery plan" or "service  
293.20 delivery plan" means a written ~~summary of document detailing~~ the services and supports  
293.21 chosen by the participant to meet assessed needs that is are within the approved CFSS  
293.22 service authorization amount. Services and supports are based on the community support  
293.23 plan identified in section 256B.0911 and coordinated services and support plan and budget  
293.24 identified in section 256B.0915, subdivision 6, if applicable, that is determined by the  
293.25 participant to meet the assessed needs, using a person-centered planning process.  
293.26 (i) "Consultation services" means a Minnesota health care program enrolled provider  
293.27 organization that is under contract with the department and has the knowledge, skills,  
293.28 and ability to assist CFSS participants in using either the agency-provider model under  
293.29 subdivision 11 or the budget model under subdivision 13.  
293.30 ~~(h)~~ (j) "Critical activities of daily living" means transferring, mobility, eating, and  
293.31 toileting.  
293.32 ~~(i)~~ (k) "Dependency" in activities of daily living means a person requires hands-on  
293.33 assistance or constant supervision and cueing to accomplish one or more of the activities  
293.34 of daily living every day or on the days during the week that the activity is performed;  
293.35 however, a child may not be found to be dependent in an activity of daily living if,  
293.36 because of the child's age, an adult would either perform the activity for the child or assist

294.1 the child with the activity and the assistance needed is the assistance appropriate for  
294.2 a typical child of the same age.

294.3 ~~(j)~~ (l) "Extended CFSS" means CFSS services and supports ~~under the~~  
294.4 ~~agency-provider model~~ included in a service plan through one of the home and  
294.5 community-based services waivers and as approved and authorized under sections  
294.6 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration,  
294.7 and frequency of the state plan CFSS services for participants.

294.8 ~~(k)~~ (m) "Financial management services contractor or vendor" or "FMS contractor"  
294.9 means a qualified organization ~~having~~ necessary to use the budget model under subdivision  
294.10 13 that has a written contract with the department to provide vendor fiscal/employer agent  
294.11 financial management services necessary to use the budget model under subdivision 13  
294.12 that (FMS). Services include but are not limited to: participant education and technical  
294.13 assistance; CFSS service delivery planning and budgeting; filing and payment of federal  
294.14 and state payroll taxes on behalf of the participant; initiating criminal background  
294.15 checks; billing, making payments, and for approved CFSS services with authorized  
294.16 funds; monitoring of spending expenditures; accounting for and disbursing CFSS funds;  
294.17 providing assistance in obtaining and filing for liability, workers' compensation, and  
294.18 unemployment coverage; and assisting participant instruction and technical assistance to  
294.19 the participant in fulfilling employer-related requirements in accordance with Section  
294.20 3504 of the Internal Revenue Code and the Internal Revenue Service Revenue Procedure  
294.21 70-6 related regulations and interpretations, including Code of Federal Regulations, title  
294.22 26, section 31.3504-1.

294.23 ~~(l)~~ "Budget model" means a service delivery method of CFSS ~~that allows the use of~~  
294.24 ~~an individualized CFSS service delivery plan and service budget and provides assistance~~  
294.25 ~~from the financial management services contractor to facilitate participant employment of~~  
294.26 ~~support workers and the acquisition of supports and goods.~~

294.27 ~~(m)~~ (n) "Health-related procedures and tasks" means procedures and tasks related  
294.28 to the specific needs of an individual that can be ~~delegated~~ taught or assigned by a  
294.29 state-licensed healthcare or mental health professional and performed by a support worker.

294.30 ~~(n)~~ (o) "Instrumental activities of daily living" means activities related to  
294.31 living independently in the community, including but not limited to: meal planning,  
294.32 preparation, and cooking; shopping for food, clothing, or other essential items; laundry;  
294.33 housecleaning; assistance with medications; managing finances; communicating needs  
294.34 and preferences during activities; arranging supports; and assistance with traveling around  
294.35 and participating in the community.

295.1       ~~(p)~~ (p) "Legal representative" means parent of a minor, a court-appointed guardian,  
295.2 or another representative with legal authority to make decisions about services and  
295.3 supports for the participant. Other representatives with legal authority to make decisions  
295.4 include but are not limited to a health care agent or an attorney-in-fact authorized through  
295.5 a health care directive or power of attorney.

295.6       ~~(p)~~ (q) "Medication assistance" means providing verbal or visual reminders to take  
295.7 regularly scheduled medication, and includes any of the following supports listed in clauses  
295.8 (1) to (3) and other types of assistance, except that a support worker may not determine  
295.9 medication dose or time for medication or inject medications into veins, muscles, or skin:

295.10       (1) under the direction of the participant or the participant's representative, bringing  
295.11 medications to the participant including medications given through a nebulizer, opening a  
295.12 container of previously set-up medications, emptying the container into the participant's  
295.13 hand, opening and giving the medication in the original container to the participant, or  
295.14 bringing to the participant liquids or food to accompany the medication;

295.15       (2) organizing medications as directed by the participant or the participant's  
295.16 representative; and

295.17       (3) providing verbal or visual reminders to perform regularly scheduled medications.

295.18       ~~(q)~~ (r) "Participant's representative" means a parent, family member, advocate,  
295.19 or other adult authorized by the participant to serve as a representative in connection  
295.20 with the provision of CFSS. This authorization must be in writing or by another method  
295.21 that clearly indicates the participant's free choice. The participant's representative must  
295.22 have no financial interest in the provision of any services included in the participant's  
295.23 service delivery plan and must be capable of providing the support necessary to assist  
295.24 the participant in the use of CFSS. If through the assessment process described in  
295.25 subdivision 5 a participant is determined to be in need of a participant's representative, one  
295.26 must be selected. If the participant is unable to assist in the selection of a participant's  
295.27 representative, the legal representative shall appoint one. Two persons may be designated  
295.28 as a participant's representative for reasons such as divided households and court-ordered  
295.29 custodies. Duties of a participant's representatives may include:

295.30       (1) being available while ~~care is~~ services are provided in a method agreed upon by  
295.31 the participant or the participant's legal representative and documented in the participant's  
295.32 CFSS service delivery plan;

295.33       (2) monitoring CFSS services to ensure the participant's CFSS service delivery  
295.34 plan is being followed; and

295.35       (3) reviewing and signing CFSS time sheets after services are provided to provide  
295.36 verification of the CFSS services.

296.1           ~~(t)~~ (s) "Person-centered planning process" means a process that is directed by the  
296.2 participant to plan for services and supports. The person-centered planning process must:

296.3           (1) include people chosen by the participant;

296.4           (2) provide necessary information and support to ensure that the participant directs  
296.5 the process to the maximum extent possible, and is enabled to make informed choices  
296.6 and decisions;

296.7           (3) be timely and occur at time and locations of convenience to the participant;

296.8           (4) reflect cultural considerations of the participant;

296.9           (5) include strategies for solving conflict or disagreement within the process,  
296.10 including clear conflict-of-interest guidelines for all planning;

296.11           (6) provide the participant choices of the services and supports they receive and the  
296.12 staff providing those services and supports;

296.13           (7) include a method for the participant to request updates to the plan; and

296.14           (8) record the alternative home and community-based settings that were considered  
296.15 by the participant.

296.16           ~~(s)~~ (t) "Shared services" means the provision of CFSS services by the same CFSS  
296.17 support worker to two or three participants who voluntarily enter into an agreement to  
296.18 receive services at the same time and in the same setting by the same ~~provider~~ employer.

296.19           ~~(t)~~ "Support specialist" means a professional with the skills and ability to assist the  
296.20 participant using either the agency-provider model under subdivision 11 or the flexible  
296.21 spending model under subdivision 13, in services including but not limited to assistance  
296.22 regarding:

296.23           ~~(1) the development, implementation, and evaluation of the CFSS service delivery~~  
296.24 ~~plan under subdivision 6;~~

296.25           ~~(2) recruitment, training, or supervision, including supervision of health-related tasks~~  
296.26 ~~or behavioral supports appropriately delegated or assigned by a health care professional,~~  
296.27 ~~and evaluation of support workers; and~~

296.28           ~~(3) facilitating the use of informal and community supports, goods, or resources.~~

296.29           (u) "Support worker" means ~~an~~ a qualified and trained employee of the agency  
296.30 ~~provider~~ agency-provider or of the participant employer under the budget model who  
296.31 has direct contact with the participant and provides services as specified within the  
296.32 participant's service delivery plan.

296.33           (v) "Wages and benefits" means the hourly wages and salaries, the employer's  
296.34 share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers'  
296.35 compensation, mileage reimbursement, health and dental insurance, life insurance,



297.1 disability insurance, long-term care insurance, uniform allowance, contributions to  
297.2 employee retirement accounts, or other forms of employee compensation and benefits.

297.3 (w) "Worker training and development" means services for developing workers'  
297.4 skills as required by the participant's individual CFSS delivery plan that are arranged for  
297.5 or provided by the agency-provider or purchased by the participant employer. These  
297.6 services include training, education, direct observation and supervision, and evaluation  
297.7 and coaching of job skills and tasks, including supervision of health-related tasks or  
297.8 behavioral supports.

297.9 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 3, is  
297.10 amended to read:

297.11 Subd. 3. **Eligibility.** (a) CFSS is available to a person who meets one of the  
297.12 following:

297.13 (1) is ~~a recipient~~ an enrollee of medical assistance as determined under section  
297.14 256B.055, 256B.056, or 256B.057, subdivisions 5 and 9;

297.15 (2) is ~~a recipient of~~ participant in the alternative care program under section  
297.16 256B.0913;

297.17 (3) is a waiver ~~recipient~~ participant as defined under section 256B.0915, 256B.092,  
297.18 256B.093, or 256B.49; or

297.19 (4) has medical services identified in a participant's individualized education  
297.20 program and is eligible for services as determined in section 256B.0625, subdivision 26.

297.21 (b) In addition to meeting the eligibility criteria in paragraph (a), a person must also  
297.22 meet all of the following:

297.23 (1) require assistance and be determined dependent in one activity of daily living or  
297.24 Level I behavior based on assessment under section 256B.0911; and

297.25 (2) is not ~~a recipient of~~ participant under a family support grant under section 252.32; ;

297.26 ~~(3) lives in the person's own apartment or home including a family foster care setting~~  
297.27 ~~licensed under chapter 245A, but not in corporate foster care under chapter 245A; or a~~  
297.28 ~~noncertified boarding care home or a boarding and lodging establishment under chapter~~  
297.29 ~~157.~~

297.30 Sec. 6. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 5, is  
297.31 amended to read:

297.32 Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

297.33 (1) be conducted by a certified assessor according to the criteria established in  
297.34 section 256B.0911, subdivision 3a;

298.1 (2) be conducted face-to-face, initially and at least annually thereafter, or when there  
298.2 is a significant change in the participant's condition or a change in the need for services  
298.3 and supports, or at the request of the participant when the participant experiences a change  
298.4 in condition or needs a change in services or supports; and

298.5 (3) be completed using the format established by the commissioner.

298.6 ~~(b) A participant who is residing in a facility may be assessed and choose CFSS for~~  
298.7 ~~the purpose of using CFSS to return to the community as described in subdivisions 3~~  
298.8 ~~and 7, paragraph (a), clause (5).~~

298.9 ~~(e)~~ (b) The results of the assessment and any recommendations and authorizations  
298.10 for CFSS must be determined and communicated in writing by the lead agency's certified  
298.11 assessor as defined in section 256B.0911 to the participant and the agency-provider or  
298.12 ~~financial management services provider~~ FMS contractor chosen by the participant within  
298.13 40 calendar days and must include the participant's right to appeal under section 256.045,  
298.14 subdivision 3.

298.15 ~~(d)~~ (c) The lead agency assessor may request authorize a temporary authorization  
298.16 for CFSS services to be provided under the agency-provider model. Authorization for  
298.17 a temporary level of CFSS services under the agency-provider model is limited to the  
298.18 time specified by the commissioner, but shall not exceed 45 days. The level of services  
298.19 authorized under this ~~provision~~ paragraph shall have no bearing on a future authorization.

298.20 Sec. 7. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 6, is  
298.21 amended to read:

298.22 Subd. 6. **Community first services and support service delivery plan.** (a) The  
298.23 CFSS service delivery plan must be developed, ~~implemented~~, and evaluated through a  
298.24 person-centered planning process by the participant, or the participant's representative  
298.25 or legal representative who may be assisted by a ~~support specialist~~ consultation services  
298.26 provider. The CFSS service delivery plan must reflect the services and supports that  
298.27 are important to the participant and for the participant to meet the needs assessed  
298.28 by the certified assessor and identified in the community support plan under section  
298.29 256B.0911, subdivision 3, or the coordinated services and support plan identified in  
298.30 section 256B.0915, subdivision 6, if applicable. The CFSS service delivery plan must be  
298.31 reviewed by the participant, the consultation services provider, and the agency-provider  
298.32 or ~~financial management services~~ FMS contractor prior to starting services and at least  
298.33 annually upon reassessment, or when there is a significant change in the participant's  
298.34 condition, or a change in the need for services and supports.

299.1 (b) The commissioner shall establish the format and criteria for the CFSS service  
299.2 delivery plan.

299.3 (c) The CFSS service delivery plan must be person-centered and:

299.4 (1) specify the consultation services provider, agency-provider<sub>2</sub> or financial  
299.5 ~~management services~~ FMS contractor selected by the participant;

299.6 (2) reflect the setting in which the participant resides that is chosen by the participant;

299.7 (3) reflect the participant's strengths and preferences;

299.8 (4) include the means to address the clinical and support needs as identified through  
299.9 an assessment of functional needs;

299.10 (5) include individually identified goals and desired outcomes;

299.11 (6) reflect the services and supports, paid and unpaid, that will assist the participant  
299.12 to achieve identified goals, including the costs of the services and supports, and the  
299.13 providers of those services and supports, including natural supports;

299.14 (7) identify the amount and frequency of face-to-face supports and amount and  
299.15 frequency of remote supports and technology that will be used;

299.16 (8) identify risk factors and measures in place to minimize them, including  
299.17 individualized backup plans;

299.18 (9) be understandable to the participant and the individuals providing support;

299.19 (10) identify the individual or entity responsible for monitoring the plan;

299.20 (11) be finalized and agreed to in writing by the participant and signed by all  
299.21 individuals and providers responsible for its implementation;

299.22 (12) be distributed to the participant and other people involved in the plan; ~~and~~

299.23 (13) prevent the provision of unnecessary or inappropriate care;<sub>2</sub>

299.24 (14) include a detailed budget for expenditures for budget model participants or  
299.25 participants under the agency-provider model if purchasing goods; and

299.26 (15) include a plan for worker training and development detailing what service  
299.27 components will be used, when the service components will be used, how they will be  
299.28 provided, and how these service components relate to the participant's individual needs  
299.29 and CFSS support worker services.

299.30 (d) The total units of agency-provider services or the service budget ~~allocation~~  
299.31 amount for the budget model include both annual totals and a monthly average amount  
299.32 that cover the number of months of the service authorization. The amount used each  
299.33 month may vary, but additional funds must not be provided above the annual service  
299.34 authorization amount unless a change in condition is assessed and authorized by the  
299.35 certified assessor and documented in the community support plan, coordinated services  
299.36 and supports plan, and CFSS service delivery plan.

300.1 (e) In assisting with the development or modification of the plan during the  
300.2 authorization time period, the consultation services provider shall:

300.3 (1) consult with the FMS contractor on the spending budget when applicable; and

300.4 (2) consult with the participant or participant's representative, agency-provider, and  
300.5 case manager/care coordinator.

300.6 (f) The service plan must be approved by the consultation services provider for  
300.7 participants without a case manager/care coordinator. A case manager/care coordinator  
300.8 must approve the plan for a waiver or alternative care program participant.

300.9 Sec. 8. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 7, is  
300.10 amended to read:

300.11 Subd. 7. **Community first services and supports; covered services.** Within the  
300.12 service unit authorization or service budget allocation amount, services and supports  
300.13 covered under CFSS include:

300.14 (1) assistance to accomplish activities of daily living (ADLs), instrumental activities  
300.15 of daily living (IADLs), and health-related procedures and tasks through hands-on  
300.16 assistance to accomplish the task or constant supervision and cueing to accomplish the task;

300.17 (2) assistance to acquire, maintain, or enhance the skills necessary for the participant  
300.18 to accomplish activities of daily living, instrumental activities of daily living, or  
300.19 health-related tasks;

300.20 (3) expenditures for items, services, supports, environmental modifications, or  
300.21 goods, including assistive technology. These expenditures must:

300.22 (i) relate to a need identified in a participant's CFSS service delivery plan;

300.23 (ii) increase independence or substitute for human assistance to the extent that  
300.24 expenditures would otherwise be made for human assistance for the participant's assessed  
300.25 needs;

300.26 (4) observation and redirection for behavior or symptoms where there is a need for  
300.27 assistance. An assessment of behaviors must meet the criteria in this clause. A ~~recipient~~  
300.28 participant qualifies as having a need for assistance due to behaviors if the ~~recipient's~~  
300.29 participant's behavior requires assistance at least four times per week and shows one or  
300.30 more of the following behaviors:

300.31 (i) physical aggression towards self or others, or destruction of property that requires  
300.32 the immediate response of another person;

300.33 (ii) increased vulnerability due to cognitive deficits or socially inappropriate  
300.34 behavior; or

301.1 (iii) increased need for assistance for ~~recipients~~ participants who are verbally  
301.2 aggressive or resistive to care so that time needed to perform activities of daily living is  
301.3 increased;

301.4 (5) back-up systems or mechanisms, such as the use of pagers or other electronic  
301.5 devices, to ensure continuity of the participant's services and supports;

301.6 ~~(6) transition costs, including:~~

301.7 ~~(i) deposits for rent and utilities;~~

301.8 ~~(ii) first month's rent and utilities;~~

301.9 ~~(iii) bedding;~~

301.10 ~~(iv) basic kitchen supplies;~~

301.11 ~~(v) other necessities, to the extent that these necessities are not otherwise covered~~  
301.12 ~~under any other funding that the participant is eligible to receive; and~~

301.13 ~~(vi) other required necessities for an individual to make the transition from a nursing~~  
301.14 ~~facility, institution for mental diseases, or intermediate care facility for persons with~~  
301.15 ~~developmental disabilities to a community-based home setting where the participant~~  
301.16 ~~resides; and~~

301.17 ~~(7) (6) services provided by a support specialist consultation services provider under~~  
301.18 ~~contract with the department and enrolled as a Minnesota health care program provider as~~  
301.19 ~~defined under subdivision 2 that are chosen by the participant. 17;~~

301.20 (7) services provided by an FMS contractor under contract with the department  
301.21 as defined under subdivision 13;

301.22 (8) CFSS services provided by a qualified support worker who is a parent, stepparent,  
301.23 or legal guardian of a participant under age 18, or who is the participant's spouse. These  
301.24 support workers shall not provide any medical assistance home and community-based  
301.25 services in excess of 40 hours per seven-day period regardless of the number of parents,  
301.26 combination of parents and spouses, or number of children who receive medical assistance  
301.27 services; and

301.28 (9) worker training and development services as defined in subdivision 2, paragraph  
301.29 (w), and described in subdivision 18a.

301.30 Sec. 9. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 8, is  
301.31 amended to read:

301.32 Subd. 8. **Determination of CFSS service methodology.** (a) All community first  
301.33 services and supports must be authorized by the commissioner or the commissioner's  
301.34 designee before services begin, except for the assessments established in section

302.1 256B.0911. The authorization for CFSS must be completed as soon as possible following  
302.2 an assessment but no later than 40 calendar days from the date of the assessment.

302.3 (b) The amount of CFSS authorized must be based on the ~~recipient's~~ participant's  
302.4 home care rating described in paragraphs (d) and (e) and any additional service units for  
302.5 which the ~~person~~ participant qualifies as described in paragraph (f).

302.6 (c) The home care rating shall be determined by the commissioner or the  
302.7 commissioner's designee based on information submitted to the commissioner identifying  
302.8 the following for a ~~recipient~~ participant:

302.9 (1) the total number of dependencies of activities of daily living as defined in  
302.10 subdivision 2, paragraph (b);

302.11 (2) the presence of complex health-related needs as defined in subdivision 2,  
302.12 paragraph (e); and

302.13 (3) the presence of Level I behavior as defined in subdivision 2, paragraph (d);  
302.14 ~~clause (1).~~

302.15 (d) The methodology to determine the total service units for CFSS for each home  
302.16 care rating is based on the median paid units per day for each home care rating from  
302.17 fiscal year 2007 data for the PCA program.

302.18 (e) Each home care rating is designated by the letters P through Z and EN and has  
302.19 the following base number of service units assigned:

302.20 (1) P home care rating requires Level I behavior or one to three dependencies in  
302.21 ADLs and qualifies one for five service units;

302.22 (2) Q home care rating requires Level I behavior and one to three dependencies in  
302.23 ADLs and qualifies one for six service units;

302.24 (3) R home care rating requires a complex health-related need and one to three  
302.25 dependencies in ADLs and qualifies one for seven service units;

302.26 (4) S home care rating requires four to six dependencies in ADLs and qualifies  
302.27 one for ten service units;

302.28 (5) T home care rating requires four to six dependencies in ADLs and Level I  
302.29 behavior and qualifies one for 11 service units;

302.30 (6) U home care rating requires four to six dependencies in ADLs and a complex  
302.31 health-related need and qualifies one for 14 service units;

302.32 (7) V home care rating requires seven to eight dependencies in ADLs and qualifies  
302.33 one for 17 service units;

302.34 (8) W home care rating requires seven to eight dependencies in ADLs and Level I  
302.35 behavior and qualifies one for 20 service units;

303.1 (9) Z home care rating requires seven to eight dependencies in ADLs and a complex  
303.2 health-related need and qualifies one for 30 service units; and

303.3 (10) EN home care rating includes ventilator dependency as defined in section  
303.4 256B.0651, subdivision 1, paragraph (g). ~~Recipients~~ Participants who meet the definition  
303.5 of ventilator-dependent and the EN home care rating and utilize a combination of  
303.6 CFSS and other home care services are limited to a total of 96 service units per day for  
303.7 those services in combination. Additional units may be authorized when a ~~recipient's~~  
303.8 participant's assessment indicates a need for two staff to perform activities. Additional  
303.9 time is limited to 16 service units per day.

303.10 (f) Additional service units are provided through the assessment and identification of  
303.11 the following:

303.12 (1) 30 additional minutes per day for a dependency in each critical activity of daily  
303.13 living as defined in subdivision 2, paragraph ~~(h)~~ (j);

303.14 (2) 30 additional minutes per day for each complex health-related function as  
303.15 defined in subdivision 2, paragraph ~~(e)~~ (f); and

303.16 (3) 30 additional minutes per day for each behavior issue as defined in subdivision 2,  
303.17 paragraph (d).

303.18 (g) The service budget for budget model participants shall be based on:

303.19 (1) assessed units as determined by the home care rating; and

303.20 (2) an adjustment needed for administrative expenses.

303.21 Sec. 10. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 9, is  
303.22 amended to read:

303.23 Subd. 9. **Noncovered services.** (a) Services or supports that are not eligible for  
303.24 payment under this section include those that:

303.25 (1) are not authorized by the certified assessor or included in the written service  
303.26 delivery plan;

303.27 (2) are provided prior to the authorization of services and the approval of the written  
303.28 CFSS service delivery plan;

303.29 (3) are duplicative of other paid services in the written service delivery plan;

303.30 (4) supplant natural unpaid supports that appropriately meet a need in the service  
303.31 plan, are provided voluntarily to the participant, and are selected by the participant in lieu  
303.32 of other services and supports;

303.33 (5) are not effective means to meet the participant's needs; and

303.34 (6) are available through other funding sources, including, but not limited to, funding  
303.35 through title IV-E of the Social Security Act.

- 304.1 (b) Additional services, goods, or supports that are not covered include:
- 304.2 (1) those that are not for the direct benefit of the participant, except that services for
- 304.3 caregivers such as training to improve the ability to provide CFSS are considered to directly
- 304.4 benefit the participant if chosen by the participant and approved in the support plan;
- 304.5 (2) any fees incurred by the participant, such as Minnesota health care programs fees
- 304.6 and co-pays, legal fees, or costs related to advocate agencies;
- 304.7 (3) insurance, except for insurance costs related to employee coverage;
- 304.8 (4) room and board costs for the participant ~~with the exception of allowable~~
- 304.9 ~~transition costs in subdivision 7, clause (6);~~
- 304.10 (5) services, supports, or goods that are not related to the assessed needs;
- 304.11 (6) special education and related services provided under the Individuals with
- 304.12 Disabilities Education Act and vocational rehabilitation services provided under the
- 304.13 Rehabilitation Act of 1973;
- 304.14 (7) assistive technology devices and assistive technology services other than those
- 304.15 for back-up systems or mechanisms to ensure continuity of service and supports listed in
- 304.16 subdivision 7;
- 304.17 (8) medical supplies and equipment covered under medical assistance;
- 304.18 (9) environmental modifications, except as specified in subdivision 7;
- 304.19 (10) expenses for travel, lodging, or meals related to training the participant; or the
- 304.20 ~~participant's representative; or legal representative; or paid or unpaid caregivers that~~
- 304.21 ~~exceed \$500 in a 12-month period;~~
- 304.22 (11) experimental treatments;
- 304.23 (12) any service or good covered by other medical assistance state plan services,
- 304.24 including prescription and over-the-counter medications, compounds, and solutions and
- 304.25 related fees, including premiums and co-payments;
- 304.26 (13) membership dues or costs, except when the service is necessary and appropriate
- 304.27 to treat a ~~physical~~ health condition or to improve or maintain the participant's ~~physical~~
- 304.28 health condition. The condition must be identified in the participant's CFSS plan and
- 304.29 monitored by a ~~physician enrolled in a Minnesota health care program~~ enrolled physician;
- 304.30 (14) vacation expenses other than the cost of direct services;
- 304.31 (15) vehicle maintenance or modifications not related to the disability, health
- 304.32 condition, or physical need; ~~and~~
- 304.33 (16) tickets and related costs to attend sporting or other recreational or entertainment
- 304.34 events; <sub>2</sub>
- 304.35 (17) services provided and billed by a provider who is not an enrolled CFSS provider;
- 304.36 (18) CFSS provided by a participant's representative or paid legal guardian;



- 305.1 (19) services that are used solely as a child care or babysitting service;  
 305.2 (20) services that are the responsibility or in the daily rate of a residential or program  
 305.3 license holder under the terms of a service agreement and administrative rules;  
 305.4 (21) sterile procedures;  
 305.5 (22) giving of injections into veins, muscles, or skin;  
 305.6 (23) homemaker services that are not an integral part of the assessed CFSS service;  
 305.7 (24) home maintenance or chore services;  
 305.8 (25) home care services, including hospice services if elected by the participant,  
 305.9 covered by Medicare or any other insurance held by the participant;  
 305.10 (26) services to other members of the participant's household;  
 305.11 (27) services not specified as covered under medical assistance as CFSS;  
 305.12 (28) application of restraints or implementation of deprivation procedures;  
 305.13 (29) assessments by CFSS provider organizations or by independently enrolled  
 305.14 registered nurses;  
 305.15 (30) services provided in lieu of legally required staffing in a residential or child  
 305.16 care setting; and  
 305.17 (31) services provided by the residential or program license holder in a residence for  
 305.18 more than four persons.

305.19 Sec. 11. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 10,  
 305.20 is amended to read:

305.21 Subd. 10. **Provider Agency-provider and FMS contractor qualifications and,**  
 305.22 **general requirements, and duties.** (a) Agency-providers delivering services under the  
 305.23 agency-provider model under subdivision 11 or ~~financial management service (FMS)~~  
 305.24 FMS contractors under subdivision 13 shall:

- 305.25 (1) enroll as a medical assistance Minnesota health care programs provider and meet  
 305.26 all applicable provider standards and requirements;  
 305.27 ~~(2) comply with medical assistance provider enrollment requirements;~~  
 305.28 ~~(3) (2)~~ demonstrate compliance with ~~law~~ federal and state laws and policies of ~~for~~  
 305.29 CFSS as determined by the commissioner;  
 305.30 ~~(4) (3)~~ comply with background study requirements under chapter 245C and  
 305.31 maintain documentation of background study requests and results;  
 305.32 ~~(5) (4)~~ verify and maintain records of all services and expenditures by the participant,  
 305.33 including hours worked by support workers ~~and support specialists~~;

306.1 ~~(6)~~ (5) not engage in any agency-initiated direct contact or marketing in person, by  
306.2 telephone, or other electronic means to potential participants, guardians, family members,  
306.3 or participants' representatives;

306.4 (6) directly provide services and not use a subcontractor or reporting agent;

306.5 (7) meet the financial requirements established by the commissioner for financial  
306.6 solvency;

306.7 (8) have never had a lead agency contract or provider agreement discontinued due to  
306.8 fraud, or have never had an owner, board member, or manager fail a state or FBI-based  
306.9 criminal background check while enrolled or seeking enrollment as a Minnesota health  
306.10 care programs provider;

306.11 (9) have established business practices that include written policies and procedures,  
306.12 internal controls, and a system that demonstrates the organization's ability to deliver  
306.13 quality CFSS; and

306.14 (10) have an office located in Minnesota.

306.15 (b) In conducting general duties, agency-providers and FMS contractors shall:

306.16 ~~(7)~~ (1) pay support workers ~~and support specialists~~ based upon actual hours of  
306.17 services provided;

306.18 (2) pay for worker training and development services based upon actual hours of  
306.19 services provided or the unit cost of the training session purchased;

306.20 ~~(8)~~ (3) withhold and pay all applicable federal and state payroll taxes;

306.21 ~~(9)~~ (4) make arrangements and pay unemployment insurance, taxes, workers'  
306.22 compensation, liability insurance, and other benefits, if any;

306.23 ~~(10)~~ (5) enter into a written agreement with the participant, participant's  
306.24 representative, or legal representative that assigns roles and responsibilities to be  
306.25 performed before services, supports, or goods are provided using a format established by  
306.26 the commissioner;

306.27 ~~(11)~~ (6) report maltreatment as required under sections 626.556 and 626.557; ~~and~~

306.28 ~~(12)~~ (7) provide the participant with a copy of the service-related rights under  
306.29 subdivision 20 at the start of services and supports; and

306.30 (8) comply with any data requests from the department consistent with the  
306.31 Minnesota Government Data Practices Act under chapter 13.

306.32 Sec. 12. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 11,  
306.33 is amended to read:

306.34 Subd. 11. **Agency-provider model.** (a) The agency-provider model ~~is limited to~~  
306.35 ~~the~~ includes services provided by support workers and ~~support specialists~~ staff providing

307.1 worker training and development services who are employed by an agency-provider  
307.2 that is licensed according to chapter 245A or meets other criteria established by the  
307.3 commissioner, including required training.

307.4 (b) The agency-provider shall allow the participant to have a significant role in the  
307.5 selection and dismissal of the support workers for the delivery of the services and supports  
307.6 specified in the participant's service delivery plan.

307.7 (c) A participant may use authorized units of CFSS services as needed within a  
307.8 service authorization that is not greater than 12 months. Using authorized units in a  
307.9 flexible manner in either the agency-provider model or the budget model does not increase  
307.10 the total amount of services and supports authorized for a participant or included in the  
307.11 participant's service delivery plan.

307.12 (d) A participant may share CFSS services. Two or three CFSS participants may  
307.13 share services at the same time provided by the same support worker.

307.14 (e) The agency-provider must use a minimum of 72.5 percent of the revenue  
307.15 generated by the medical assistance payment for CFSS for support worker wages and  
307.16 benefits. The agency-provider must document how this requirement is being met. The  
307.17 revenue generated by the ~~support-specialist~~ worker training and development services  
307.18 and the reasonable costs associated with the ~~support-specialist~~ worker training and  
307.19 development services must not be used in making this calculation.

307.20 (f) The agency-provider model must be used by individuals who have been restricted  
307.21 by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160  
307.22 to 9505.2245.

307.23 (g) Participants purchasing goods under this model, along with support worker  
307.24 services, must:

307.25 (1) specify the goods in the service delivery plan and detailed budget for  
307.26 expenditures that must be approved by the consultation services provider or the case  
307.27 manager/care coordinator; and

307.28 (2) use the FMS contractor for the billing and payment of such goods.

307.29 Sec. 13. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 12,  
307.30 is amended to read:

307.31 Subd. 12. **Requirements for enrollment of CFSS ~~provider~~ agency-provider**  
307.32 **agencies.** (a) All CFSS ~~provider-agencies~~ agency-providers must provide, at the time of  
307.33 enrollment, reenrollment, and revalidation as a CFSS ~~provider-agency~~ agency-provider in  
307.34 a format determined by the commissioner, information and documentation that includes,  
307.35 but is not limited to, the following:

308.1 (1) the CFSS ~~provider-agency's~~ agency-provider's current contact information  
308.2 including address, telephone number, and e-mail address;

308.3 (2) proof of surety bond coverage. Upon new enrollment, or if the ~~provider-agency's~~  
308.4 agency-provider's Medicaid revenue in the previous calendar year is less than or equal  
308.5 to \$300,000, the ~~provider-agency~~ agency-provider must purchase a performance bond of  
308.6 \$50,000. If the ~~provider-agency's~~ agency-provider's Medicaid revenue in the previous  
308.7 calendar year is greater than \$300,000, the ~~provider-agency~~ agency-provider must  
308.8 purchase a performance bond of \$100,000. The performance bond must be in a form  
308.9 approved by the commissioner, must be renewed annually, and must allow for recovery of  
308.10 costs and fees in pursuing a claim on the bond;

308.11 (3) proof of fidelity bond coverage in the amount of \$20,000;

308.12 (4) proof of workers' compensation insurance coverage;

308.13 (5) proof of liability insurance;

308.14 (6) a description of the CFSS ~~provider-agency's~~ agency-provider's organization  
308.15 identifying the names of all owners, managing employees, staff, board of directors, and  
308.16 the affiliations of the directors; and owners, ~~or staff~~ to other service providers;

308.17 (7) a copy of the CFSS ~~provider-agency's~~ agency-provider's written policies and  
308.18 procedures including: hiring of employees; training requirements; service delivery;  
308.19 and employee and consumer safety including process for notification and resolution  
308.20 of consumer grievances, identification and prevention of communicable diseases, and  
308.21 employee misconduct;

308.22 (8) copies of all other forms the CFSS ~~provider-agency~~ agency-provider uses in the  
308.23 course of daily business including, but not limited to:

308.24 (i) a copy of the CFSS ~~provider-agency's~~ agency-provider's time sheet if the time  
308.25 sheet varies from the standard time sheet for CFSS services approved by the commissioner,  
308.26 and a letter requesting approval of the CFSS ~~provider-agency's~~ agency-provider's  
308.27 nonstandard time sheet; and

308.28 (ii) ~~the~~ a copy of the participant's individual CFSS ~~provider-agency's~~ template for the  
308.29 CFSS-care service delivery plan;

308.30 (9) a list of all training and classes that the CFSS ~~provider-agency~~ agency-provider  
308.31 requires of its staff providing CFSS services;

308.32 (10) documentation that the CFSS ~~provider-agency~~ agency-provider and staff have  
308.33 successfully completed all the training required by this section;

308.34 (11) documentation of the ~~agency's~~ agency-provider's marketing practices;

308.35 (12) disclosure of ownership, leasing, or management of all residential properties  
308.36 that are used or could be used for providing home care services;

309.1 (13) documentation that the ~~agency~~ agency-provider will use at least the following  
309.2 percentages of revenue generated from the medical assistance rate paid for CFSS services  
309.3 for ~~employee personal care assistant~~ CFSS support worker wages and benefits: 72.5  
309.4 percent of revenue from CFSS providers. The revenue generated by the ~~support specialist~~  
309.5 worker training and development services and the reasonable costs associated with the  
309.6 ~~support specialist~~ worker training and development services shall not be used in making  
309.7 this calculation; and

309.8 (14) documentation that the ~~agency~~ agency-provider does not burden recipients'  
309.9 participants' free exercise of their right to choose service providers by requiring ~~personal~~  
309.10 ~~care assistants~~ CFSS support workers to sign an agreement not to work with any particular  
309.11 CFSS ~~recipient~~ participant or for another CFSS ~~provider~~ agency-provider after  
309.12 leaving the agency and that the agency is not taking action on any such agreements or  
309.13 requirements regardless of the date signed.

309.14 (b) CFSS ~~provider agencies~~ agency-providers shall provide to the commissioner  
309.15 the information specified in paragraph (a).

309.16 (c) All CFSS ~~provider agencies~~ agency-providers shall require all employees in  
309.17 management and supervisory positions and owners of the agency who are active in the  
309.18 day-to-day management and operations of the agency to complete mandatory training as  
309.19 determined by the commissioner. Employees in management and supervisory positions  
309.20 and owners who are active in the day-to-day operations of an agency who have completed  
309.21 the required training as an employee with a CFSS ~~provider~~ agency-provider do  
309.22 not need to repeat the required training if they are hired by another agency, if they have  
309.23 completed the training within the past three years. CFSS ~~provider agencies~~ agency-providers  
309.24 billing staff shall complete training about CFSS program financial management. Any new  
309.25 owners or employees in management and supervisory positions involved in the day-to-day  
309.26 operations are required to complete mandatory training as a requisite of working for the  
309.27 agency. ~~CFSS provider agencies certified for participation in Medicare as home health~~  
309.28 ~~agencies are exempt from the training required in this subdivision.~~

309.29 (d) The commissioner shall send annual review notifications to agency-providers 30  
309.30 days prior to renewal. The notification must:

309.31 (1) list the materials and information the agency-provider is required to submit;

309.32 (2) provide instructions on submitting information to the commissioner; and

309.33 (3) provide a due date by which the commissioner must receive the requested  
309.34 information.

310.1 Agency-providers shall submit the required documentation for annual review within  
310.2 30 days of notification from the commissioner. If no documentation is submitted, the  
310.3 agency-provider enrollment number must be terminated or suspended.

310.4 Sec. 14. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 13,  
310.5 is amended to read:

310.6 Subd. 13. **Budget model.** (a) Under the budget model participants ~~can~~ may exercise  
310.7 ~~more~~ responsibility and control over the services and supports described and budgeted  
310.8 within the CFSS service delivery plan. Participants must use services provided by an FMS  
310.9 contractor as defined in subdivision 2, paragraph (m). Under this model, participants may  
310.10 use their approved service budget allocation to:

310.11 (1) directly employ support workers, and pay wages, federal and state payroll taxes,  
310.12 and premiums for workers' compensation, liability, and health insurance coverage; and

310.13 (2) obtain supports and goods as defined in subdivision 7; and;

310.14 (3) ~~choose a range of support assistance services from the financial management~~  
310.15 ~~services (FMS) contractor related to:~~

310.16 (i) ~~assistance in managing the budget to meet the service delivery plan needs,~~  
310.17 ~~consistent with federal and state laws and regulations;~~

310.18 (ii) ~~the employment, training, supervision, and evaluation of workers by the~~  
310.19 ~~participant;~~

310.20 (iii) ~~acquisition and payment for supports and goods; and~~

310.21 (iv) ~~evaluation of individual service outcomes as needed for the scope of the~~  
310.22 ~~participant's degree of control and responsibility.~~

310.23 (b) Participants who are unable to fulfill any of the functions listed in paragraph (a)  
310.24 may authorize a legal representative or participant's representative to do so on their behalf.

310.25 (c) The commissioner shall disenroll or exclude participants from the budget model  
310.26 and transfer them to the agency-provider model under the following circumstances that  
310.27 include but are not limited to:

310.28 (1) when a participant has been restricted by the Minnesota restricted recipient  
310.29 program, in which case the participant may be excluded for a specified time period under  
310.30 Minnesota Rules, parts 9505.2160 to 9505.2245;

310.31 (2) when a participant exits the budget model during the participant's service plan  
310.32 year. Upon transfer, the participant shall not access the budget model for the remainder of  
310.33 that service plan year; or

310.34 (3) when the department determines that the participant or participant's representative  
310.35 or legal representative cannot manage participant responsibilities under the budget model.

311.1 The commissioner must develop policies for determining if a participant is unable to  
311.2 manage responsibilities under the budget model.

311.3 (d) A participant may appeal in writing to the department under section 256.045,  
311.4 subdivision 3, to contest the department's decision under paragraph (c), clause (3), to  
311.5 disenroll or exclude the participant from the budget model.

311.6 (e) (e) The FMS contractor shall not provide CFSS services and supports under the  
311.7 agency-provider service model.

311.8 (f) The FMS contractor shall provide service functions as determined by the  
311.9 commissioner for budget model participants that include but are not limited to:

311.10 (1) information and consultation about CFSS;

311.11 (2) (1) assistance with the development of the detailed budget for expenditures  
311.12 portion of the service delivery plan and budget model as requested by the consultation  
311.13 services provider or participant;

311.14 (3) (2) billing and making payments for budget model expenditures;

311.15 (4) (3) assisting participants in fulfilling employer-related requirements according to  
311.16 Internal Revenue Service Revenue Procedure 70-6, section 3504, Agency Employer Tax  
311.17 Liability, regulation 137036-08 section 3504 of the Internal Revenue Code and related  
311.18 regulations and interpretations, including Code of Federal Regulations, title 26, section  
311.19 31.3504-1, which includes assistance with filing and paying payroll taxes, and obtaining  
311.20 worker compensation coverage;

311.21 (5) (4) data recording and reporting of participant spending; and

311.22 (6) (5) other duties established in the contract with the department, including with  
311.23 respect to providing assistance to the participant, participant's representative, or legal  
311.24 representative in performing their employer responsibilities regarding support workers.  
311.25 The support worker shall not be considered the employee of the financial management  
311.26 services FMS contractor; and

311.27 (6) billing, payment, and accounting of approved expenditures for goods for  
311.28 agency-provider participants.

311.29 (d) A participant who requests to purchase goods and supports along with support  
311.30 worker services under the agency-provider model must use the budget model with  
311.31 a service delivery plan that specifies the amount of services to be authorized to the  
311.32 agency-provider and the expenditures to be paid by the FMS contractor.

311.33 (e) (g) The FMS contractor shall:

311.34 (1) not limit or restrict the participant's choice of service or support providers or  
311.35 service delivery models consistent with any applicable state and federal requirements;

312.1 (2) provide the participant, consultation services provider, and the ~~targeted~~ case  
312.2 manager, if applicable, with a monthly written summary of the spending for services and  
312.3 supports that were billed against the spending budget;

312.4 (3) be knowledgeable of state and federal employment regulations, including those  
312.5 under the Fair Labor Standards Act of 1938, and comply with the requirements under ~~the~~  
312.6 ~~Internal Revenue Service Revenue Procedure 70-6, Section 3504,~~ section 3504 of the  
312.7 Internal Revenue Code and related regulations and interpretations, including Code of  
312.8 Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability  
312.9 for vendor or fiscal employer agent, and any requirements necessary to process employer  
312.10 and employee deductions, provide appropriate and timely submission of employer tax  
312.11 liabilities, and maintain documentation to support medical assistance claims;

312.12 (4) have current and adequate liability insurance and bonding and sufficient cash  
312.13 flow as determined by the commissioner and have on staff or under contract a certified  
312.14 public accountant or an individual with a baccalaureate degree in accounting;

312.15 (5) assume fiscal accountability for state funds designated for the program and be  
312.16 held liable for any overpayments or violations of applicable statutes or rules, including  
312.17 but not limited to the Minnesota False Claims Act; and

312.18 (6) maintain documentation of receipts, invoices, and bills to track all services and  
312.19 supports expenditures for any goods purchased and maintain time records of support  
312.20 workers. The documentation and time records must be maintained for a minimum of  
312.21 five years from the claim date and be available for audit or review upon request by the  
312.22 commissioner. Claims submitted by the FMS contractor to the commissioner for payment  
312.23 must correspond with services, amounts, and time periods as authorized in the participant's  
312.24 spending service budget and service plan and must contain specific identifying information  
312.25 as determined by the commissioner.

312.26 ~~(f)~~ (h) The commissioner of human services shall:

312.27 (1) establish rates and payment methodology for the FMS contractor;

312.28 (2) identify a process to ensure quality and performance standards for the FMS  
312.29 contractor and ensure statewide access to FMS contractors; and

312.30 (3) establish a uniform protocol for delivering and administering CFSS services  
312.31 to be used by eligible FMS contractors.

312.32 ~~(g) The commissioner of human services shall disenroll or exclude participants from~~  
312.33 ~~the budget model and transfer them to the agency-provider model under the following~~  
312.34 ~~circumstances that include but are not limited to:~~



313.1           ~~(1) when a participant has been restricted by the Minnesota restricted recipient~~  
313.2 ~~program, the participant may be excluded for a specified time period under Minnesota~~  
313.3 ~~Rules, parts 9505.2160 to 9505.2245;~~

313.4           ~~(2) when a participant exits the budget model during the participant's service plan~~  
313.5 ~~year. Upon transfer, the participant shall not access the budget model for the remainder of~~  
313.6 ~~that service plan year; or~~

313.7           ~~(3) when the department determines that the participant or participant's representative~~  
313.8 ~~or legal representative cannot manage participant responsibilities under the budget model.~~  
313.9 ~~The commissioner must develop policies for determining if a participant is unable to~~  
313.10 ~~manage responsibilities under a budget model.~~

313.11           ~~(h) A participant may appeal under section 256.045, subdivision 3, in writing to the~~  
313.12 ~~department to contest the department's decision under paragraph (c), clause (3), to remove~~  
313.13 ~~or exclude the participant from the budget model.~~

313.14       Sec. 15. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 15,  
313.15 is amended to read:

313.16       Subd. 15. **Documentation of support services provided.** (a) Support services  
313.17 provided to a participant by a support worker employed by either an agency-provider  
313.18 or the participant acting as the employer must be documented daily by each support  
313.19 worker, on a time sheet form approved by the commissioner. All documentation may be  
313.20 Web-based, electronic, or paper documentation. The completed form must be submitted  
313.21 on a monthly regular basis to the provider or the participant and the FMS contractor  
313.22 selected by the participant to provide assistance with meeting the participant's employer  
313.23 obligations and kept in the recipient's health participant's record.

313.24       (b) The activity documentation must correspond to the written service delivery plan  
313.25 and be reviewed by the agency-provider or the participant and the FMS contractor when  
313.26 the participant is acting as the employer of the support worker.

313.27       (c) The time sheet must be on a form approved by the commissioner documenting  
313.28 time the support worker provides services in the home to the participant. The following  
313.29 criteria must be included in the time sheet:

313.30           (1) full name of the support worker and individual provider number;

313.31           (2) provider agency-provider name and telephone numbers, if an agency-provider is  
313.32 responsible for delivery services under the written service plan;

313.33           (3) full name of the participant;

313.34           (4) consecutive dates, including month, day, and year, and arrival and departure  
313.35 times with a.m. or p.m. notations;

- 314.1 (5) signatures of the participant or the participant's representative;
- 314.2 (6) personal signature of the support worker;
- 314.3 (7) any shared care provided, if applicable;
- 314.4 (8) a statement that it is a federal crime to provide false information on CFSS
- 314.5 billings for medical assistance payments; and
- 314.6 (9) dates and location of ~~recipient~~ participant stays in a hospital, care facility, or
- 314.7 incarceration.

314.8 Sec. 16. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 16,

314.9 is amended to read:

314.10 Subd. 16. **Support workers requirements.** (a) Support workers shall:

314.11 (1) enroll with the department as a support worker after a background study under

314.12 chapter 245C has been completed and the support worker has received a notice from the

314.13 commissioner that:

314.14 (i) the support worker is not disqualified under section 245C.14; or

314.15 (ii) is disqualified, but the support worker has received a set-aside of the

314.16 disqualification under section 245C.22;

314.17 (2) have the ability to effectively communicate with the participant or the

314.18 participant's representative;

314.19 (3) have the skills and ability to provide the services and supports according to

314.20 the ~~person's~~ participant's CFSS service delivery plan and respond appropriately to the

314.21 participant's needs;

314.22 (4) not be a participant of CFSS, unless the support services provided by the support

314.23 worker differ from those provided to the support worker;

314.24 (5) complete the basic standardized training as determined by the commissioner

314.25 before completing enrollment. The training must be available in languages other than

314.26 English and to those who need accommodations due to disabilities. Support worker

314.27 training must include successful completion of the following training components: basic

314.28 first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles

314.29 and responsibilities of support workers including information about basic body mechanics,

314.30 emergency preparedness, orientation to positive behavioral practices, orientation to

314.31 responding to a mental health crisis, fraud issues, time cards and documentation, and an

314.32 overview of person-centered planning and self-direction. Upon completion of the training

314.33 components, the support worker must pass the certification test to provide assistance

314.34 to participants;

314.35 (6) complete training and orientation on the participant's individual needs; and

315.1 (7) maintain the privacy and confidentiality of the participant, and not independently  
315.2 determine the medication dose or time for medications for the participant.

315.3 (b) The commissioner may deny or terminate a support worker's provider enrollment  
315.4 and provider number if the support worker:

315.5 (1) lacks the skills, knowledge, or ability to adequately or safely perform the  
315.6 required work;

315.7 (2) fails to provide the authorized services required by the participant employer;

315.8 (3) has been intoxicated by alcohol or drugs while providing authorized services to  
315.9 the participant or while in the participant's home;

315.10 (4) has manufactured or distributed drugs while providing authorized services to the  
315.11 participant or while in the participant's home; or

315.12 (5) has been excluded as a provider by the commissioner of human services, or the  
315.13 United States Department of Health and Human Services, Office of Inspector General,  
315.14 from participation in Medicaid, Medicare, or any other federal health care program.

315.15 (c) A support worker may appeal in writing to the commissioner to contest the  
315.16 decision to terminate the support worker's provider enrollment and provider number.

315.17 (d) A support worker must not provide or be paid for more than 275 hours of  
315.18 CFSS per month, regardless of the number of participants the support worker serves or  
315.19 the number of agency-providers or participant employers by which the support worker  
315.20 is employed. The department shall not disallow the number of hours per day a support  
315.21 worker works unless it violates other law.

315.22 Sec. 17. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding  
315.23 a subdivision to read:

315.24 Subd. 16a. **Exception to support worker requirements for continuity of services.**

315.25 The support worker for a participant may be allowed to enroll with a different CFSS  
315.26 agency-provider or FMS contractor upon initiation, rather than completion, of a new  
315.27 background study according to chapter 245C, if the following conditions are met:

315.28 (1) the commissioner determines that the support worker's change in enrollment or  
315.29 affiliation is needed to ensure continuity of services and protect the health and safety  
315.30 of the participant;

315.31 (2) the chosen agency-provider or FMS contractor has been continuously enrolled as  
315.32 a CFSS agency-provider or FMS contractor for at least two years or since the inception of  
315.33 the CFSS program, whichever is shorter;

315.34 (3) the participant served by the support worker chooses to transfer to the CFSS  
315.35 agency-provider or the FMS contractor to which the support worker is transferring;

316.1 (4) the support worker has been continuously enrolled with the former CFSS  
316.2 agency-provider or FMS contractor since the support worker's last background study  
316.3 was completed; and

316.4 (5) the support worker continues to meet requirements of subdivision 16, excluding  
316.5 paragraph (a), clause (1).

316.6 Sec. 18. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 17,  
316.7 is amended to read:

316.8 Subd. 17. **Support specialist requirements and payments** **Consultation services**  
316.9 **description and duties.** ~~The commissioner shall develop qualifications, scope of~~  
316.10 ~~functions, and payment rates and service limits for a support specialist that may provide~~  
316.11 ~~additional or specialized assistance necessary to plan, implement, arrange, augment, or~~  
316.12 ~~evaluate services and supports.~~

316.13 (a) Consultation services means providing assistance to the participant in making  
316.14 informed choices regarding CFSS services in general and self-directed tasks in particular  
316.15 and in developing a person-centered service delivery plan to achieve quality service  
316.16 outcomes.

316.17 (b) Consultation services is a required service that may include but is not limited to:

316.18 (1) an initial and annual orientation to CFSS information and policies, including  
316.19 selecting a service model;

316.20 (2) assistance with the development, implementation, management, and evaluation  
316.21 of the person-centered service delivery plan;

316.22 (3) consultation on recruiting, selecting, training, managing, directing, evaluating,  
316.23 and supervising support workers;

316.24 (4) reviewing the use of and access to informal and community supports, goods, or  
316.25 resources;

316.26 (5) assistance with fulfilling responsibilities and requirements of CFSS including  
316.27 modifying service delivery plans and changing service models; and

316.28 (6) assistance with accessing FMS contractors or agency-providers.

316.29 (c) Duties of a consultation services provider shall include but are not limited to:

316.30 (1) review and finalization of the CFSS service delivery plan by the consultation  
316.31 services provider organization;

316.32 (2) distribution of copies of the final service delivery plan to the participant and  
316.33 to the agency-provider or FMS contractor, case manager/care coordinator, and other  
316.34 designated parties;

317.1        (3) an evaluation of services upon receiving information from an FMS contractor  
317.2 indicating spending or participant employer concerns;  
317.3        (4) a semiannual review of services if the participant does not have a case  
317.4 manager/care coordinator and when the support worker is a paid parent of a minor  
317.5 participant or the participant's spouse;  
317.6        (5) collection and reporting of data as required by the department; and  
317.7        (6) providing the participant with a copy of the service-related rights under  
317.8 subdivision 20 at the start of consultation services.

317.9        Sec. 19. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding  
317.10 a subdivision to read:

317.11        Subd. 17a. **Consultation service provider qualifications and requirements.**

317.12 The commissioner shall develop the qualifications and requirements for providers of  
317.13 consultation services under subdivision 17. These providers must satisfy at least the  
317.14 following qualifications and requirements:

317.15        (1) are under contract with the department;

317.16        (2) are not the FMS contractor as defined in subdivision 2, paragraph (m), the CFSS  
317.17 or HCBS waiver agency-provider or vendor to the participant, or a lead agency;

317.18        (3) meet the service standards as established by the commissioner;

317.19        (4) employ lead professional staff with a minimum of three years of experience  
317.20 in providing support planning, support broker, or consultation services and consumer  
317.21 education to participants using a self-directed program using FMS under medical  
317.22 assistance;

317.23        (5) are knowledgeable about CFSS roles and responsibilities including those of the  
317.24 certified assessor, FMS contractor, agency-provider, and case manager/care coordinator;

317.25        (6) comply with medical assistance provider requirements;

317.26        (7) understand the CFSS program and its policies;

317.27        (8) are knowledgeable about self-directed principles and the application of the  
317.28 person-centered planning process;

317.29        (9) have general knowledge of the FMS contractor duties and participant  
317.30 employment model, including all applicable federal, state, and local laws and regulations  
317.31 regarding tax, labor, employment, and liability and workers' compensation coverage for  
317.32 household workers; and

317.33        (10) have all employees, including lead professional staff, staff in management  
317.34 and supervisory positions, and owners of the agency who are active in the day-to-day

318.1 management and operations of the agency, complete training as specified in the contract  
318.2 with the department.

318.3 Sec. 20. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 18,  
318.4 is amended to read:

318.5 Subd. 18. **Service unit and budget allocation requirements and limits.** (a) For the  
318.6 agency-provider model, services will be authorized in units of service. The total service  
318.7 unit amount must be established based upon the assessed need for CFSS services, and must  
318.8 not exceed the maximum number of units available as determined under subdivision 8.

318.9 (b) For the budget model, the service budget allocation allowed for services and  
318.10 supports is established by multiplying the number of units authorized under subdivision 8  
318.11 by the payment rate established by the commissioner defined in subdivision 8, paragraph  
318.12 (g).

318.13 Sec. 21. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding  
318.14 a subdivision to read:

318.15 Subd. 18a. **Worker training and development services.** (a) The commissioner  
318.16 shall develop the scope of tasks and functions, service standards, and service limits for  
318.17 worker training and development services.

318.18 (b) Worker training and development services are in addition to the participant's  
318.19 assessed service units or service budget. Services provided according to this subdivision  
318.20 must:

318.21 (1) help support workers obtain and expand the skills and knowledge necessary to  
318.22 ensure competency in providing quality services as needed and defined in the participant's  
318.23 service delivery plan;

318.24 (2) be provided or arranged for by the agency-provider under subdivision 11 or  
318.25 purchased by the participant employer under the budget model under subdivision 13; and

318.26 (3) be described in the participant's CFSS service delivery plan and documented in  
318.27 the participant's file.

318.28 (c) Services covered under worker training and development shall include:

318.29 (1) support worker training on the participant's individual assessed needs, condition,  
318.30 or both, provided individually or in a group setting by a skilled and knowledgeable trainer  
318.31 beyond any training the participant or participant's representative provides;

318.32 (2) tuition for professional classes and workshops for the participant's support  
318.33 workers that relate to the participant's assessed needs, condition, or both;

319.1 (3) direct observation, monitoring, coaching, and documentation of support worker  
 319.2 job skills and tasks, beyond any training the participant or participant's representative  
 319.3 provides, including supervision of health-related tasks or behavioral supports that is  
 319.4 conducted by an appropriate professional based on the participant's assessed needs. These  
 319.5 services must be provided within 14 days of the start of services or the start of a new  
 319.6 support worker and must be specified in the participant's service delivery plan; and  
 319.7 (4) reporting service and support concerns to the appropriate provider.  
 319.8 (d) Worker training and development services shall not include:  
 319.9 (1) general agency training, worker orientation, or training on CFSS self-directed  
 319.10 models;  
 319.11 (2) payment for preparation or development time for the trainer or presenter;  
 319.12 (3) payment of the support worker's salary or compensation during the training;  
 319.13 (4) training or supervision provided by the participant, the participant's support  
 319.14 worker, or the participant's informal supports, including the participant's representative; or  
 319.15 (5) services in excess of 96 units per annual service authorization, unless approved  
 319.16 by the department.

319.17 Sec. 22. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 23,  
 319.18 is amended to read:

319.19 Subd. 23. **Commissioner's access.** When the commissioner is investigating a  
 319.20 possible overpayment of Medicaid funds, the commissioner must be given immediate  
 319.21 access without prior notice to the ~~agency provider~~ agency-provider or FMS contractor's  
 319.22 office during regular business hours and to documentation and records related to services  
 319.23 provided and submission of claims for services provided. Denying the commissioner  
 319.24 access to records is cause for immediate suspension of payment and terminating the agency  
 319.25 provider's enrollment according to section 256B.064 or terminating the FMS contract.

319.26 Sec. 23. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 24,  
 319.27 is amended to read:

319.28 Subd. 24. **CFSS agency-providers; background studies.** CFSS agency-providers  
 319.29 enrolled to provide ~~personal care assistance~~ CFSS services under the medical assistance  
 319.30 program shall comply with the following:

319.31 (1) owners who have a five percent interest or more and all managing employees  
 319.32 are subject to a background study as provided in chapter 245C. This applies to currently  
 319.33 enrolled CFSS agency-providers and those agencies seeking enrollment as a CFSS

320.1 agency-provider. "Managing employee" has the same meaning as Code of Federal  
320.2 Regulations, title 42, section 455. An organization is barred from enrollment if:

320.3 (i) the organization has not initiated background studies on owners managing  
320.4 employees; or

320.5 (ii) the organization has initiated background studies on owners and managing  
320.6 employees, but the commissioner has sent the organization a notice that an owner or  
320.7 managing employee of the organization has been disqualified under section 245C.14, and  
320.8 the owner or managing employee has not received a set-aside of the disqualification  
320.9 under section 245C.22;

320.10 (2) a background study must be initiated and completed for all ~~support specialists~~  
320.11 staff who will have direct contact with the participant to provide worker training and  
320.12 development; and

320.13 (3) a background study must be initiated and completed for all support workers.

320.14 Sec. 24. Laws 2013, chapter 108, article 7, section 49, the effective date, is amended to  
320.15 read:

320.16 **EFFECTIVE DATE.** This section is effective upon federal approval but no earlier  
320.17 than April 1, 2014. The service will begin 90 days after federal approval ~~or April 1,~~  
320.18 ~~2014, whichever is later.~~ The commissioner of human services shall notify the revisor of  
320.19 statutes when this occurs.

## 320.20 **ARTICLE 29**

### 320.21 **CONTINUING CARE**

320.22 Section 1. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

320.23 Subd. 4. **Licensing data.** (a) As used in this subdivision:

320.24 (1) "licensing data" are all data collected, maintained, used, or disseminated by the  
320.25 welfare system pertaining to persons licensed or registered or who apply for licensure  
320.26 or registration or who formerly were licensed or registered under the authority of the  
320.27 commissioner of human services;

320.28 (2) "client" means a person who is receiving services from a licensee or from an  
320.29 applicant for licensure; and

320.30 (3) "personal and personal financial data" are Social Security numbers, identity  
320.31 of and letters of reference, insurance information, reports from the Bureau of Criminal  
320.32 Apprehension, health examination reports, and social/home studies.



321.1 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants,  
321.2 license holders, and former licensees are public: name, address, telephone number of  
321.3 licensees, date of receipt of a completed application, dates of licensure, licensed capacity,  
321.4 type of client preferred, variances granted, record of training and education in child care  
321.5 and child development, type of dwelling, name and relationship of other family members,  
321.6 previous license history, class of license, the existence and status of complaints, and the  
321.7 number of serious injuries to or deaths of individuals in the licensed program as reported  
321.8 to the commissioner of human services, the local social services agency, or any other  
321.9 county welfare agency. For purposes of this clause, a serious injury is one that is treated  
321.10 by a physician.

321.11 (ii) When a correction order, an order to forfeit a fine, an order of license suspension,  
321.12 an order of temporary immediate suspension, an order of license revocation, an order  
321.13 of license denial, or an order of conditional license has been issued, or a complaint is  
321.14 resolved, the following data on current and former licensees and applicants are public: the  
321.15 substance and investigative findings of the licensing or maltreatment complaint, licensing  
321.16 violation, or substantiated maltreatment; the record of informal resolution of a licensing  
321.17 violation; orders of hearing; findings of fact; conclusions of law; specifications of the final  
321.18 correction order, fine, suspension, temporary immediate suspension, revocation, denial, or  
321.19 conditional license contained in the record of licensing action; whether a fine has been  
321.20 paid; and the status of any appeal of these actions.

321.21 (iii) When a license denial under section 245A.05 or a sanction under section  
321.22 245A.07 is based on a determination that the license holder or applicant is responsible for  
321.23 maltreatment under section 626.556 or 626.557, the identity of the applicant or license  
321.24 holder as the individual responsible for maltreatment is public data at the time of the  
321.25 issuance of the license denial or sanction.

321.26 (iv) When a license denial under section 245A.05 or a sanction under section  
321.27 245A.07 is based on a determination that the license holder or applicant is disqualified  
321.28 under chapter 245C, the identity of the license holder or applicant as the disqualified  
321.29 individual and the reason for the disqualification are public data at the time of the  
321.30 issuance of the licensing sanction or denial. If the applicant or license holder requests  
321.31 reconsideration of the disqualification and the disqualification is affirmed, the reason for  
321.32 the disqualification and the reason to not set aside the disqualification are public data.

321.33 (2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b,  
321.34 when any person subject to disqualification under section 245C.14 in connection with a  
321.35 license to provide family day care for children, child care center services, foster care for  
321.36 children in the provider's home, or foster care or day care services for adults in the provider's

322.1 home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is  
322.2 a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment  
322.3 is public data. For purposes of this clause, a person is a substantiated perpetrator if the  
322.4 maltreatment determination has been upheld under section 256.045; 626.556, subdivision  
322.5 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely  
322.6 exercised appeal rights under these sections, except as provided under clause (1).

322.7 (3) For applicants who withdraw their application prior to licensure or denial of a  
322.8 license, the following data are public: the name of the applicant, the city and county in  
322.9 which the applicant was seeking licensure, the dates of the commissioner's receipt of the  
322.10 initial application and completed application, the type of license sought, and the date  
322.11 of withdrawal of the application.

322.12 (4) For applicants who are denied a license, the following data are public: the name  
322.13 and address of the applicant, the city and county in which the applicant was seeking  
322.14 licensure, the dates of the commissioner's receipt of the initial application and completed  
322.15 application, the type of license sought, the date of denial of the application, the nature of  
322.16 the basis for the denial, the record of informal resolution of a denial, orders of hearings,  
322.17 findings of fact, conclusions of law, specifications of the final order of denial, and the  
322.18 status of any appeal of the denial.

322.19 (5) The following data on persons subject to disqualification under section 245C.14 in  
322.20 connection with a license to provide family day care for children, child care center services,  
322.21 foster care for children in the provider's home, or foster care or day care services for adults  
322.22 in the provider's home, are public: the nature of any disqualification set aside under section  
322.23 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the  
322.24 nature of any disqualification for which a variance was granted under sections 245A.04,  
322.25 subdivision 9; and 245C.30, and the reasons for granting any variance under section  
322.26 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to  
322.27 a background study under section 245C.03, subdivision 1, has successfully passed a  
322.28 background study. If a licensing sanction under section 245A.07, or a license denial under  
322.29 section 245A.05, is based on a determination that an individual subject to disqualification  
322.30 under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction  
322.31 or denial is public data. As specified in clause (1), item (iv), if the disqualified individual  
322.32 is the license holder or applicant, the identity of the license holder or applicant and the  
322.33 reason for the disqualification are public data; and, if the license holder or applicant  
322.34 requested reconsideration of the disqualification and the disqualification is affirmed, the  
322.35 reason for the disqualification and the reason to not set aside the disqualification are

323.1 public data. If the disqualified individual is an individual other than the license holder or  
323.2 applicant, the identity of the disqualified individual shall remain private data.

323.3 (6) When maltreatment is substantiated under section 626.556 or 626.557 and the  
323.4 victim and the substantiated perpetrator are affiliated with a program licensed under  
323.5 chapter 245A, the commissioner of human services, local social services agency, or  
323.6 county welfare agency may inform the license holder where the maltreatment occurred of  
323.7 the identity of the substantiated perpetrator and the victim.

323.8 (7) Notwithstanding clause (1), for child foster care, only the name of the license  
323.9 holder and the status of the license are public if the county attorney has requested that data  
323.10 otherwise classified as public data under clause (1) be considered private data based on the  
323.11 best interests of a child in placement in a licensed program.

323.12 (c) The following are private data on individuals under section 13.02, subdivision  
323.13 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial  
323.14 data on family day care program and family foster care program applicants and licensees  
323.15 and their family members who provide services under the license.

323.16 (d) The following are private data on individuals: the identity of persons who have  
323.17 made reports concerning licensees or applicants that appear in inactive investigative data,  
323.18 and the records of clients or employees of the licensee or applicant for licensure whose  
323.19 records are received by the licensing agency for purposes of review or in anticipation of a  
323.20 contested matter. The names of reporters of complaints or alleged violations of licensing  
323.21 standards under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged  
323.22 maltreatment under sections 626.556 and 626.557, are confidential data and may be  
323.23 disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

323.24 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under  
323.25 this subdivision become public data if submitted to a court or administrative law judge as  
323.26 part of a disciplinary proceeding in which there is a public hearing concerning a license  
323.27 which has been suspended, immediately suspended, revoked, or denied.

323.28 (f) Data generated in the course of licensing investigations that relate to an alleged  
323.29 violation of law are investigative data under subdivision 3.

323.30 (g) Data that are not public data collected, maintained, used, or disseminated under  
323.31 this subdivision that relate to or are derived from a report as defined in section 626.556,  
323.32 subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of  
323.33 sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

323.34 (h) Upon request, not public data collected, maintained, used, or disseminated under  
323.35 this subdivision that relate to or are derived from a report of substantiated maltreatment as  
323.36 defined in section 626.556 or 626.557 may be exchanged with the Department of Health

for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 245A and 245C, data on individuals collected by the commissioner of human services according to investigations under chapters 245A, 245B, ~~and 245C~~, and 245D, and sections 626.556 and 626.557 may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under section 626.556, subdivision 10f, if the commissioner or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

Sec. 2. Minnesota Statutes 2012, section 144.0724, as amended by Laws 2014, chapter 147, section 1, is amended to read:

**144.0724 RESIDENT REIMBURSEMENT CLASSIFICATION.**

325.1 Subdivision 1. **Resident reimbursement case mix classifications.** The  
325.2 commissioner of health shall establish resident reimbursement classifications based upon  
325.3 the assessments of residents of nursing homes and boarding care homes conducted under  
325.4 this section and according to section 256B.438.

325.5 Subd. 2. **Definitions.** For purposes of this section, the following terms have the  
325.6 meanings given.

325.7 (a) "Assessment reference date" or "ARD" means the specific end point for  
325.8 look-back periods in the MDS assessment process. This look-back period is also called  
325.9 the observation or assessment period.

325.10 (b) "Case mix index" means the weighting factors assigned to the RUG-IV  
325.11 classifications.

325.12 (c) "Index maximization" means classifying a resident who could be assigned to  
325.13 more than one category, to the category with the highest case mix index.

325.14 (d) "Minimum data set" or "MDS" means a core set of screening, clinical assessment,  
325.15 and functional status elements, that include common definitions and coding categories  
325.16 specified by the Centers for Medicare and Medicaid Services and designated by the  
325.17 Minnesota Department of Health.

325.18 (e) "Representative" means a person who is the resident's guardian or conservator,  
325.19 the person authorized to pay the nursing home expenses of the resident, a representative of  
325.20 the Office of Ombudsman for Long-Term Care whose assistance has been requested, or  
325.21 any other individual designated by the resident.

325.22 (f) "Resource utilization groups" or "RUG" means the system for grouping a nursing  
325.23 facility's residents according to their clinical and functional status identified in data  
325.24 supplied by the facility's minimum data set.

325.25 (g) "Activities of daily living" means grooming, dressing, bathing, transferring,  
325.26 mobility, positioning, eating, and toileting.

325.27 (h) "Nursing facility level of care determination" means the assessment process  
325.28 that results in a determination of a resident's or prospective resident's need for nursing  
325.29 facility level of care as established in subdivision 11 for purposes of medical assistance  
325.30 payment of long-term care services for:

325.31 (1) nursing facility services under section 256B.434 or 256B.441;

325.32 (2) elderly waiver services under section 256B.0915;

325.33 (3) CADI and BI waiver services under section 256B.49; and

325.34 (4) state payment of alternative care services under section 256B.0913.

325.35 Subd. 3a. **Resident reimbursement classifications beginning January 1, 2012.**

325.36 (a) Beginning January 1, 2012, resident reimbursement classifications shall be based

326.1 on the minimum data set, version 3.0 assessment instrument, or its successor version  
326.2 mandated by the Centers for Medicare and Medicaid Services that nursing facilities are  
326.3 required to complete for all residents. The commissioner of health shall establish resident  
326.4 classifications according to the RUG-IV, 48 group, resource utilization groups. Resident  
326.5 classification must be established based on the individual items on the minimum data set,  
326.6 which must be completed according to the Long Term Care Facility Resident Assessment  
326.7 Instrument User's Manual Version 3.0 or its successor issued by the Centers for Medicare  
326.8 and Medicaid Services.

326.9 (b) Each resident must be classified based on the information from the minimum  
326.10 data set according to general categories as defined in the Case Mix Classification Manual  
326.11 for Nursing Facilities issued by the Minnesota Department of Health.

326.12 Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and  
326.13 electronically submit to the commissioner of health MDS assessments that conform with  
326.14 the assessment schedule defined by Code of Federal Regulations, title 42, section 483.20,  
326.15 and published by the United States Department of Health and Human Services, Centers for  
326.16 Medicare and Medicaid Services, in the Long Term Care Assessment Instrument User's  
326.17 Manual, version 3.0, and subsequent updates when issued by the Centers for Medicare  
326.18 and Medicaid Services. The commissioner of health may substitute successor manuals or  
326.19 question and answer documents published by the United States Department of Health and  
326.20 Human Services, Centers for Medicare and Medicaid Services, to replace or supplement  
326.21 the current version of the manual or document.

326.22 (b) The assessments used to determine a case mix classification for reimbursement  
326.23 include the following:

326.24 (1) a new admission assessment;

326.25 (2) an annual assessment which must have an assessment reference date (ARD)  
326.26 within 92 days of the previous assessment and within 366 days of the ARD of the previous  
326.27 comprehensive assessment;

326.28 (3) a significant change in status assessment must be completed within 14 days of  
326.29 the identification of a significant change;

326.30 (4) all quarterly assessments must have an assessment reference date (ARD) within  
326.31 92 days of the ARD of the previous assessment;

326.32 (5) any significant correction to a prior comprehensive assessment, if the assessment  
326.33 being corrected is the current one being used for RUG classification; and

326.34 (6) any significant correction to a prior quarterly assessment, if the assessment being  
326.35 corrected is the current one being used for RUG classification.

327.1 (c) In addition to the assessments listed in paragraph (b), the assessments used to  
327.2 determine nursing facility level of care include the following:

327.3 (1) preadmission screening completed under section 256B.0911, subdivision 4a,  
327.4 by a county, tribe, or managed care organization under contract with the Department  
327.5 of Human Services; and

327.6 (2) a face-to-face long-term care consultation assessment completed under section  
327.7 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization  
327.8 under contract with the Department of Human Services.

327.9 Subd. 5. **Short stays.** (a) A facility must submit to the commissioner of health an  
327.10 admission assessment for all residents who stay in the facility 14 days or less.

327.11 (b) Notwithstanding the admission assessment requirements of paragraph (a), a  
327.12 facility may elect to accept a short stay rate with a case mix index of 1.0 for all facility  
327.13 residents who stay 14 days or less in lieu of submitting an admission assessment. Facilities  
327.14 shall make this election annually.

327.15 (c) Nursing facilities must elect one of the options described in paragraphs (a) and  
327.16 (b) by reporting to the commissioner of health, as prescribed by the commissioner. The  
327.17 election is effective on July 1 each year.

327.18 Subd. 6. **Penalties for late or nonsubmission.** (a) A facility that fails to complete  
327.19 or submit an assessment according to subdivisions 4 and 5 for a RUG-IV classification  
327.20 within seven days of the time requirements listed in the Long-Term Care Facility Resident  
327.21 Assessment Instrument User's Manual is subject to a reduced rate for that resident. The  
327.22 reduced rate shall be the lowest rate for that facility. The reduced rate is effective on the  
327.23 day of admission for new admission assessments, on the ARD for significant change in  
327.24 status assessments, or on the day that the assessment was due for all other assessments and  
327.25 continues in effect until the first day of the month following the date of submission and  
327.26 acceptance of the resident's assessment.

327.27 (b) If loss of revenue due to penalties incurred by a facility for any period of 92 days  
327.28 are equal to or greater than 1.0 percent of the total operating costs on the facility's most  
327.29 recent annual statistical and cost report, a facility may apply to the commissioner of  
327.30 human services for a reduction in the total penalty amount. The commissioner of human  
327.31 services, in consultation with the commissioner of health, may, at the sole discretion of  
327.32 the commissioner of human services, limit the penalty for residents covered by medical  
327.33 assistance to 15 days.

327.34 Subd. 7. **Notice of resident reimbursement classification.** (a) The commissioner  
327.35 of health shall provide to a nursing facility a notice for each resident of the reimbursement  
327.36 classification established under subdivision 1. The notice must inform the resident of the

classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification and the address and telephone number of the Office of Ombudsman for Long-Term Care. The commissioner must transmit the notice of resident classification by electronic means to the nursing facility. A nursing facility is responsible for the distribution of the notice to each resident, to the person responsible for the payment of the resident's nursing home expenses, or to another person designated by the resident. This notice must be distributed within three working days after the facility's receipt of the electronic file of notice of case mix classifications from the commissioner of health.

(b) If a facility submits a modification to the most recent assessment used to establish a case mix classification conducted under subdivision 3 that results in a change in case mix classification, the facility shall give written notice to the resident or the resident's representative about the item that was modified and the reason for the modification. The notice of modified assessment may be provided at the same time that the resident or resident's representative is provided the resident's modified notice of classification.

**Subd. 8. Request for reconsideration of resident classifications.** (a) The resident, or resident's representative, or the nursing facility or boarding care home may request that the commissioner of health reconsider the assigned reimbursement classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days of the day the resident or the resident's representative receives the resident classification notice. The request for reconsideration must include the name of the resident, the name and address of the facility in which the resident resides, the reasons for the reconsideration, and documentation supporting the request. The documentation accompanying the reconsideration request is limited to a copy of the MDS that determined the classification and other documents that would support or change the MDS findings.

(b) Upon request, the nursing facility must give the resident or the resident's representative a copy of the assessment form and the other documentation that was given to the commissioner of health to support the assessment findings. The nursing facility shall also provide access to and a copy of other information from the resident's record that has been requested by or on behalf of the resident to support a resident's reconsideration request. A copy of any requested material must be provided within three working days of receipt of a written request for the information. Notwithstanding any law to the contrary, the facility may not charge a fee for providing copies of the requested documentation. If a facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10.



329.1 Notwithstanding those sections, any correction order issued under this subdivision must  
329.2 require that the nursing facility immediately comply with the request for information and  
329.3 that as of the date of the issuance of the correction order, the facility shall forfeit to the  
329.4 state a \$100 fine for the first day of noncompliance, and an increase in the \$100 fine by  
329.5 \$50 increments for each day the noncompliance continues.

329.6 (c) In addition to the information required under paragraphs (a) and (b), a  
329.7 reconsideration request from a nursing facility must contain the following information: (i)  
329.8 the date the reimbursement classification notices were received by the facility; (ii) the date  
329.9 the classification notices were distributed to the resident or the resident's representative;  
329.10 and (iii) a copy of a notice sent to the resident or to the resident's representative. This  
329.11 notice must inform the resident or the resident's representative that a reconsideration  
329.12 of the resident's classification is being requested, the reason for the request, that the  
329.13 resident's rate will change if the request is approved by the commissioner, the extent of the  
329.14 change, that copies of the facility's request and supporting documentation are available  
329.15 for review, and that the resident also has the right to request a reconsideration. If the  
329.16 facility fails to provide the required information listed in item (iii) with the reconsideration  
329.17 request, the commissioner may request that the facility provide the information within 14  
329.18 calendar days. The reconsideration request must be denied if the information is then not  
329.19 provided, and the facility may not make further reconsideration requests on that specific  
329.20 reimbursement classification.

329.21 (d) Reconsideration by the commissioner must be made by individuals not  
329.22 involved in reviewing the assessment, audit, or reconsideration that established the  
329.23 disputed classification. The reconsideration must be based upon the assessment that  
329.24 determined the classification and upon the information provided to the commissioner  
329.25 under paragraphs (a) and (b). If necessary for evaluating the reconsideration request, the  
329.26 commissioner may conduct on-site reviews. Within 15 working days of receiving the  
329.27 request for reconsideration, the commissioner shall affirm or modify the original resident  
329.28 classification. The original classification must be modified if the commissioner determines  
329.29 that the assessment resulting in the classification did not accurately reflect characteristics  
329.30 of the resident at the time of the assessment. The resident and the nursing facility or  
329.31 boarding care home shall be notified within five working days after the decision is made.  
329.32 A decision by the commissioner under this subdivision is the final administrative decision  
329.33 of the agency for the party requesting reconsideration.

329.34 (e) The resident classification established by the commissioner shall be the  
329.35 classification that applies to the resident while the request for reconsideration is pending.  
329.36 If a request for reconsideration applies to an assessment used to determine nursing facility

330.1 level of care under subdivision 4, paragraph (c), the resident shall continue to be eligible  
330.2 for nursing facility level of care while the request for reconsideration is pending.

330.3 (f) The commissioner may request additional documentation regarding a  
330.4 reconsideration necessary to make an accurate reconsideration determination.

330.5 Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident  
330.6 assessments performed under section 256B.438 through any of the following: desk  
330.7 audits; on-site review of residents and their records; and interviews with staff, residents,  
330.8 or residents' families. The commissioner shall reclassify a resident if the commissioner  
330.9 determines that the resident was incorrectly classified.

330.10 (b) The commissioner is authorized to conduct on-site audits on an unannounced  
330.11 basis.

330.12 (c) A facility must grant the commissioner access to examine the medical records  
330.13 relating to the resident assessments selected for audit under this subdivision. The  
330.14 commissioner may also observe and speak to facility staff and residents.

330.15 (d) The commissioner shall consider documentation under the time frames for  
330.16 coding items on the minimum data set as set out in the Long-Term Care Facility Resident  
330.17 Assessment Instrument User's Manual published by the Centers for Medicare and  
330.18 Medicaid Services.

330.19 (e) The commissioner shall develop an audit selection procedure that includes the  
330.20 following factors:

330.21 (1) Each facility shall be audited annually. If a facility has two successive audits in  
330.22 which the percentage of change is five percent or less and the facility has not been the  
330.23 subject of a special audit in the past 36 months, the facility may be audited biannually.  
330.24 A stratified sample of 15 percent, with a minimum of ten assessments, of the most  
330.25 current assessments shall be selected for audit. If more than 20 percent of the RUG-IV  
330.26 classifications are changed as a result of the audit, the audit shall be expanded to a second  
330.27 15 percent sample, with a minimum of ten assessments. If the total change between  
330.28 the first and second samples is 35 percent or greater, the commissioner may expand the  
330.29 audit to all of the remaining assessments.

330.30 (2) If a facility qualifies for an expanded audit, the commissioner may audit the  
330.31 facility again within six months. If a facility has two expanded audits within a 24-month  
330.32 period, that facility will be audited at least every six months for the next 18 months.

330.33 (3) The commissioner may conduct special audits if the commissioner determines  
330.34 that circumstances exist that could alter or affect the validity of case mix classifications of  
330.35 residents. These circumstances include, but are not limited to, the following:

330.36 (i) frequent changes in the administration or management of the facility;

- 331.1 (ii) an unusually high percentage of residents in a specific case mix classification;  
331.2 (iii) a high frequency in the number of reconsideration requests received from  
331.3 a facility;  
331.4 (iv) frequent adjustments of case mix classifications as the result of reconsiderations  
331.5 or audits;  
331.6 (v) a criminal indictment alleging provider fraud;  
331.7 (vi) other similar factors that relate to a facility's ability to conduct accurate  
331.8 assessments;  
331.9 (vii) an atypical pattern of scoring minimum data set items;  
331.10 (viii) nonsubmission of assessments;  
331.11 (ix) late submission of assessments; or  
331.12 (x) a previous history of audit changes of 35 percent or greater.
- 331.13 (f) Within 15 working days of completing the audit process, the commissioner shall  
331.14 make available electronically the results of the audit to the facility. If the results of the  
331.15 audit reflect a change in the resident's case mix classification, a case mix classification  
331.16 notice will be made available electronically to the facility, using the procedure in  
331.17 subdivision 7, paragraph (a). The notice must contain the resident's classification and a  
331.18 statement informing the resident, the resident's authorized representative, and the facility  
331.19 of their right to review the commissioner's documents supporting the classification and to  
331.20 request a reconsideration of the classification. This notice must also include the address  
331.21 and telephone number of the Office of Ombudsman for Long-Term Care.
- 331.22 Subd. 10. **Transition.** After implementation of this section, reconsiderations  
331.23 requested for classifications made under section 144.0722, subdivision 1, shall be  
331.24 determined under section 144.0722, subdivision 3.
- 331.25 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance  
331.26 payment of long-term care services, a recipient must be determined, using assessments  
331.27 defined in subdivision 4, to meet one of the following nursing facility level of care criteria:
- 331.28 (1) the person requires formal clinical monitoring at least once per day;  
331.29 (2) the person needs the assistance of another person or constant supervision to begin  
331.30 and complete at least four of the following activities of living: bathing, bed mobility,  
331.31 dressing, eating, grooming, toileting, transferring, and walking;  
331.32 (3) the person needs the assistance of another person or constant supervision to begin  
331.33 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;  
331.34 (4) the person has significant difficulty with memory, using information, daily  
331.35 decision making, or behavioral needs that require intervention;  
331.36 (5) the person has had a qualifying nursing facility stay of at least 90 days;

332.1 (6) the person meets the nursing facility level of care criteria determined 90 days  
332.2 after admission or on the first quarterly assessment after admission, whichever is later; or

332.3 (7) the person is determined to be at risk for nursing facility admission or  
332.4 readmission through a face-to-face long-term care consultation assessment as specified  
332.5 in section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care  
332.6 organization under contract with the Department of Human Services. The person is  
332.7 considered at risk under this clause if the person currently lives alone or will live alone  
332.8 ~~upon discharge or be homeless without the person's current housing type~~ and also meets  
332.9 one of the following criteria:

332.10 (i) the person has experienced a fall resulting in a fracture;

332.11 (ii) the person has been determined to be at risk of maltreatment or neglect,  
332.12 including self-neglect; or

332.13 (iii) the person has a sensory impairment that substantially impacts functional ability  
332.14 and maintenance of a community residence.

332.15 (b) The assessment used to establish medical assistance payment for nursing facility  
332.16 services must be the most recent assessment performed under subdivision 4, paragraph  
332.17 (b), that occurred no more than 90 calendar days before the effective date of medical  
332.18 assistance eligibility for payment of long-term care services. In no case shall medical  
332.19 assistance payment for long-term care services occur prior to the date of the determination  
332.20 of nursing facility level of care.

332.21 (c) The assessment used to establish medical assistance payment for long-term care  
332.22 services provided under sections 256B.0915 and 256B.49 and alternative care payment  
332.23 for services provided under section 256B.0913 must be the most recent face-to-face  
332.24 assessment performed under section 256B.0911, subdivision 3a, 3b, or 4d, that occurred  
332.25 no more than 60 calendar days before the effective date of medical assistance eligibility  
332.26 for payment of long-term care services.

332.27 Subd. 12. **Appeal of nursing facility level of care determination.** (a) A resident or  
332.28 prospective resident whose level of care determination results in a denial of long-term care  
332.29 services can appeal the determination as outlined in section 256B.0911, subdivision 3a,  
332.30 paragraph (h), clause (9).

332.31 (b) The commissioner of human services shall ensure that notice of changes in  
332.32 eligibility due to a nursing facility level of care determination is provided to each affected  
332.33 recipient or the recipient's guardian at least 30 days before the effective date of the change.  
332.34 The notice shall include the following information:

332.35 (1) how to obtain further information on the changes;

332.36 (2) how to receive assistance in obtaining other services;

333.1 (3) a list of community resources; and

333.2 (4) appeal rights.

333.3 A recipient who meets the criteria in section 256B.0922, subdivision 2, paragraph (a),  
333.4 clauses (1) and (2), may request continued services pending appeal within the time period  
333.5 allowed to request an appeal under section 256.045, subdivision 3, paragraph (h). This  
333.6 paragraph is in effect for appeals filed between January 1, 2015, and December 31, 2016.

333.7 **EFFECTIVE DATE.** This section is effective January 1, 2015.

333.8 Sec. 3. Minnesota Statutes 2013 Supplement, section 245.8251, is amended to read:

333.9 **245.8251 POSITIVE SUPPORT STRATEGIES AND EMERGENCY**  
333.10 **MANUAL RESTRAINT; LICENSED FACILITIES AND PROGRAMS.**

333.11 Subdivision 1. **Rules governing the use of positive support strategies and**  
333.12 **restricting or prohibiting restrictive interventions.** The commissioner of human  
333.13 services shall, ~~within 24 months of May 23, 2013~~ by August 31, 2015, adopt rules  
333.14 governing the use of positive support strategies, ~~safety interventions, and emergency use~~  
333.15 of manual restraint, and restricting or prohibiting the use of restrictive interventions, in  
333.16 all facilities and services licensed under chapter 245D-, and in all licensed facilities and  
333.17 licensed services serving persons with a developmental disability or related condition.  
333.18 For the purposes of this section, "developmental disability or related condition" has the  
333.19 meaning given in Minnesota Rules, part 9525.0016, subpart 2, items A to E.

333.20 Subd. 2. **Data collection.** (a) The commissioner shall, with stakeholder input,  
333.21 ~~develop~~ identify data ~~collection~~ elements specific to incidents of emergency use of  
333.22 manual restraint and positive support transition plans for persons receiving services from  
333.23 ~~providers governed~~ licensed facilities and licensed services under chapter 245D and in  
333.24 licensed facilities and licensed services serving persons with a developmental disability  
333.25 or related condition as defined in Minnesota Rules, part 9525.0016, subpart 2, effective  
333.26 January 1, 2014. Providers Licensed facilities and licensed services shall report the data in  
333.27 a format and at a frequency determined by the commissioner of human services. Providers  
333.28 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental  
333.29 Health and Developmental Disabilities.

333.30 (b) Beginning July 1, 2013, ~~providers~~ licensed facilities and licensed services  
333.31 regulated under Minnesota Rules, parts 9525.2700 to 9525.2810, shall submit data  
333.32 regarding the use of all controlled procedures identified in Minnesota Rules, part  
333.33 9525.2740, in a format and at a frequency determined by the commissioner. Providers

334.1 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental  
334.2 Health and Developmental Disabilities.

334.3 Subd. 3. **External program review committee.** Rules adopted according to this  
334.4 section shall establish requirements for an external program review committee appointed  
334.5 by the commissioner to monitor implementation of the rules and make recommendations  
334.6 to the commissioner about any needed policy changes after adoption of the rules.

334.7 Subd. 4. **Interim review panel.** (a) The commissioner shall establish an interim  
334.8 review panel by August 15, 2014, for the purpose of reviewing requests for emergency  
334.9 use of procedures that have been part of an approved positive support transition plan  
334.10 when necessary to protect a person from imminent risk of serious injury as defined in  
334.11 section 245.91, subdivision 6, due to self-injurious behavior. The panel must make  
334.12 recommendations to the commissioner to approve or deny these requests based on criteria  
334.13 to be established by the interim review panel. The interim review panel shall operate until  
334.14 the external program review committee is established as required under subdivision 3.

334.15 (b) Members of the interim review panel shall be selected based on their expertise  
334.16 and knowledge related to the use of positive support strategies as alternatives to the use  
334.17 of restrictive interventions. The commissioner shall seek input and recommendations in  
334.18 establishing the interim review panel. Members of the interim review panel shall include  
334.19 the following representatives:

- 334.20 (1) an expert in positive supports;  
334.21 (2) a mental health professional, as defined in section 245.462;  
334.22 (3) a licensed health professional as defined in section 245D.02, subdivision 14; and  
334.23 (4) a representative of the Department of Health.

334.24 Sec. 4. Minnesota Statutes 2013 Supplement, section 245A.03, subdivision 7, is  
334.25 amended to read:

334.26 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial  
334.27 license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340,  
334.28 or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under  
334.29 this chapter for a physical location that will not be the primary residence of the license  
334.30 holder for the entire period of licensure. If a license is issued during this moratorium, and  
334.31 the license holder changes the license holder's primary residence away from the physical  
334.32 location of the foster care license, the commissioner shall revoke the license according  
334.33 to section 245A.07. The commissioner shall not issue an initial license for a community  
334.34 residential setting licensed under chapter 245D. Exceptions to the moratorium include:

- 334.35 (1) foster care settings that are required to be registered under chapter 144D;

335.1 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or  
335.2 community residential setting licenses replacing adult foster care licenses in existence on  
335.3 December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

335.4 (3) new foster care licenses or community residential setting licenses determined to  
335.5 be needed by the commissioner under paragraph (b) for the closure of a nursing facility,  
335.6 ICF/DD, or regional treatment center; restructuring of state-operated services that limits  
335.7 the capacity of state-operated facilities; or allowing movement to the community for  
335.8 people who no longer require the level of care provided in state-operated facilities as  
335.9 provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

335.10 (4) new foster care licenses or community residential setting licenses determined  
335.11 to be needed by the commissioner under paragraph (b) for persons requiring hospital  
335.12 level care; or

335.13 (5) new foster care licenses or community residential setting licenses determined to  
335.14 be needed by the commissioner for the transition of people from personal care assistance  
335.15 to the home and community-based services.

335.16 (b) The commissioner shall determine the need for newly licensed foster care  
335.17 homes or community residential settings as defined under this subdivision. As part of the  
335.18 determination, the commissioner shall consider the availability of foster care capacity in  
335.19 the area in which the licensee seeks to operate, and the recommendation of the local  
335.20 county board. The determination by the commissioner must be final. A determination of  
335.21 need is not required for a change in ownership at the same address.

335.22 (c) When an adult resident served by the program moves out of a foster home  
335.23 that is not the primary residence of the license holder according to section 256B.49,  
335.24 subdivision 15, paragraph (f), or the adult community residential setting, the county  
335.25 shall immediately inform the Department of Human Services Licensing Division. The  
335.26 department shall decrease the statewide licensed capacity for adult foster care settings  
335.27 where the physical location is not the primary residence of the license holder, or for adult  
335.28 community residential settings, if the voluntary changes described in paragraph (e) are  
335.29 not sufficient to meet the savings required by reductions in licensed bed capacity under  
335.30 Laws 2011, First Special Session chapter 9, article 7, sections 1 and 40, paragraph (f),  
335.31 and maintain statewide long-term care residential services capacity within budgetary  
335.32 limits. Implementation of the statewide licensed capacity reduction shall begin on July  
335.33 1, 2013. The commissioner shall delicense up to 128 beds by June 30, 2014, using the  
335.34 needs determination process. Prior to any involuntary reduction of licensed capacity, the  
335.35 commissioner shall consult with lead agencies and license holders to determine which  
335.36 adult foster care settings where the physical location is not the primary residence of the

336.1 license holder, or community residential settings, are licensed for up to five beds but have  
336.2 operated at less than full capacity for 12 or more months as of March 1, 2014. The settings  
336.3 that meet these criteria shall be the first to be considered for any involuntary decrease  
336.4 in statewide licensed capacity, up to a maximum of 35 beds. If more than 35 beds are  
336.5 identified that meet these criteria, the commissioner shall prioritize the selection of those  
336.6 beds to be closed based on the length of time the beds have been vacant. The longer a bed  
336.7 has been vacant, the higher priority it must be given for closure. Under this paragraph,  
336.8 the commissioner has the authority to reduce unused licensed capacity of a current foster  
336.9 care program, or the community residential settings, to accomplish the consolidation or  
336.10 closure of settings. Under this paragraph, the commissioner has the authority to manage  
336.11 statewide capacity, including adjusting the capacity available to each county and adjusting  
336.12 statewide available capacity, to meet the statewide needs identified through the process in  
336.13 paragraph (e). A decreased licensed capacity according to this paragraph is not subject to  
336.14 appeal under this chapter.

336.15 (d) Residential settings that would otherwise be subject to the decreased license  
336.16 capacity established in paragraph (c) shall be exempt under the following circumstances:

336.17 (1) until August 1, 2013, the license holder's beds occupied by residents whose  
336.18 primary diagnosis is mental illness and the license holder is:

336.19 (i) a provider of assertive community treatment (ACT) or adult rehabilitative mental  
336.20 health services (ARMHS) as defined in section 256B.0623;

336.21 (ii) a mental health center certified under Minnesota Rules, parts 9520.0750 to  
336.22 9520.0870;

336.23 (iii) a mental health clinic certified under Minnesota Rules, parts 9520.0750 to  
336.24 9520.0870; or

336.25 (iv) a provider of intensive residential treatment services (IRTS) licensed under  
336.26 Minnesota Rules, parts 9520.0500 to 9520.0670; or

336.27 (2) the license holder's beds occupied by residents whose primary diagnosis is  
336.28 mental illness and the license holder is certified under the requirements in subdivision 6a  
336.29 or section 245D.33.

336.30 (e) A resource need determination process, managed at the state level, using the  
336.31 available reports required by section 144A.351, and other data and information shall  
336.32 be used to determine where the reduced capacity required under paragraph (c) will be  
336.33 implemented. The commissioner shall consult with the stakeholders described in section  
336.34 144A.351, and employ a variety of methods to improve the state's capacity to meet  
336.35 long-term care service needs within budgetary limits, including seeking proposals from  
336.36 service providers or lead agencies to change service type, capacity, or location to improve



337.1 services, increase the independence of residents, and better meet needs identified by the  
337.2 long-term care services reports and statewide data and information. By February 1, 2013,  
337.3 and August 1, 2014, and each following year, the commissioner shall provide information  
337.4 and data on the overall capacity of licensed long-term care services, actions taken under  
337.5 this subdivision to manage statewide long-term care services and supports resources, and  
337.6 any recommendations for change to the legislative committees with jurisdiction over  
337.7 health and human services budget.

337.8 (f) At the time of application and reapplication for licensure, the applicant and the  
337.9 license holder that are subject to the moratorium or an exclusion established in paragraph  
337.10 (a) are required to inform the commissioner whether the physical location where the foster  
337.11 care will be provided is or will be the primary residence of the license holder for the entire  
337.12 period of licensure. If the primary residence of the applicant or license holder changes, the  
337.13 applicant or license holder must notify the commissioner immediately. The commissioner  
337.14 shall print on the foster care license certificate whether or not the physical location is the  
337.15 primary residence of the license holder.

337.16 (g) License holders of foster care homes identified under paragraph (f) that are not  
337.17 the primary residence of the license holder and that also provide services in the foster care  
337.18 home that are covered by a federally approved home and community-based services  
337.19 waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the  
337.20 human services licensing division that the license holder provides or intends to provide  
337.21 these waiver-funded services.

337.22 Sec. 5. Minnesota Statutes 2013 Supplement, section 245A.042, subdivision 3, is  
337.23 amended to read:

337.24 Subd. 3. **Implementation.** (a) The commissioner shall implement the  
337.25 responsibilities of this chapter according to the timelines in paragraphs (b) and (c)  
337.26 only within the limits of available appropriations or other administrative cost recovery  
337.27 methodology.

337.28 (b) The licensure of home and community-based services according to this section  
337.29 shall be implemented January 1, 2014. License applications shall be received and  
337.30 processed on a phased-in schedule as determined by the commissioner beginning July  
337.31 1, 2013. Licenses will be issued thereafter upon the commissioner's determination that  
337.32 the application is complete according to section 245A.04.

337.33 (c) Within the limits of available appropriations or other administrative cost recovery  
337.34 methodology, implementation of compliance monitoring must be phased in after January  
337.35 1, 2014.

(1) Applicants who do not currently hold a license issued under chapter 245B must receive an initial compliance monitoring visit after 12 months of the effective date of the initial license for the purpose of providing technical assistance on how to achieve and maintain compliance with the applicable law or rules governing the provision of home and community-based services under chapter 245D. If during the review the commissioner finds that the license holder has failed to achieve compliance with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a licensing review report with recommendations for achieving and maintaining compliance.

(2) Applicants who do currently hold a license issued under this chapter must receive a compliance monitoring visit after 24 months of the effective date of the initial license.

(d) Nothing in this subdivision shall be construed to limit the commissioner's authority to suspend or revoke a license or issue a fine at any time under section 245A.07, or issue correction orders and make a license conditional for failure to comply with applicable laws or rules under section 245A.06, based on the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(e) License holders governed under chapter 245D must ensure compliance with the following requirements within the stated timelines:

(1) service initiation and service planning requirements must be met at the next annual meeting of the person's support team or by January 1, 2015, whichever is later, for the following:

(i) provision of a written notice that identifies the service recipient rights and an explanation of those rights as required under section 245D.04, subdivision 1;

(ii) service planning for basic support services as required under section 245D.07, subdivision 2; and

(iii) service planning for intensive support services under section 245D.071, subdivisions 3 and 4;

(2) staff orientation to program requirements as required under section 245D.09, subdivision 4, for staff hired before January 1, 2014, must be met by January 1, 2015.

The license holder may otherwise provide documentation verifying these requirements were met before January 1, 2014;

(3) development of policy and procedures as required under section 245D.11, must be completed no later than August 31, 2014;

(4) written or electronic notice and copies of policies and procedures must be provided to all persons or their legal representatives and case managers as required under

339.1 section 245D.10, subdivision 4, paragraphs (b) and (c), by September 15, 2014, or within  
339.2 30 days of development of the required policies and procedures, whichever is earlier; and  
339.3 (5) all employees must be informed of the revisions and training must be provided on  
339.4 implementation of the revised policies and procedures as required under section 245D.10,  
339.5 subdivision 4, paragraph (d), by September 15, 2014, or within 30 days of development of  
339.6 the required policies and procedures, whichever is earlier.

339.7 Sec. 6. Minnesota Statutes 2013 Supplement, section 245A.16, subdivision 1, is  
339.8 amended to read:

339.9 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and  
339.10 private agencies that have been designated or licensed by the commissioner to perform  
339.11 licensing functions and activities under section 245A.04 and background studies for family  
339.12 child care under chapter 245C; to recommend denial of applicants under section 245A.05;  
339.13 to issue correction orders, to issue variances, and recommend a conditional license under  
339.14 section 245A.06, or to recommend suspending or revoking a license or issuing a fine under  
339.15 section 245A.07, shall comply with rules and directives of the commissioner governing  
339.16 those functions and with this section. The following variances are excluded from the  
339.17 delegation of variance authority and may be issued only by the commissioner:

339.18 (1) dual licensure of family child care and child foster care, dual licensure of child  
339.19 and adult foster care, and adult foster care and family child care;

339.20 (2) adult foster care maximum capacity;

339.21 (3) adult foster care minimum age requirement;

339.22 (4) child foster care maximum age requirement;

339.23 (5) variances regarding disqualified individuals except that county agencies may  
339.24 issue variances under section 245C.30 regarding disqualified individuals when the county  
339.25 is responsible for conducting a consolidated reconsideration according to sections 245C.25  
339.26 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination  
339.27 and a disqualification based on serious or recurring maltreatment;

339.28 (6) the required presence of a caregiver in the adult foster care residence during  
339.29 normal sleeping hours; and

339.30 (7) variances for community residential setting licenses under chapter 245D.

339.31 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency  
339.32 must not grant a license holder a variance to exceed the maximum allowable family child  
339.33 care license capacity of 14 children.

339.34 (b) County agencies must report information about disqualification reconsiderations  
339.35 under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances

340.1 granted under paragraph (a), clause (5), to the commissioner at least monthly in a format  
340.2 prescribed by the commissioner.

340.3 (c) For family day care programs, the commissioner may authorize licensing reviews  
340.4 every two years after a licensee has had at least one annual review.

340.5 (d) For family adult day services programs, the commissioner may authorize  
340.6 licensing reviews every two years after a licensee has had at least one annual review.

340.7 (e) A license issued under this section may be issued for up to two years.

340.8 (f) During implementation of chapter 245D, the commissioner shall consider:

340.9 (1) the role of counties in quality assurance;

340.10 (2) the duties of county licensing staff; and

340.11 (3) the possible use of joint powers agreements, according to section 471.59, with  
340.12 counties through which some licensing duties under chapter 245D may be delegated by  
340.13 the commissioner to the counties.

340.14 Any consideration related to this paragraph must meet all of the requirements of the  
340.15 corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

340.16 (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or  
340.17 successor provisions; and section 245D.061 or successor provisions, for family child  
340.18 foster care programs providing out-of-home respite, as identified in section 245D.03,  
340.19 subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority  
340.20 to county and private agencies.

340.21 Sec. 7. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 3, is  
340.22 amended to read:

340.23 Subd. 3. **Case manager.** "Case manager" means the individual designated  
340.24 to provide waiver case management services, care coordination, or long-term care  
340.25 consultation, as specified in sections 256B.0913, 256B.0915, 256B.092, and 256B.49,  
340.26 or successor provisions. For purposes of this chapter, "case manager" includes case  
340.27 management services as defined in Minnesota Rules, part 9520.0902, subpart 3.

340.28 Sec. 8. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 4b, is  
340.29 amended to read:

340.30 Subd. 4b. **Coordinated service and support plan.** "Coordinated service and  
340.31 support plan" has the meaning given in sections 256B.0913, subdivision 8; 256B.0915,  
340.32 subdivision 6; 256B.092, subdivision 1b; and 256B.49, subdivision 15, or successor  
340.33 provisions. For purposes of this chapter, "coordinated service and support plan" includes

341.1 the individual program plan or individual treatment plan as defined in Minnesota Rules,  
341.2 part 9520.0510, subpart 12.

341.3 Sec. 9. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 8b, is  
341.4 amended to read:

341.5 Subd. 8b. **Expanded support team.** "Expanded support team" means the members  
341.6 of the support team defined in subdivision ~~46~~ 34 and a licensed health or mental health  
341.7 professional or other licensed, certified, or qualified professionals or consultants working  
341.8 with the person and included in the team at the request of the person or the person's legal  
341.9 representative.

341.10 Sec. 10. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 11,  
341.11 is amended to read:

341.12 Subd. 11. **Incident.** "Incident" means an occurrence which involves a person and  
341.13 requires the program to make a response that is not a part of the program's ordinary  
341.14 provision of services to that person, and includes:

341.15 (1) serious injury of a person as determined by section 245.91, subdivision 6;

341.16 (2) a person's death;

341.17 (3) any medical emergency, unexpected serious illness, or significant unexpected  
341.18 change in an illness or medical condition of a person that requires the program to call  
341.19 911, physician treatment, or hospitalization;

341.20 (4) any mental health crisis that requires the program to call 911 ~~or~~ a mental  
341.21 health crisis intervention team, or a similar mental health response team or service when  
341.22 available and appropriate;

341.23 (5) an act or situation involving a person that requires the program to call 911,  
341.24 law enforcement, or the fire department;

341.25 (6) a person's unauthorized or unexplained absence from a program;

341.26 (7) conduct by a person receiving services against another person receiving services  
341.27 that:

341.28 (i) is so severe, pervasive, or objectively offensive that it substantially interferes with  
341.29 a person's opportunities to participate in or receive service or support;

341.30 (ii) places the person in actual and reasonable fear of harm;

341.31 (iii) places the person in actual and reasonable fear of damage to property of the  
341.32 person; or

341.33 (iv) substantially disrupts the orderly operation of the program;

342.1 (8) any sexual activity between persons receiving services involving force or  
342.2 coercion as defined under section 609.341, subdivisions 3 and 14;

342.3 (9) any emergency use of manual restraint as identified in section 245D.061 or  
342.4 successor provisions; or

342.5 (10) a report of alleged or suspected child or vulnerable adult maltreatment under  
342.6 section 626.556 or 626.557.

342.7 Sec. 11. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 15b,  
342.8 is amended to read:

342.9 Subd. 15b. **Mechanical restraint.** (a) Except for devices worn by the person that  
342.10 trigger electronic alarms to warn staff that a person is leaving a room or area, which  
342.11 do not, in and of themselves, restrict freedom of movement, or the use of adaptive aids  
342.12 or equipment or orthotic devices ordered by a health care professional used to treat or  
342.13 manage a medical condition, "Mechanical restraint" means the use of devices, materials,  
342.14 or equipment attached or adjacent to the person's body, or the use of practices that are  
342.15 intended to restrict freedom of movement or normal access to one's body or body parts,  
342.16 or limits a person's voluntary movement or holds a person immobile as an intervention  
342.17 precipitated by a person's behavior. The term applies to the use of mechanical restraint  
342.18 used to prevent injury with persons who engage in self-injurious behaviors, such as  
342.19 head-banging, gouging, or other actions resulting in tissue damage that have caused or  
342.20 could cause medical problems resulting from the self-injury.

342.21 (b) Mechanical restraint does not include the following:

342.22 (1) devices worn by the person that trigger electronic alarms to warn staff that a  
342.23 person is leaving a room or area, which do not, in and of themselves, restrict freedom of  
342.24 movement; or

342.25 (2) the use of adaptive aids or equipment or orthotic devices ordered by a health care  
342.26 professional used to treat or manage a medical condition.

342.27 Sec. 12. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 29,  
342.28 is amended to read:

342.29 Subd. 29. **Seclusion.** "Seclusion" means ~~the placement of a person alone in:~~ (1)  
342.30 removing a person involuntarily to a room from which exit is prohibited by a staff person  
342.31 or a mechanism such as a lock, a device, or an object positioned to hold the door closed  
342.32 or otherwise prevent the person from leaving the room; or (2) otherwise involuntarily  
342.33 removing or separating a person from an area, activity, situation, or social contact with  
342.34 others and blocking or preventing the person's return.

343.1 Sec. 13. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34,  
343.2 is amended to read:

343.3 Subd. 34. **Support team.** "Support team" means the service planning team  
343.4 identified in section 256B.49, subdivision 15, ~~or~~; the interdisciplinary team identified in  
343.5 Minnesota Rules, part 9525.0004, subpart 14; or the case management team as defined in  
343.6 Minnesota Rules, part 9520.0902, subpart 6.

343.7 Sec. 14. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34a,  
343.8 is amended to read:

343.9 Subd. 34a. **Time out.** "Time out" means ~~removing a person involuntarily from an~~  
343.10 ~~ongoing activity to a room, either locked or unlocked, or otherwise separating a person~~  
343.11 ~~from others in a way that prevents social contact and prevents the person from leaving the~~  
343.12 ~~situation if the person chooses~~ the involuntary removal of a person for a period of time to  
343.13 a designated area from which the person is not prevented from leaving. For the purpose of  
343.14 this chapter, "time out" does not mean voluntary removal or self-removal for the purpose  
343.15 of calming, prevention of escalation, or de-escalation of behavior ~~for a period of up to 15~~  
343.16 ~~minutes. "Time out" does not include a person voluntarily moving from an ongoing activity~~  
343.17 ~~to an unlocked room or otherwise separating from a situation or social contact with others~~  
343.18 ~~if the person chooses. For the purposes of this definition, "voluntarily" means without~~  
343.19 ~~being forced, compelled, or coerced;~~ nor does it mean taking a brief "break" or "rest" from  
343.20 an activity for the purpose of providing the person an opportunity to regain self-control.

343.21 Sec. 15. Minnesota Statutes 2013 Supplement, section 245D.02, is amended by adding  
343.22 a subdivision to read:

343.23 Subd. 35b. **Unlicensed staff.** "Unlicensed staff" means individuals not otherwise  
343.24 licensed or certified by a governmental health board or agency.

343.25 Sec. 16. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 1, is  
343.26 amended to read:

343.27 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of  
343.28 home and community-based services to persons with disabilities and persons age 65 and  
343.29 older pursuant to this chapter. The licensing standards in this chapter govern the provision  
343.30 of basic support services and intensive support services.

343.31 (b) Basic support services provide the level of assistance, supervision, and care that  
343.32 is necessary to ensure the health and safety of the person and do not include services that

344.1 are specifically directed toward the training, treatment, habilitation, or rehabilitation of  
344.2 the person. Basic support services include:

344.3 (1) in-home and out-of-home respite care services as defined in section 245A.02,  
344.4 subdivision 15, and under the brain injury, community alternative care, community  
344.5 alternatives for disabled individuals, developmental disability, and elderly waiver plans,  
344.6 excluding out-of-home respite care provided to children in a family child foster care home  
344.7 licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care  
344.8 license holder complies with the requirements under section 245D.06, subdivisions 5, 6,  
344.9 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which  
344.10 must be stipulated in the statement of intended use required under Minnesota Rules,  
344.11 part 2960.3000, subpart 4;

344.12 (2) adult companion services as defined under the brain injury, community  
344.13 alternatives for disabled individuals, and elderly waiver plans, excluding adult companion  
344.14 services provided under the Corporation for National and Community Services Senior  
344.15 Companion Program established under the Domestic Volunteer Service Act of 1973,  
344.16 Public Law 98-288;

344.17 (3) personal support as defined under the developmental disability waiver plan;

344.18 (4) 24-hour emergency assistance, personal emergency response as defined under the  
344.19 community alternatives for disabled individuals and developmental disability waiver plans;

344.20 (5) night supervision services as defined under the brain injury waiver plan; and

344.21 (6) homemaker services as defined under the community alternatives for disabled  
344.22 individuals, brain injury, community alternative care, developmental disability, and elderly  
344.23 waiver plans, excluding providers licensed by the Department of Health under chapter  
344.24 144A and those providers providing cleaning services only.

344.25 (c) Intensive support services provide assistance, supervision, and care that is  
344.26 necessary to ensure the health and safety of the person and services specifically directed  
344.27 toward the training, habilitation, or rehabilitation of the person. Intensive support services  
344.28 include:

344.29 (1) intervention services, including:

344.30 (i) behavioral support services as defined under the brain injury and community  
344.31 alternatives for disabled individuals waiver plans;

344.32 (ii) in-home or out-of-home crisis respite services as defined under the developmental  
344.33 disability waiver plan; and

344.34 (iii) specialist services as defined under the current developmental disability waiver  
344.35 plan;

344.36 (2) in-home support services, including:



345.1 (i) in-home family support and supported living services as defined under the  
345.2 developmental disability waiver plan;

345.3 (ii) independent living services training as defined under the brain injury and  
345.4 community alternatives for disabled individuals waiver plans; and

345.5 (iii) semi-independent living services;

345.6 (3) residential supports and services, including:

345.7 (i) supported living services as defined under the developmental disability waiver  
345.8 plan provided in a family or corporate child foster care residence, a family adult foster  
345.9 care residence, a community residential setting, or a supervised living facility;

345.10 (ii) foster care services as defined in the brain injury, community alternative care,  
345.11 and community alternatives for disabled individuals waiver plans provided in a family or  
345.12 corporate child foster care residence, a family adult foster care residence, or a community  
345.13 residential setting; and

345.14 (iii) residential services provided to more than four persons with developmental  
345.15 disabilities in a supervised living facility that is certified by the Department of Health as  
345.16 an ICF/DD, including ICFs/DD;

345.17 (4) day services, including:

345.18 (i) structured day services as defined under the brain injury waiver plan;

345.19 (ii) day training and habilitation services under sections 252.40 to 252.46, and as  
345.20 defined under the developmental disability waiver plan; and

345.21 (iii) prevocational services as defined under the brain injury and community  
345.22 alternatives for disabled individuals waiver plans; and

345.23 (5) supported employment as defined under the brain injury, developmental  
345.24 disability, and community alternatives for disabled individuals waiver plans.

345.25 Sec. 17. Minnesota Statutes 2013 Supplement, section 245D.03, is amended by adding  
345.26 a subdivision to read:

345.27 Subd. 1a. **Effect.** The home and community-based services standards establish  
345.28 health, safety, welfare, and rights protections for persons receiving services governed by  
345.29 this chapter. The standards recognize the diversity of persons receiving these services and  
345.30 require that these services are provided in a manner that meets each person's individual  
345.31 needs and ensures continuity in service planning, care, and coordination between the  
345.32 license holder and members of each person's support team or expanded support team.

345.33 Sec. 18. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 2, is  
345.34 amended to read:

Subd. 2. **Relationship to other standards governing home and community-based services.** (a) A license holder governed by this chapter is also subject to the licensure requirements under chapter 245A.

(b) ~~A corporate or family child foster care site controlled by a license holder and providing services governed by this chapter is exempt from compliance with section 245D.04. This exemption applies to foster care homes where at least one resident is receiving residential supports and services licensed according to this chapter.~~ This chapter does not apply to corporate or family child foster care homes that do not provide services licensed under this chapter.

(c) A family adult foster care site controlled by a license holder and providing services governed by this chapter is exempt from compliance with Minnesota Rules, parts 9555.6185; 9555.6225, subpart 8; 9555.6245; 9555.6255; and 9555.6265. These exemptions apply to family adult foster care homes where at least one resident is receiving residential supports and services licensed according to this chapter. This chapter does not apply to family adult foster care homes that do not provide services licensed under this chapter.

(d) A license holder providing services licensed according to this chapter in a supervised living facility is exempt from compliance with ~~sections~~ section 245D.04; ~~245D.05, subdivision 2; and 245D.06, subdivision 2, clauses (1), (4), and (5).~~

(e) A license holder providing residential services to persons in an ICF/DD is exempt from compliance with sections 245D.04; 245D.05, subdivision 1b; 245D.06, subdivision 2, clauses (4) and (5); 245D.071, subdivisions 4 and 5; 245D.081, subdivision 2; 245D.09, subdivision 7; 245D.095, subdivision 2; and 245D.11, subdivision 3.

(f) A license holder providing homemaker services licensed according to this chapter and registered according to chapter 144A is exempt from compliance with section 245D.04.

(g) Nothing in this chapter prohibits a license holder from concurrently serving persons without disabilities or people who are or are not age 65 and older, provided this chapter's standards are met as well as other relevant standards.

(h) The documentation required under sections 245D.07 and 245D.071 must meet the individual program plan requirements identified in section 256B.092 or successor provisions.

Sec. 19. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 3, is amended to read:

Subd. 3. **Variance.** If the conditions in section 245A.04, subdivision 9, are met, the commissioner may grant a variance to any of the requirements in this chapter, except

347.1 sections 245D.04; 245D.06, subdivision 4, paragraph (b), and subdivision 6, or successor  
347.2 provisions; and ~~245D.061, subdivision 3, or~~ provisions governing data practices and  
347.3 information rights of persons.

347.4 Sec. 20. Minnesota Statutes 2013 Supplement, section 245D.04, subdivision 3, is  
347.5 amended to read:

347.6 Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include  
347.7 the right to:

347.8 (1) have personal, financial, service, health, and medical information kept private,  
347.9 and be advised of disclosure of this information by the license holder;

347.10 (2) access records and recorded information about the person in accordance with  
347.11 applicable state and federal law, regulation, or rule;

347.12 (3) be free from maltreatment;

347.13 (4) be free from restraint, time out, ~~or~~ seclusion, restrictive intervention, or other  
347.14 prohibited procedure identified in section 245D.06, subdivision 5, or successor provisions,  
347.15 except for: (i) emergency use of manual restraint to protect the person from imminent  
347.16 danger to self or others according to the requirements in section ~~245D.06~~; 245D.061 or  
347.17 successor provisions; or (ii) the use of safety interventions as part of a positive support  
347.18 transition plan under section 245D.06, subdivision 8, or successor provisions;

347.19 (5) receive services in a clean and safe environment when the license holder is the  
347.20 owner, lessor, or tenant of the service site;

347.21 (6) be treated with courtesy and respect and receive respectful treatment of the  
347.22 person's property;

347.23 (7) reasonable observance of cultural and ethnic practice and religion;

347.24 (8) be free from bias and harassment regarding race, gender, age, disability,  
347.25 spirituality, and sexual orientation;

347.26 (9) be informed of and use the license holder's grievance policy and procedures,  
347.27 including knowing how to contact persons responsible for addressing problems and to  
347.28 appeal under section 256.045;

347.29 (10) know the name, telephone number, and the Web site, e-mail, and street  
347.30 addresses of protection and advocacy services, including the appropriate state-appointed  
347.31 ombudsman, and a brief description of how to file a complaint with these offices;

347.32 (11) assert these rights personally, or have them asserted by the person's family,  
347.33 authorized representative, or legal representative, without retaliation;

347.34 (12) give or withhold written informed consent to participate in any research or  
347.35 experimental treatment;

348.1 (13) associate with other persons of the person's choice;

348.2 (14) personal privacy; and

348.3 (15) engage in chosen activities.

348.4 (b) For a person residing in a residential site licensed according to chapter 245A,  
348.5 or where the license holder is the owner, lessor, or tenant of the residential service site,  
348.6 protection-related rights also include the right to:

348.7 (1) have daily, private access to and use of a non-coin-operated telephone for local  
348.8 calls and long-distance calls made collect or paid for by the person;

348.9 (2) receive and send, without interference, uncensored, unopened mail or electronic  
348.10 correspondence or communication;

348.11 (3) have use of and free access to common areas in the residence; and

348.12 (4) privacy for visits with the person's spouse, next of kin, legal counsel, religious  
348.13 advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including  
348.14 privacy in the person's bedroom.

348.15 (c) Restriction of a person's rights under ~~subdivision 2, clause (10), or~~ paragraph (a),  
348.16 clauses (13) to (15), or paragraph (b) is allowed only if determined necessary to ensure  
348.17 the health, safety, and well-being of the person. Any restriction of those rights must be  
348.18 documented in the person's coordinated service and support plan or coordinated service  
348.19 and support plan addendum. The restriction must be implemented in the least restrictive  
348.20 alternative manner necessary to protect the person and provide support to reduce or  
348.21 eliminate the need for the restriction in the most integrated setting and inclusive manner.  
348.22 The documentation must include the following information:

348.23 (1) the justification for the restriction based on an assessment of the person's  
348.24 vulnerability related to exercising the right without restriction;

348.25 (2) the objective measures set as conditions for ending the restriction;

348.26 (3) a schedule for reviewing the need for the restriction based on the conditions  
348.27 for ending the restriction to occur semiannually from the date of initial approval, at a  
348.28 minimum, or more frequently if requested by the person, the person's legal representative,  
348.29 if any, and case manager; and

348.30 (4) signed and dated approval for the restriction from the person, or the person's  
348.31 legal representative, if any. A restriction may be implemented only when the required  
348.32 approval has been obtained. Approval may be withdrawn at any time. If approval is  
348.33 withdrawn, the right must be immediately and fully restored.

348.34 Sec. 21. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1, is  
348.35 amended to read:

Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting health service needs assigned in the coordinated service and support plan or the coordinated service and support plan addendum, consistent with the person's health needs. The license holder is responsible for promptly notifying the person's legal representative, if any, and the case manager of changes in a person's physical and mental health needs affecting health service needs assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, when discovered by the license holder, unless the license holder has reason to know the change has already been reported. The license holder must document when the notice is provided.

(b) If responsibility for meeting the person's health service needs has been assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, the license holder must maintain documentation on how the person's health needs will be met, including a description of the procedures the license holder will follow in order to:

(1) provide medication setup, assistance, or ~~medication~~ administration according to this chapter. Unlicensed staff responsible for medication setup or medication administration under this section must complete training according to section 245D.09, subdivision 4a, paragraph (d);

(2) monitor health conditions according to written instructions from a licensed health professional;

(3) assist with or coordinate medical, dental, and other health service appointments; or

(4) use medical equipment, devices, or adaptive aides or technology safely and correctly according to written instructions from a licensed health professional.

Sec. 22. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1a, is amended to read:

Subd. 1a. **Medication setup.** (a) For the purposes of this subdivision, "medication setup" means the arranging of medications according to instructions from the pharmacy, the prescriber, or a licensed nurse, for later administration when the license holder is assigned responsibility ~~for medication assistance or medication administration~~ in the coordinated service and support plan or the coordinated service and support plan addendum. A prescription label or the prescriber's written or electronically recorded order for the prescription is sufficient to constitute written instructions from the prescriber.

(b) If responsibility for medication setup is assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, or if the license holder provides it as part of medication assistance or

350.1 medication administration, the license holder must document in the person's medication  
350.2 administration record: dates of setup, name of medication, quantity of dose, times to be  
350.3 administered, and route of administration at time of setup; and, when the person will be  
350.4 away from home, to whom the medications were given.

350.5 Sec. 23. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1b,  
350.6 is amended to read:

350.7 Subd. 1b. **Medication assistance.** (a) For purposes of this subdivision, "medication  
350.8 assistance" means any of the following:

350.9 (1) bringing to the person and opening a container of previously set up medications,  
350.10 emptying the container into the person's hand, or opening and giving the medications in  
350.11 the original container to the person under the direction of the person;

350.12 (2) bringing to the person liquids or food to accompany the medication; or

350.13 (3) providing reminders to take regularly scheduled medication or perform regularly  
350.14 scheduled treatments and exercises.

350.15 (b) If responsibility for medication assistance is assigned to the license holder  
350.16 in the coordinated service and support plan or the coordinated service and support  
350.17 plan addendum, the license holder must ensure that the requirements of subdivision 2,  
350.18 paragraph (b), have been met when staff provides medication assistance to enable is  
350.19 provided in a manner that enables a person to self-administer medication or treatment  
350.20 when the person is capable of directing the person's own care, or when the person's legal  
350.21 representative is present and able to direct care for the person. For the purposes of this  
350.22 subdivision, "medication assistance" means any of the following:

350.23 (1) bringing to the person and opening a container of previously set up medications,  
350.24 emptying the container into the person's hand, or opening and giving the medications in  
350.25 the original container to the person;

350.26 (2) bringing to the person liquids or food to accompany the medication; or

350.27 (3) providing reminders to take regularly scheduled medication or perform regularly  
350.28 scheduled treatments and exercises.

350.29 Sec. 24. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 2, is  
350.30 amended to read:

350.31 Subd. 2. **Medication administration.** (a) If responsibility for medication  
350.32 administration is assigned to the license holder in the coordinated service and support  
350.33 plan or the coordinated service and support plan addendum, the license holder must  
350.34 implement the following medication administration procedures to ensure a person takes

351.1 ~~medications and treatments as prescribed~~ For purposes of this subdivision, "medication  
351.2 administration" means:

- 351.3 (1) checking the person's medication record;
- 351.4 (2) preparing the medication as necessary;
- 351.5 (3) administering the medication or treatment to the person;
- 351.6 (4) documenting the administration of the medication or treatment or the reason for  
351.7 not administering the medication or treatment; and
- 351.8 (5) reporting to the prescriber or a nurse any concerns about the medication or  
351.9 treatment, including side effects, effectiveness, or a pattern of the person refusing to  
351.10 take the medication or treatment as prescribed. Adverse reactions must be immediately  
351.11 reported to the prescriber or a nurse.

351.12 (b)(1) If responsibility for medication administration is assigned to the license holder  
351.13 in the coordinated service and support plan or the coordinated service and support plan  
351.14 addendum, the license holder must implement medication administration procedures  
351.15 to ensure a person takes medications and treatments as prescribed. The license holder  
351.16 must ensure that the requirements in clauses (2) ~~to (4)~~ and (3) have been met before  
351.17 administering medication or treatment.

351.18 (2) The license holder must obtain written authorization from the person or the  
351.19 person's legal representative to administer medication or treatment and must obtain  
351.20 reauthorization annually as needed. This authorization shall remain in effect unless it is  
351.21 withdrawn in writing and may be withdrawn at any time. If the person or the person's  
351.22 legal representative refuses to authorize the license holder to administer medication, the  
351.23 medication must not be administered. The refusal to authorize medication administration  
351.24 must be reported to the prescriber as expeditiously as possible.

351.25 ~~(3) The staff person responsible for administering the medication or treatment must~~  
351.26 ~~complete medication administration training according to section 245D.09, subdivision~~  
351.27 ~~4a, paragraphs (a) and (c), and, as applicable to the person, paragraph (d).~~

351.28 ~~(4)~~ (3) For a license holder providing intensive support services, the medication or  
351.29 treatment must be administered according to the license holder's medication administration  
351.30 policy and procedures as required under section 245D.11, subdivision 2, clause (3).

351.31 (c) The license holder must ensure the following information is documented in the  
351.32 person's medication administration record:

- 351.33 (1) the information on the current prescription label or the prescriber's current  
351.34 written or electronically recorded order or prescription that includes the person's name,  
351.35 description of the medication or treatment to be provided, and the frequency and other

352.1 information needed to safely and correctly administer the medication or treatment to  
352.2 ensure effectiveness;

352.3 (2) information on any risks or other side effects that are reasonable to expect, and  
352.4 any contraindications to its use. This information must be readily available to all staff  
352.5 administering the medication;

352.6 (3) the possible consequences if the medication or treatment is not taken or  
352.7 administered as directed;

352.8 (4) instruction on when and to whom to report the following:

352.9 (i) if a dose of medication is not administered or treatment is not performed as  
352.10 prescribed, whether by error by the staff or the person or by refusal by the person; and

352.11 (ii) the occurrence of possible adverse reactions to the medication or treatment;

352.12 (5) notation of any occurrence of a dose of medication not being administered or  
352.13 treatment not performed as prescribed, whether by error by the staff or the person or by  
352.14 refusal by the person, or of adverse reactions, and when and to whom the report was  
352.15 made; and

352.16 (6) notation of when a medication or treatment is started, administered, changed, or  
352.17 discontinued.

352.18 Sec. 25. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 4, is  
352.19 amended to read:

352.20 Subd. 4. **Reviewing and reporting medication and treatment issues.** (a) When  
352.21 assigned responsibility for medication administration, the license holder must ensure  
352.22 that the information maintained in the medication administration record is current and  
352.23 is regularly reviewed to identify medication administration errors. At a minimum, the  
352.24 review must be conducted every three months, or more frequently as directed in the  
352.25 coordinated service and support plan or coordinated service and support plan addendum  
352.26 or as requested by the person or the person's legal representative. Based on the review,  
352.27 the license holder must develop and implement a plan to correct patterns of medication  
352.28 administration errors when identified.

352.29 (b) If assigned responsibility for medication assistance or medication administration,  
352.30 the license holder must report the following to the person's legal representative and case  
352.31 manager as they occur or as otherwise directed in the coordinated service and support plan  
352.32 or the coordinated service and support plan addendum:

352.33 (1) any reports ~~made to the person's physician or prescriber~~ required under  
352.34 subdivision 2, paragraph (c), clause (4);



- 353.1 (2) a person's refusal or failure to take or receive medication or treatment as  
353.2 prescribed; or  
353.3 (3) concerns about a person's self-administration of medication or treatment.

353.4 Sec. 26. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 5, is  
353.5 amended to read:

353.6 Subd. 5. **Injectable medications.** Injectable medications may be administered  
353.7 according to a prescriber's order and written instructions when one of the following  
353.8 conditions has been met:

353.9 (1) a registered nurse or licensed practical nurse will administer the ~~subcutaneous or~~  
353.10 ~~intramuscular~~ injection;

353.11 (2) a supervising registered nurse with a physician's order has delegated the  
353.12 administration of ~~subcutaneous~~ injectable medication to an unlicensed staff member  
353.13 and has provided the necessary training; or

353.14 (3) there is an agreement signed by the license holder, the prescriber, and the  
353.15 person or the person's legal representative specifying what ~~subcutaneous~~ injections may  
353.16 be given, when, how, and that the prescriber must retain responsibility for the license  
353.17 holder's giving the injections. A copy of the agreement must be placed in the person's  
353.18 service recipient record.

353.19 Only licensed health professionals are allowed to administer psychotropic  
353.20 medications by injection.

353.21 Sec. 27. Minnesota Statutes 2013 Supplement, section 245D.051, is amended to read:

353.22 **245D.051 PSYCHOTROPIC MEDICATION USE AND MONITORING.**

353.23 Subdivision 1. **Conditions for psychotropic medication administration.** (a)  
353.24 When a person is prescribed a psychotropic medication and the license holder is assigned  
353.25 responsibility for administration of the medication in the person's coordinated service  
353.26 and support plan or the coordinated service and support plan addendum, the license  
353.27 holder must ensure that the requirements in ~~paragraphs (b) to (d) and~~ section 245D.05,  
353.28 subdivision 2, are met.

353.29 ~~(b) Use of the medication must be included in the person's coordinated service and~~  
353.30 ~~support plan or in the coordinated service and support plan addendum and based on a~~  
353.31 ~~prescriber's current written or electronically recorded prescription.~~

353.32 ~~(e)~~ (b) The license holder must develop, implement, and maintain the following  
353.33 documentation in the person's coordinated service and support plan addendum according  
353.34 to the requirements in sections 245D.07 and 245D.071:

(1) a description of the target symptoms that the psychotropic medication is to alleviate; and

(2) documentation methods the license holder will use to monitor and measure changes in the target symptoms that are to be alleviated by the psychotropic medication if required by the prescriber. The license holder must collect and report on medication and symptom-related data as instructed by the prescriber. The license holder must provide the monitoring data to the expanded support team for review every three months, or as otherwise requested by the person or the person's legal representative.

For the purposes of this section, "target symptom" refers to any perceptible diagnostic criteria for a person's diagnosed mental disorder, as defined by the Diagnostic and Statistical Manual of Mental Disorders Fourth Edition Text Revision (DSM-IV-TR) or successive editions, that has been identified for alleviation.

Subd. 2. **Refusal to authorize psychotropic medication.** If the person or the person's legal representative refuses to authorize the administration of a psychotropic medication as ordered by the prescriber, the license holder must ~~follow the requirement in section 245D.05, subdivision 2, paragraph (b), clause (2):~~ not administer the medication. The refusal to authorize medication administration must be reported to the prescriber as expediently as possible. After reporting the refusal to the prescriber, the license holder must follow any directives or orders given by the prescriber. ~~A court order must be obtained to override the refusal.~~ A refusal may not be overridden without a court order. Refusal to authorize administration of a specific psychotropic medication is not grounds for service termination and does not constitute an emergency. A decision to terminate services must be reached in compliance with section 245D.10, subdivision 3.

Sec. 28. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 1, is amended to read:

Subdivision 1. **Incident response and reporting.** (a) The license holder must respond to incidents under section 245D.02, subdivision 11, that occur while providing services to protect the health and safety of and minimize risk of harm to the person.

(b) The license holder must maintain information about and report incidents to the person's legal representative or designated emergency contact and case manager within 24 hours of an incident occurring while services are being provided, within 24 hours of discovery or receipt of information that an incident occurred, unless the license holder has reason to know that the incident has already been reported, or as otherwise directed in a person's coordinated service and support plan or coordinated service and support plan addendum. An incident of suspected or alleged maltreatment must be reported as

355.1 required under paragraph (d), and an incident of serious injury or death must be reported  
355.2 as required under paragraph (e).

355.3 (c) When the incident involves more than one person, the license holder must not  
355.4 disclose personally identifiable information about any other person when making the report  
355.5 to each person and case manager unless the license holder has the consent of the person.

355.6 (d) Within 24 hours of reporting maltreatment as required under section 626.556  
355.7 or 626.557, the license holder must inform the case manager of the report unless there is  
355.8 reason to believe that the case manager is involved in the suspected maltreatment. The  
355.9 license holder must disclose the nature of the activity or occurrence reported and the  
355.10 agency that received the report.

355.11 (e) The license holder must report the death or serious injury of the person as  
355.12 required in paragraph (b) and to the Department of Human Services Licensing Division,  
355.13 and the Office of Ombudsman for Mental Health and Developmental Disabilities as  
355.14 required under section 245.94, subdivision 2a, within 24 hours of the death, or receipt of  
355.15 information that the death occurred, unless the license holder has reason to know that the  
355.16 death has already been reported.

355.17 (f) When a death or serious injury occurs in a facility certified as an intermediate  
355.18 care facility for persons with developmental disabilities, the death or serious injury must  
355.19 be reported to the Department of Health, Office of Health Facility Complaints, and the  
355.20 Office of Ombudsman for Mental Health and Developmental Disabilities, as required  
355.21 under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to  
355.22 know that the death has already been reported.

355.23 (g) The license holder must conduct an internal review of incident reports of deaths  
355.24 and serious injuries that occurred while services were being provided and that were not  
355.25 reported by the program as alleged or suspected maltreatment, for identification of incident  
355.26 patterns, and implementation of corrective action as necessary to reduce occurrences.  
355.27 The review must include an evaluation of whether related policies and procedures were  
355.28 followed, whether the policies and procedures were adequate, whether there is a need for  
355.29 additional staff training, whether the reported event is similar to past events with the  
355.30 persons or the services involved, and whether there is a need for corrective action by the  
355.31 license holder to protect the health and safety of persons receiving services. Based on  
355.32 the results of this review, the license holder must develop, document, and implement a  
355.33 corrective action plan designed to correct current lapses and prevent future lapses in  
355.34 performance by staff or the license holder, if any.

355.35 (h) The license holder must verbally report the emergency use of manual restraint  
355.36 of a person as required in paragraph (b) within 24 hours of the occurrence. The license

356.1 holder must ensure the written report and internal review of all incident reports of the  
356.2 emergency use of manual restraints are completed according to the requirements in section  
356.3 245D.061 or successor provisions.

356.4 Sec. 29. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 2, is  
356.5 amended to read:

356.6 Subd. 2. **Environment and safety.** The license holder must:

356.7 (1) ensure the following when the license holder is the owner, lessor, or tenant  
356.8 of the service site:

356.9 (i) the service site is a safe and hazard-free environment;

356.10 (ii) that toxic substances or dangerous items are inaccessible to persons served by  
356.11 the program only to protect the safety of a person receiving services when a known safety  
356.12 threat exists and not as a substitute for staff supervision or interactions with a person who  
356.13 is receiving services. If toxic substances or dangerous items are made inaccessible, the  
356.14 license holder must document an assessment of the physical plant, its environment, and its  
356.15 population identifying the risk factors which require toxic substances or dangerous items  
356.16 to be inaccessible and a statement of specific measures to be taken to minimize the safety  
356.17 risk to persons receiving services and to restore accessibility to all persons receiving  
356.18 services at the service site;

356.19 (iii) doors are locked from the inside to prevent a person from exiting only when  
356.20 necessary to protect the safety of a person receiving services and not as a substitute for  
356.21 staff supervision or interactions with the person. If doors are locked from the inside, the  
356.22 license holder must document an assessment of the physical plant, the environment and  
356.23 the population served, identifying the risk factors which require the use of locked doors,  
356.24 and a statement of specific measures to be taken to minimize the safety risk to persons  
356.25 receiving services at the service site; and

356.26 (iv) a staff person is available at the service site who is trained in basic first aid and,  
356.27 when required in a person's coordinated service and support plan or coordinated service  
356.28 and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are  
356.29 present and staff are required to be at the site to provide direct support service. The CPR  
356.30 training must include in-person instruction, hands-on practice, and an observed skills  
356.31 assessment under the direct supervision of a CPR instructor;

356.32 (2) maintain equipment, vehicles, supplies, and materials owned or leased by the  
356.33 license holder in good condition when used to provide services;

(3) follow procedures to ensure safe transportation, handling, and transfers of the person and any equipment used by the person, when the license holder is responsible for transportation of a person or a person's equipment;

(4) be prepared for emergencies and follow emergency response procedures to ensure the person's safety in an emergency; and

(5) follow universal precautions and sanitary practices, including hand washing, for infection prevention and control, and to prevent communicable diseases.

Sec. 30. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 4, is amended to read:

**Subd. 4. Funds and property; legal representative restrictions.** (a) Whenever the license holder assists a person with the safekeeping of funds or other property according to section 245A.04, subdivision 13, the license holder must obtain written authorization to do so from the person or the person's legal representative and the case manager. Authorization must be obtained within five working days of service initiation and renewed annually thereafter. At the time initial authorization is obtained, the license holder must survey, document, and implement the preferences of the person or the person's legal representative and the case manager for frequency of receiving a statement that itemizes receipts and disbursements of funds or other property. The license holder must document changes to these preferences when they are requested.

(b) A license holder or staff person may not accept powers-of-attorney from a person receiving services from the license holder for any purpose. This does not apply to license holders that are Minnesota counties or other units of government or to staff persons employed by license holders who were acting as attorney-in-fact for specific individuals prior to implementation of this chapter. The license holder must maintain documentation of the power-of-attorney in the service recipient record.

(c) A license holder or staff person is restricted from accepting an appointment as a guardian as follows:

(1) under section 524.5-309 of the Uniform Probate Code, any individual or agency that provides residence, custodial care, medical care, employment training, or other care or services for which the individual or agency receives a fee may not be appointed as guardian unless related to the respondent by blood, marriage, or adoption; and

(2) under section 245A.03, subdivision 2, paragraph (a), clause (1), a related individual as defined under section 245A.02, subdivision 13, is excluded from licensure. Services provided by a license holder to a person under the license holder's guardianship are not licensed services.

358.1           ~~(e)~~ (d) Upon the transfer or death of a person, any funds or other property of the  
358.2 person must be surrendered to the person or the person's legal representative, or given to  
358.3 the executor or administrator of the estate in exchange for an itemized receipt.

358.4           Sec. 31. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 6, is  
358.5 amended to read:

358.6           Subd. 6. **Restricted procedures.** (a) The following procedures are allowed when  
358.7 the procedures are implemented in compliance with the standards governing their use as  
358.8 identified in clauses (1) to (3). Allowed but restricted procedures include:

358.9           (1) permitted actions and procedures subject to the requirements in subdivision 7;

358.10           (2) procedures identified in a positive support transition plan subject to the  
358.11 requirements in subdivision 8; or

358.12           (3) emergency use of manual restraint subject to the requirements in section  
358.13 245D.061.

358.14           For purposes of this chapter, this section supersedes the requirements identified in  
358.15 Minnesota Rules, part 9525.2740.

358.16           (b) A restricted procedure identified in paragraph (a) must not:

358.17           (1) be implemented with a child in a manner that constitutes sexual abuse, neglect,  
358.18 physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

358.19           (2) be implemented with an adult in a manner that constitutes abuse or neglect as  
358.20 defined in section 626.5572, subdivision 2 or 17;

358.21           (3) be implemented in a manner that violates a person's rights identified in section  
358.22 245D.04;

358.23           (4) restrict a person's normal access to a nutritious diet, drinking water, adequate  
358.24 ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping  
358.25 conditions, necessary clothing, or any protection required by state licensing standards or  
358.26 federal regulations governing the program;

358.27           (5) deny the person visitation or ordinary contact with legal counsel, a legal  
358.28 representative, or next of kin;

358.29           (6) be used for the convenience of staff, as punishment, as a substitute for adequate  
358.30 staffing, or as a consequence if the person refuses to participate in the treatment or services  
358.31 provided by the program;

358.32           (7) use prone restraint. For purposes of this section, "prone restraint" means use  
358.33 of manual restraint that places a person in a face-down position. Prone restraint does  
358.34 not include brief physical holding of a person who, during an emergency use of manual

359.1 restraint, rolls into a prone position, if the person is restored to a standing, sitting, or  
359.2 side-lying position as quickly as possible;

359.3 (8) apply back or chest pressure while a person is in a prone position as identified in  
359.4 clause (7), supine position, or side-lying position; or

359.5 (9) be implemented in a manner that is contraindicated for any of the person's known  
359.6 medical or psychological limitations.

359.7 Sec. 32. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 7, is  
359.8 amended to read:

359.9 Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques  
359.10 and intervention procedures as identified in paragraphs (b) and (c) is permitted when used  
359.11 on an intermittent or continuous basis. When used on a continuous basis, it must be  
359.12 addressed in a person's coordinated service and support plan addendum as identified in  
359.13 sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this  
359.14 subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

359.15 (b) Physical contact or instructional techniques must use the least restrictive  
359.16 alternative possible to meet the needs of the person and may be used:

359.17 (1) to calm or comfort a person by holding that person with no resistance from  
359.18 that person;

359.19 (2) to protect a person known to be at risk ~~or~~ of injury due to frequent falls as a result  
359.20 of a medical condition;

359.21 (3) to facilitate the person's completion of a task or response when the person does  
359.22 not resist or the person's resistance is minimal in intensity and duration; ~~or~~

359.23 (4) to ~~briefly~~ block or redirect a person's limbs or body without holding the person or  
359.24 limiting the person's movement to interrupt the person's behavior that may result in injury  
359.25 to self or others: with less than 60 seconds of physical contact by staff; or

359.26 (5) to redirect a person's behavior when the behavior does not pose a serious threat  
359.27 to the person or others and the behavior is effectively redirected with less than 60 seconds  
359.28 of physical contact by staff.

359.29 (c) Restraint may be used as an intervention procedure to:

359.30 (1) allow a licensed health care professional to safely conduct a medical examination  
359.31 or to provide medical treatment ordered by a licensed health care professional to a person  
359.32 necessary to promote healing or recovery from an acute, meaning short-term, medical  
359.33 condition;

359.34 (2) assist in the safe evacuation or redirection of a person in the event of an  
359.35 emergency and the person is at imminent risk of harm; or

360.1 ~~Any use of manual restraint as allowed in this paragraph must comply with the restrictions~~  
360.2 ~~identified in section 245D.061, subdivision 3; or~~

360.3 (3) position a person with physical disabilities in a manner specified in the person's  
360.4 coordinated service and support plan addendum.

360.5 Any use of manual restraint as allowed in this paragraph must comply with the restrictions  
360.6 identified in subdivision 6, paragraph (b).

360.7 (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment  
360.8 ordered by a licensed health professional to treat a diagnosed medical condition do not in  
360.9 and of themselves constitute the use of mechanical restraint.

360.10 (e) Use of an auxiliary device to ensure a person does not unfasten a seat belt when  
360.11 being transported in a vehicle in accordance with seat belt use requirements in section  
360.12 169.686 does not constitute the use of mechanical restraint.

360.13 Sec. 33. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 8, is  
360.14 amended to read:

360.15 Subd. 8. **Positive support transition plan.** (a) License holders must develop  
360.16 a positive support transition plan on the forms and in the manner prescribed by the  
360.17 commissioner for a person who requires intervention in order to maintain safety when  
360.18 it is known that the person's behavior poses an immediate risk of physical harm to self  
360.19 or others. The positive support transition plan forms and instructions will supersede the  
360.20 requirements in Minnesota Rules, parts 9525.2750; 9525.2760; and 9525.2780. The  
360.21 positive support transition plan must phase out any existing plans for the emergency  
360.22 or programmatic use of ~~aversive or deprivation procedures~~ restrictive interventions  
360.23 prohibited under this chapter within the following timelines:

360.24 (1) for persons receiving services from the license holder before January 1, 2014,  
360.25 the plan must be developed and implemented by February 1, 2014, and phased out no  
360.26 later than December 31, 2014; and

360.27 (2) for persons admitted to the program on or after January 1, 2014, the plan must be  
360.28 developed and implemented within 30 calendar days of service initiation and phased out  
360.29 no later than 11 months from the date of plan implementation.

360.30 (b) The commissioner has limited authority to grant approval for the emergency use  
360.31 of procedures identified in subdivision 6 that had been part of an approved positive support  
360.32 transition plan when a person is at imminent risk of serious injury as defined in section  
360.33 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

360.34 (1) the person's expanded support team approves the emergency use of the  
360.35 procedures; and



(2) the interim review panel established in section 245.8251, subdivision 4, recommends commissioner approval of the emergency use of the procedures.

(c) Written requests for the emergency use of the procedures must be developed and submitted to the commissioner by the designated coordinator with input from the person's expanded support team in accordance with the requirements set by the interim review panel, in addition to the following:

(1) a copy of the person's current positive support transition plan and copies of each positive support transition plan review containing data on the progress of the plan from the previous year;

(2) documentation of a good faith effort to eliminate the use of the procedures that had been part of an approved positive support transition plan;

(3) justification for the continued use of the procedures that identifies the imminent risk of serious injury due to the person's self-injurious behavior if the procedures were eliminated;

(4) documentation of the clinicians consulted in creating and maintaining the positive support transition plan; and

(5) documentation of the expanded support team's approval and the recommendation from the interim panel required under paragraph (b).

(d) A copy of the written request, supporting documentation, and the commissioner's final determination on the request must be maintained in the person's service recipient record.

Sec. 34. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 3, is amended to read:

Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service initiation the license holder must complete a preliminary coordinated service and support plan addendum based on the coordinated service and support plan.

~~(b) Within 45 days of service initiation the license holder must meet with the person, the person's legal representative, the case manager, and other members of the support team or expanded support team to assess and determine the following based on the person's coordinated service and support plan and the requirements in subdivision 4 and section 245D.07, subdivision 1a:~~

~~(1) the scope of the services to be provided to support the person's daily needs and activities;~~

~~(2) the person's desired outcomes and the supports necessary to accomplish the person's desired outcomes;~~

362.1 ~~(3) the person's preferences for how services and supports are provided;~~  
362.2 ~~(4) whether the current service setting is the most integrated setting available and~~  
362.3 ~~appropriate for the person; and~~

362.4 ~~(5) how services must be coordinated across other providers licensed under this~~  
362.5 ~~chapter serving the same person to ensure continuity of care for the person.~~

362.6 ~~(e) Within the scope of services, the license holder must, at a minimum, assess~~  
362.7 ~~the following areas:~~

362.8 ~~(1) the person's ability to self-manage health and medical needs to maintain or~~  
362.9 ~~improve physical, mental, and emotional well-being, including, when applicable, allergies,~~  
362.10 ~~seizures, choking, special dietary needs, chronic medical conditions, self-administration~~  
362.11 ~~of medication or treatment orders, preventative screening, and medical and dental~~  
362.12 ~~appointments;~~

362.13 ~~(2) the person's ability to self-manage personal safety to avoid injury or accident in~~  
362.14 ~~the service setting, including, when applicable, risk of falling, mobility, regulating water~~  
362.15 ~~temperature, community survival skills, water safety skills, and sensory disabilities; and~~

362.16 ~~(3) the person's ability to self-manage symptoms or behavior that may otherwise~~  
362.17 ~~result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to~~  
362.18 ~~(7), suspension or termination of services by the license holder, or other symptoms~~  
362.19 ~~or behaviors that may jeopardize the health and safety of the person or others. The~~  
362.20 ~~assessments must produce information about the person that is descriptive of the person's~~  
362.21 ~~overall strengths, functional skills and abilities, and behaviors or symptoms.~~

362.22 (b) Within the scope of services, the license holder must, at a minimum, complete  
362.23 assessments in the following areas before the 45-day planning meeting:

362.24 (1) the person's ability to self-manage health and medical needs to maintain or  
362.25 improve physical, mental, and emotional well-being, including, when applicable, allergies,  
362.26 seizures, choking, special dietary needs, chronic medical conditions, self-administration  
362.27 of medication or treatment orders, preventative screening, and medical and dental  
362.28 appointments;

362.29 (2) the person's ability to self-manage personal safety to avoid injury or accident in  
362.30 the service setting, including, when applicable, risk of falling, mobility, regulating water  
362.31 temperature, community survival skills, water safety skills, and sensory disabilities; and

362.32 (3) the person's ability to self-manage symptoms or behavior that may otherwise  
362.33 result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7),  
362.34 suspension or termination of services by the license holder, or other symptoms or  
362.35 behaviors that may jeopardize the health and safety of the person or others.

363.1 Assessments must produce information about the person that describes the person's overall  
363.2 strengths, functional skills and abilities, and behaviors or symptoms. Assessments must  
363.3 be based on the person's status within the last 12 months at the time of service initiation.  
363.4 Assessments based on older information must be documented and justified. Assessments  
363.5 must be conducted annually at a minimum or within 30 days of a written request from the  
363.6 person or the person's legal representative or case manager. The results must be reviewed  
363.7 by the support team or expanded support team as part of a service plan review.

363.8 (c) Within 45 days of service initiation, the license holder must meet with the  
363.9 person, the person's legal representative, the case manager, and other members of the  
363.10 support team or expanded support team to determine the following based on information  
363.11 obtained from the assessments identified in paragraph (b), the person's identified needs  
363.12 in the coordinated service and support plan, and the requirements in subdivision 4 and  
363.13 section 245D.07, subdivision 1a:

363.14 (1) the scope of the services to be provided to support the person's daily needs  
363.15 and activities;

363.16 (2) the person's desired outcomes and the supports necessary to accomplish the  
363.17 person's desired outcomes;

363.18 (3) the person's preferences for how services and supports are provided;

363.19 (4) whether the current service setting is the most integrated setting available and  
363.20 appropriate for the person; and

363.21 (5) how services must be coordinated across other providers licensed under this  
363.22 chapter serving the person and members of the support team or expanded support team to  
363.23 ensure continuity of care and coordination of services for the person.

363.24 Sec. 35. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 4,  
363.25 is amended to read:

363.26 Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the  
363.27 45-day planning meeting, the license holder must develop ~~and document~~ a service plan that  
363.28 documents the service outcomes and supports based on the assessments completed under  
363.29 subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and  
363.30 supports must be included in the coordinated service and support plan addendum.

363.31 (b) The license holder must document the supports and methods to be implemented  
363.32 to support the ~~accomplishment of person and accomplish~~ outcomes related to acquiring,  
363.33 retaining, or improving skills and physical, mental, and emotional health and well-being.  
363.34 The documentation must include:

364.1 (1) the methods or actions that will be used to support the person and to accomplish  
364.2 the service outcomes, including information about:

364.3 (i) any changes or modifications to the physical and social environments necessary  
364.4 when the service supports are provided;

364.5 (ii) any equipment and materials required; and

364.6 (iii) techniques that are consistent with the person's communication mode and  
364.7 learning style;

364.8 (2) the measurable and observable criteria for identifying when the desired outcome  
364.9 has been achieved and how data will be collected;

364.10 (3) the projected starting date for implementing the supports and methods and  
364.11 the date by which progress towards accomplishing the outcomes will be reviewed and  
364.12 evaluated; and

364.13 (4) the names of the staff or position responsible for implementing the supports  
364.14 and methods.

364.15 (c) Within 20 working days of the 45-day meeting, the license holder must obtain  
364.16 dated signatures from the person or the person's legal representative and case manager  
364.17 to document completion and approval of the assessment and coordinated service and  
364.18 support plan addendum.

364.19 Sec. 36. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 5,  
364.20 is amended to read:

364.21 Subd. 5. ~~Progress reviews~~ **Service plan review and evaluation.** (a) The license  
364.22 holder must give the person or the person's legal representative and case manager an  
364.23 opportunity to participate in the ongoing review and development of the service plan  
364.24 and the methods used to support the person and accomplish outcomes identified in  
364.25 subdivisions 3 and 4. The license holder, in coordination with the person's support team  
364.26 or expanded support team, must meet with the person, the person's legal representative,  
364.27 and the case manager, and participate in progress service plan review meetings following  
364.28 stated timelines established in the person's coordinated service and support plan or  
364.29 coordinated service and support plan addendum or within 30 days of a written request  
364.30 by the person, the person's legal representative, or the case manager, at a minimum of  
364.31 once per year. The purpose of the service plan review is to determine whether changes  
364.32 are needed to the service plan based on the assessment information, the license holder's  
364.33 evaluation of progress towards accomplishing outcomes, or other information provided by  
364.34 the support team or expanded support team.

(b) The license holder must summarize the person's status and progress toward achieving the identified outcomes and make recommendations and identify the rationale for changing, continuing, or discontinuing implementation of supports and methods identified in subdivision 4 in a written report sent to the person or the person's legal representative and case manager five working days prior to the review meeting, unless the person, the person's legal representative, or the case manager requests to receive the report at the time of the meeting.

(c) Within ten working days of the progress review meeting, the license holder must obtain dated signatures from the person or the person's legal representative and the case manager to document approval of any changes to the coordinated service and support plan addendum.

Sec. 37. Minnesota Statutes 2013 Supplement, section 245D.081, subdivision 2, is amended to read:

Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery and evaluation of services provided by the license holder must be coordinated by a designated staff person. The designated coordinator must provide supervision, support, and evaluation of activities that include:

(1) oversight of the license holder's responsibilities assigned in the person's coordinated service and support plan and the coordinated service and support plan addendum;

(2) taking the action necessary to facilitate the accomplishment of the outcomes according to the requirements in section 245D.07;

(3) instruction and assistance to direct support staff implementing the coordinated service and support plan and the service outcomes, including direct observation of service delivery sufficient to assess staff competency; and

(4) evaluation of the effectiveness of service delivery, methodologies, and progress on the person's outcomes based on the measurable and observable criteria for identifying when the desired outcome has been achieved according to the requirements in section 245D.07.

(b) The license holder must ensure that the designated coordinator is competent to perform the required duties identified in paragraph (a) through education ~~and~~<sup>2</sup> training ~~in human services and disability-related fields, and work experience in providing direct care services and supports to persons with disabilities~~ relevant to the needs of the general population of persons served by the license holder and the individual persons for whom the designated coordinator is responsible. The designated coordinator must have the skills and ability necessary to develop effective plans and to design and use data systems

to measure effectiveness of services and supports. The license holder must verify and document competence according to the requirements in section 245D.09, subdivision 3. The designated coordinator must minimally have:

(1) a baccalaureate degree in a field related to human services, and one year of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;

(2) an associate degree in a field related to human services, and two years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older;

(3) a diploma in a field related to human services from an accredited postsecondary institution and three years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older; or

(4) a minimum of 50 hours of education and training related to human services and disabilities; and

(5) four years of full-time work experience providing direct care services to persons with disabilities or persons age 65 and older under the supervision of a staff person who meets the qualifications identified in clauses (1) to (3).

Sec. 38. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 3, is amended to read:

**Subd. 3. Staff qualifications.** (a) The license holder must ensure that staff providing direct support, or staff who have responsibilities related to supervising or managing the provision of direct support service, are competent as demonstrated through skills and knowledge training, experience, and education to meet the person's needs and additional requirements as written in the coordinated service and support plan or coordinated service and support plan addendum, or when otherwise required by the case manager or the federal waiver plan. The license holder must verify and maintain evidence of staff competency, including documentation of:

(1) education and experience qualifications relevant to the job responsibilities assigned to the staff and to the needs of the general population of persons served by the program, including a valid degree and transcript, or a current license, registration, or certification, when a degree or licensure, registration, or certification is required by this chapter or in the coordinated service and support plan or coordinated service and support plan addendum;

(2) demonstrated competency in the orientation and training areas required under this chapter, and when applicable, completion of continuing education required to

367.1 maintain professional licensure, registration, or certification requirements. Competency in  
367.2 these areas is determined by the license holder through knowledge testing ~~and~~ or observed  
367.3 skill assessment conducted by the trainer or instructor; and

367.4 (3) except for a license holder who is the sole direct support staff, periodic  
367.5 performance evaluations completed by the license holder of the direct support staff  
367.6 person's ability to perform the job functions based on direct observation.

367.7 (b) Staff under 18 years of age may not perform overnight duties or administer  
367.8 medication.

367.9 Sec. 39. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4a,  
367.10 is amended to read:

367.11 Subd. 4a. **Orientation to individual service recipient needs.** (a) Before having  
367.12 unsupervised direct contact with a person served by the program, or for whom the staff  
367.13 person has not previously provided direct support, or any time the plans or procedures  
367.14 identified in paragraphs (b) to ~~(f)~~ (g) are revised, the staff person must review and receive  
367.15 instruction on the requirements in paragraphs (b) to ~~(f)~~ (g) as they relate to the staff  
367.16 person's job functions for that person.

367.17 (b) Training and competency evaluations must include the following:

367.18 (1) appropriate and safe techniques in personal hygiene and grooming, including  
367.19 hair care; bathing; care of teeth, gums, and oral prosthetic devices; and other activities of  
367.20 daily living (ADLs) as defined under section 256B.0659, subdivision 1;

367.21 (2) an understanding of what constitutes a healthy diet according to data from the  
367.22 Centers for Disease Control and Prevention and the skills necessary to prepare that diet;

367.23 (3) skills necessary to provide appropriate support in instrumental activities of daily  
367.24 living (IADLs) as defined under section 256B.0659, subdivision 1; and

367.25 (4) demonstrated competence in providing first aid.

367.26 (c) The staff person must review and receive instruction on the person's coordinated  
367.27 service and support plan or coordinated service and support plan addendum as it relates  
367.28 to the responsibilities assigned to the license holder, and when applicable, the person's  
367.29 individual abuse prevention plan, to achieve and demonstrate an understanding of the  
367.30 person as a unique individual, and how to implement those plans.

367.31 (d) The staff person must review and receive instruction on medication setup,  
367.32 assistance, or administration procedures established for the person when ~~medication~~  
367.33 ~~administration~~ is assigned to the license holder according to section 245D.05, subdivision  
367.34 1, paragraph (b). Unlicensed staff may ~~administer medications~~ perform medication setup  
367.35 or medication administration only after successful completion of a medication setup or

368.1 medication administration training, from a training curriculum developed by a registered  
368.2 nurse, clinical nurse specialist in psychiatric and mental health nursing, certified nurse  
368.3 practitioner, physician's assistant, or physician or appropriate licensed health professional.

368.4 The training curriculum must incorporate an observed skill assessment conducted by the  
368.5 trainer to ensure unlicensed staff demonstrate the ability to safely and correctly follow  
368.6 medication procedures.

368.7 Medication administration must be taught by a registered nurse, clinical nurse  
368.8 specialist, certified nurse practitioner, physician's assistant, or physician if, at the time of  
368.9 service initiation or any time thereafter, the person has or develops a health care condition  
368.10 that affects the service options available to the person because the condition requires:

368.11 (1) specialized or intensive medical or nursing supervision; and

368.12 (2) nonmedical service providers to adapt their services to accommodate the health  
368.13 and safety needs of the person.

368.14 (e) The staff person must review and receive instruction on the safe and correct  
368.15 operation of medical equipment used by the person to sustain life, including but not  
368.16 limited to ventilators, feeding tubes, or endotracheal tubes. The training must be provided  
368.17 by a licensed health care professional or a manufacturer's representative and incorporate  
368.18 an observed skill assessment to ensure staff demonstrate the ability to safely and correctly  
368.19 operate the equipment according to the treatment orders and the manufacturer's instructions.

368.20 (f) The staff person must review and receive instruction on what constitutes use of  
368.21 restraints, time out, and seclusion, including chemical restraint, and staff responsibilities  
368.22 related to the prohibitions of their use according to the requirements in section 245D.06,  
368.23 subdivision 5 or successor provisions, why such procedures are not effective for reducing  
368.24 or eliminating symptoms or undesired behavior and why they are not safe, and the safe  
368.25 and correct use of manual restraint on an emergency basis according to the requirements  
368.26 in section 245D.061 or successor provisions.

368.27 (g) The staff person must review and receive instruction on mental health crisis  
368.28 response, de-escalation techniques, and suicide intervention when providing direct support  
368.29 to a person with a serious mental illness.

368.30 ~~(g)~~ (h) In the event of an emergency service initiation, the license holder must ensure  
368.31 the training required in this subdivision occurs within 72 hours of the direct support staff  
368.32 person first having unsupervised contact with the person receiving services. The license  
368.33 holder must document the reason for the unplanned or emergency service initiation and  
368.34 maintain the documentation in the person's service recipient record.

368.35 ~~(h)~~ (i) License holders who provide direct support services themselves must  
368.36 complete the orientation required in subdivision 4, clauses (3) to (7).



369.1 Sec. 40. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 2,  
369.2 is amended to read:

369.3 Subd. 2. **Behavior professional qualifications.** A behavior professional providing  
369.4 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),  
369.5 clause (1), item (i), as defined in the brain injury and community alternatives for disabled  
369.6 individuals waiver plans or successor plans, must have competencies in the following  
369.7 areas related to as required under the brain injury and community alternatives for disabled  
369.8 individuals waiver plans or successor plans:

369.9 (1) ethical considerations;  
369.10 (2) functional assessment;  
369.11 (3) functional analysis;  
369.12 (4) measurement of behavior and interpretation of data;  
369.13 (5) selecting intervention outcomes and strategies;  
369.14 (6) behavior reduction and elimination strategies that promote least restrictive  
369.15 approved alternatives;

369.16 (7) data collection;  
369.17 (8) staff and caregiver training;  
369.18 (9) support plan monitoring;  
369.19 (10) co-occurring mental disorders or neurocognitive disorder;  
369.20 (11) demonstrated expertise with populations being served; and  
369.21 (12) must be a:

369.22 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the  
369.23 Board of Psychology competencies in the above identified areas;

369.24 (ii) clinical social worker licensed as an independent clinical social worker under  
369.25 chapter 148D, or a person with a master's degree in social work from an accredited college  
369.26 or university, with at least 4,000 hours of post-master's supervised experience in the  
369.27 delivery of clinical services in the areas identified in clauses (1) to (11);

369.28 (iii) physician licensed under chapter 147 and certified by the American Board  
369.29 of Psychiatry and Neurology or eligible for board certification in psychiatry with  
369.30 competencies in the areas identified in clauses (1) to (11);

369.31 (iv) licensed professional clinical counselor licensed under sections 148B.29 to  
369.32 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery  
369.33 of clinical services who has demonstrated competencies in the areas identified in clauses  
369.34 (1) to (11);

369.35 (v) person with a master's degree from an accredited college or university in one  
369.36 of the behavioral sciences or related fields, with at least 4,000 hours of post-master's

370.1 supervised experience in the delivery of clinical services with demonstrated competencies  
370.2 in the areas identified in clauses (1) to (11); or

370.3 (vi) registered nurse who is licensed under sections 148.171 to 148.285, and who is  
370.4 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and  
370.5 mental health nursing by a national nurse certification organization, or who has a master's  
370.6 degree in nursing or one of the behavioral sciences or related fields from an accredited  
370.7 college or university or its equivalent, with at least 4,000 hours of post-master's supervised  
370.8 experience in the delivery of clinical services.

370.9 Sec. 41. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 3,  
370.10 is amended to read:

370.11 Subd. 3. **Behavior analyst qualifications.** (a) A behavior analyst providing  
370.12 behavioral support services as identified in section 245D.03, subdivision 1, paragraph  
370.13 (c), clause (1), item (i), as defined in the brain injury and community alternatives for  
370.14 disabled individuals waiver plans or successor plans, must have competencies in the  
370.15 following areas as required under the brain injury and community alternatives for disabled  
370.16 individuals waiver plans or successor plans:

370.17 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services  
370.18 discipline; or

370.19 (2) meet the qualifications of a mental health practitioner as defined in section  
370.20 245.462, subdivision 17.

370.21 (b) In addition, a behavior analyst must:

370.22 (1) have four years of supervised experience working with individuals who exhibit  
370.23 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder;

370.24 (2) have received ten hours of instruction in functional assessment and functional  
370.25 analysis;

370.26 (3) have received 20 hours of instruction in the understanding of the function of  
370.27 behavior;

370.28 (4) have received ten hours of instruction on design of positive practices behavior  
370.29 support strategies;

370.30 (5) have received 20 hours of instruction on the use of behavior reduction approved  
370.31 strategies used only in combination with behavior positive practices strategies;

370.32 (6) be determined by a behavior professional to have the training and prerequisite  
370.33 skills required to provide positive practice strategies as well as behavior reduction

370.34 approved and permitted intervention to the person who receives behavioral support; and

370.35 (7) be under the direct supervision of a behavior professional.

371.1 Sec. 42. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 4,  
371.2 is amended to read:

371.3 Subd. 4. **Behavior specialist qualifications.** (a) A behavior specialist providing  
371.4 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),  
371.5 clause (1), item (i), as defined in the brain injury and community alternatives for disabled  
371.6 individuals waiver plans or successor plans, must meet the following qualifications have  
371.7 competencies in the following areas as required under the brain injury and community  
371.8 alternatives for disabled individuals waiver plans or successor plans:

371.9 (1) have an associate's degree in a social services discipline; or

371.10 (2) have two years of supervised experience working with individuals who exhibit  
371.11 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

371.12 (b) In addition, a behavior specialist must:

371.13 (1) have received a minimum of four hours of training in functional assessment;

371.14 (2) have received 20 hours of instruction in the understanding of the function of  
371.15 behavior;

371.16 (3) have received ten hours of instruction on design of positive practices behavioral  
371.17 support strategies;

371.18 (4) be determined by a behavior professional to have the training and prerequisite  
371.19 skills required to provide positive practices strategies as well as behavior reduction  
371.20 approved intervention to the person who receives behavioral support; and

371.21 (5) be under the direct supervision of a behavior professional.

371.22 Sec. 43. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 3, is  
371.23 amended to read:

371.24 Subd. 3. **Service suspension and service termination.** (a) The license holder must  
371.25 establish policies and procedures for temporary service suspension and service termination  
371.26 that promote continuity of care and service coordination with the person and the case  
371.27 manager and with other licensed caregivers, if any, who also provide support to the person.

371.28 (b) The policy must include the following requirements:

371.29 (1) the license holder must notify the person or the person's legal representative and  
371.30 case manager in writing of the intended termination or temporary service suspension, and  
371.31 the person's right to seek a temporary order staying the termination of service according to  
371.32 the procedures in section 256.045, subdivision 4a, or 6, paragraph (c);

371.33 (2) notice of the proposed termination of services, including those situations that  
371.34 began with a temporary service suspension, must be given at least 60 days before the  
371.35 proposed termination is to become effective when a license holder is providing intensive

372.1 supports and services identified in section 245D.03, subdivision 1, paragraph (c), and 30  
372.2 days prior to termination for all other services licensed under this chapter. This notice  
372.3 may be given in conjunction with a notice of temporary service suspension;

372.4 (3) notice of temporary service suspension must be given on the first day of the  
372.5 service suspension;

372.6 ~~(3)~~ (4) the license holder must provide information requested by the person or case  
372.7 manager when services are temporarily suspended or upon notice of termination;

372.8 ~~(4)~~ (5) prior to giving notice of service termination or temporary service suspension,  
372.9 the license holder must document actions taken to minimize or eliminate the need for  
372.10 service suspension or termination;

372.11 ~~(5)~~ (6) during the temporary service suspension or service termination notice period,  
372.12 the license holder ~~will~~ must work with the ~~appropriate county agency support team or~~  
372.13 expanded support team to develop reasonable alternatives to protect the person and others;

372.14 ~~(6)~~ (7) the license holder must maintain information about the service suspension or  
372.15 termination, including the written termination notice, in the service recipient record; and

372.16 ~~(7)~~ (8) the license holder must restrict temporary service suspension to situations in  
372.17 which the person's conduct poses an imminent risk of physical harm to self or others and  
372.18 less restrictive or positive support strategies would not achieve and maintain safety.

372.19 Sec. 44. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 4, is  
372.20 amended to read:

372.21 Subd. 4. **Availability of current written policies and procedures.** (a) The license  
372.22 holder must review and update, as needed, the written policies and procedures required  
372.23 under this chapter.

372.24 (b) (1) The license holder must inform the person and case manager of the policies  
372.25 and procedures affecting a person's rights under section 245D.04, and provide copies of  
372.26 those policies and procedures, within five working days of service initiation.

372.27 (2) If a license holder only provides basic services and supports, this includes the:

372.28 (i) grievance policy and procedure required under subdivision 2; and

372.29 (ii) service suspension and termination policy and procedure required under  
372.30 subdivision 3.

372.31 (3) For all other license holders this includes the:

372.32 (i) policies and procedures in clause (2);

372.33 (ii) emergency use of manual restraints policy and procedure required under section  
372.34 245D.061, subdivision 10, or successor provisions; and

372.35 (iii) data privacy requirements under section 245D.11, subdivision 3.

373.1 (c) The license holder must provide a written notice to all persons or their legal  
373.2 representatives and case managers at least 30 days before implementing any procedural  
373.3 revisions to policies affecting a person's service-related or protection-related rights under  
373.4 section 245D.04 and maltreatment reporting policies and procedures. The notice must  
373.5 explain the revision that was made and include a copy of the revised policy and procedure.  
373.6 The license holder must document the reasonable cause for not providing the notice at  
373.7 least 30 days before implementing the revisions.

373.8 (d) Before implementing revisions to required policies and procedures, the license  
373.9 holder must inform all employees of the revisions and provide training on implementation  
373.10 of the revised policies and procedures.

373.11 (e) The license holder must annually notify all persons, or their legal representatives,  
373.12 and case managers of any procedural revisions to policies required under this chapter,  
373.13 other than those in paragraph (c). Upon request, the license holder must provide the  
373.14 person, or the person's legal representative, and case manager with copies of the revised  
373.15 policies and procedures.

373.16 Sec. 45. Minnesota Statutes 2013 Supplement, section 245D.11, subdivision 2, is  
373.17 amended to read:

373.18 Subd. 2. **Health and safety.** The license holder must establish policies and  
373.19 procedures that promote health and safety by ensuring:

373.20 (1) use of universal precautions and sanitary practices in compliance with section  
373.21 245D.06, subdivision 2, clause (5);

373.22 (2) if the license holder operates a residential program, health service coordination  
373.23 and care according to the requirements in section 245D.05, subdivision 1;

373.24 (3) safe medication assistance and administration according to the requirements  
373.25 in sections 245D.05, subdivisions 1a, 2, and 5, and 245D.051, that are established in  
373.26 consultation with a registered nurse, nurse practitioner, physician's assistant, or medical  
373.27 doctor and require completion of medication administration training according to the  
373.28 requirements in section 245D.09, subdivision 4a, paragraph (d). Medication assistance  
373.29 and administration includes, but is not limited to:

373.30 (i) providing medication-related services for a person;

373.31 (ii) medication setup;

373.32 (iii) medication administration;

373.33 (iv) medication storage and security;

373.34 (v) medication documentation and charting;

- 374.1 (vi) verification and monitoring of effectiveness of systems to ensure safe medication  
374.2 handling and administration;
- 374.3 (vii) coordination of medication refills;
- 374.4 (viii) handling changes to prescriptions and implementation of those changes;
- 374.5 (ix) communicating with the pharmacy; and
- 374.6 (x) coordination and communication with prescriber;
- 374.7 (4) safe transportation, when the license holder is responsible for transportation of  
374.8 persons, with provisions for handling emergency situations according to the requirements  
374.9 in section 245D.06, subdivision 2, clauses (2) to (4);
- 374.10 (5) a plan for ensuring the safety of persons served by the program in emergencies as  
374.11 defined in section 245D.02, subdivision 8, and procedures for staff to report emergencies  
374.12 to the license holder. A license holder with a community residential setting or a day service  
374.13 facility license must ensure the policy and procedures comply with the requirements in  
374.14 section 245D.22, subdivision 4;
- 374.15 (6) a plan for responding to all incidents as defined in section 245D.02, subdivision  
374.16 11; and reporting all incidents required to be reported according to section 245D.06,  
374.17 subdivision 1. The plan must:
- 374.18 (i) provide the contact information of a source of emergency medical care and  
374.19 transportation; and
- 374.20 (ii) require staff to first call 911 when the staff believes a medical emergency may  
374.21 be life threatening, or to call the mental health crisis intervention team or similar mental  
374.22 health response team or service when such a team is available and appropriate when the  
374.23 person is experiencing a mental health crisis; and
- 374.24 (7) a procedure for the review of incidents and emergencies to identify trends or  
374.25 patterns, and corrective action if needed. The license holder must establish and maintain  
374.26 a record-keeping system for the incident and emergency reports. Each incident and  
374.27 emergency report file must contain a written summary of the incident. The license holder  
374.28 must conduct a review of incident reports for identification of incident patterns, and  
374.29 implementation of corrective action as necessary to reduce occurrences. Each incident  
374.30 report must include:
- 374.31 (i) the name of the person or persons involved in the incident. It is not necessary  
374.32 to identify all persons affected by or involved in an emergency unless the emergency  
374.33 resulted in an incident;
- 374.34 (ii) the date, time, and location of the incident or emergency;
- 374.35 (iii) a description of the incident or emergency;

375.1 (iv) a description of the response to the incident or emergency and whether a person's  
375.2 coordinated service and support plan addendum or program policies and procedures were  
375.3 implemented as applicable;

375.4 (v) the name of the staff person or persons who responded to the incident or  
375.5 emergency; and

375.6 (vi) the determination of whether corrective action is necessary based on the results  
375.7 of the review.

375.8 Sec. 46. Minnesota Statutes 2012, section 252.451, subdivision 2, is amended to read:

375.9 Subd. 2. **Vendor participation and reimbursement.** Notwithstanding requirements  
375.10 in ~~chapter~~ chapters 245A and 245D, and sections 252.28, 252.40 to 252.46, and 256B.501,  
375.11 vendors of day training and habilitation services may enter into written agreements with  
375.12 qualified businesses to provide additional training and supervision needed by individuals  
375.13 to maintain their employment.

375.14 Sec. 47. Minnesota Statutes 2012, section 256.9752, subdivision 2, is amended to read:

375.15 Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies  
375.16 on aging the state and federal funds which are received for the senior nutrition programs  
375.17 of congregate dining and home-delivered meals in a manner consistent with federal  
375.18 requirements.

375.19 Sec. 48. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 4,  
375.20 is amended to read:

375.21 Subd. 4. **Diagnosis.** (a) A diagnosis must:

375.22 (1) be based upon current DSM criteria including direct observations of the child  
375.23 and reports from parents or primary caregivers; and

375.24 (2) be completed by ~~both~~ either (i) a licensed physician or advanced practice  
375.25 registered nurse ~~and or~~ (ii) a mental health professional.

375.26 (b) Additional diagnostic assessment information may be considered including from  
375.27 special education evaluations and licensed school personnel, and from professionals  
375.28 licensed in the fields of medicine, speech and language, psychology, occupational therapy,  
375.29 and physical therapy.

375.30 ~~(c) If the commissioner determines there are access problems or delays in diagnosis~~  
375.31 ~~for a geographic area due to the lack of qualified professionals, the commissioner shall~~  
375.32 ~~waive the requirement in paragraph (a), clause (2), for two professionals and allow a~~  
375.33 ~~diagnosis to be made by one professional for that geographic area. This exception must be~~

376.1 ~~limited to a specific period of time until, with stakeholder input as described in subdivision~~  
376.2 ~~8, there is a determination of an adequate number of professionals available to require two~~  
376.3 ~~professionals for each diagnosis.~~

376.4 Sec. 49. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 1,  
376.5 is amended to read:

376.6 Subdivision 1. **Development and implementation of quality profiles.** (a) The  
376.7 commissioner of human services, in cooperation with the commissioner of health, shall  
376.8 develop and implement quality profiles for nursing facilities and, beginning not later than  
376.9 July 1, 2014, for home and community-based services providers, except when the quality  
376.10 profile system would duplicate requirements under section 256B.5011, 256B.5012, or  
376.11 256B.5013. For purposes of this section, home and community-based services providers  
376.12 are defined as providers of home and community-based services under sections 256B.0625,  
376.13 subdivisions 6a, 7, and 19a; 256B.0913; 256B.0915; 256B.092, ~~and;~~ 256B.49; and  
376.14 256B.85, and intermediate care facilities for persons with developmental disabilities  
376.15 providers under section 256B.5013. To the extent possible, quality profiles must be  
376.16 developed for providers of services to older adults and people with disabilities, regardless  
376.17 of payor source, for the purposes of providing information to consumers. The quality  
376.18 profiles must be developed using existing data sets maintained by the commissioners of  
376.19 health and human services to the extent possible. The profiles must incorporate or be  
376.20 coordinated with information on quality maintained by area agencies on aging, long-term  
376.21 care trade associations, the ombudsman offices, counties, tribes, health plans, and other  
376.22 entities and the long-term care database maintained under section 256.975, subdivision 7.  
376.23 The profiles must be designed to provide information on quality to:

376.24 (1) consumers and their families to facilitate informed choices of service providers;  
376.25 (2) providers to enable them to measure the results of their quality improvement  
376.26 efforts and compare quality achievements with other service providers; and  
376.27 (3) public and private purchasers of long-term care services to enable them to  
376.28 purchase high-quality care.

376.29 (b) The profiles must be developed in consultation with the long-term care task  
376.30 force, area agencies on aging, and representatives of consumers, providers, and labor  
376.31 unions. Within the limits of available appropriations, the commissioners may employ  
376.32 consultants to assist with this project.

376.33 **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2014.



377.1 Sec. 50. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 7,  
377.2 is amended to read:

377.3 Subd. 7. **Calculation of home and community-based services quality add-on.**

377.4 ~~Effective~~ On July 1, 2015, the commissioner shall determine the quality add-on rate  
377.5 change and adjust payment rates for participating all home and community-based services  
377.6 providers for services rendered on or after that date. The adjustment to a provider payment  
377.7 rate determined under this subdivision shall become part of the ongoing rate paid to that  
377.8 provider. The payment rate for the quality add-on shall be a variable amount based on  
377.9 each provider's quality score as determined in subdivisions 1 and 2a. All home and  
377.10 community-based services providers shall receive a minimum rate increase under this  
377.11 subdivision. In addition to a minimum rate increase, a home and community-based  
377.12 services provider shall receive a quality add-on payment. The commissioner shall limit  
377.13 the types of home and community-based services providers that may receive the quality  
377.14 add-on ~~and based on availability of quality measures and outcome data.~~ The commissioner  
377.15 shall limit the amount of the minimum rate increase and quality add-on payments to  
377.16 ~~operate the quality add-on within funds appropriated for this purpose and based on the~~  
377.17 ~~availability of the quality measures~~ the equivalent of a one percent rate increase for all  
377.18 home and community-based services providers.

377.19 Sec. 51. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 53,  
377.20 is amended to read:

377.21 Subd. 53. **Calculation of payment rate for external fixed costs.** The commissioner  
377.22 shall calculate a payment rate for external fixed costs.

377.23 (a) For a facility licensed as a nursing home, the portion related to section 256.9657  
377.24 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care  
377.25 home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the  
377.26 result of its number of nursing home beds divided by its total number of licensed beds.

377.27 (b) The portion related to the licensure fee under section 144.122, paragraph (d),  
377.28 shall be the amount of the fee divided by actual resident days.

377.29 (c) The portion related to scholarships shall be determined under section 256B.431,  
377.30 subdivision 36.

377.31 (d) Until September 30, 2013, the portion related to long-term care consultation shall  
377.32 be determined according to section 256B.0911, subdivision 6.

377.33 (e) The portion related to development and education of resident and family advisory  
377.34 councils under section 144A.33 shall be \$5 divided by 365.

378.1 (f) The portion related to planned closure rate adjustments shall be as determined  
378.2 under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.  
378.3 Planned closure rate adjustments that take effect before October 1, 2014, shall no longer  
378.4 be included in the payment rate for external fixed costs beginning October 1, 2016.  
378.5 Planned closure rate adjustments that take effect on or after October 1, 2014, shall no  
378.6 longer be included in the payment rate for external fixed costs beginning on October 1 of  
378.7 the first year not less than two years after their effective date.

378.8 (g) The portions related to property insurance, real estate taxes, special assessments,  
378.9 and payments made in lieu of real estate taxes directly identified or allocated to the nursing  
378.10 facility shall be the actual amounts divided by actual resident days.

378.11 (h) The portion related to the Public Employees Retirement Association shall be  
378.12 actual costs divided by resident days.

378.13 (i) The single bed room incentives shall be as determined under section 256B.431,  
378.14 subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall  
378.15 no longer be included in the payment rate for external fixed costs beginning October 1,  
378.16 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no  
378.17 longer be included in the payment rate for external fixed costs beginning on October 1 of  
378.18 the first year not less than two years after their effective date.

378.19 (j) The portion related to the rate adjustment as provided in subdivision 64.

378.20 (k) The payment rate for external fixed costs shall be the sum of the amounts in  
378.21 paragraphs (a) to (i).

378.22 Sec. 52. Minnesota Statutes 2012, section 256B.441, is amended by adding a  
378.23 subdivision to read:

378.24 Subd. 64. **Rate adjustment for compensation-related costs.** (a) Total payment  
378.25 rates of all nursing facilities that are reimbursed under this section or section 256B.434  
378.26 shall be increased effective October 1, 2014, to address compensation costs for nursing  
378.27 facility employees paid less than \$14.00 per hour.

378.28 (b) Based on the application in paragraph (d), the commissioner shall calculate  
378.29 the annualized compensation costs by adding the totals of clauses (1), (2), and (3). The  
378.30 result must be divided by the resident days from the most recently available cost report to  
378.31 determine a per diem amount, which must be included in the external fixed cost portion of  
378.32 the total payment rate under subdivision 53:

378.33 (1) the sum of the difference between \$9.50 and any hourly wage rate of less than  
378.34 \$9.50, multiplied by the number of compensated hours at that wage rate;

378.35 (2) the sum of items (i) to (viii):

379.1 (i) for all compensated hours from \$8.00 to \$8.49 per hour, the number of  
379.2 compensated hours is multiplied by \$0.13;

379.3 (ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of  
379.4 compensated hours is multiplied by \$0.25;

379.5 (iii) for all compensated hours from \$9.00 to \$9.49 per hour, the number of  
379.6 compensated hours is multiplied by \$0.38;

379.7 (iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of  
379.8 compensated hours is multiplied by \$0.50;

379.9 (v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of  
379.10 compensated hours is multiplied by \$0.40;

379.11 (vi) for all compensated hours from \$11.00 to \$11.49 per hour, the number of  
379.12 compensated hours is multiplied by \$0.30;

379.13 (vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of  
379.14 compensated hours is multiplied by \$0.20; and

379.15 (viii) for all compensated hours from \$12.00 to \$13.00 per hour, the number of  
379.16 compensated hours is multiplied by \$0.10; and

379.17 (3) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal  
379.18 unemployment taxes, workers' compensation, pensions, and contributions to employee  
379.19 retirement accounts attributable to the amounts in clauses (1) and (2).

379.20 (c) For the rate year beginning October 1, 2014, nursing facilities that receive  
379.21 approval of the application in paragraph (d) must receive a rate adjustment according to  
379.22 paragraph (b). The rate adjustment must be used to pay compensation costs for nursing  
379.23 facility employees paid less than \$14.00 per hour. The rate adjustment must continue to  
379.24 be included in the total payment rate in subsequent years.

379.25 (d) To receive a rate adjustment, nursing facilities must submit an application to the  
379.26 commissioner in a form and manner determined by the commissioner. The application  
379.27 shall include data for a period beginning with the first pay period after January 1, 2014,  
379.28 including at least three months of employee compensated hours by wage rate, and a  
379.29 spending plan that describes how the funds from the rate adjustment will be allocated  
379.30 for compensation to employees paid less than \$14.00 per hour. The application must  
379.31 be submitted by December 31, 2014. The commissioner may request any additional  
379.32 information needed to determine the rate adjustment within three weeks of receiving  
379.33 a complete application. The nursing facility must provide any additional information  
379.34 requested by the commissioner by March 31, 2015. The commissioner may waive the  
379.35 deadlines in this subdivision under extraordinary circumstances.

380.1        (e) For nursing facilities in which employees are represented by an exclusive  
380.2 bargaining representative, the commissioner shall approve the application submitted under  
380.3 this subdivision only upon receipt of a letter of acceptance of the spending plan in regard  
380.4 to members of the bargaining unit, signed by the exclusive bargaining agent and dated  
380.5 after May 31, 2014. Upon receipt of the letter of acceptance, the commissioner shall  
380.6 deem all requirements of this subdivision as having been met in regard to the members of  
380.7 the bargaining unit.

380.8        Sec. 53. Minnesota Statutes 2013 Supplement, section 256B.4912, subdivision 1,  
380.9 is amended to read:

380.10        Subdivision 1. **Provider qualifications.** (a) For the home and community-based  
380.11 waivers providing services to seniors and individuals with disabilities under sections  
380.12 256B.0913, 256B.0915, 256B.092, and 256B.49, the commissioner shall establish:

380.13        (1) agreements with enrolled waiver service providers to ensure providers meet  
380.14 Minnesota health care program requirements;

380.15        (2) regular reviews of provider qualifications, and including requests of proof of  
380.16 documentation; and

380.17        (3) processes to gather the necessary information to determine provider qualifications.

380.18        (b) Beginning July 1, 2012, staff that provide direct contact, as defined in section  
380.19 245C.02, subdivision 11, for services specified in the federally approved waiver plans  
380.20 must meet the requirements of chapter 245C prior to providing waiver services and as  
380.21 part of ongoing enrollment. Upon federal approval, this requirement must also apply to  
380.22 consumer-directed community supports.

380.23        (c) Beginning January 1, 2014, service owners and managerial officials overseeing  
380.24 the management or policies of services that provide direct contact as specified in the  
380.25 federally approved waiver plans must meet the requirements of chapter 245C prior to  
380.26 reenrollment or revalidation or, for new providers, prior to initial enrollment if they have  
380.27 not already done so as a part of service licensure requirements.

380.28        Sec. 54. Minnesota Statutes 2012, section 256B.5012, is amended by adding a  
380.29 subdivision to read:

380.30        Subd. 16. **ICF/DD rate increases effective July 1, 2014.** (a) For each facility  
380.31 reimbursed under this section, for the rate period beginning July 1, 2014, the commissioner  
380.32 shall increase operating payments equal to five percent of the operating payment rates in  
380.33 effect on July 1, 2014. For each facility, the commissioner shall apply the rate increase  
380.34 based on occupied beds, using the percentage specified in this subdivision multiplied by

381.1 the total payment rate, including the variable rate but excluding the property-related  
381.2 payment rate in effect on the preceding date.

381.3 (b) To receive the rate increase under paragraph (a), each facility reimbursed under  
381.4 this section must submit to the commissioner documentation that identifies a quality  
381.5 improvement project the facility will implement by June 30, 2015. Documentation must  
381.6 be provided in a format specified by the commissioner. Projects must:

381.7 (1) improve the quality of life of intermediate care facility residents in a meaningful  
381.8 way;

381.9 (2) improve the quality of services in a measurable way; or

381.10 (3) deliver good quality service more efficiently while using the savings to enhance  
381.11 services for the participants served.

381.12 (c) For a facility that fails to submit the documentation described in paragraph (b)  
381.13 by a date or in a format specified by the commissioner, the commissioner shall reduce  
381.14 the facility's rate by one percent effective January 1, 2015.

381.15 (d) Facilities that receive a rate increase under this subdivision shall use 75 percent  
381.16 of the rate increase to increase compensation-related costs for employees directly  
381.17 employed by the facility on or after the effective date of the rate adjustments, except:

381.18 (1) persons employed in the central office of a corporation or entity that has an  
381.19 ownership interest in the facility or exercises control over the facility; and

381.20 (2) persons paid by the facility under a management contract.

381.21 This requirement is subject to audit by the commissioner.

381.22 (e) Compensation-related costs include:

381.23 (1) wages and salaries;

381.24 (2) the employer's share of FICA taxes, Medicare taxes, state and federal  
381.25 unemployment taxes, workers' compensation, and mileage reimbursement;

381.26 (3) the employer's share of health and dental insurance, life insurance, disability  
381.27 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
381.28 employee retirement accounts; and

381.29 (4) other benefits provided and workforce needs, including the recruiting and  
381.30 training of employees as specified in the distribution plan required under paragraph (f).

381.31 (f) A facility that receives a rate adjustment under paragraph (a) that is subject to  
381.32 paragraphs (d) and (e) shall prepare and produce for the commissioner, upon request, a  
381.33 plan that specifies the amount of money the provider expects to receive that is subject to  
381.34 the requirements of paragraphs (d) and (e), as well as how that money will be distributed  
381.35 to increase compensation for employees. The commissioner may recover funds from a  
381.36 facility that fails to comply with this requirement.

(g) Within six months after the effective date of the rate adjustment, the facility shall post the distribution plan required under paragraph (f) for a period of at least six weeks in an area of the facility's operation to which all eligible employees have access, and shall provide instructions for employees who believe they have not received the wage and other compensation-related increases specified in the distribution plan. These instructions must include a mailing address, e-mail address, and telephone number that an employee may use to contact the commissioner or the commissioner's representative. Facilities shall make assurances to the commissioner of compliance with this subdivision using forms prescribed by the commissioner.

(h) For public employees, the increase for wages and benefits for certain staff is available and pay rates must be increased only to the extent that the increases comply with laws governing public employees' collective bargaining. Money received by a provider for pay increases for public employees under this subdivision may be used only for increases implemented within one month of the effective date of the rate increase and must not be used for increases implemented prior to that date.

(i) For a provider that has employees that are represented by an exclusive bargaining representative, the provider shall obtain a letter of acceptance of the distribution plan, in regard to the members of the bargaining unit, signed by the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the requirements of this subdivision in regard to the members of the bargaining unit. The provider shall produce the letter of acceptance for the commissioner upon request.

**Sec. 55. PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY 1, 2014.**

(a) The commissioner of human services shall increase reimbursement rates, grants, allocations, individual limits, and rate limits, as applicable, by five percent for the rate period beginning July 1, 2014, for services rendered on or after that date. County or tribal contracts for services specified in this section must be amended to pass through these rate increases within 60 days of the effective date.

(b) The rate changes described in this section must be provided to:

(1) home and community-based waiver services for persons with developmental disabilities, including consumer-directed community supports, under Minnesota Statutes, section 256B.092;

(2) waiver services under community alternatives for disabled individuals, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

- 383.1 (3) community alternative care waiver services, including consumer-directed  
383.2 community supports, under Minnesota Statutes, section 256B.49;
- 383.3 (4) brain injury waiver services, including consumer-directed community supports,  
383.4 under Minnesota Statutes, section 256B.49;
- 383.5 (5) home and community-based waiver services for the elderly under Minnesota  
383.6 Statutes, section 256B.0915;
- 383.7 (6) nursing services and home health services under Minnesota Statutes, section  
383.8 256B.0625, subdivision 6a;
- 383.9 (7) personal care services and qualified professional supervision of personal care  
383.10 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;
- 383.11 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,  
383.12 subdivision 7;
- 383.13 (9) community first services and supports under Minnesota Statutes, section 256B.85;
- 383.14 (10) essential community supports under Minnesota Statutes, section 256B.0922;
- 383.15 (11) day training and habilitation services for adults with developmental disabilities  
383.16 or related conditions under Minnesota Statutes, sections 252.41 to 252.46, including the  
383.17 additional cost to counties for rate adjustments to day training and habilitation services  
383.18 provided as a social service;
- 383.19 (12) alternative care services under Minnesota Statutes, section 256B.0913;
- 383.20 (13) living skills training programs for persons with intractable epilepsy who need  
383.21 assistance in the transition to independent living under Laws 1988, chapter 689;
- 383.22 (14) consumer support grants under Minnesota Statutes, section 256.476;
- 383.23 (15) semi-independent living services under Minnesota Statutes, section 252.275;
- 383.24 (16) family support grants under Minnesota Statutes, section 252.32;
- 383.25 (17) housing access grants under Minnesota Statutes, section 256B.0658;
- 383.26 (18) self-advocacy grants under Laws 2009, chapter 101;
- 383.27 (19) technology grants under Laws 2009, chapter 79;
- 383.28 (20) aging grants under Minnesota Statutes, sections 256.975 to 256.977 and  
383.29 256B.0917;
- 383.30 (21) deaf and hard-of-hearing grants, including community support services for deaf  
383.31 and hard-of-hearing adults with mental illness who use or wish to use sign language as their  
383.32 primary means of communication under Minnesota Statutes, section 256.01, subdivision 2;
- 383.33 (22) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233,  
383.34 256C.25, and 256C.261;
- 383.35 (23) Disability Linkage Line grants under Minnesota Statutes, section 256.01,  
383.36 subdivision 24;

384.1 (24) transition initiative grants under Minnesota Statutes, section 256.478;

384.2 (25) employment support grants under Minnesota Statutes, section 256B.021,  
384.3 subdivision 6; and

384.4 (26) grants provided to people who are eligible for the Housing Opportunities for  
384.5 Persons with AIDS program under Minnesota Statutes, section 256B.492.

384.6 (c) A managed care plan receiving state payments for the services in paragraph (b)  
384.7 must include the increases in paragraph (a) in payments to providers. To implement the  
384.8 rate increase in this section, capitation rates paid by the commissioner to managed care  
384.9 organizations under Minnesota Statutes, section 256B.69, shall reflect a five percent  
384.10 increase for the specified services for the period beginning July 1, 2014.

384.11 (d) Counties shall increase the budget for each recipient of consumer-directed  
384.12 community supports by the amounts in paragraph (a) on the effective dates in paragraph (a).

384.13 (e) To implement this section, the commissioner shall increase service rates in the  
384.14 disability waiver payment system authorized in Minnesota Statutes, sections 256B.4913  
384.15 and 256B.4914.

384.16 (f) To receive the rate increase described in this section, providers under paragraphs  
384.17 (a) and (b) must submit to the commissioner documentation that identifies a quality  
384.18 improvement project that the provider will implement by June 30, 2015. Documentation  
384.19 must be provided in a format specified by the commissioner. Projects must:

384.20 (1) improve the quality of life of home and community-based services recipients in  
384.21 a meaningful way;

384.22 (2) improve the quality of services in a measurable way; or

384.23 (3) deliver good quality service more efficiently while using the savings to enhance  
384.24 services for the participants served.

384.25 Providers listed in paragraph (b), clauses (7), (9), (10), and (13) to (26), are not subject  
384.26 to this requirement.

384.27 (g) For a provider that fails to submit documentation described in paragraph (f) by  
384.28 a date or in a format specified by the commissioner, the commissioner shall reduce the  
384.29 provider's rate by one percent effective January 1, 2015.

384.30 (h) Providers that receive a rate increase under this subdivision shall use 75 percent  
384.31 of the rate increase to increase compensation-related costs for employees directly  
384.32 employed by the facility on or after the effective date of the rate adjustments, except:

384.33 (1) persons employed in the central office of a corporation or entity that has an  
384.34 ownership interest in the facility or exercises control over the facility; and

384.35 (2) persons paid by the facility under a management contract.

384.36 This requirement is subject to audit by the commissioner.



385.1 (i) Compensation-related costs include:

385.2 (1) wages and salaries;

385.3 (2) the employer's share of FICA taxes, Medicare taxes, state and federal  
385.4 unemployment taxes, workers' compensation, and mileage reimbursement;

385.5 (3) the employer's share of health and dental insurance, life insurance, disability  
385.6 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
385.7 employee retirement accounts; and

385.8 (4) other benefits provided and workforce needs, including the recruiting and  
385.9 training of employees as specified in the distribution plan required under paragraph (l).

385.10 (j) For public employees, the increase for wages and benefits for certain staff is  
385.11 available and pay rates must be increased only to the extent that the increases comply with  
385.12 laws governing public employees' collective bargaining. Money received by a provider  
385.13 for pay increases for public employees under this section may be used only for increases  
385.14 implemented within one month of the effective date of the rate increase and must not be  
385.15 used for increases implemented prior to that date.

385.16 (k) For a provider that has employees that are represented by an exclusive bargaining  
385.17 representative, the provider shall obtain a letter of acceptance of the distribution plan, in  
385.18 regard to the members of the bargaining unit, signed by the exclusive bargaining agent.  
385.19 Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the  
385.20 requirements of this section in regard to the members of the bargaining unit. The provider  
385.21 shall produce the letter of acceptance for the commissioner upon request.

385.22 (l) A provider that receives a rate adjustment under paragraph (b) that is subject to  
385.23 paragraphs (h) and (i) shall prepare and produce for the commissioner, upon request, a  
385.24 plan that specifies the amount of money the provider expects to receive that is subject to  
385.25 the requirements of paragraphs (h) and (i), as well as how that money will be distributed  
385.26 to increase compensation for employees. The commissioner may recover funds from a  
385.27 facility that fails to comply with this requirement.

385.28 (m) Within six months after the effective date of the rate adjustment, the provider  
385.29 shall post the distribution plan required under paragraph (l) for a period of at least six  
385.30 weeks in an area of the provider's operation to which all eligible employees have access,  
385.31 and shall provide instructions for employees who believe they have not received the  
385.32 wage and other compensation-related increases specified in the distribution plan. These  
385.33 instructions must include a mailing address, e-mail address, and telephone number that  
385.34 an employee may use to contact the commissioner or the commissioner's representative.  
385.35 Providers shall make assurances to the commissioner of compliance with this section  
385.36 using forms prescribed by the commissioner.

Sec. 56. **REVISOR'S INSTRUCTION.**

(a) In each section of Minnesota Statutes or part of Minnesota Rules referred to in column A, the revisor of statutes shall delete the word or phrase in column B and insert the phrase in column C. The revisor shall also make related grammatical changes and changes in headnotes.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
		<u>persons with developmental disabilities</u>
<u>section 158.13</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.14</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.17</u>	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.18</u>	<u>persons not defective</u>	<u>persons without developmental disabilities</u>
	<u>defective person</u>	<u>person with developmental disabilities</u>
	<u>defective persons</u>	<u>persons with developmental disabilities</u>
<u>section 158.19</u>	<u>defective</u>	<u>person with developmental disabilities</u>
<u>section 256.94</u>	<u>defective</u>	<u>children with developmental disabilities and</u>
<u>section 257.175</u>	<u>defective</u>	<u>children with developmental disabilities and</u>
<u>part 2911.1350</u>	<u>retardation</u>	<u>developmental disability</u>

(b) The revisor of statutes shall change the term "health and safety" to "health and welfare" in the following statutes: Minnesota Statutes, sections 245D.03, 245D.061, 245D.071, 245D.10, 245D.11, 245D.31, 256B.0915, and 256B.092.

**ARTICLE 30**

**MISCELLANEOUS**

Section 1. Minnesota Statutes 2013 Supplement, section 16A.724, subdivision 2, is amended to read:

Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund, effective for the biennium beginning July 1, 2007, the commissioner of management and budget shall transfer the excess funds from the health care access fund to the general fund on June 30 of each year, provided that the amount transferred in any fiscal biennium shall not exceed \$96,000,000. The purpose of this transfer is to meet the rate increase required under Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

(b) For fiscal ~~years 2006 to 2011~~ year 2018 and thereafter, MinnesotaCare shall be a forecasted program, and, if necessary, the commissioner shall reduce these transfers from the health care access fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary, transfer sufficient funds from the general fund to the health care access fund to meet annual MinnesotaCare expenditures.

(c) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund after the transfer required in paragraph (a), effective for the biennium beginning July 1, 2013, the commissioner of management and budget shall transfer \$1,000,000 each fiscal year from the health access fund to the medical education and research costs fund established under section 62J.692, for distribution under section 62J.692, subdivision 4, paragraph (c).

Sec. 2. Minnesota Statutes 2012, section 254B.12, is amended to read:

**254B.12 RATE METHODOLOGY.**

Subdivision 1. CCDTF rate methodology established. The commissioner shall establish a new rate methodology for the consolidated chemical dependency treatment fund. The new methodology must replace county-negotiated rates with a uniform statewide methodology that must include a graduated reimbursement scale based on the patients' level of acuity and complexity. At least biennially, the commissioner shall review the financial information provided by vendors to determine the need for rate adjustments.

Subd. 2. Payment methodology for highly specialized vendors. (a)  
Notwithstanding subdivision 1, the commissioner shall seek federal authority to develop a separate payment methodology for chemical dependency treatment services provided under the consolidated chemical dependency treatment fund for persons who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community. This payment methodology is effective for services provided on or after October 1, 2015, or on or after the receipt of federal approval, whichever is later.

(b) Before implementing an approved payment methodology under paragraph (a), the commissioner must also receive any necessary legislative approval of required changes to state law or funding.

Sec. 3. Minnesota Statutes 2012, section 256I.04, subdivision 2b, is amended to read:

Subd. 2b. Group residential housing agreements. (a) Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does

business and under which the establishment, or service provider, if different from the group residential housing establishment, is licensed by the Department of Health or the Department of Human Services; the specific license or registration from the Department of Health or the Department of Human Services held by the provider and the number of beds subject to that license; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections. Group residential housing agreements may be terminated with or without cause by either the county or the provider with two calendar months prior notice.

(b) The commissioner may enter directly into an agreement with a provider serving veterans who meet the eligibility criteria of this section and reside in a setting according to subdivision 2a, located in Stearns County. Responsibility for monitoring and oversight of this setting shall remain with Stearns County. This agreement may be terminated with or without cause by either the commissioner or the provider with two calendar months prior notice. This agreement shall be subject to the requirements of county agreements and negotiated rates in subdivisions 1, paragraphs (a) and (b), and 2, and sections 256I.05, subdivisions 1 and 1c, and 256I.06, subdivision 7.

**EFFECTIVE DATE.** This section is effective July 1, 2015.

Sec. 4. Minnesota Statutes 2012, section 256I.05, subdivision 2, is amended to read:

Subd. 2. **Monthly rates; exemptions.** ~~The maximum group residential housing rate does not apply~~ This subdivision applies to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. Notwithstanding the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision shall be determined under section 256B.431, or under section 256B.434 if the facility is accepted by the commissioner for participation in the alternative payment demonstration project. The rate paid to this facility shall also include adjustments to the group residential housing rate according to subdivision 1, and any adjustments applicable to supplemental service rates statewide.

389.1       Sec. 5. **CIVIL COMMITMENT TRAINING PROGRAM.**

389.2       The commissioner of human services shall develop an online training program for  
389.3 interested individuals and personnel, specifically county and hospital staff and mental  
389.4 health providers, to understand, clarify, and interpret the Civil Commitment Act under  
389.5 Minnesota Statutes, chapter 253B, as it pertains to persons with mental illnesses. The  
389.6 training must be developed in collaboration with the ombudsman for mental health  
389.7 and developmental disabilities, Minnesota County Attorneys Association, National  
389.8 Alliance on Mental Illness of Minnesota, Mental Health Consumer/Survivor Network  
389.9 of Minnesota, State Advisory Council on Mental Health, Mental Health Association,  
389.10 Minnesota Psychiatric Society, Hennepin Commitment Defense Panel, Minnesota  
389.11 Disability Law Center, Minnesota Association of Community Mental Health Programs,  
389.12 Minnesota Hospital Association, and Minnesota Board of Public Defense. The purpose of  
389.13 the training is to promote better clarity and interpretation of the civil commitment laws.

389.14       Sec. 6. **DIRECTION TO COMMISSIONER; REPORT ON PROGRAM**  
389.15 **WAITING LISTS.**

389.16       In preparing background materials for the 2016-2017 biennium, the commissioner  
389.17 of human services shall prepare a listing of all of the waiting lists for services that the  
389.18 department oversees and directs. The listing shall identify the number of persons on those  
389.19 waiting lists as of October 1, 2014, an estimate of the cost of serving them based on  
389.20 current average costs, and an estimate of the number of jobs that would be created given  
389.21 current average levels of staffing if the waiting list were eliminated. The commissioner  
389.22 is encouraged to engage postsecondary students in the assembly, analysis, and reporting  
389.23 of this information. The information shall be provided to the governor, the chairs and  
389.24 ranking minority members of the legislative committees with jurisdiction over health and  
389.25 human services policy and finance, and the Legislative Reference Library in electronic  
389.26 form by December 1, 2014.

389.27       Sec. 7. **MENTALLY ILL OFFENDERS ARRESTED OR SUBJECT TO**  
389.28 **ARREST; WORKING GROUP.**

389.29       Subdivision 1. **Working group established; study and draft legislation required.**  
389.30 The commissioner of human services may convene a working group to address issues  
389.31 related to offenders with mental illness who are arrested or subject to arrest. The working  
389.32 group shall consider the special needs of these offenders and determine how best to  
389.33 provide for these needs. Specifically, the group shall consider the efficacy of a facility  
389.34 that would serve as a central point for accepting, assessing, and addressing the needs of

390.1 offenders with mental illness brought in by law enforcement as an alternative to arrest or  
390.2 following arrest. The facility would consolidate and coordinate existing resources as well  
390.3 as offer new resources that would provide a continuum of care addressing the immediate,  
390.4 short-term, and long-term needs of these offenders. The facility would do the following for  
390.5 these offenders: perform timely, credible, and useful mental health assessments; identify  
390.6 community placement opportunities; coordinate community care; make recommendations  
390.7 concerning pretrial release when appropriate; and, in some cases, provide direct services  
390.8 to offenders at the facility or in nearby jails. The working group shall establish criteria  
390.9 to determine which offenders may be admitted to the facility. The facility would be  
390.10 located in the metropolitan region and serve the needs of nearby counties. The facility  
390.11 would represent a partnership between the state, local units of government, and the private  
390.12 sector. In addition, the working group may consider how similar facilities could function  
390.13 in outstate areas. When studying this issue, the working group shall examine what other  
390.14 states have done in this area to determine what programs have been successful and use  
390.15 those programs as models in developing the program in Minnesota. The working group  
390.16 may also study and make recommendations on other ways to improve the process for  
390.17 addressing and assisting these offenders. The commissioner shall enter into an agreement  
390.18 with NAMI Minnesota to carry out the work of the working group.

390.19 Subd. 2. **Membership.** The commissioner shall ensure that the working group  
390.20 has expertise and a broad range of interests represented, including, but not limited to:  
390.21 prosecutors; law enforcement, including jail staff; correctional officials; probation  
390.22 officials; criminal defense attorneys; judges; county and city officials; mental health  
390.23 advocates; mental health professionals; and hospital and health care officials.

390.24 Subd. 3. **Administrative issues.** (a) The commissioner shall convene the first  
390.25 meeting of the working group by September 1, 2014. NAMI Minnesota shall provide  
390.26 meeting space and administrative support to the working group. The working group shall  
390.27 select a chair from among its members.

390.28 (b) The commissioner may solicit in-kind support from work group member  
390.29 agencies to accomplish its assigned duties.

390.30 Subd. 4. **Report required.** By January 1, 2015, the working group shall submit a  
390.31 report to the chairs and ranking minority members of the senate and house of representatives  
390.32 committees and divisions having jurisdiction over human services and public safety. The  
390.33 report must summarize the working group's activities and include its recommendations  
390.34 and draft legislation. The recommendations must be specific and include estimates of the  
390.35 costs involved in implementing the recommendations, including the funding sources that  
390.36 might be used to pay for it. The working group shall explore potential funding sources

391.1 at the federal, local, and private levels, and provide this information in the report. In  
391.2 addition, the report must include draft legislation to implement the recommendations.

391.3      Sec. 8. **RECOMMENDATIONS; DRAFT LEGISLATION; IMPLEMENTATION**

391.4      **PLAN; UNIFORM PUBLIC ASSISTANCE PROGRAM ELIGIBILITY.**

391.5       The commissioner of human services, in consultation with counties, tribes, and  
391.6       program participants, shall prepare draft legislation to implement uniform public  
391.7       assistance program eligibility and verification for the following programs: general  
391.8       assistance under Minnesota Statutes, chapter 256D; Minnesota supplemental aid under  
391.9       Minnesota Statutes, chapter 256D; group residential housing under Minnesota Statutes,  
391.10       chapter 256I; and the Minnesota family investment program under Minnesota Statutes,  
391.11       chapter 256J. In order to provide further uniformity and simplification of assistance  
391.12       programs under Minnesota Statutes, chapters 256D, 256I, and 256J, the commissioner  
391.13       of human services, in consultation with counties, tribes, and program participants, may  
391.14       prepare legislation to plan for the implementation of prospective budgeting, three-month  
391.15       reporting, uniform reporting, and budgeting standards. The commissioner may provide  
391.16       recommendations and a plan for implementation to the legislative committees with  
391.17       jurisdiction over health and human services policy and finance.

391.18      Sec. 9. DETOXIFICATION SERVICES; INSTRUCTIONS TO THE  
391.19      **COMMISSIONER.**

391.20 The commissioner of human services shall develop a plan to include detoxification  
391.21 services as a covered medical assistance benefit and present the plan to the legislature  
391.22 by December 15, 2014.

## 391.23 ARTICLE 31

391.24 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

391.25 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

391.26        The sums shown in the columns marked "Appropriations" are added to or, if shown  
391.27 in parentheses, subtracted from the appropriations in Laws 2013, chapter 108, articles 14  
391.28 and 15, to the agencies and for the purposes specified in this article. The appropriations  
391.29 are from the general fund and are available for the fiscal years indicated for each purpose.  
391.30 The figures "2014" and "2015" used in this article mean that the addition to or subtraction  
391.31 from the appropriation listed under them is available for the fiscal year ending June 30,  
391.32 2014, or June 30, 2015, respectively. Supplemental appropriations and reductions to

392.1 appropriations for the fiscal year ending June 30, 2014, are effective the day following  
 392.2 final enactment unless a different effective date is explicit.

392.3		<b><u>APPROPRIATIONS</u></b>	
392.4		<b><u>Available for the Year</u></b>	
392.5		<b><u>Ending June 30</u></b>	
392.6		<b><u>2014</u></b>	<b><u>2015</u></b>

392.7 **Sec. 2. COMMISSIONER OF HUMAN**  
 392.8 **SERVICES**

392.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>(1,073,000)</u></b>	<b><u>91,753,000</u></b>
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392.10	<b><u>Appropriations by Fund</u></b>		
392.11	<b><u>General</u></b>	<b><u>(1,073,000)</u></b>	<b><u>89,406,000</u></b>
392.12	<b><u>Federal TANF</u></b>	<b><u>-0-</u></b>	<b><u>2,347,000</u></b>

392.13 The appropriation modifications for  
 392.14 each purpose are shown in the following  
 392.15 subdivisions.

392.16 **Subd. 2. Central Office Operations**

392.17	<b><u>(a) Operations</u></b>	<b><u>-0-</u></b>	<b><u>63,000</u></b>
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392.18 **Base adjustment.** The general fund base is  
 392.19 decreased by \$6,000 in fiscal years 2016 and  
 392.20 2017.

392.21	<b><u>(b) Health Care</u></b>	<b><u>-0-</u></b>	<b><u>113,000</u></b>
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392.22 **Base adjustment.** The general fund base is  
 392.23 increased by \$108,000 in fiscal years 2016  
 392.24 and 2017.

392.25	<b><u>(c) Continuing Care</u></b>	<b><u>-0-</u></b>	<b><u>1,084,000</u></b>
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392.26 **Base adjustment.** The general fund base is  
 392.27 increased by \$156,000 in fiscal year 2016  
 392.28 and \$19,000 in fiscal year 2017.

392.29	<b><u>(d) Chemical and Mental Health</u></b>	<b><u>-0-</u></b>	<b><u>115,000</u></b>
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392.30 **Subd. 3. Forecasted Programs**

392.31 **(a) MFIP/DWP**



393.1	<u>Appropriations by Fund</u>		
393.2	<u>General</u>	<u>-0-</u>	<u>122,000</u>
393.3	<u>Federal TANF</u>	<u>-0-</u>	<u>1,995,000</u>
393.4	<b><u>(b) Group Residential Housing</u></b>	<u>-0-</u>	<u>681,000</u>
393.5	<b><u>(c) Medical Assistance</u></b>	<u>(1,058,000)</u>	<u>80,827,000</u>
393.6	<b><u>(d) Alternative Care</u></b>	<u>-0-</u>	<u>965,000</u>
393.7	<b><u>Subd. 4. Grant Programs</u></b>		
393.8	<b><u>(a) Children's Services Grants</u></b>	<u>-0-</u>	<u>(3,000)</u>
393.9	<b><u>Base adjustment.</u></b> The general fund base is		
393.10	<u>increased by \$9,000 in fiscal year 2017.</u>		
393.11	<b><u>(b) Child and Economic Support Grants</u></b>	<u>-0-</u>	<u>1,669,000</u>
393.12	<b><u>Safe harbor.</u></b> \$569,000 in fiscal year 2015		
393.13	<u>from the general fund is for housing and</u>		
393.14	<u>supportive services for sexually exploited</u>		
393.15	<u>youth.</u>		
393.16	<b><u>Homeless youth.</u></b> \$1,100,000 in fiscal year		
393.17	<u>2015 is for purposes of Minnesota Statutes,</u>		
393.18	<u>section 256K.45.</u>		
393.19	<b><u>(c) Aging and Adult Services Grants</u></b>	<u>(15,000)</u>	<u>1,541,000</u>
393.20	<b><u>Senior nutrition.</u></b> \$579,000 in fiscal year		
393.21	<u>2015 from the general fund is for congregate</u>		
393.22	<u>dining services under Minnesota Statutes,</u>		
393.23	<u>section 256.9752.</u>		
393.24	<b><u>Base adjustment.</u></b> The general fund base is		
393.25	<u>decreased by \$429,000 in fiscal year 2016</u>		
393.26	<u>and \$419,000 in fiscal year 2017.</u>		
393.27	<b><u>(d) Deaf and Hard-of-Hearing Grants</u></b>	<u>-0-</u>	<u>81,000</u>
393.28	<b><u>Base adjustment.</u></b> The general fund base is		
393.29	<u>increased by \$6,000 in fiscal years 2016 and</u>		
393.30	<u>2017.</u>		

394.1	<u>(e) Disabilities Grants</u>	-0-	<u>1,267,000</u>
394.2	<u>Base adjustment. The general fund base is</u>		
394.3	<u>increased by \$224,000 in fiscal year 2016</u>		
394.4	<u>and \$233,000 in fiscal year 2017.</u>		
394.5	<u>Subd. 5. State-Operated Services</u>		
394.6	<u>(a) SOS Mental Health</u>	-0-	<u>881,000</u>
394.7	<u>Civil commitments. \$35,000 in fiscal year</u>		
394.8	<u>2015 is for developing an online training</u>		
394.9	<u>program to help interested parties understand</u>		
394.10	<u>the civil commitment process.</u>		
394.11	<u>Base adjustment. The general fund base is</u>		
394.12	<u>increased by \$213,000 in fiscal years 2016</u>		
394.13	<u>and 2017.</u>		
394.14	<u>(b) SOS Enterprise Services</u>	-0-	-0-
394.15	<u>Community Addiction Recovery</u>		
394.16	<u>Enterprise deficiency funding.</u>		
394.17	<u>Notwithstanding Minnesota Statutes, section</u>		
394.18	<u>254B.06, subdivision 1, \$4,000,000 is</u>		
394.19	<u>transferred in fiscal years 2014 and 2015</u>		
394.20	<u>from the consolidated chemical dependency</u>		
394.21	<u>treatment fund administrative account in the</u>		
394.22	<u>special revenue fund and deposited into the</u>		
394.23	<u>enterprise fund for the Community Addiction</u>		
394.24	<u>Recovery Enterprise. This clause is effective</u>		
394.25	<u>the day following final enactment.</u>		
394.26	<u>Subd. 6. Technical Activities</u>		
394.27	<u>MFIP Child Care Assistance</u>		
394.28	<u>Appropriations by Fund</u>		
394.29	<u>Federal TANF</u>	-0-	<u>352,000</u>
394.30	<u>Sec. 3. COMMISSIONER OF HEALTH.</u>		
394.31	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>967,000 \$ 1,801,000</u>

395.1	<u>Appropriations by Fund</u>		
395.2		<u>2014</u>	<u>2015</u>
395.3	<u>General</u>	<u>1,150,000</u>	<u>1,994,000</u>
395.4	<u>State Government</u>		
395.5	<u>Special Revenue</u>	<u>817,000</u>	<u>807,000</u>
395.6	<u>Health Care Access</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>

395.7 Subd. 2. **Health Improvement**

395.8	<u>Appropriations by Fund</u>		
395.9	<u>General</u>	<u>75,000</u>	<u>1,819,000</u>

395.10 **Poison information centers.** \$750,000  
 395.11 in fiscal year 2015 from the general fund  
 395.12 is for regional poison information centers  
 395.13 under Minnesota Statutes, section 145.93,  
 395.14 and is added to the base. The appropriation  
 395.15 is (1) to enhance staffing to meet national  
 395.16 accreditation standards; (2) for health care  
 395.17 provider education and training; (3) for  
 395.18 surveillance of emerging toxicology and  
 395.19 poison issues; and (4) to cooperate with local  
 395.20 public health officials on outreach efforts.

395.21 **Minority health disparity grants.** \$100,000  
 395.22 in fiscal year 2014 and \$475,000 in fiscal  
 395.23 year 2015 are for the commissioner of health  
 395.24 to begin implementing recommendations of  
 395.25 the health equity report under Laws 2013,  
 395.26 chapter 108, article 12, section 102. This  
 395.27 funding is onetime and shall not become part  
 395.28 of base funding. Funds must be distributed  
 395.29 as follows:

395.30 (1) \$100,000 in fiscal year 2014 and  
 395.31 \$100,000 in fiscal year 2015 are for dementia  
 395.32 outreach education and training grants  
 395.33 targeting minority communities under article  
 395.34 25, section 7;

396.1 (2) \$75,000 in fiscal year 2015 is for planning  
396.2 and conducting a training conference on  
396.3 immigrant and refugee mental health issues.  
396.4 The conference shall include an emphasis  
396.5 on mental health concerns in the Somali  
396.6 community. Conference planning shall  
396.7 include input from the Somali community  
396.8 and other stakeholders. This is a onetime  
396.9 appropriation;

396.10 (3) up to \$150,000 in fiscal year 2015 is  
396.11 for additional grants, including but not  
396.12 limited to a grant to a Somali women-led  
396.13 health care agency. Grantees must use  
396.14 community-based, participatory research to  
396.15 address health inequities and provide services  
396.16 through culturally specific, minority-centered  
396.17 programs; and

396.18 (4) remaining funds shall be used for  
396.19 redesigning agency grant making to advance  
396.20 health equity, ensuring that health equity and  
396.21 the analysis of structural inequities become  
396.22 integral aspects of all agency divisions and  
396.23 programs, and awarding additional grants to  
396.24 address health equity issues.

396.25 **Safe harbor.** \$569,000 in fiscal year  
396.26 2015 from the general fund is for grants  
396.27 for comprehensive services, including  
396.28 trauma-informed, culturally specific  
396.29 services, for sexually exploited youth. The  
396.30 commissioner shall use no more than 6.67  
396.31 percent of these funds for administration of  
396.32 the grants.

396.33 **Base level adjustment.** The general fund  
396.34 base for fiscal year 2016 is \$47,619,000.

397.1 The general fund base for fiscal year 2017  
 397.2 is \$47,669,000.

397.3 **Subd. 3. Policy Quality and Compliance**

397.4	<u>Appropriations by Fund</u>		
397.5	<u>General</u>	<u>-0-</u>	<u>75,000</u>
397.6	<u>State Government</u>		
397.7	<u>Special Revenue</u>	<u>-0-</u>	<u>143,000</u>
397.8	<u>Health Care Access</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>

397.9 **Legislative health care workforce**

397.10 **commission.** \$75,000 in fiscal year 2015 is  
 397.11 for the health care workforce commission  
 397.12 in article 25, section 6. This is a onetime  
 397.13 appropriation.

397.14 **Spoken language health care interpreters.**

397.15 \$81,000 in fiscal year 2015 from the state  
 397.16 government special revenue fund is to  
 397.17 develop a proposal to promote health equity  
 397.18 and quality health outcomes through changes  
 397.19 to laws governing spoken language health  
 397.20 care interpreters. The commissioner shall  
 397.21 consult with spoken language health care  
 397.22 interpreters, organizations that employ  
 397.23 these interpreters, organizations that pay for  
 397.24 interpreter services, health care providers  
 397.25 who use interpreters, clients who use  
 397.26 interpreters, and community organizations  
 397.27 serving non-English speaking populations.  
 397.28 The commissioner shall draft legislation  
 397.29 and submit a report that documents the  
 397.30 process followed and the rationale for  
 397.31 the recommendations to the committees  
 397.32 with jurisdiction over health and human  
 397.33 services by January 15, 2015. In drafting the  
 397.34 legislation and report, the commissioner must  
 397.35 consider input received from individuals and

398.1 organizations consulted and must address  
398.2 issues related to:  
398.3 (1) qualifications for spoken language health  
398.4 care interpreters that assure quality service to  
398.5 health care providers and their patients;  
398.6 (2) methods to support the education and  
398.7 skills development of spoken language health  
398.8 care interpreters serving Minnesotans;  
398.9 (3) the role of an advisory council in  
398.10 maintaining a quality system for spoken  
398.11 language health care interpreting in  
398.12 Minnesota;  
398.13 (4) management of complaints regarding  
398.14 spoken language health care interpreters,  
398.15 including investigation and enforcement  
398.16 actions;  
398.17 (5) an appropriate structure for oversight of  
398.18 spoken language health care interpreters,  
398.19 including administrative and technology  
398.20 requirements; and  
398.21 (6) other issues that address qualifications,  
398.22 quality, access, and affordability of spoken  
398.23 language interpreter services.

398.24 This is a onetime appropriation.

398.25 **Base level adjustment.** The state  
398.26 government special revenue fund base  
398.27 for fiscal years 2016 and 2017 shall be  
398.28 \$16,529,000.

398.29 **Subd. 4. Health Protection**

398.30	<u>Appropriations by Fund</u>		
398.31	<u>General</u>	<u>100,000</u>	<u>100,000</u>
398.32	<u>State Government</u>		
398.33	<u>Special Revenue</u>	<u>817,000</u>	<u>648,000</u>

399.1 **Healthy housing.** \$100,000 in fiscal years  
 399.2 2014 and 2015 from the general fund are  
 399.3 for education and training grants under  
 399.4 Minnesota Statutes, section 144.9513,  
 399.5 subdivision 3, and are added to the base.

399.6 **Subd. 5. Administrative Support Services** 975,000 16,000

399.7 Appropriations by Fund

399.8 General 975,000 -0-

399.9 State Government

399.10 Special Revenue -0- 16,000

399.11 **Lawsuit settlement.** In fiscal year 2014,  
 399.12 \$975,000 from the general fund is a onetime  
 399.13 appropriation for the cost of settling the  
 399.14 lawsuit Bearder v. State.

399.15 **Sec. 4. OMBUDSMAN FOR MENTAL**  
 399.16 **HEALTH AND DEVELOPMENTAL**  
 399.17 **DISABILITIES**

\$ 100,000 \$ 100,000

399.18 Sec. 5. Laws 2013, chapter 1, section 6, as amended by Laws 2013, chapter 108,  
 399.19 article 6, section 32, is amended to read:

399.20 Sec. 6. **TRANSFER.**

399.21 (a) The commissioner of management and budget shall transfer from the health care  
 399.22 access fund to the general fund up to \$21,319,000 in fiscal year 2014; up to \$42,314,000  
 399.23 in fiscal year 2015; up to \$56,147,000 in fiscal year 2016; and up to \$64,683,000 in fiscal  
 399.24 year 2017.

399.25 (b) The commissioner of human services shall determine the difference between the  
 399.26 actual or forecasted cost to the medical assistance program of adding 19- and 20-year-olds  
 399.27 and parents and relative caretaker populations with income between 100 and 138 percent of  
 399.28 the federal poverty guidelines and the cost of adding those populations that was estimated  
 399.29 during the 2013 legislative session based on the data from the February 2013 forecast.

399.30 (c) For each fiscal year from 2014 to 2017, the commissioner of human services shall  
 399.31 certify and report to the commissioner of management and budget the actual or ~~forecasted~~  
 399.32 estimated cost difference of adding 19- and 20-year-olds and parents and relative caretaker  
 399.33 populations with income between 100 and 138 percent of the federal poverty guidelines,  
 399.34 as determined under paragraph (b), to the commissioner of management and budget at

least four weeks prior to the release of a forecast under Minnesota Statutes, section 16A.103, of each fiscal year.

~~(d) No later than three weeks before the release of the forecast~~ For fiscal years 2014 to 2017, forecasts under Minnesota Statutes, section 16A.103, prepared by the commissioner of management and budget shall ~~reduce the~~ include actual or estimated adjustments to health care access fund transfer transfers in paragraph (a), by the cumulative differences in costs reported by the commissioner of human services under according to paragraph (e) (e). If, for any fiscal year, the amount of the cumulative cost differences determined under paragraph (b) is positive, no change is made to the appropriation. If, for any fiscal year, the amount of the cumulative cost differences determined under paragraph (b) is less than the amount of the original appropriation, the appropriation for that year must be zero.

(e) For each fiscal year from 2014 to 2017, the commissioner of management and budget must adjust the transfer amounts in paragraph (a) by the cumulative difference in costs reported by the commissioner of human services under paragraph (c). If, for any fiscal year, the amount of the cumulative difference in costs reported under paragraph (c) is positive, no adjustment shall be made.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

Sec. 6. Laws 2013, chapter 108, article 14, section 2, subdivision 5, is amended to read:

**Subd. 5. Forecasted Programs**

The amounts that may be spent from this appropriation for each purpose are as follows:

**(a) MFIP/DWP**

Appropriations by Fund			
General	72,583,000	76,927,000	
Federal TANF	80,342,000	76,851,000	

<b>(b) MFIP Child Care Assistance</b>	61,701,000	69,294,000
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<b>(c) General Assistance</b>	54,787,000	56,068,000
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**General Assistance Standard.** The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from parents or a legal guardian at \$203.



401.1 The commissioner may reduce this amount  
401.2 according to Laws 1997, chapter 85, article  
401.3 3, section 54.

401.4 **Emergency General Assistance.** The  
401.5 amount appropriated for emergency general  
401.6 assistance funds is limited to no more  
401.7 than \$6,729,812 in fiscal year 2014 and  
401.8 \$6,729,812 in fiscal year 2015. Funds  
401.9 to counties shall be allocated by the  
401.10 commissioner using the allocation method in  
401.11 Minnesota Statutes, section 256D.06.

401.12	<b>(d) MN Supplemental Assistance</b>	38,646,000	39,821,000
401.13	<b>(e) Group Residential Housing</b>	141,138,000	150,988,000
401.14	<b>(f) MinnesotaCare</b>	297,707,000	247,284,000

401.15 This appropriation is from the health care  
401.16 access fund.

401.17 **(g) Medical Assistance**

401.18	Appropriations by Fund		
401.19	General	4,443,768,000	4,431,612,000
401.20	Health Care Access	179,550,000	226,081,000

401.21 **Base Adjustment.** The health care access  
401.22 fund base is \$221,035,000 in fiscal year 2016  
401.23 and \$221,035,000 in fiscal year 2017.

401.24 **Spending to be apportioned.** The  
401.25 commissioner shall apportion expenditures  
401.26 under this paragraph consistent with the  
401.27 requirements of section 12.

401.28 **Support Services for Deaf and**  
401.29 **Hard-of-Hearing.** \$121,000 in fiscal  
401.30 year 2014 and \$141,000 in fiscal year 2015;  
401.31 and \$10,000 in fiscal year 2014 and \$13,000  
401.32 in fiscal year 2015 are from the health care  
401.33 access fund for the hospital reimbursement

402.1 increase in Minnesota Statutes, section  
402.2 256.969, subdivision 29, paragraph (b).

402.3 **Disproportionate Share Payments.**

402.4 Effective for services provided on or after  
402.5 July 1, 2011, through June 30, 2015, the  
402.6 commissioner of human services shall  
402.7 deposit, in the health care access fund,  
402.8 additional federal matching funds received  
402.9 under Minnesota Statutes, section 256B.199,  
402.10 paragraph (e), as disproportionate share  
402.11 hospital payments for inpatient hospital  
402.12 services provided under MinnesotaCare to  
402.13 lawfully present noncitizens who are not  
402.14 eligible for MinnesotaCare with federal  
402.15 financial participation due to immigration  
402.16 status. The amount deposited shall not exceed  
402.17 \$2,200,000 for the time period specified.

402.18 **Funding for Services Provided to EMA**

402.19 **Recipients.** \$2,200,000 in fiscal year 2014 is  
402.20 from the health care access fund to provide  
402.21 services to emergency medical assistance  
402.22 recipients under Minnesota Statutes, section  
402.23 256B.06, subdivision 4, paragraph (l). This  
402.24 is a onetime appropriation and is available in  
402.25 either year of the biennium.

402.26	<b>(h) Alternative Care</b>	50,776,000	54,922,000
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402.27 **Alternative Care Transfer.** Any money  
402.28 allocated to the alternative care program that  
402.29 is not spent for the purposes indicated does  
402.30 not cancel but shall be transferred to the  
402.31 medical assistance account.

402.32	<b>(i) CD Treatment Fund</b>	81,440,000	74,875,000
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402.33 **Balance Transfer.** The commissioner must  
402.34 transfer \$18,188,000 from the consolidated

403.1 chemical dependency treatment fund to the  
403.2 general fund by September 30, 2013.

403.3 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

403.4 Sec. 7. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by  
403.5 Laws 2013, chapter 144, section 25, is amended to read:

403.6 Subd. 6. **Grant Programs**

403.7 The amounts that may be spent from this  
403.8 appropriation for each purpose are as follows:

403.9 **(a) Support Services Grants**

403.10	Appropriations by Fund		
403.11	General	8,915,000	13,333,000
403.12	Federal TANF	94,611,000	94,611,000

403.13 **Paid Work Experience.** \$2,168,000

403.14 each year in fiscal years 2015 and 2016  
403.15 is from the general fund for paid work  
403.16 experience for long-term MFIP recipients.

403.17 Paid work includes full and partial wage  
403.18 subsidies and other related services such as  
403.19 job development, marketing, preworksite  
403.20 training, job coaching, and postplacement  
403.21 services. These are onetime appropriations.  
403.22 Unexpended funds for fiscal year 2015 do not  
403.23 cancel, but are available to the commissioner  
403.24 for this purpose in fiscal year 2016.

403.25 **Work Study Funding for MFIP**

403.26 **Participants.** \$250,000 each year in fiscal  
403.27 years 2015 and 2016 is from the general fund  
403.28 to pilot work study jobs for MFIP recipients  
403.29 in approved postsecondary education  
403.30 programs. This is a onetime appropriation.  
403.31 Unexpended funds for fiscal year 2015 do  
403.32 not cancel, but are available for this purpose  
403.33 in fiscal year 2016.

404.1 **Local Strategies to Reduce Disparities.**

404.2 \$2,000,000 each year in fiscal years 2015  
404.3 and 2016 is from the general fund for  
404.4 local projects that focus on services for  
404.5 subgroups within the MFIP caseload  
404.6 who are experiencing poor employment  
404.7 outcomes. These are onetime appropriations.  
404.8 Unexpended funds for fiscal year 2015 do not  
404.9 cancel, but are available to the commissioner  
404.10 for this purpose in fiscal year 2016.

404.11 **Home Visiting Collaborations for MFIP**

404.12 **Teen Parents.** \$200,000 per year in fiscal  
404.13 years 2014 and 2015 is from the general fund  
404.14 and \$200,000 in fiscal year 2016 is from the  
404.15 federal TANF fund for technical assistance  
404.16 and training to support local collaborations  
404.17 that provide home visiting services for  
404.18 MFIP teen parents. The general fund  
404.19 appropriation is onetime. The federal TANF  
404.20 fund appropriation is added to the base.

404.21 **Performance Bonus Funds for Counties.**

404.22 The TANF fund base is increased by  
404.23 \$1,500,000 each year in fiscal years 2016  
404.24 and 2017. The commissioner must allocate  
404.25 this amount each year to counties that exceed  
404.26 their expected range of performance on the  
404.27 annualized three-year self-support index  
404.28 as defined in Minnesota Statutes, section  
404.29 256J.751, subdivision 2, clause (6). This is a  
404.30 permanent base adjustment. Notwithstanding  
404.31 any contrary provisions in this article, this  
404.32 provision expires June 30, 2016.

404.33 **Base Adjustment.** The general fund base is  
404.34 decreased by \$200,000 in fiscal year 2016  
404.35 and \$4,618,000 in fiscal year 2017. The

405.1 TANF fund base is increased by \$1,700,000

405.2 in fiscal years 2016 and 2017.

405.3 **(b) Basic Sliding Fee Child Care Assistance**

405.4 **Grants** 36,836,000 42,318,000

405.5 **Base Adjustment.** The general fund base is

405.6 increased by \$3,778,000 in fiscal year 2016

405.7 and by \$3,849,000 in fiscal year 2017.

405.8 **(c) Child Care Development Grants** 1,612,000 1,737,000

405.9 **(d) Child Support Enforcement Grants** 50,000 50,000

405.10 **Federal Child Support Demonstration**

405.11 **Grants.** Federal administrative

405.12 reimbursement resulting from the federal

405.13 child support grant expenditures authorized

405.14 under United States Code, title 42, section

405.15 1315, is appropriated to the commissioner

405.16 for this activity.

405.17 **(e) Children's Services Grants**

405.18 Appropriations by Fund

405.19 General 49,760,000 52,961,000

405.20 Federal TANF 140,000 140,000

405.21 **Adoption Assistance and Relative Custody**

405.22 **Assistance.** ~~\$37,453,000~~ \$36,456,000

405.23 in fiscal year 2014 and ~~\$37,453,000~~

405.24 \$36,855,000 in fiscal year 2015 is for the

405.25 adoption assistance and relative custody

405.26 assistance programs. The commissioner

405.27 shall determine with the commissioner of

405.28 Minnesota Management and Budget the

405.29 appropriation for Northstar Care for Children

405.30 effective January 1, 2015. The commissioner

405.31 may transfer appropriations for adoption

405.32 assistance, relative custody assistance, and

405.33 Northstar Care for Children between fiscal

405.34 years and among programs to adjust for

405.35 transfers across the programs.

406.1 **Title IV-E Adoption Assistance.** Additional  
406.2 federal reimbursements to the state as a result  
406.3 of the Fostering Connections to Success  
406.4 and Increasing Adoptions Act's expanded  
406.5 eligibility for Title IV-E adoption assistance  
406.6 are appropriated for postadoption services,  
406.7 including a parent-to-parent support network.

406.8 **Privatized Adoption Grants.** Federal  
406.9 reimbursement for privatized adoption grant  
406.10 and foster care recruitment grant expenditures  
406.11 is appropriated to the commissioner for  
406.12 adoption grants and foster care and adoption  
406.13 administrative purposes.

406.14 **Adoption Assistance Incentive Grants.**  
406.15 Federal funds available during fiscal years  
406.16 2014 and 2015 for adoption incentive grants  
406.17 are appropriated for postadoption services,  
406.18 including a parent-to-parent support network.

406.19 **Base Adjustment.** The general fund base is  
406.20 increased by \$5,913,000 in fiscal year 2016  
406.21 and by \$10,297,000 in fiscal year 2017.

406.22	<b>(f) Child and Community Service Grants</b>	53,301,000	53,301,000
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406.23	<b>(g) Child and Economic Support Grants</b>	21,047,000	20,848,000
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406.24 **Minnesota Food Assistance Program.**  
406.25 Unexpended funds for the Minnesota food  
406.26 assistance program for fiscal year 2014 do  
406.27 not cancel but are available for this purpose  
406.28 in fiscal year 2015.

406.29 **Transitional Housing.** \$250,000 each year  
406.30 is for the transitional housing programs under  
406.31 Minnesota Statutes, section 256E.33.

406.32 **Emergency Services.** \$250,000 each year  
406.33 is for emergency services grants under  
406.34 Minnesota Statutes, section 256E.36.

407.1 **Family Assets for Independence.** \$250,000  
407.2 each year is for the Family Assets for  
407.3 Independence Minnesota program. This  
407.4 appropriation is available in either year of the  
407.5 biennium and may be transferred between  
407.6 fiscal years.

407.7 **Food Shelf Programs.** \$375,000 in fiscal  
407.8 year 2014 and \$375,000 in fiscal year  
407.9 2015 are for food shelf programs under  
407.10 Minnesota Statutes, section 256E.34. If the  
407.11 appropriation for either year is insufficient,  
407.12 the appropriation for the other year is  
407.13 available for it. Notwithstanding Minnesota  
407.14 Statutes, section 256E.34, subdivision 4, no  
407.15 portion of this appropriation may be used  
407.16 by Hunger Solutions for its administrative  
407.17 expenses, including but not limited to rent  
407.18 and salaries.

407.19 **Homeless Youth Act.** \$2,000,000 in fiscal  
407.20 year 2014 and \$2,000,000 in fiscal year 2015  
407.21 is for purposes of Minnesota Statutes, section  
407.22 256K.45.

407.23 **Safe Harbor Shelter and Housing.**  
407.24 \$500,000 in fiscal year 2014 and \$500,000 in  
407.25 fiscal year 2015 is for a safe harbor shelter  
407.26 and housing fund for housing and supportive  
407.27 services for youth who are sexually exploited.

407.28 **High-risk adults.** \$200,000 in fiscal  
407.29 year 2014 is for a grant to the nonprofit  
407.30 organization selected to administer the  
407.31 demonstration project for high-risk adults  
407.32 under Laws 2007, chapter 54, article 1,  
407.33 section 19, in order to complete the project.  
407.34 This is a onetime appropriation.

407.35 **(h) Health Care Grants**

## 408.1 Appropriations by Fund

408.2 General 190,000 190,000

408.3 Health Care Access 190,000 190,000

408.4 **Emergency Medical Assistance Referral**408.5 **and Assistance Grants.** (a) The

408.6 commissioner of human services shall

408.7 award grants to nonprofit programs that

408.8 provide immigration legal services based

408.9 on indigency to provide legal services for

408.10 immigration assistance to individuals with

408.11 emergency medical conditions or complex

408.12 and chronic health conditions who are not

408.13 currently eligible for medical assistance

408.14 or other public health care programs, but

408.15 who may meet eligibility requirements with

408.16 immigration assistance.

408.17 (b) The grantees, in collaboration with

408.18 hospitals and safety net providers, shall

408.19 provide referral assistance to connect

408.20 individuals identified in paragraph (a) with

408.21 alternative resources and services to assist in

408.22 meeting their health care needs. \$100,000

408.23 is appropriated in fiscal year 2014 and

408.24 \$100,000 in fiscal year 2015. This is a

408.25 onetime appropriation.

408.26 **Base Adjustment.** The general fund is

408.27 decreased by \$100,000 in fiscal year 2016

408.28 and \$100,000 in fiscal year 2017.

408.29 **(i) Aging and Adult Services Grants**

14,827,000

15,010,000

408.30 **Base Adjustment.** The general fund is

408.31 increased by \$1,150,000 in fiscal year 2016

408.32 and \$1,151,000 in fiscal year 2017.

408.33 **Community Service Development**408.34 **Grants and Community Services Grants.**

408.35 Community service development grants and



409.1 community services grants are reduced by

409.2 \$1,150,000 each year. This is a onetime

409.3 reduction.

409.4 **(j) Deaf and Hard-of-Hearing Grants** 1,771,000 1,785,000

409.5 **(k) Disabilities Grants** 18,605,000 18,823,000

409.6 **Advocating Change Together.** \$310,000 in

409.7 fiscal year 2014 is for a grant to Advocating

409.8 Change Together (ACT) to maintain and

409.9 promote services for persons with intellectual

409.10 and developmental disabilities throughout

409.11 the state. This appropriation is onetime. Of

409.12 this appropriation:

409.13 (1) \$120,000 is for direct costs associated

409.14 with the delivery and evaluation of

409.15 peer-to-peer training programs administered

409.16 throughout the state, focusing on education,

409.17 employment, housing, transportation, and

409.18 voting;

409.19 (2) \$100,000 is for delivery of statewide

409.20 conferences focusing on leadership and

409.21 skill development within the disability

409.22 community; and

409.23 (3) \$90,000 is for administrative and general

409.24 operating costs associated with managing

409.25 or maintaining facilities, program delivery,

409.26 staff, and technology.

409.27 **Base Adjustment.** The general fund base

409.28 is increased by \$535,000 in fiscal year 2016

409.29 and by \$709,000 in fiscal year 2017.

409.30 **(l) Adult Mental Health Grants**

409.31 Appropriations by Fund

409.32 General 71,199,000 69,530,000

409.33 Health Care Access 750,000 750,000

409.34 Lottery Prize 1,733,000 1,733,000

410.1 **Compulsive Gambling Treatment.** Of the  
410.2 general fund appropriation, \$602,000 in  
410.3 fiscal year 2014 and \$747,000 in fiscal year  
410.4 2015 are for compulsive gambling treatment  
410.5 under Minnesota Statutes, section 297E.02,  
410.6 subdivision 3, paragraph (c).

410.7 **Problem Gambling.** \$225,000 in fiscal year  
410.8 2014 and \$225,000 in fiscal year 2015 is  
410.9 appropriated from the lottery prize fund for a  
410.10 grant to the state affiliate recognized by the  
410.11 National Council on Problem Gambling. The  
410.12 affiliate must provide services to increase  
410.13 public awareness of problem gambling,  
410.14 education and training for individuals and  
410.15 organizations providing effective treatment  
410.16 services to problem gamblers and their  
410.17 families, and research relating to problem  
410.18 gambling.

410.19 **Funding Usage.** Up to 75 percent of a fiscal  
410.20 year's appropriations for adult mental health  
410.21 grants may be used to fund allocations in that  
410.22 portion of the fiscal year ending December  
410.23 31.

410.24 **Base Adjustment.** The general fund base is  
410.25 decreased by \$4,427,000 in fiscal years 2016  
410.26 and 2017.

410.27 **Mental Health Pilot Project.** \$230,000  
410.28 each year is for a grant to the Zumbro  
410.29 Valley Mental Health Center. The grant  
410.30 shall be used to implement a pilot project  
410.31 to test an integrated behavioral health care  
410.32 coordination model. The grant recipient must  
410.33 report measurable outcomes and savings  
410.34 to the commissioner of human services

411.1 by January 15, 2016. This is a onetime  
411.2 appropriation.

411.3 ~~**High-risk adults.** \$200,000 in fiscal~~  
411.4 ~~year 2014 is for a grant to the nonprofit~~  
411.5 ~~organization selected to administer the~~  
411.6 ~~demonstration project for high-risk adults~~  
411.7 ~~under Laws 2007, chapter 54, article 1,~~  
411.8 ~~section 19, in order to complete the project.~~  
411.9 ~~This is a onetime appropriation.~~

411.10	<b>(m) Child Mental Health Grants</b>	18,246,000	20,636,000
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411.11 **Text Message Suicide Prevention**  
411.12 **Program.** \$625,000 in fiscal year 2014 and  
411.13 \$625,000 in fiscal year 2015 is for a grant  
411.14 to a nonprofit organization to establish and  
411.15 implement a statewide text message suicide  
411.16 prevention program. The program shall  
411.17 implement a suicide prevention counseling  
411.18 text line designed to use text messaging to  
411.19 connect with crisis counselors and to obtain  
411.20 emergency information and referrals to  
411.21 local resources in the local community. The  
411.22 program shall include training within schools  
411.23 and communities to encourage the use of the  
411.24 program.

411.25 **Mental Health First Aid Training.** \$22,000  
411.26 in fiscal year 2014 and \$23,000 in fiscal  
411.27 year 2015 is to train teachers, social service  
411.28 personnel, law enforcement, and others who  
411.29 come into contact with children with mental  
411.30 illnesses, in children and adolescents mental  
411.31 health first aid training.

411.32 **Funding Usage.** Up to 75 percent of a fiscal  
411.33 year's appropriation for child mental health  
411.34 grants may be used to fund allocations in that

412.1 portion of the fiscal year ending December  
412.2 31.

412.3	<b>(n) CD Treatment Support Grants</b>	1,816,000	1,816,000
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412.4 **SBIRT Training.** (1) \$300,000 each year is  
412.5 for grants to train primary care clinicians to  
412.6 provide substance abuse brief intervention  
412.7 and referral to treatment (SBIRT). This is a  
412.8 onetime appropriation. The commissioner of  
412.9 human services shall apply to SAMHSA for  
412.10 an SBIRT professional training grant.

412.11 (2) If the commissioner of human services  
412.12 receives a grant under clause (1) funds  
412.13 appropriated under this clause, equal to  
412.14 the grant amount, up to the available  
412.15 appropriation, shall be transferred to the  
412.16 Minnesota Organization on Fetal Alcohol  
412.17 Syndrome (MOFAS). MOFAS must use  
412.18 the funds for grants. Grant recipients must  
412.19 be selected from communities that are  
412.20 not currently served by federal Substance  
412.21 Abuse Prevention and Treatment Block  
412.22 Grant funds. Grant money must be used to  
412.23 reduce the rates of fetal alcohol syndrome  
412.24 and fetal alcohol effects, and the number of  
412.25 drug-exposed infants. Grant money may be  
412.26 used for prevention and intervention services  
412.27 and programs, including, but not limited to,  
412.28 community grants, professional education,  
412.29 public awareness, and diagnosis.

412.30 **Fetal Alcohol Syndrome Grant.** \$180,000  
412.31 each year from the general fund is for a  
412.32 grant to the Minnesota Organization on Fetal  
412.33 Alcohol Syndrome (MOFAS) to support  
412.34 nonprofit Fetal Alcohol Spectrum Disorders  
412.35 (FASD) outreach prevention programs

413.1 in Olmsted County. This is a onetime  
413.2 appropriation.

413.3 **Base Adjustment.** The general fund base is  
413.4 decreased by \$480,000 in fiscal year 2016  
413.5 and \$480,000 in fiscal year 2017.

413.6 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

413.7 Sec. 8. Laws 2013, chapter 108, article 14, section 3, subdivision 1, is amended to read:

413.8			<b>169,326,000</b>		<b>165,531,000</b>
413.9	Subdivision 1. <b>Total Appropriation</b>	\$	<u>169,026,000</u>	\$	<u>165,231,000</u>

413.10	Appropriations by Fund			
413.11		2014	2015	
413.12	General	79,476,000	74,256,000	
413.13	State Government			
413.14	Special Revenue	48,094,000	50,119,000	
413.15	Health Care Access	29,743,000	29,143,000	
413.16	Federal TANF	11,713,000	11,713,000	
413.17	<del>Special Revenue</del>	<del>300,000</del>	<del>300,000</del>	

413.18 The amounts that may be spent for each  
413.19 purpose are specified in the following  
413.20 subdivisions.

413.21 Sec. 9. Laws 2013, chapter 108, article 14, section 3, subdivision 4, is amended to read:

413.22 Subd. 4. **Health Protection**

413.23	Appropriations by Fund			
413.24	General	9,201,000	9,201,000	
413.25	State Government			
413.26	Special Revenue	32,633,000	32,636,000	
413.27	<del>Special Revenue</del>	<del>300,000</del>	<del>300,000</del>	

413.28 **Infectious Disease Laboratory.** Of the  
413.29 general fund appropriation, \$200,000 in  
413.30 fiscal year 2014 and \$200,000 in fiscal year  
413.31 2015 are to monitor infectious disease trends  
413.32 and investigate infectious disease outbreaks.

413.33 **Surveillance for Elevated Blood Lead**  
413.34 **Levels.** Of the general fund appropriation,

414.1 \$100,000 in fiscal year 2014 and \$100,000  
414.2 in fiscal year 2015 are for the blood lead  
414.3 surveillance system under Minnesota  
414.4 Statutes, section 144.9502.

414.5 **Base Level Adjustment.** The state  
414.6 government special revenue base is increased  
414.7 by \$6,000 in fiscal year 2016 and by \$13,000  
414.8 in fiscal year 2017.

414.9 Sec. 10. Laws 2013, chapter 108, article 14, section 4, subdivision 8, is amended to read:

414.10 Subd. 8. **Board of Nursing Home**  
414.11 **Administrators**

3,742,000

2,252,000

414.12 **Administrative Services Unit - Operating**  
414.13 **Costs.** Of this appropriation, \$676,000  
414.14 in fiscal year 2014 and \$626,000 in  
414.15 fiscal year 2015 are for operating costs  
414.16 of the administrative services unit. The  
414.17 administrative services unit may receive  
414.18 and expend reimbursements for services  
414.19 performed by other agencies.

414.20 **Administrative Services Unit - Volunteer**  
414.21 **Health Care Provider Program.** Of this  
414.22 appropriation, \$150,000 in fiscal year 2014  
414.23 and \$150,000 in fiscal year 2015 are to pay  
414.24 for medical professional liability coverage  
414.25 required under Minnesota Statutes, section  
414.26 214.40.

414.27 **Administrative Services Unit - Contested**  
414.28 **Cases and Other Legal Proceedings.** Of  
414.29 this appropriation, \$200,000 in fiscal year  
414.30 2014 and \$200,000 in fiscal year 2015 are  
414.31 for costs of contested case hearings and other  
414.32 unanticipated costs of legal proceedings  
414.33 involving health-related boards funded  
414.34 under this section. Upon certification of a

415.1 health-related board to the administrative  
415.2 services unit that the costs will be incurred  
415.3 and that there is insufficient money available  
415.4 to pay for the costs out of money currently  
415.5 available to that board, the administrative  
415.6 services unit is authorized to transfer money  
415.7 from this appropriation to the board for  
415.8 payment of those costs with the approval  
415.9 of the commissioner of management and  
415.10 budget. This appropriation does not cancel  
415.11 and is available until expended.

415.12 This appropriation includes \$44,000 in  
415.13 fiscal year 2014 for rulemaking. This is  
415.14 a onetime appropriation. \$1,441,000 in  
415.15 fiscal year 2014 and \$420,000 in fiscal year  
415.16 2015 are for the development of a shared  
415.17 disciplinary, regulatory, licensing, and  
415.18 information management system. \$391,000  
415.19 in fiscal year 2014 is a onetime appropriation  
415.20 for retirement costs in the health-related  
415.21 boards. This funding may be transferred to  
415.22 the health boards incurring retirement costs.  
415.23 These funds are available either year of the  
415.24 biennium.

415.25 This appropriation includes \$16,000 in fiscal  
415.26 years 2014 and 2015 for evening security,  
415.27 \$2,000 in fiscal years 2014 and 2015 for a  
415.28 state vehicle lease, and \$18,000 in fiscal  
415.29 years 2014 and 2015 for shared office space  
415.30 and administrative support. \$205,000 in  
415.31 fiscal year 2014 and \$221,000 in fiscal year  
415.32 2015 are for shared information technology  
415.33 services, equipment, and maintenance.

415.34 The remaining balance of the state  
415.35 government special revenue fund

416.1 appropriation in Laws 2011, First Special  
416.2 Session chapter 9, article 10, section 8,  
416.3 subdivision 8, for Board of Nursing Home  
416.4 Administrators rulemaking, estimated to  
416.5 be \$44,000, is canceled, and the remaining  
416.6 balance of the state government special  
416.7 revenue fund appropriation in Laws 2011,  
416.8 First Special Session chapter 9, article 10,  
416.9 section 8, subdivision 8, for electronic  
416.10 licensing system adaptors, estimated to be  
416.11 \$761,000, and for the development and  
416.12 implementation of a disciplinary, regulatory,  
416.13 licensing, and information management  
416.14 system, estimated to be \$1,100,000, are  
416.15 canceled. This paragraph is effective the day  
416.16 following final enactment.

416.17 **Base Adjustment.** The base is decreased by  
416.18 \$370,000 in fiscal years 2016 and 2017.

416.19 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

416.20 Sec. 11. Laws 2013, chapter 108, article 14, section 12, is amended to read:

416.21 Sec. 12. **APPROPRIATION ADJUSTMENTS.**

416.22 (a) The general fund appropriation in section 2, subdivision 5, paragraph (g),  
416.23 includes up to \$53,391,000 in fiscal year 2014; \$216,637,000 in fiscal year 2015;  
416.24 \$261,660,000 in fiscal year 2016; and \$279,984,000 in fiscal year 2017, for medical  
416.25 assistance eligibility and administration changes related to:

416.26 (1) eligibility for children age two to 18 with income up to 275 percent of the federal  
416.27 poverty guidelines;

416.28 (2) eligibility for pregnant women with income up to 275 percent of the federal  
416.29 poverty guidelines;

416.30 (3) Affordable Care Act enrollment and renewal processes, including elimination  
416.31 of six-month renewals, ex parte eligibility reviews, preprinted renewal forms, changes  
416.32 in verification requirements, and other changes in the eligibility determination and  
416.33 enrollment and renewal process;

416.34 (4) automatic eligibility for children who turn 18 in foster care until they reach age 26;



417.1 (5) eligibility related to spousal impoverishment provisions for waiver recipients; and  
417.2 (6) presumptive eligibility determinations by hospitals.

417.3 (b) the commissioner of human services shall determine the difference between the  
417.4 actual or ~~foreeasted~~ estimated costs to the medical assistance program attributable to  
417.5 the program changes in paragraph (a), clauses (1) to (6), and the costs of paragraph (a),  
417.6 clauses (1) to (6), that were estimated during the 2013 legislative session based on data  
417.7 from the 2013 February forecast. ~~The costs in this paragraph must be calculated between~~  
417.8 ~~January 1, 2014, and June 30, 2017.~~

417.9 (c) For each fiscal year from 2014 to 2017, the commissioner of human services  
417.10 shall certify the actual or ~~foreeasted~~ estimated cost differences to the medical assistance  
417.11 program determined under paragraph (b), and report the difference in costs to the  
417.12 commissioner of management and budget at least four weeks prior to a forecast under  
417.13 Minnesota Statutes, section 16A.103. ~~No later than three weeks before the release of~~  
417.14 ~~the forecast~~ For fiscal years 2014 to 2017, forecasts under Minnesota Statutes, section  
417.15 16A.103, prepared by the commissioner of management and budget shall ~~reduce~~ include  
417.16 actual or estimated adjustments to the health care access fund appropriation in section  
417.17 2, subdivision 5, paragraph (g), by the cumulative difference in costs determined in  
417.18 according to paragraph (b) (d). ~~If for any fiscal year, the amount of the cumulative cost~~  
417.19 ~~differences determined under paragraph (b) is positive, no adjustment shall be made to the~~  
417.20 ~~health care access fund appropriation. If for any fiscal year, the amount of the cumulative~~  
417.21 ~~cost differences determined under paragraph (b) is less than the original appropriation, the~~  
417.22 ~~appropriation for that fiscal year is zero.~~

417.23 (d) For each fiscal year from 2014 to 2017, the commissioner of management and  
417.24 budget must adjust the health care access fund appropriation by the cumulative difference  
417.25 in costs reported by the commissioner of human services under paragraph (b). If, for any  
417.26 fiscal year, the amount of the cumulative difference in costs determined under paragraph  
417.27 (b) is positive, no adjustment shall be made to the health care access fund appropriation.

417.28 (e) This section expires on January 1, 2018.

417.29 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

417.30 Sec. 12. **EXPIRATION OF UNCODIFIED LANGUAGE.**

417.31 All uncodified language in this article expires on June 30, 2015, unless a different  
417.32 expiration date is specified.

418.1ARTICLE 32

418.2HUMAN SERVICES FORECAST ADJUSTMENT

418.3Section 1. HUMAN SERVICES APPROPRIATION.

418.4The sums shown in the columns marked "Appropriations" are added to or, if shown  
418.5in parentheses, are subtracted from the appropriations in Laws 2013, chapter 108, article  
418.614, from the general fund or any fund named to the Department of Human Services for  
418.7the purposes specified in this article, to be available for the fiscal year indicated for each  
418.8purpose. The figures "2014" and "2015" used in this article mean that the appropriations  
418.9listed under them are available for the fiscal years ending June 30, 2014, or June 30, 2015,  
418.10respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015.  
418.11"The biennium" is fiscal years 2014 and 2015.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2014</u>	<u>2015</u>

418.16Sec. 2. COMMISSIONER OF HUMAN  
418.17SERVICES

418.18Subdivision 1. Total Appropriation \$ (196,927) \$ 64,288

<u>Appropriations by Fund</u>		
<u>General Fund</u>	(153,497)	(25,282)
<u>Health Care Access</u>		
<u>Fund</u>	(36,533)	91,294
<u>Federal TANF</u>	(6,897)	(1,724)

418.24Subd. 2. Forecasted Programs

418.25(a) MFIP/DWP

<u>Appropriations by Fund</u>		
<u>General Fund</u>	3,571	173
<u>Federal TANF</u>	(6,475)	(1,298)

418.29(b) MFIP Child Care Assistance (684) 11,114

418.30(c) General Assistance (2,569) (1,940)

418.31(d) Minnesota Supplemental Aid (690) (614)

418.32(e) Group Residential Housing 250 (1,740)

418.33(f) MinnesotaCare (34,838) 96,340

419.1	<u>These appropriations are from the health care</u>		
419.2	<u>access fund.</u>		
419.3	<u>(g) Medical Assistance</u>		
419.4	<u>Appropriations by Fund</u>		
419.5	<u>General Fund</u>	<u>(149,494)</u>	<u>(27,075)</u>
419.6	<u>Health Care Access</u>		
419.7	<u>Fund</u>	<u>(1,695)</u>	<u>(5,046)</u>
419.8	<u>(h) Alternative Care Program</u>	<u>(6,936)</u>	<u>(13,260)</u>
419.9	<u>(i) CCDTF Entitlements</u>	<u>3,055</u>	<u>8,060</u>
419.10	<u>Subd. 3. Technical Activities</u>	<u>(422)</u>	<u>(426)</u>
419.11	<u>These appropriations are from the federal</u>		
419.12	<u>TANF fund.</u>		

419.13       Sec. 3. Laws 2013, chapter 108, article 14, section 2, subdivision 1, is amended to read:

419.14			<del>6,438,485,000</del>		<del>6,457,117,000</del>
419.15	Subdivision 1. <b>Total Appropriation</b>	\$	<u>6,437,815,000</u>	\$	<u>6,456,311,000</u>

419.16	<u>Appropriations by Fund</u>		
419.17		<u>2014</u>	<u>2015</u>
419.18		<u>5,654,765,000</u>	<u>5,677,458,000</u>
419.19	General	<u>5,654,095,000</u>	<u>5,676,652,000</u>
419.20	State Government		
419.21	Special Revenue	4,099,000	4,510,000
419.22	Health Care Access	519,816,000	518,446,000
419.23	Federal TANF	257,915,000	254,813,000
419.24	Lottery Prize Fund	1,890,000	1,890,000

419.25   **Receipts for Systems Projects.**

419.26   Appropriations and federal receipts for

419.27   information systems projects for MAXIS,

419.28   PRISM, MMIS, and SSIS must be deposited

419.29   in the state system account authorized

419.30   in Minnesota Statutes, section 256.014.

419.31   Money appropriated for computer projects

419.32   approved by the commissioner of Minnesota

419.33   information technology services, funded

419.34   by the legislature, and approved by the

419.35   commissioner of management and budget,

420.1 may be transferred from one project to  
420.2 another and from development to operations  
420.3 as the commissioner of human services  
420.4 considers necessary. Any unexpended  
420.5 balance in the appropriation for these  
420.6 projects does not cancel but is available for  
420.7 ongoing development and operations.

420.8 **Nonfederal Share Transfers.** The  
420.9 nonfederal share of activities for which  
420.10 federal administrative reimbursement is  
420.11 appropriated to the commissioner may be  
420.12 transferred to the special revenue fund.

420.13 **ARRA Supplemental Nutrition Assistance**  
420.14 **Benefit Increases.** The funds provided for  
420.15 food support benefit increases under the  
420.16 Supplemental Nutrition Assistance Program  
420.17 provisions of the American Recovery and  
420.18 Reinvestment Act (ARRA) of 2009 must be  
420.19 used for benefit increases beginning July 1,  
420.20 2009.

420.21 **Supplemental Nutrition Assistance**  
420.22 **Program Employment and Training.**  
420.23 (1) Notwithstanding Minnesota Statutes,  
420.24 sections 256D.051, subdivisions 1a, 6b,  
420.25 and 6c, and 256J.626, federal Supplemental  
420.26 Nutrition Assistance employment and  
420.27 training funds received as reimbursement of  
420.28 MFIP consolidated fund grant expenditures  
420.29 for diversionary work program participants  
420.30 and child care assistance program  
420.31 expenditures must be deposited in the general  
420.32 fund. The amount of funds must be limited to  
420.33 \$4,900,000 per year in fiscal years 2014 and  
420.34 2015, and to \$4,400,000 per year in fiscal

421.1 years 2016 and 2017, contingent on approval  
421.2 by the federal Food and Nutrition Service.

421.3 (2) Consistent with the receipt of the federal  
421.4 funds, the commissioner may adjust the  
421.5 level of working family credit expenditures  
421.6 claimed as TANF maintenance of effort.  
421.7 Notwithstanding any contrary provision in  
421.8 this article, this rider expires June 30, 2017.

421.9 **TANF Maintenance of Effort.** (a) In order  
421.10 to meet the basic maintenance of effort  
421.11 (MOE) requirements of the TANF block grant  
421.12 specified under Code of Federal Regulations,  
421.13 title 45, section 263.1, the commissioner may  
421.14 only report nonfederal money expended for  
421.15 allowable activities listed in the following  
421.16 clauses as TANF/MOE expenditures:

421.17 (1) MFIP cash, diversionary work program,  
421.18 and food assistance benefits under Minnesota  
421.19 Statutes, chapter 256J;

421.20 (2) the child care assistance programs  
421.21 under Minnesota Statutes, sections 119B.03  
421.22 and 119B.05, and county child care  
421.23 administrative costs under Minnesota  
421.24 Statutes, section 119B.15;

421.25 (3) state and county MFIP administrative  
421.26 costs under Minnesota Statutes, chapters  
421.27 256J and 256K;

421.28 (4) state, county, and tribal MFIP  
421.29 employment services under Minnesota  
421.30 Statutes, chapters 256J and 256K;

421.31 (5) expenditures made on behalf of legal  
421.32 noncitizen MFIP recipients who qualify for  
421.33 the MinnesotaCare program under Minnesota  
421.34 Statutes, chapter 256L;

422.1 (6) qualifying working family credit  
422.2 expenditures under Minnesota Statutes,  
422.3 section 290.0671;

422.4 (7) qualifying Minnesota education credit  
422.5 expenditures under Minnesota Statutes,  
422.6 section 290.0674; and

422.7 (8) qualifying Head Start expenditures under  
422.8 Minnesota Statutes, section 119A.50.

422.9 (b) The commissioner shall ensure that  
422.10 sufficient qualified nonfederal expenditures  
422.11 are made each year to meet the state's  
422.12 TANF/MOE requirements. For the activities  
422.13 listed in paragraph (a), clauses (2) to  
422.14 (8), the commissioner may only report  
422.15 expenditures that are excluded from the  
422.16 definition of assistance under Code of  
422.17 Federal Regulations, title 45, section 260.31.

422.18 (c) For fiscal years beginning with state fiscal  
422.19 year 2003, the commissioner shall ensure  
422.20 that the maintenance of effort used by the  
422.21 commissioner of management and budget  
422.22 for the February and November forecasts  
422.23 required under Minnesota Statutes, section  
422.24 16A.103, contains expenditures under  
422.25 paragraph (a), clause (1), equal to at least 16  
422.26 percent of the total required under Code of  
422.27 Federal Regulations, title 45, section 263.1.

422.28 (d) The requirement in Minnesota Statutes,  
422.29 section 256.011, subdivision 3, that federal  
422.30 grants or aids secured or obtained under that  
422.31 subdivision be used to reduce any direct  
422.32 appropriations provided by law, do not apply  
422.33 if the grants or aids are federal TANF funds.

422.34 (e) For the federal fiscal years beginning on  
422.35 or after October 1, 2007, the commissioner

423.1 may not claim an amount of TANF/MOE in  
423.2 excess of the 75 percent standard in Code  
423.3 of Federal Regulations, title 45, section  
423.4 263.1(a)(2), except:

423.5 (1) to the extent necessary to meet the 80  
423.6 percent standard under Code of Federal  
423.7 Regulations, title 45, section 263.1(a)(1),  
423.8 if it is determined by the commissioner  
423.9 that the state will not meet the TANF work  
423.10 participation target rate for the current year;

423.11 (2) to provide any additional amounts  
423.12 under Code of Federal Regulations, title 45,  
423.13 section 264.5, that relate to replacement of  
423.14 TANF funds due to the operation of TANF  
423.15 penalties; and

423.16 (3) to provide any additional amounts that  
423.17 may contribute to avoiding or reducing  
423.18 TANF work participation penalties through  
423.19 the operation of the excess MOE provisions  
423.20 of Code of Federal Regulations, title 45,  
423.21 section 261.43 (a)(2).

423.22 For the purposes of clauses (1) to (3),  
423.23 the commissioner may supplement the  
423.24 MOE claim with working family credit  
423.25 expenditures or other qualified expenditures  
423.26 to the extent such expenditures are otherwise  
423.27 available after considering the expenditures  
423.28 allowed in this subdivision and subdivisions  
423.29 2 and 3.

423.30 (f) Notwithstanding any contrary provision  
423.31 in this article, paragraphs (a) to (e) expire  
423.32 June 30, 2017.

423.33 **Working Family Credit Expenditures**  
423.34 **as TANF/MOE.** The commissioner may  
423.35 claim as TANF maintenance of effort up to

424.1 \$6,707,000 per year of working family credit  
424.2 expenditures in each fiscal year.

424.3 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

424.4 Sec. 4. Laws 2013, chapter 108, article 14, section 2, subdivision 4, as amended by  
424.5 Laws 2013, chapter 144, section 24, is amended to read:

424.6 Subd. 4. **Central Office**

424.7 The amounts that may be spent from this  
424.8 appropriation for each purpose are as follows:

424.9 **(a) Operations**

424.10	Appropriations by Fund		
424.11	General	101,979,000	96,858,000
424.12	State Government		
424.13	Special Revenue	3,974,000	4,385,000
424.14	Health Care Access	13,177,000	13,004,000
424.15	Federal TANF	100,000	100,000

424.16 **DHS Receipt Center Accounting.** The  
424.17 commissioner is authorized to transfer  
424.18 appropriations to, and account for DHS  
424.19 receipt center operations in, the special  
424.20 revenue fund.

424.21 **Administrative Recovery; Set-Aside.** The  
424.22 commissioner may invoice local entities  
424.23 through the SWIFT accounting system as an  
424.24 alternative means to recover the actual cost  
424.25 of administering the following provisions:

424.26 (1) Minnesota Statutes, section 125A.744,  
424.27 subdivision 3;

424.28 (2) Minnesota Statutes, section 245.495,  
424.29 paragraph (b);

424.30 (3) Minnesota Statutes, section 256B.0625,  
424.31 subdivision 20, paragraph (k);

424.32 (4) Minnesota Statutes, section 256B.0924,  
424.33 subdivision 6, paragraph (g);



425.1 (5) Minnesota Statutes, section 256B.0945,  
425.2 subdivision 4, paragraph (d); and

425.3 (6) Minnesota Statutes, section 256F.10,  
425.4 subdivision 6, paragraph (b).

425.5 **Systems Modernization.** The following  
425.6 amounts are appropriated for transfer to  
425.7 the state systems account authorized in  
425.8 Minnesota Statutes, section 256.014:

425.9 (1) \$1,825,000 in fiscal year 2014 and  
425.10 \$2,502,000 in fiscal year 2015 is for the  
425.11 state share of Medicaid-allocated costs of  
425.12 the health insurance exchange information  
425.13 technology and operational structure. The  
425.14 funding base is \$3,222,000 in fiscal year 2016  
425.15 and \$3,037,000 in fiscal year 2017 but shall  
425.16 not be included in the base thereafter; and

425.17 (2) \$9,344,000 in fiscal year 2014 and  
425.18 \$3,660,000 in fiscal year 2015 are for the  
425.19 modernization and streamlining of agency  
425.20 eligibility and child support systems. The  
425.21 funding base is \$5,921,000 in fiscal year  
425.22 2016 and \$1,792,000 in fiscal year 2017 but  
425.23 shall not be included in the base thereafter.

425.24 The unexpended balance of the \$9,344,000  
425.25 appropriation in fiscal year 2014 and the  
425.26 \$3,660,000 appropriation in fiscal year 2015  
425.27 must be transferred from the Department of  
425.28 Human Services state systems account to  
425.29 the Office of Enterprise Technology when  
425.30 the Office of Enterprise Technology has  
425.31 negotiated a federally approved internal  
425.32 service fund rates and billing process with  
425.33 sufficient internal accounting controls to  
425.34 properly maximize federal reimbursement  
425.35 to Minnesota for human services system

426.1 modernization projects, but not later than  
426.2 June 30, 2015.

426.3 If contingent funding is fully or partially  
426.4 disbursed under article 15, section 3, and  
426.5 transferred to the state systems account, the  
426.6 unexpended balance of that appropriation  
426.7 must be transferred to the Office of Enterprise  
426.8 Technology in accordance with this clause.  
426.9 Contingent funding must not exceed  
426.10 \$11,598,000 for the biennium.

426.11 **Base Adjustment.** The general fund base  
426.12 is increased by \$2,868,000 in fiscal year  
426.13 2016 and decreased by \$1,206,000 in fiscal  
426.14 year 2017. The health access fund base is  
426.15 decreased by \$551,000 in fiscal years 2016  
426.16 and 2017. The state government special  
426.17 revenue fund base is increased by \$4,000 in  
426.18 fiscal year 2016 and decreased by \$236,000  
426.19 in fiscal year 2017.

426.20 **(b) Children and Families**

426.21	Appropriations by Fund		
426.22	General	8,023,000	8,015,000
426.23	Federal TANF	2,282,000	2,282,000

426.24 **Financial Institution Data Match and**  
426.25 **Payment of Fees.** The commissioner is  
426.26 authorized to allocate up to \$310,000 each  
426.27 year in fiscal years 2014 and 2015 from the  
426.28 PRISM special revenue account to make  
426.29 payments to financial institutions in exchange  
426.30 for performing data matches between account  
426.31 information held by financial institutions  
426.32 and the public authority's database of child  
426.33 support obligors as authorized by Minnesota  
426.34 Statutes, section 13B.06, subdivision 7.

427.1 **Base Adjustment.** The general fund base is  
427.2 decreased by \$300,000 in fiscal years 2016  
427.3 and 2017. The TANF fund base is increased  
427.4 by \$300,000 in fiscal years 2016 and 2017.

427.5 **(c) Health Care**

427.6	Appropriations by Fund		
427.7	General	14,028,000	13,826,000
427.8	Health Care Access	28,442,000	31,137,000

427.9 **Base Adjustment.** The general fund base  
427.10 is decreased by \$86,000 in fiscal year 2016  
427.11 and by \$86,000 in fiscal year 2017. The  
427.12 health care access fund base is increased  
427.13 by \$6,954,000 in fiscal year 2016 and by  
427.14 \$5,489,000 in fiscal year 2017.

427.15 **(d) Continuing Care**

427.16	Appropriations by Fund		
427.17	General	20,993,000	22,359,000
427.18	State Government		
427.19	Special Revenue	125,000	125,000

427.20 **Base Adjustment.** The general fund base is  
427.21 increased by \$1,690,000 in fiscal year 2016  
427.22 and by \$798,000 in fiscal year 2017.

427.23 **(e) Chemical and Mental Health**

427.24	Appropriations by Fund		
427.25		4,639,000	4,490,000
427.26	General	4,571,000	4,431,000
427.27	Lottery Prize Fund	157,000	157,000

427.28 ~~Of the general fund appropriation, \$68,000~~  
427.29 ~~in fiscal year 2014 and \$59,000 in fiscal year~~  
427.30 ~~2015 are for compulsive gambling treatment~~  
427.31 ~~under Minnesota Statutes, section 297E.02,~~  
427.32 ~~subdivision 3, paragraph (e).~~

427.33 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

428.1       Sec. 5. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by  
428.2       Laws 2013, chapter 144, section 25, is amended to read:

428.3       Subd. 6. **Grant Programs**

428.4       The amounts that may be spent from this  
428.5       appropriation for each purpose are as follows:

428.6       **(a) Support Services Grants**

428.7	Appropriations by Fund		
428.8	General	8,915,000	13,333,000
428.9	Federal TANF	94,611,000	94,611,000

428.10      **Paid Work Experience.** \$2,168,000  
428.11      each year in fiscal years 2015 and 2016  
428.12      is from the general fund for paid work  
428.13      experience for long-term MFIP recipients.  
428.14      Paid work includes full and partial wage  
428.15      subsidies and other related services such as  
428.16      job development, marketing, preworksite  
428.17      training, job coaching, and postplacement  
428.18      services. These are onetime appropriations.  
428.19      Unexpended funds for fiscal year 2015 do not  
428.20      cancel, but are available to the commissioner  
428.21      for this purpose in fiscal year 2016.

428.22      **Work Study Funding for MFIP**

428.23      **Participants.** \$250,000 each year in fiscal  
428.24      years 2015 and 2016 is from the general fund  
428.25      to pilot work study jobs for MFIP recipients  
428.26      in approved postsecondary education  
428.27      programs. This is a onetime appropriation.  
428.28      Unexpended funds for fiscal year 2015 do  
428.29      not cancel, but are available for this purpose  
428.30      in fiscal year 2016.

428.31      **Local Strategies to Reduce Disparities.**

428.32      \$2,000,000 each year in fiscal years 2015  
428.33      and 2016 is from the general fund for  
428.34      local projects that focus on services for  
428.35      subgroups within the MFIP caseload

429.1 who are experiencing poor employment  
429.2 outcomes. These are onetime appropriations.  
429.3 Unexpended funds for fiscal year 2015 do not  
429.4 cancel, but are available to the commissioner  
429.5 for this purpose in fiscal year 2016.

429.6 **Home Visiting Collaborations for MFIP**  
429.7 **Teen Parents.** \$200,000 per year in fiscal  
429.8 years 2014 and 2015 is from the general fund  
429.9 and \$200,000 in fiscal year 2016 is from the  
429.10 federal TANF fund for technical assistance  
429.11 and training to support local collaborations  
429.12 that provide home visiting services for  
429.13 MFIP teen parents. The general fund  
429.14 appropriation is onetime. The federal TANF  
429.15 fund appropriation is added to the base.

429.16 **Performance Bonus Funds for Counties.**  
429.17 The TANF fund base is increased by  
429.18 \$1,500,000 each year in fiscal years 2016  
429.19 and 2017. The commissioner must allocate  
429.20 this amount each year to counties that exceed  
429.21 their expected range of performance on the  
429.22 annualized three-year self-support index  
429.23 as defined in Minnesota Statutes, section  
429.24 256J.751, subdivision 2, clause (6). This is a  
429.25 permanent base adjustment. Notwithstanding  
429.26 any contrary provisions in this article, this  
429.27 provision expires June 30, 2016.

429.28 **Base Adjustment.** The general fund base is  
429.29 decreased by \$200,000 in fiscal year 2016  
429.30 and \$4,618,000 in fiscal year 2017. The  
429.31 TANF fund base is increased by \$1,700,000  
429.32 in fiscal years 2016 and 2017.

429.33 **(b) Basic Sliding Fee Child Care Assistance**  
429.34 **Grants**

36,836,000

42,318,000

430.1     **Base Adjustment.** The general fund base is  
430.2     increased by \$3,778,000 in fiscal year 2016  
430.3     and by \$3,849,000 in fiscal year 2017.

430.4	<b>(c) Child Care Development Grants</b>	1,612,000	1,737,000
430.5	<b>(d) Child Support Enforcement Grants</b>	50,000	50,000

430.6     **Federal Child Support Demonstration**  
430.7     **Grants.** Federal administrative  
430.8     reimbursement resulting from the federal  
430.9     child support grant expenditures authorized  
430.10    under United States Code, title 42, section  
430.11    1315, is appropriated to the commissioner  
430.12    for this activity.

430.13   **(e) Children's Services Grants**

430.14	Appropriations by Fund		
430.15	General	49,760,000	52,961,000
430.16	Federal TANF	140,000	140,000

430.17   **Adoption Assistance and Relative Custody**  
430.18   **Assistance.** \$37,453,000 in fiscal year 2014  
430.19   and \$37,453,000 in fiscal year 2015 is for  
430.20   the adoption assistance and relative custody  
430.21   assistance programs. The commissioner  
430.22   shall determine with the commissioner of  
430.23   Minnesota Management and Budget the  
430.24   appropriation for Northstar Care for Children  
430.25   effective January 1, 2015. The commissioner  
430.26   may transfer appropriations for adoption  
430.27   assistance, relative custody assistance, and  
430.28   Northstar Care for Children between fiscal  
430.29   years and among programs to adjust for  
430.30   transfers across the programs.

430.31   **Title IV-E Adoption Assistance.** Additional  
430.32   federal reimbursements to the state as a result  
430.33   of the Fostering Connections to Success  
430.34   and Increasing Adoptions Act's expanded  
430.35   eligibility for Title IV-E adoption assistance

431.1 are appropriated for postadoption services,  
431.2 including a parent-to-parent support network.

431.3 **Privatized Adoption Grants.** Federal  
431.4 reimbursement for privatized adoption grant  
431.5 and foster care recruitment grant expenditures  
431.6 is appropriated to the commissioner for  
431.7 adoption grants and foster care and adoption  
431.8 administrative purposes.

431.9 **Adoption Assistance Incentive Grants.**  
431.10 Federal funds available during fiscal years  
431.11 2014 and 2015 for adoption incentive grants  
431.12 are appropriated for postadoption services,  
431.13 including a parent-to-parent support network.

431.14 **Base Adjustment.** The general fund base is  
431.15 increased by \$5,913,000 in fiscal year 2016  
431.16 and by \$10,297,000 in fiscal year 2017.

431.17	<b>(f) Child and Community Service Grants</b>	53,301,000	53,301,000
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431.18	<b>(g) Child and Economic Support Grants</b>	21,047,000	20,848,000
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431.19 **Minnesota Food Assistance Program.**  
431.20 Unexpended funds for the Minnesota food  
431.21 assistance program for fiscal year 2014 do  
431.22 not cancel but are available for this purpose  
431.23 in fiscal year 2015.

431.24 **Transitional Housing.** \$250,000 each year  
431.25 is for the transitional housing programs under  
431.26 Minnesota Statutes, section 256E.33.

431.27 **Emergency Services.** \$250,000 each year  
431.28 is for emergency services grants under  
431.29 Minnesota Statutes, section 256E.36.

431.30 **Family Assets for Independence.** \$250,000  
431.31 each year is for the Family Assets for  
431.32 Independence Minnesota program. This  
431.33 appropriation is available in either year of the

432.1 biennium and may be transferred between  
432.2 fiscal years.

432.3 **Food Shelf Programs.** \$375,000 in fiscal  
432.4 year 2014 and \$375,000 in fiscal year  
432.5 2015 are for food shelf programs under  
432.6 Minnesota Statutes, section 256E.34. If the  
432.7 appropriation for either year is insufficient,  
432.8 the appropriation for the other year is  
432.9 available for it. Notwithstanding Minnesota  
432.10 Statutes, section 256E.34, subdivision 4, no  
432.11 portion of this appropriation may be used  
432.12 by Hunger Solutions for its administrative  
432.13 expenses, including but not limited to rent  
432.14 and salaries.

432.15 **Homeless Youth Act.** \$2,000,000 in fiscal  
432.16 year 2014 and \$2,000,000 in fiscal year 2015  
432.17 is for purposes of Minnesota Statutes, section  
432.18 256K.45.

432.19 **Safe Harbor Shelter and Housing.**  
432.20 \$500,000 in fiscal year 2014 and \$500,000 in  
432.21 fiscal year 2015 is for a safe harbor shelter  
432.22 and housing fund for housing and supportive  
432.23 services for youth who are sexually exploited.

432.24 **(h) Health Care Grants**

432.25	Appropriations by Fund		
432.26	General	190,000	190,000
432.27	Health Care Access	190,000	190,000

432.28 **Emergency Medical Assistance Referral**  
432.29 **and Assistance Grants.** (a) The  
432.30 commissioner of human services shall  
432.31 award grants to nonprofit programs that  
432.32 provide immigration legal services based  
432.33 on indigency to provide legal services for  
432.34 immigration assistance to individuals with  
432.35 emergency medical conditions or complex



433.1 and chronic health conditions who are not  
433.2 currently eligible for medical assistance  
433.3 or other public health care programs, but  
433.4 who may meet eligibility requirements with  
433.5 immigration assistance.

433.6 (b) The grantees, in collaboration with  
433.7 hospitals and safety net providers, shall  
433.8 provide referral assistance to connect  
433.9 individuals identified in paragraph (a) with  
433.10 alternative resources and services to assist in  
433.11 meeting their health care needs. \$100,000  
433.12 is appropriated in fiscal year 2014 and  
433.13 \$100,000 in fiscal year 2015. This is a  
433.14 onetime appropriation.

433.15 **Base Adjustment.** The general fund is  
433.16 decreased by \$100,000 in fiscal year 2016  
433.17 and \$100,000 in fiscal year 2017.

433.18	<b>(i) Aging and Adult Services Grants</b>	14,827,000	15,010,000
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433.19 **Base Adjustment.** The general fund is  
433.20 increased by \$1,150,000 in fiscal year 2016  
433.21 and \$1,151,000 in fiscal year 2017.

433.22 **Community Service Development**  
433.23 **Grants and Community Services Grants.**  
433.24 Community service development grants and  
433.25 community services grants are reduced by  
433.26 \$1,150,000 each year. This is a onetime  
433.27 reduction.

433.28	<b>(j) Deaf and Hard-of-Hearing Grants</b>	1,771,000	1,785,000
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433.29	<b>(k) Disabilities Grants</b>	18,605,000	18,823,000
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433.30 **Advocating Change Together.** \$310,000 in  
433.31 fiscal year 2014 is for a grant to Advocating  
433.32 Change Together (ACT) to maintain and  
433.33 promote services for persons with intellectual  
433.34 and developmental disabilities throughout

434.1 the state. This appropriation is onetime. Of  
434.2 this appropriation:

434.3 (1) \$120,000 is for direct costs associated  
434.4 with the delivery and evaluation of  
434.5 peer-to-peer training programs administered  
434.6 throughout the state, focusing on education,  
434.7 employment, housing, transportation, and  
434.8 voting;

434.9 (2) \$100,000 is for delivery of statewide  
434.10 conferences focusing on leadership and  
434.11 skill development within the disability  
434.12 community; and

434.13 (3) \$90,000 is for administrative and general  
434.14 operating costs associated with managing  
434.15 or maintaining facilities, program delivery,  
434.16 staff, and technology.

434.17 **Base Adjustment.** The general fund base  
434.18 is increased by \$535,000 in fiscal year 2016  
434.19 and by \$709,000 in fiscal year 2017.

434.20 **(l) Adult Mental Health Grants**

434.21	Appropriations by Fund		
434.22		71,199,000	69,530,000
434.23	General	<u>70,597,000</u>	<u>68,783,000</u>
434.24	Health Care Access	750,000	750,000
434.25	Lottery Prize	1,733,000	1,733,000

434.26 ~~**Compulsive Gambling Treatment.** Of the~~  
434.27 ~~general fund appropriation, \$602,000 in~~  
434.28 ~~fiscal year 2014 and \$747,000 in fiscal year~~  
434.29 ~~2015 are for compulsive gambling treatment~~  
434.30 ~~under Minnesota Statutes, section 297E.02,~~  
434.31 ~~subdivision 3, paragraph (c).~~

434.32 **Problem Gambling.** \$225,000 in fiscal year  
434.33 2014 and \$225,000 in fiscal year 2015 is  
434.34 appropriated from the lottery prize fund for a  
434.35 grant to the state affiliate recognized by the

435.1 National Council on Problem Gambling. The  
435.2 affiliate must provide services to increase  
435.3 public awareness of problem gambling,  
435.4 education and training for individuals and  
435.5 organizations providing effective treatment  
435.6 services to problem gamblers and their  
435.7 families, and research relating to problem  
435.8 gambling.

435.9 **Funding Usage.** Up to 75 percent of a fiscal  
435.10 year's appropriations for adult mental health  
435.11 grants may be used to fund allocations in that  
435.12 portion of the fiscal year ending December  
435.13 31.

435.14 **Base Adjustment.** The general fund base is  
435.15 decreased by ~~\$4,427,000~~ \$4,441,000 in fiscal  
435.16 years 2016 and 2017.

435.17 **Mental Health Pilot Project.** \$230,000  
435.18 each year is for a grant to the Zumbro  
435.19 Valley Mental Health Center. The grant  
435.20 shall be used to implement a pilot project  
435.21 to test an integrated behavioral health care  
435.22 coordination model. The grant recipient must  
435.23 report measurable outcomes and savings  
435.24 to the commissioner of human services  
435.25 by January 15, 2016. This is a onetime  
435.26 appropriation.

435.27 **High-risk adults.** \$200,000 in fiscal  
435.28 year 2014 is for a grant to the nonprofit  
435.29 organization selected to administer the  
435.30 demonstration project for high-risk adults  
435.31 under Laws 2007, chapter 54, article 1,  
435.32 section 19, in order to complete the project.  
435.33 This is a onetime appropriation.

435.34 **(m) Child Mental Health Grants**

18,246,000

20,636,000

436.1 **Text Message Suicide Prevention**

436.2 **Program.** \$625,000 in fiscal year 2014 and  
436.3 \$625,000 in fiscal year 2015 is for a grant  
436.4 to a nonprofit organization to establish and  
436.5 implement a statewide text message suicide  
436.6 prevention program. The program shall  
436.7 implement a suicide prevention counseling  
436.8 text line designed to use text messaging to  
436.9 connect with crisis counselors and to obtain  
436.10 emergency information and referrals to  
436.11 local resources in the local community. The  
436.12 program shall include training within schools  
436.13 and communities to encourage the use of the  
436.14 program.

436.15 **Mental Health First Aid Training.** \$22,000  
436.16 in fiscal year 2014 and \$23,000 in fiscal  
436.17 year 2015 is to train teachers, social service  
436.18 personnel, law enforcement, and others who  
436.19 come into contact with children with mental  
436.20 illnesses, in children and adolescents mental  
436.21 health first aid training.

436.22 **Funding Usage.** Up to 75 percent of a fiscal  
436.23 year's appropriation for child mental health  
436.24 grants may be used to fund allocations in that  
436.25 portion of the fiscal year ending December  
436.26 31.

436.27	<b>(n) CD Treatment Support Grants</b>	1,816,000	1,816,000
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436.28 **SBIRT Training.** (1) \$300,000 each year is  
436.29 for grants to train primary care clinicians to  
436.30 provide substance abuse brief intervention  
436.31 and referral to treatment (SBIRT). This is a  
436.32 onetime appropriation. The commissioner of  
436.33 human services shall apply to SAMHSA for  
436.34 an SBIRT professional training grant.

437.1 (2) If the commissioner of human services  
437.2 receives a grant under clause (1) funds  
437.3 appropriated under this clause, equal to  
437.4 the grant amount, up to the available  
437.5 appropriation, shall be transferred to the  
437.6 Minnesota Organization on Fetal Alcohol  
437.7 Syndrome (MOFAS). MOFAS must use  
437.8 the funds for grants. Grant recipients must  
437.9 be selected from communities that are  
437.10 not currently served by federal Substance  
437.11 Abuse Prevention and Treatment Block  
437.12 Grant funds. Grant money must be used to  
437.13 reduce the rates of fetal alcohol syndrome  
437.14 and fetal alcohol effects, and the number of  
437.15 drug-exposed infants. Grant money may be  
437.16 used for prevention and intervention services  
437.17 and programs, including, but not limited to,  
437.18 community grants, professional education,  
437.19 public awareness, and diagnosis.

437.20 **Fetal Alcohol Syndrome Grant.** \$180,000  
437.21 each year from the general fund is for a  
437.22 grant to the Minnesota Organization on Fetal  
437.23 Alcohol Syndrome (MOFAS) to support  
437.24 nonprofit Fetal Alcohol Spectrum Disorders  
437.25 (FASD) outreach prevention programs  
437.26 in Olmsted County. This is a onetime  
437.27 appropriation.

437.28 **Base Adjustment.** The general fund base is  
437.29 decreased by \$480,000 in fiscal year 2016  
437.30 and \$480,000 in fiscal year 2017.

437.31 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

437.32 Sec. 6. **EFFECTIVE DATE.**

437.33 Sections 1 and 2 are effective the day following final enactment.

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	ECONOMIC DEVELOPMENT AND WORKFORCE	
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	EARLY EDUCATION, COMMUNITY EDUCATION,	
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**115A.551 RECYCLING.**

Subd. 2. **County recycling goals.** By December 31, 1993, each county outside of the metropolitan area will have as a goal to recycle a minimum of 25 percent by weight of total solid waste generation; and by December 31, 1993, each county within the metropolitan area will have as a goal to recycle a minimum of 35 percent by weight of total solid waste generation. Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal.

**116J.997 PROGRAM ACCOUNTABILITY REQUIREMENTS.**

Subdivision 1. **Accountability measurement.** By October 1, 2009, the commissioner of employment and economic development shall develop a uniform accountability report for economic development or workforce-related programs funded in whole or in part by state or federal funds. The commissioner shall also develop a formula for measuring the return on investment for each program and a comparison of the return on investment of all programs funded in whole or in part by state or federal funds. The requirements of this section apply to programs administered directly by the commissioner or administered by other employment organizations under a grant made by the department. The report and formula required by this subdivision shall be submitted to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance by October 15, 2009, for review and comment.

Subd. 2. **Report to the legislature.** By December 31 of each even-numbered year the commissioner must report to the chairs and the ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information for each program subject to the requirements of subdivision 1:

- (1) the target population;
  - (2) the number of jobs affected by the program, including the number of net new jobs created in the state and the average annual wage per job;
  - (3) the number of individuals leaving the unemployment compensation program as a result of the program;
  - (4) the number of individuals leaving the Minnesota Family Investment Program support as a result of the program;
  - (5) the region of the state in which the program operated;
  - (6) the amount of state or federal funds allocated to the program;
  - (7) the return on investment as calculated by the formula developed by the commissioner;
- and
- (8) the dollar amount and percentage of the total grant used for administrative expenses.

Subd. 3. **Report to the commissioner.** A recipient of a grant made by or through the department must report to the commissioner by September 1 of each even-numbered year on each of the items in subdivision 2 for each program it administers. The report must be in a format prescribed by the commissioner.

Beginning November 1, 2009, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 4. **Biennial budget request.** The information collected and reported under subdivisions 2 and 3 shall be included in budgets submitted to the legislature under section 16A.11.

**123B.71 REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.**

Subdivision 1. **Consultation.** A school district shall consult with the commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility for which the estimated cost exceeds \$500,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 126C.10, subdivision 14, clause (2). The

## APPENDIX

### Repealed Minnesota Statutes: H3172-1

commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

#### **175.006 DIVISION OF WORKERS' COMPENSATION.**

Subdivision 1. **Creation and organization.** The Division of Workers' Compensation, generally administering the workers' compensation law, is created within the Department of Labor and Industry.

#### **175.08 OFFICE.**

The Department of Labor and Industry shall maintain its main office within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. It may hold sessions at any other place in the state when it is convenient.

#### **175.14 TRAVELING EXPENSES.**

The commissioner and the officers, assistants, and employees of the department shall be paid out of the state treasury their actual and necessary expenses while traveling on the business of the department. Vouchers for such expenses shall be itemized and sworn to by the persons incurring the expense, and be subject to the approval of the commissioner of labor and industry.

#### **175.26 VIOLATION OF LOCAL ORDINANCES.**

When the Department of Labor and Industry learns of a violation of a local ordinance for the protection of employees it shall give written notice thereof to the proper municipal authorities and take any steps permissible under the ordinances for its enforcement.

#### **176.1311 SECOND INJURY FUND DATA.**

No person shall, directly or indirectly, provide the names of persons who have registered a preexisting physical impairment under Minnesota Statutes 1990, section 176.131, to an employer with the intent of assisting the employer to discriminate against those persons who have so registered with respect to hiring or other terms and conditions of employment.

A violation of this section is a gross misdemeanor.

#### **176.136 MEDICAL FEE REVIEW.**

Subd. 3. **Report.** The commissioner shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The commissioner shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

#### **176.2615 SMALL CLAIMS COURT.**

Subdivision 1. **Purpose.** There is established in the Department of Labor and Industry a small claims court, to be presided over by compensation judges for the purpose of settling small claims.

Subd. 2. **Eligibility.** The claim is eligible for determination in the small claims court if all parties agree to submit to its jurisdiction and:

(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or

(2) the claim in its total amount does not equal more than \$5,000; or

(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of \$5,000 is asserted.

Subd. 3. **Testimony; exhibits.** At the hearing a compensation judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.

Subd. 4. **Appearance of parties.** A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate



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in the hearing to the extent and in the manner that the compensation judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.

Subd. 5. **Evidence admissible.** At the hearing the compensation judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the compensation judge may receive, in the judge's discretion, evidence not otherwise admissible. The compensation judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.

Subd. 6. **Settlement.** A compensation judge may attempt to conciliate the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.

Subd. 7. **Determination.** If the parties do not agree to a settlement, the compensation judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a, except that there is no appeal or request for a formal de novo hearing from the order. Any determination by a compensation judge shall be res judicata in subsequent proceeding concerning issues determined under this section.

Subd. 8. **Costs.** The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.

### **176.641 ACCIDENTS OR INJURIES ARISING PRIOR TO EFFECTIVE DATE.**

All rights and liabilities arising on account of accidents or injuries occurring prior to the taking effect of this chapter shall be governed by the then existing law.

### **256.969 PAYMENT RATES.**

Subd. 2c. **Property payment rates.** For each hospital's first two consecutive fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual increase in property payment rates for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index derived from the methodology in effect on the day before July 1, 1989. When computing budgeted and settlement property payment rates, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. For admissions occurring on or after the rate year beginning January 1, 1991, the commissioner shall obtain property data from an updated base year and establish property payment rates per admission for each hospital. Property payment rates shall be derived from data from the same base year that is used to establish operating payment rates. The property information shall include cost categories not subject to the hospital cost index and shall reflect the cost-finding methods and allowable costs of the Medicare program. The base year property payment rates shall be adjusted for increases in the property cost by increasing the base year property payment rate 85 percent of the percentage change from the base year through the year for which a Medicare cost report has been submitted to the Medicare program and filed with the department by the October 1 before the rate year. The property rates shall only reflect inpatient services covered by medical assistance. The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure that all hospitals are subject to the hospital cost index limitation for two complete years.

Subd. 8b. **Admissions for persons who apply during hospitalization.** For admissions for individuals under section 256D.03, subdivision 3, paragraph (a), clause (2), that occur before the date of eligibility, payment for the days that the patient is eligible shall be established according to the methods of subdivision 14.

Subd. 9a. **Disproportionate population adjustments until July 1, 1993.** For admissions occurring between January 1, 1993 and June 30, 1993, the adjustment under this subdivision shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of one standard deviation above the arithmetic mean. The adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, and the result must be multiplied by 1.1.

The provisions of this paragraph are effective only if federal matching funds are not available for all adjustments under this subdivision and it is necessary to implement ratable reductions under subdivision 9.

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Subd. 9b. **Implementation of ratable reductions.** Notwithstanding the provisions in subdivision 9, any ratable reductions required under that subdivision or subdivision 9a for fiscal year 1993 shall be implemented as follows:

(1) no ratable reductions shall be applied to admissions occurring between October 1, 1992, and December 31, 1992; and

(2) sufficient ratable reductions shall be taken from hospitals receiving a payment under subdivision 9a for admissions occurring between January 1, 1993, and June 30, 1993, to ensure that all state payments under subdivisions 9 and 9a during federal fiscal year 1993 qualify for federal match.

Subd. 11. **Special rates.** The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of subdivision 13, except that rates shall not be standardized by the case mix index or adjusted by relative values and hospice rates shall not exceed the amount allowed under federal law. Rates and payments established under this subdivision must meet the requirements of section 256.9685, subdivisions 1 and 2. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this subdivision shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3a, 4a, 5a, and 7 to 14.

Subd. 13. **Neonatal transfers.** For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to subdivision 14. The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. For admissions occurring after the transition period specified in section 256.9695, subdivision 3, the operating payment rate portion of the rate shall be standardized by the case mix index and adjusted by relative values. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this subdivision shall not be used to establish rates under subdivisions 2, 2b, 2c, 3a, 4a, 5a, and 7 to 14.

Subd. 20. **Increases in medical assistance inpatient payments; conditions.** (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988 and December 31, 1990, if:

(1) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For purposes of this paragraph, medical assistance does not include general assistance medical care.

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988 and December 31, 1990, if:

(1) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For purposes of this paragraph, medical assistance does not include general assistance medical care.

(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, if:

(1) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

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- (2) the hospital had 100 or fewer licensed beds on March 1, 1988;
- (3) the hospital is located in Minnesota; and
- (4) the hospital is not located in a city of the first class as defined in section 410.01.

For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph exceeds the adjustment under those subdivisions. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient payment rates shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur after September 30, 1992, if:

(1) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987;

(2) the hospital had 100 or fewer licensed beds on March 1, 1988;

(3) the hospital is located in Minnesota; and

(4) the hospital is not located in a city of the first class as defined in section 410.01.

For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph exceeds the adjustment under those subdivisions. For purposes of this paragraph, medical assistance does not include general assistance medical care.

Subd. 21. **Mental health or chemical dependency admissions; rates.** Admissions under the general assistance medical care program occurring on or after July 1, 1990, and admissions under medical assistance, excluding general assistance medical care, occurring on or after July 1, 1990, and on or before September 30, 1992, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Subd. 22. **Hospital payment adjustment.** For admissions occurring from January 1, 1993 until June 30, 1993, the commissioner shall adjust the medical assistance payment paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment under clause (1) for that hospital by 1.1. Any payment under this clause must be reduced by the amount of any payment received under subdivision 9a. For purposes of this subdivision, medical assistance does not include general assistance medical care.

This subdivision is effective only if federal matching funds are not available for all adjustments under this subdivision and it is necessary to implement ratable reductions under subdivision 9.

Subd. 26. **Greater Minnesota payment adjustment after June 30, 2001.** (a) For admissions occurring after June 30, 2001, the commissioner shall pay fee-for-service inpatient admissions for the diagnosis-related groups specified in paragraph (b) at hospitals located outside of the seven-county metropolitan area at the higher of:

(1) the hospital's current payment rate for the diagnostic category to which the diagnosis-related group belongs, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivision 23; or

(2) 90 percent of the average payment rate for that diagnostic category for hospitals located within the seven-county metropolitan area, exclusive of disproportionate population

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adjustments received under subdivision 9 and hospital payment adjustments received under subdivisions 20 and 23.

(b) The payment increases provided in paragraph (a) apply to the following diagnosis-related groups, as they fall within the diagnostic categories:

- (1) 370 cesarean section with complicating diagnosis;
- (2) 371 cesarean section without complicating diagnosis;
- (3) 372 vaginal delivery with complicating diagnosis;
- (4) 373 vaginal delivery without complicating diagnosis;
- (5) 386 extreme immaturity and respiratory distress syndrome, neonate;
- (6) 388 full-term neonates with other problems;
- (7) 390 prematurity without major problems;
- (8) 391 normal newborn;
- (9) 385 neonate, died or transferred to another acute care facility;
- (10) 425 acute adjustment reaction and psychosocial dysfunction;
- (11) 430 psychoses;
- (12) 431 childhood mental disorders; and
- (13) 164-167 appendectomy.

Subd. 27. **Quarterly payment adjustment.** (a) In addition to any other payment under this section, the commissioner shall make the following payments effective July 1, 2007:

(1) for a hospital located in Minnesota and not eligible for payments under subdivision 20, with a medical assistance inpatient utilization rate greater than 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to 13 percent of the total of the operating and property payment rates;

(2) for a hospital located in Minnesota in a specified urban area outside of the seven-county metropolitan area and not eligible for payments under subdivision 20, with a medical assistance inpatient utilization rate less than or equal to 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to ten percent of the total of the operating and property payment rates. For purposes of this clause, the following cities are specified urban areas: Detroit Lakes, Rochester, Willmar, Alexandria, Austin, Cambridge, Brainerd, Hibbing, Mankato, Duluth, St. Cloud, Grand Rapids, Wyoming, Fergus Falls, Albert Lea, Winona, Virginia, Thief River Falls, and Wadena;

(3) for a hospital located in Minnesota but not located in a specified urban area under clause (2), with a medical assistance inpatient utilization rate less than or equal to 17.8 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to four percent of the total of the operating and property payment rates. A hospital located in Woodbury and not in existence during the base year shall be reimbursed under this clause; and

(4) in addition to any payments under clauses (1) to (3), for a hospital located in Minnesota and not eligible for payments under subdivision 20 with a medical assistance inpatient utilization rate of 17.9 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to eight percent of the total of the operating and property payment rates, and for a hospital located in Minnesota and not eligible for payments under subdivision 20 with a medical assistance inpatient utilization rate of 59.6 percent of total patient days as of the base year in effect on July 1, 2005, a payment equal to nine percent of the total of the operating and property payment rates. After making any ratable adjustments required under paragraph (b), the commissioner shall proportionately reduce payments under clauses (2) and (3) by an amount needed to make payments under this clause.

(b) The state share of payments under paragraph (a) shall be equal to federal reimbursements to the commissioner to reimburse expenditures reported under section 256B.199, paragraphs (a) to (d). The commissioner shall ratably reduce or increase payments under this subdivision in order to ensure that these payments equal the amount of reimbursement received by the commissioner under section 256B.199, paragraphs (a) to (d), except that payments shall be ratably reduced by an amount equivalent to the state share of a four percent reduction in MinnesotaCare and medical assistance payments for inpatient hospital services. Effective July 1, 2009, the ratable reduction shall be equivalent to the state share of a three percent reduction in these payments. Effective for federal disproportionate share hospital funds earned on payments reported under section 256B.199, paragraphs (a) to (d), for services rendered on or after April 1, 2010, payments shall not be made under this subdivision or subdivision 28.

(c) The payments under paragraph (a) shall be paid quarterly based on each hospital's operating and property payments from the second previous quarter, beginning on July 15, 2007, or upon federal approval of federal reimbursements under section 256B.199, paragraphs (a) to (d), whichever occurs later.

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(d) The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in paragraph (a).

(e) The commissioner shall maximize the use of available federal money for disproportionate share hospital payments and shall maximize payments to qualifying hospitals. In order to accomplish these purposes, the commissioner may, in consultation with the nonstate entities identified in section 256B.199, paragraphs (a) to (d), adjust, on a pro rata basis if feasible, the amounts reported by nonstate entities under section 256B.199, paragraphs (a) to (d), when application for reimbursement is made to the federal government, and otherwise adjust the provisions of this subdivision. The commissioner shall utilize a settlement process based on finalized data to maximize revenue under section 256B.199, paragraphs (a) to (d), and payments under this section.

(f) For purposes of this subdivision, medical assistance does not include general assistance medical care.

Subd. 28. **Temporary rate increase for qualifying hospitals.** For the period from April 1, 2009, to September 30, 2010, for each hospital with a medical assistance utilization rate equal to or greater than 25 percent during the base year, the commissioner shall provide an equal percentage rate increase for each medical assistance admission. The commissioner shall estimate the percentage rate increase using as the state share of the increase the amount available under section 256B.199, paragraph (d). The commissioner shall settle up payments to qualifying hospitals based on actual payments under that section and actual hospital admissions.

### **256.9695 APPEALS OF RATES; PROHIBITED PRACTICES FOR HOSPITALS; TRANSITION RATES.**

Subd. 3. **Transition.** Except as provided in section 256.969, subdivision 8, the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system or July 1, 1992, whichever is earlier.

During the transition period:

(a) Changes resulting from section 256.969, subdivisions 7, 9, 10, 11, and 13, shall not be implemented, except as provided in section 256.969, subdivisions 12 and 20.

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, until the implementation date of the upgrade to the Medicaid management information system the hospital cost index excluding the technology factor shall not exceed five percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 20, paragraphs (a) and (b).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

(e) If the upgrade to the Medicaid management information system has not been completed by July 1, 1992, the commissioner shall make adjustments for admissions occurring on or after that date as follows:

(1) provide a ten percent increase to hospitals that meet the requirements of section 256.969, subdivision 20, or, upon written request from the hospital to the commissioner, 50 percent of the rate change that the commissioner estimates will occur after the upgrade to the Medicaid management information system; and

(2) adjust the Minnesota and local trade area rebased payment rates that are established after the upgrade to the Medicaid management information system to compensate for a rebasing effective date of July 1, 1992. The adjustment shall be determined using claim specific payment changes that result from the rebased rates and revised methodology in effect after the systems upgrade. Any adjustment that is greater than zero shall be ratably reduced by 20 percent. In addition, every adjustment shall be reduced for payments under clause (1), and differences in the hospital cost index. Hospitals shall revise claims so that services provided by rehabilitation units of hospitals are reported separately. The adjustment shall be in effect until the amount due to or owed by the hospital is fully paid over a number of admissions that is equal to the number of admissions under adjustment multiplied by 1.5. The adjustment for admissions occurring from

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July 1, 1992 to December 31, 1992, shall be based on claims paid as of August 1, 1993, and the adjustment shall begin with the effective date of rules governing rebasing. The adjustment for admissions occurring from January 1, 1993, to the effective date of the rules shall be based on claims paid as of February 1, 1994, and shall begin after the first adjustment period is fully paid. For purposes of appeals under subdivision 1, the adjustment shall be considered payment at the time of admission.

Subd. 4. **Study.** The commissioner shall contract for an evaluation of the inpatient and outpatient hospital payment systems. The study shall include recommendations concerning:

- (1) more effective methods of assigning operating and property payment rates to specific services or diagnoses;
- (2) effective methods of cost control and containment;
- (3) fiscal impacts of alternative payment systems;
- (4) the relationships of the use of and payment for inpatient and outpatient hospital services;
- (5) methods to relate reimbursement levels to the efficient provision of services; and
- (6) methods to adjust reimbursement levels to reflect cost differences between geographic areas.

The commissioner shall report the findings to the legislature by January 15, 1991, along with recommendations for implementation.

### **256N.26 BENEFITS AND PAYMENTS.**

Subd. 7. **Special at-risk monthly payment for at-risk children in guardianship assistance and adoption assistance.** A child eligible for guardianship assistance under section 256N.22 or adoption assistance under section 256N.23 who is determined to be an at-risk child shall receive a special at-risk monthly payment of \$1 per month basic, unless and until the potential disability manifests itself and the agreement is renegotiated to include reimbursement. Such an at-risk child shall receive neither a supplemental difficulty of care monthly rate under subdivision 4 nor home and vehicle modifications under subdivision 10, but must be considered for medical assistance under subdivision 2.