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State of Minnesota

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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
- 04/03/2014 Calendar for the Day, Amended
- Read Third Time as Amended
- Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

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 forecast
 1.5 adjustments; modifying prior appropriations; modifying disposition of certain
 1.6 revenues; dedicating money to the Board of Trustees of the Minnesota State
 1.7 Colleges and Universities for compensation costs associated with settlement of
 1.8 employment contracts; dedicating certain funds for homeownership opportunities
 1.9 for families evicted or given notice of eviction due to a disabled child in the
 1.10 home; requiring the housing finance agency to improve efforts to reduce racial
 1.11 and ethnic inequalities in homeownership rates; creating an office of regenerative
 1.12 medicine development; modifying workforce program outcomes; creating job
 1.13 training programs; providing funding for the Minnesota Racing Commission;
 1.14 providing a grant to the Mille Lacs Tourism Council; funding Peace Officer
 1.15 Standards and Training Board; modifying certain provisions pertaining to victims
 1.16 of domestic violence and sentencing for criminal sexual conduct; continuing
 1.17 the fire safety advisory committee; providing for disaster assistance for public
 1.18 entities when federal aid is granted and when federal aid is absent; establishing
 1.19 certain transportation oversight authority; modifying provisions for railroad
 1.20 and pipeline safety; modifying certain transportation provisions; providing
 1.21 compensation for bee deaths due to pesticide poisoning; establishing pollinator
 1.22 emergency response team; providing nonresident off-highway motorcycle
 1.23 state trail pass; requiring certain recycling; modifying solid waste reduction;
 1.24 regulating harmful chemicals in children's products; providing for state parks
 1.25 and trails license plates, and licensing and inspection of commercial dog and cat
 1.26 breeders; providing for invasive terrestrial plants and pests center; providing
 1.27 funding and policy modifications for early childhood, kindergarten through grade
 1.28 12, and adult education, including general education, education excellence,
 1.29 special education, facilities, nutrition, community education, self-sufficiency and
 1.30 lifelong learning, and state agencies; making changes to provisions governing
 1.31 the Department of Health, Department of Human Services, children and family
 1.32 services, continuing care, community first services and supports, health care,
 1.33 public assistance programs, and chemical dependency; providing for unborn
 1.34 child protection; modifying the hospital payment system; modifying provisions
 1.35 governing background studies and home and community-based services
 1.36 standards; setting fees; providing rate increases; establishing grant programs;
 1.37 modifying medical assistance provisions; modifying the use of positive support
 1.38 strategies and emergency manual restraint; providing for certain grants; defining
 1.39

2.1 terms; creating accounts; requiring reports; providing penalties; authorizing
2.2 rulemaking; amending Minnesota Statutes 2012, sections 12.03, by adding
2.3 subdivisions; 12.221, subdivision 4, by adding a subdivision; 12A.02, subdivision
2.4 2, by adding subdivisions; 12A.03, subdivision 3; 12A.15, subdivision 1; 13.46,
2.5 subdivision 4; 13.643, subdivision 6; 13.7411, subdivision 8; 13.84, subdivisions
2.6 5, 6; 16A.28, by adding a subdivision; 18B.01, by adding subdivisions; 18B.03,
2.7 by adding a subdivision; 18B.04; 84.788, subdivision 2; 85.053, subdivision 2;
2.8 85.34, subdivision 7; 85A.02, subdivision 2; 103G.271, subdivision 6; 115A.151;
2.9 115A.55, subdivision 4; 115A.551, subdivisions 1, 2a; 115A.557, subdivisions 2,
2.10 3; 115B.39, subdivision 2; 115E.01, by adding subdivisions; 115E.08, by adding
2.11 subdivisions; 116.9401; 116.9402; 116.9403; 116.9405; 116.9406; 116L.98;
2.12 119B.09, subdivision 9a, by adding a subdivision; 121A.19; 122A.40, subdivision
2.13 13; 122A.41, subdivision 6; 122A.415, subdivision 1; 123A.05, subdivision
2.14 2; 123A.485; 123A.64; 123B.57, subdivision 6; 123B.71, subdivisions 8, 9;
2.15 124D.09, subdivisions 9, 13; 124D.111, by adding a subdivision; 124D.16,
2.16 subdivision 2; 124D.522; 124D.531, subdivision 3; 124D.59, subdivision 2;
2.17 125A.76, subdivision 2; 126C.10, subdivisions 25, 26; 127A.45, subdivisions 2,
2.18 3; 127A.49, subdivisions 2, 3; 129C.10, subdivision 3, by adding a subdivision;
2.19 144.0724, as amended; 144.551, subdivision 1; 145.4131, subdivision 1;
2.20 165.15, subdivision 2; 169.826, by adding a subdivision; 169.8261, by adding a
2.21 subdivision; 169.86, subdivision 5; 169.863, by adding a subdivision; 169.865,
2.22 subdivisions 1, 2, by adding a subdivision; 169.866, subdivision 3, by adding
2.23 a subdivision; 174.24, by adding a subdivision; 174.56, subdivision 1, by
2.24 adding a subdivision; 179.02, by adding a subdivision; 181A.07, by adding
2.25 a subdivision; 219.015, subdivisions 1, 2; 243.167, subdivision 1; 245A.03,
2.26 subdivision 2c; 245C.03, by adding a subdivision; 245C.04, by adding a
2.27 subdivision; 245C.05, subdivision 5; 245C.10, by adding a subdivision; 245C.33,
2.28 subdivisions 1, 4; 252.27, by adding a subdivision; 252.451, subdivision 2;
2.29 254B.12; 256.01, by adding a subdivision; 256.9685, subdivisions 1, 1a;
2.30 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 3a, 3b, 3c, 6a, 8, 8a, 9,
2.31 10, 12, 14, 17, 18, 25, 30, by adding subdivisions; 256.9752, subdivision 2;
2.32 256B.04, by adding a subdivision; 256B.0625, subdivisions 18b, 18c, 18d, 18g,
2.33 30, by adding a subdivision; 256B.0751, by adding a subdivision; 256B.199;
2.34 256B.35, subdivision 1; 256B.431, by adding a subdivision; 256B.434, by
2.35 adding a subdivision; 256B.441, by adding a subdivision; 256B.5012, by
2.36 adding a subdivision; 256I.04, subdivision 2b; 256I.05, subdivision 2; 256J.49,
2.37 subdivision 13; 256J.53, subdivisions 1, 2, 5; 256J.531; 257.85, subdivision
2.38 11; 260C.212, subdivision 1; 260C.515, subdivision 4; 260C.611; 299F.012,
2.39 subdivisions 1, 2; 469.084, by adding a subdivision; 473.408, by adding a
2.40 subdivision; 609.135, subdivision 2; 609.3451, subdivision 3; 611A.06, by
2.41 adding a subdivision; Minnesota Statutes 2013 Supplement, sections 16A.724,
2.42 subdivision 2; 123B.53, subdivisions 1, 5; 123B.54; 123B.75, subdivision 5;
2.43 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.165, subdivision 5;
2.44 124D.531, subdivision 1; 124D.65, subdivision 5; 124D.862, subdivisions 1,
2.45 2; 125A.0942; 125A.11, subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c;
2.46 125A.79, subdivisions 1, 5, 8; 126C.05, subdivision 15; 126C.10, subdivisions 2,
2.47 2a, 2d, 24, 31; 126C.17, subdivisions 6, 7b, 9, 9a; 126C.44; 126C.48, subdivision
2.48 8; 127A.47, subdivision 7; 145.4716, subdivision 2; 168.123, subdivision 2;
2.49 174.42, subdivision 2; 245.8251; 245A.03, subdivision 7; 245A.042, subdivision
2.50 3; 245A.16, subdivision 1; 245C.08, subdivision 1; 245D.02, subdivisions 3, 4b,
2.51 8b, 11, 15b, 29, 34, 34a, by adding a subdivision; 245D.03, subdivisions 1, 2,
2.52 3, by adding a subdivision; 245D.04, subdivision 3; 245D.05, subdivisions 1,
2.53 1a, 1b, 2, 4, 5; 245D.051; 245D.06, subdivisions 1, 2, 4, 6, 7, 8; 245D.071,
2.54 subdivisions 3, 4, 5; 245D.081, subdivision 2; 245D.09, subdivisions 3, 4a;
2.55 245D.091, subdivisions 2, 3, 4; 245D.10, subdivisions 3, 4; 245D.11, subdivision
2.56 2; 256B.04, subdivision 21; 256B.056, subdivision 5c; 256B.0625, subdivisions
2.57 17, 18e; 256B.0949, subdivisions 4, 11; 256B.439, subdivisions 1, 7; 256B.441,
2.58 subdivision 53; 256B.4912, subdivision 1; 256B.492; 256B.69, subdivision 34;

4.1 The amounts that may be spent for each
 4.2 purpose are specified in the following
 4.3 subdivisions.

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

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

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

4.17	Subd. 2. Challenge Program	19,203,000	9,203,000
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4.18 (a) This appropriation is for the economic
 4.19 development and housing challenge program
 4.20 under Minnesota Statutes, section 462A.33.

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

- 5.1 (b) Of this amount, \$10,000,000 is a onetime
5.2 appropriation and is targeted for housing in
5.3 communities and regions that have:
- 5.4 (1)(i) low housing vacancy rates; and
5.5 (ii) cooperatively developed a plan that
5.6 identifies current and future housing needs;
5.7 and
- 5.8 (2)(i) experienced job growth since 2005 and
5.9 have at least 2,000 jobs within the commuter
5.10 shed;
5.11 (ii) evidence of anticipated job expansion; or
5.12 (iii) a significant portion of area employees
5.13 who commute more than 30 miles between
5.14 their residence and their employment.
- 5.15 (c) Priority shall be given to programs and
5.16 projects that are land trust programs and
5.17 programs that work in coordination with a
5.18 land trust program.
- 5.19 (d) Of this amount, \$500,000 is for
5.20 homeownership opportunities for families
5.21 who have been evicted or been given
5.22 notice of an eviction due to a disabled
5.23 child in the home, including adjustments
5.24 for the incremental increase in costs of
5.25 addressing the unique housing needs of those
5.26 households. Any funds not expended for this
5.27 purpose may be returned to the challenge
5.28 fund after October 31, 2014.
- 5.29 ~~(d)~~ (e) The base funding for this program in
5.30 the 2016-2017 biennium is \$12,925,000 each
5.31 year.

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

6.1		13,276,000	10,276,000
6.2	Subd. 3. Housing Trust Fund	<u>12,776,000</u>	<u>10,776,000</u>

6.3 (a) This appropriation is for deposit in the
 6.4 housing trust fund account created under
 6.5 Minnesota Statutes, section 462A.201, and
 6.6 may be used for the purposes provided in
 6.7 that section. To the extent that these funds
 6.8 are used for the acquisition of housing, the
 6.9 agency shall give priority among comparable
 6.10 projects to projects that focus on creating
 6.11 safe and stable housing for homeless youth
 6.12 or projects that provide housing to trafficked
 6.13 women and children.

6.14 (b) \$2,000,000 in the first year ~~is a~~ and
 6.15 \$500,000 in the second year are onetime
 6.16 ~~appropriation~~ appropriations for temporary
 6.17 rental assistance for families with school-age
 6.18 children who have changed school or home
 6.19 at least once in the last school year. The
 6.20 agency, in consultation with the Department
 6.21 of Education, may establish additional
 6.22 targeting criteria.

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

7.1 ~~(d) Of this amount, \$500,000 the first year~~
 7.2 ~~is a onetime appropriation for a grant to the~~
 7.3 ~~nonprofit organization selected to administer~~
 7.4 ~~the state demonstration project for high-risk~~
 7.5 ~~adults established under Laws 2007, chapter~~
 7.6 ~~54, article 1, section 19.~~

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

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

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

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

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

7.20 **JOBS AND ECONOMIC DEVELOPMENT**

7.21 **ARTICLE 3**

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

7.24 Section 1. **APPROPRIATIONS.**

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

9.1 (2) analyze the deployment data collected to
9.2 help inform future investments in broadband
9.3 infrastructure; and

9.4 (3) conduct business and residential surveys
9.5 that measure broadband adoption and use in
9.6 the state.

9.7 Data provided by a broadband provider to the
9.8 contractor under this paragraph is nonpublic
9.9 data under Minnesota Statutes, section 13.02,
9.10 subdivision 9. Maps produced under this
9.11 paragraph are public data under Minnesota
9.12 Statutes, section 13.03. This is a onetime
9.13 appropriation and is available until expended.

9.14 (c) \$1,000,000 in fiscal year 2015 is from
9.15 the general fund for a grant to the Southwest
9.16 Initiative Foundation for business revolving
9.17 loans or other lending programs. This is a
9.18 onetime appropriation and is available until
9.19 expended.

9.20 (d) \$1,000,000 in fiscal year 2015 is from the
9.21 general fund for a grant to the West Central
9.22 Initiative Foundation for business revolving
9.23 loans or other lending programs. This is a
9.24 onetime appropriation and is available until
9.25 expended.

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

9.32 (f) \$1,000,000 in fiscal year 2015 is from the
9.33 general fund for a grant to the Northwest
9.34 Minnesota Foundation for business revolving
9.35 loans or other lending programs. This is a

10.1 onetime appropriation and is available until
10.2 expended.

10.3 (g) \$1,000,000 in fiscal year 2015 is from
10.4 the general fund for a grant to the Initiative
10.5 Foundation for business revolving loans or
10.6 other lending programs. This is a onetime
10.7 appropriation and is available until expended.

10.8 (h) \$1,000,000 in fiscal year 2015 is from
10.9 the general fund for a grant to the Northland
10.10 Foundation for business revolving loans or
10.11 other lending programs. This is a onetime
10.12 appropriation and is available until expended.

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

10.27 (j) \$500,000 in fiscal year 2015 is from the
10.28 general fund for grants to small business
10.29 development centers under Minnesota
10.30 Statutes, section 116J.68. Funds made
10.31 available under this paragraph may be used to
10.32 match funds under the federal Small Business
10.33 Development Center (SBDC) program under
10.34 United States Code, title 15, section 648, to
10.35 provide consulting and technical services, or

11.1 to build additional SBDC network capacity
 11.2 to serve entrepreneurs and small businesses.
 11.3 The commissioner shall allocate funds
 11.4 equally among the nine regional centers and
 11.5 lead center. This is a onetime appropriation
 11.6 and is available until expended.

11.7 (k) \$750,000 in fiscal year 2015 is from the
 11.8 general fund for the innovation voucher pilot
 11.9 program in article 4, section 9. This is a
 11.10 onetime appropriation and is available until
 11.11 expended. Of this amount, up to five percent
 11.12 may be used for administration. Vouchers
 11.13 require a 50 percent match by recipients.

11.14 (l) \$1,600,000 in fiscal year 2015 is
 11.15 from the general fund for the Minnesota
 11.16 Jobs Skills Partnership program under
 11.17 Minnesota Statutes, section 116L.02. Of this
 11.18 appropriation, \$600,000 is onetime and is
 11.19 available until expended and \$1,000,000 is
 11.20 added to the agency's base budget each year
 11.21 for fiscal years 2016 and 2017.

11.22 (m) \$450,000 in fiscal year 2015 is from the
 11.23 general fund for the Office of Regenerative
 11.24 Medicine under Minnesota Statutes, sections
 11.25 116J.886 to 116J.8862. This is a onetime
 11.26 appropriation and is available until expended.

11.27 **Subd. 3. Workforce Development** 0 1,100,000

11.28 (a) \$75,000 in fiscal year 2015 is from
 11.29 the general fund for workforce program
 11.30 outcome activities under Minnesota Statutes,
 11.31 section 116L.98. Up to five percent of
 11.32 this appropriation may be used by the
 11.33 commissioner for administration of the
 11.34 program. This is a onetime appropriation and
 11.35 is available until expended.

12.1 (b) \$1,000,000 in fiscal year 2015 is from the
 12.2 general fund for training rebates under article
 12.3 4, section 11. This is a onetime appropriation
 12.4 and is available until expended.

12.5 (c) \$25,000 in fiscal year 2015 is from the
 12.6 general fund for the information technology
 12.7 apprenticeship pilot program under article 4,
 12.8 section 13. This is a onetime appropriation
 12.9 and is available until expended.

12.10 Subd. 4. **General Support Services** 0 500,000

12.11 \$500,000 in fiscal year 2015 is for
 12.12 establishing and operating the interagency
 12.13 Olmstead Implementation Office. This is a
 12.14 onetime appropriation and is available until
 12.15 expended.

12.16 Sec. 3. **DEPARTMENT OF LABOR AND**
 12.17 **INDUSTRY**

12.18 Subdivision 1. **Total Appropriation** \$ 0 \$ 25,000

12.19 The amounts that may be spent for each
 12.20 purpose are specified in the following
 12.21 subdivisions.

12.22 Subd. 2. **Labor Standards and Apprenticeship** 0 25,000

12.23 (a) The base for the department is increased
 12.24 by \$70,000 each year for implementing and
 12.25 administering a minimum wage inflation
 12.26 adjustment. This adjustment is available only
 12.27 if a law is enacted in the 2014 legislative
 12.28 session that includes an automatic inflation
 12.29 adjustment to the state minimum wage. The
 12.30 availability of this appropriation is effective
 12.31 in the same fiscal year that the inflation
 12.32 adjustment is first effective.

12.33 (b) \$25,000 in fiscal year 2015 is from the
 12.34 general fund for the precision manufacturing

13.1 and health care services pilot program under
 13.2 article 4, section 12. This is a onetime
 13.3 appropriation and is available until expended.

13.4 Sec. 4. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:

13.5 Subd. 2. **Business and Community**
 13.6 **Development** 53,642,000 45,407,000

13.7	Appropriations by Fund		
13.8	General	52,942,000	44,707,000
13.9	Remediation	700,000	700,000

13.10 (a)(1) \$15,000,000 each year is for the
 13.11 Minnesota investment fund under Minnesota
 13.12 Statutes, section 116J.8731. Of this amount,
 13.13 the commissioner of employment and
 13.14 economic development may use up to three
 13.15 percent for administrative expenses. This
 13.16 appropriation is available until spent.

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

13.32 (3) Of the amount available under clause (1),
 13.33 up to \$2,000,000 is available for subsequent
 13.34 investment in the biopharmaceutical facility
 13.35 project in clause (2). The amount under this

14.1 clause is available until expended. Loan
14.2 thresholds under clause (2) must be achieved
14.3 and maintained to receive funding. Loans
14.4 are not subject to the loan limitations under
14.5 Minnesota Statutes, section 116J.8731, and
14.6 shall be forgiven by the commissioner of
14.7 employment and economic development
14.8 upon verification of meeting performance
14.9 goals. Purchases related to and for the
14.10 purposes of loan awards must be made during
14.11 the biennium the loan was received.

14.12 (4) Notwithstanding any law to the contrary,
14.13 the biopharmaceutical manufacturing facility
14.14 in this paragraph shall be deemed eligible
14.15 for the Minnesota job creation fund under
14.16 Minnesota Statutes, section 116J.8748,
14.17 by having at least \$25,000,000 in capital
14.18 investment and 190 retained employees.

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

14.30 (b) \$12,000,000 each year is for the
14.31 Minnesota job creation fund under Minnesota
14.32 Statutes, section 116J.8748. Of this amount,
14.33 the commissioner of employment and
14.34 economic development may use up to three
14.35 percent for administrative expenses. This

15.1 appropriation is available until spent. The
15.2 base funding for this program shall be
15.3 \$12,500,000 each year in the fiscal year
15.4 2016-2017 biennium.

15.5 (c) \$1,272,000 each year is from the
15.6 general fund for contaminated site cleanup
15.7 and development grants under Minnesota
15.8 Statutes, sections 116J.551 to 116J.558. This
15.9 appropriation is available until expended.

15.10 (d) \$700,000 each year is from the
15.11 remediation fund for contaminated site
15.12 cleanup and development grants under
15.13 Minnesota Statutes, sections 116J.551 to
15.14 116J.558. This appropriation is available
15.15 until expended.

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

15.25 (f) \$4,195,000 each year is from the general
15.26 fund for the Minnesota job skills partnership
15.27 program under Minnesota Statutes, sections
15.28 116L.01 to 116L.17. If the appropriation for
15.29 either year is insufficient, the appropriation
15.30 for the other year is available. This
15.31 appropriation is available until spent.

15.32 (g) \$6,000,000 the first year is from the
15.33 general fund for the redevelopment program
15.34 under Minnesota Statutes, section 116J.571.

16.1 This is a onetime appropriation and is
16.2 available until spent.

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

16.6 (i) \$325,000 each year is from the general
16.7 fund for the Minnesota Film and TV Board.
16.8 The appropriation in each year is available
16.9 only upon receipt by the board of \$1 in
16.10 matching contributions of money or in-kind
16.11 contributions from nonstate sources for every
16.12 \$3 provided by this appropriation, except that
16.13 each year up to \$50,000 is available on July
16.14 1 even if the required matching contribution
16.15 has not been received by that date.

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

16.18 (k) \$5,000,000 each year is from the general
16.19 fund for a grant to the Minnesota Film
16.20 and TV Board for the film production jobs
16.21 program under Minnesota Statutes, section
16.22 116U.26. This appropriation is available
16.23 until expended. The base funding for this
16.24 program shall be \$1,500,000 each year in the
16.25 fiscal year 2016-2017 biennium.

16.26 (l) \$375,000 each year is from the general
16.27 fund for a grant to Enterprise Minnesota, Inc.,
16.28 for the small business growth acceleration
16.29 program under Minnesota Statutes, section
16.30 116O.115. This is a onetime appropriation.

16.31 (m) \$160,000 each year is from the general
16.32 fund for a grant to develop and implement
16.33 a southern and southwestern Minnesota
16.34 initiative foundation collaborative pilot
16.35 project. Funds available under this paragraph

17.1 must be used to support and develop
17.2 entrepreneurs in diverse populations in
17.3 southern and southwestern Minnesota. This
17.4 is a onetime appropriation and is available
17.5 until expended.

17.6 (n) \$100,000 each year is from the general
17.7 fund for the Center for Rural Policy
17.8 and Development. This is a onetime
17.9 appropriation.

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

17.12 (p) \$250,000 the first year is from the
17.13 general fund for a onetime grant to the St.
17.14 Paul Planning and Economic Development
17.15 Department for neighborhood stabilization
17.16 use in NSP3.

17.17 (q) \$1,235,000 the first year is from the
17.18 general fund for a onetime grant to a city
17.19 of the second class that is designated as an
17.20 economically depressed area by the United
17.21 States Department of Commerce. The
17.22 appropriation is for economic development,
17.23 redevelopment, and job creation programs
17.24 and projects. This appropriation is available
17.25 until expended.

17.26 (r) \$875,000 each year is from the general
17.27 fund for the Host Community Economic
17.28 Development Program established in
17.29 Minnesota Statutes, section 116J.548.

17.30 (s) \$750,000 the first year is from the general
17.31 fund for a onetime grant to the city of Morris
17.32 for loans or grants to agricultural processing
17.33 facilities for energy efficiency improvements.
17.34 Funds available under this section shall be
17.35 used to increase conservation and promote

18.1 energy efficiency through retrofitting existing
 18.2 systems and installing new systems to
 18.3 recover waste heat from industrial processes
 18.4 and reuse energy. This appropriation is not
 18.5 available until the commissioner determines
 18.6 that ~~at least \$1,250,000~~ a match of \$750,000
 18.7 is committed to the project from nonpublic
 18.8 sources. This appropriation is available until
 18.9 expended.

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

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

18.12 Subd. 5. **Minnesota Trade Office** 2,322,000 2,292,000

18.13 (a) \$330,000 in fiscal year 2014 and \$300,000
 18.14 in fiscal year 2015 are for the STEP grants
 18.15 in Minnesota Statutes, section 116J.979. Of
 18.16 the fiscal year 2014 appropriation, \$30,000
 18.17 is available for expenditure until June 30,
 18.18 2015, for establishing trade, export, and
 18.19 cultural exchange relations between the state
 18.20 of Minnesota and east African nations.

18.21 (b) \$180,000 in fiscal year 2014 and
 18.22 \$180,000 in fiscal year 2015 are for the Invest
 18.23 Minnesota marketing initiative in Minnesota
 18.24 Statutes, section 116J.9781. Notwithstanding
 18.25 any other law, this provision does not expire.

18.26 (c) \$270,000 each year is from the general
 18.27 fund for the expansion of Minnesota Trade
 18.28 Offices under Minnesota Statutes, section
 18.29 116J.978.

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

19.1 (e) The commissioner of employment and
 19.2 economic development, in consultation
 19.3 with the commissioner of agriculture, shall
 19.4 identify and increase export opportunities for
 19.5 Minnesota agricultural products.

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

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

19.8 Subd. 6. **Vocational Rehabilitation** 27,691,000 27,691,000

19.9	Appropriations by Fund		
19.10	General	20,861,000	20,861,000
19.11	Workforce		
19.12	Development	6,830,000	6,830,000

19.13 (a) \$10,800,000 each year is from the general
 19.14 fund for the state's vocational rehabilitation
 19.15 program under Minnesota Statutes, chapter
 19.16 268A.

19.17 (b) \$2,261,000 each year is from the general
 19.18 fund for grants to centers for independent
 19.19 living under Minnesota Statutes, section
 19.20 268A.11.

19.21 (c) \$5,745,000 each year from the general
 19.22 fund and \$6,830,000 each year from the
 19.23 workforce development fund is for extended
 19.24 employment services for persons with
 19.25 severe disabilities under Minnesota Statutes,
 19.26 section 268A.15. The allocation of extended
 19.27 employment funds to Courage Center from
 19.28 July 1, 2012 to June 30, 2013 must be
 19.29 contracted to Allina Health systems from
 19.30 July 1, 2013 to June 30, ~~2014~~ 2015 to provide
 19.31 extended employment services in accordance
 19.32 with Minnesota Rules, parts 3300.2005 to
 19.33 3300.2055.

20.1 (d) \$2,055,000 each year is from the general
 20.2 fund for grants to programs that provide
 20.3 employment support services to persons with
 20.4 mental illness under Minnesota Statutes,
 20.5 sections 268A.13 and 268A.14. The base
 20.6 appropriation for this program is \$1,555,000
 20.7 each year in the fiscal year 2016-2017
 20.8 biennium.

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

20.10 Subd. 5. **Telecommunications** 1,949,000 2,249,000

20.11	Appropriations by Fund		
20.12	General	1,009,000	1,009,000
20.13	Special Revenue	940,000	1,240,000

20.14 \$940,000 in fiscal year 2014 and \$1,240,000
 20.15 in fiscal year 2015 are appropriated to the
 20.16 commissioner from the telecommunication
 20.17 access fund for the following transfers. This
 20.18 appropriation is added to the department's
 20.19 base.

20.20 (1) \$500,000 in fiscal year 2014 and \$800,000
 20.21 in fiscal year 2015 to the commissioner of
 20.22 human services to supplement the ongoing
 20.23 operational expenses of the Commission
 20.24 of Deaf, DeafBlind, and Hard-of-Hearing
 20.25 Minnesotans;

20.26 (2) \$290,000 in fiscal year 2014 and \$290,000
 20.27 in fiscal year 2015 to the chief information
 20.28 officer for the purpose of coordinating
 20.29 technology accessibility and usability; and

20.30 (3) \$150,000 in fiscal year 2014 and \$150,000
 20.31 in fiscal year 2015 to the Legislative
 20.32 Coordinating Commission for captioning of
 20.33 legislative coverage and for a consolidated
 20.34 access fund for other state agencies. These

21.1 transfers are subject to Minnesota Statutes,
 21.2 section 16A.281.

21.3 **ARTICLE 4**

21.4 **ECONOMIC DEVELOPMENT AND WORKFORCE DEVELOPMENT**

21.5 Section 1. **[116J.394] DEFINITIONS.**

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

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

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

21.13 (d) "Commissioner" means the commissioner of employment and economic
 21.14 development.

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

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

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

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

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

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

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

22.1 Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund
22.2 the acquisition and installation of middle-mile and last-mile infrastructure that support
22.3 broadband service scalable to speeds of at least 100 megabits per second download and
22.4 100 megabits per second upload.

22.5 Subd. 3. **Eligible applicants.** Eligible applicants for grants awarded under this
22.6 section include:

- 22.7 (1) an incorporated business or a partnership;
22.8 (2) a political subdivision;
22.9 (3) an Indian tribe;
22.10 (4) a Minnesota nonprofit organization organized under chapter 317A;
22.11 (5) a Minnesota cooperative association organized under chapter 308A or 308B; and
22.12 (6) a Minnesota limited liability corporation organized under chapter 322B for the
22.13 purpose of expanding broadband access.

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

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

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

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

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

23.3 (1) are constructed in areas identified by the director of the Office of Broadband
 23.4 Development as underserved;

23.5 (2) offer new or substantially upgraded broadband service to important community
 23.6 institutions including, but not limited to, libraries, educational institutions, public safety
 23.7 facilities, and healthcare facilities;

23.8 (3) facilitate the use of telemedicine and electronic health records;

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

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

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

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

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

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

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

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

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

23.26 Subdivision 1. **Account established.** The border-to-border broadband fund account
 23.27 is established as a separate account in the special revenue fund in the state treasury. The
 23.28 commissioner shall credit to the account appropriations and transfers to the account.

23.29 Earnings, such as interest, dividends, and any other earnings arising from assets of the
 23.30 account, must be credited to the account. Funds remaining in the account at the end of a
 23.31 fiscal year are not canceled to the general fund, but remain in the account until expended.

23.32 The commissioner shall manage the account.

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

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

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

24.6 Subd. 3. **Appropriation.** Money in the account is appropriated to the commissioner
24.7 for the purposes of subdivision 2.

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

24.9 Sec. 4. **[116J.886] CITATION; REGENERATIVE MEDICINE DEVELOPMENT**
24.10 **ACT.**

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

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

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

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

24.24 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment
24.25 and economic development.

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

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

24.31 Subd. 6. **Regenerative medicine development project or project.** "Regenerative
24.32 medicine development project" or "project" means any research, product development,
24.33 or commercial venture relating to basic, preclinical, or clinical work to produce a drug,
24.34 biological or chemical material, compound, or medical device designed to augment,

25.1 repair, replace, or regenerate organs and tissue that have been damaged by disease, injury,
25.2 aging, or other biological processes.

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

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

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

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

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

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

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

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

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

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

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

25.30 (1) demonstrate that at least 70 percent of the project costs are paid from nonstate
25.31 sources. The nonstate share may include federal funds and the prior purchase of scientific
25.32 equipment and materials incidental to the project, provided the purchase is completed not
25.33 more than two years prior to the approval of funding by the commissioner;

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

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

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

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

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

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

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

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

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

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

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

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

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

26.29 **116L.98 WORKFORCE PROGRAM OUTCOMES.**

26.30 Subdivision 1. **Requirements.** The commissioner shall develop and implement a
26.31 set of standard approaches for assessing the outcomes of workforce programs under this
26.32 chapter. The outcomes assessed must include, but are not limited to, periodic comparisons
26.33 of workforce program participants and nonparticipants uniform outcome measurement
26.34 and reporting system for adult workforce-related programs funded in whole or in part by
26.35 the workforce development fund.

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

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

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

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

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

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

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

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

27.25 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28.25 Subd. 6. **Limitations on future appropriations.** (a) A program that is a recipient
28.26 of public funds and subject to the requirements of this section as of May 1, 2014, is not
28.27 eligible for additional state appropriations for any fiscal year beginning after June 30,
28.28 2015, unless all of the reporting requirements under subdivision 4 have been satisfied.

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

28.35 Subd. 7. **Workforce program net impact analysis.** (a) The commissioner
28.36 shall contract with an independent entity to conduct a net impact analysis for adult

29.1 workforce-related programs funded in whole or in part by the workforce development
29.2 fund. The requirements of this section apply to programs administered directly by the
29.3 commissioner or administered by other employment organizations under a grant made by
29.4 the department. The net impact methodology used by the independent entity should be
29.5 based on the methodology and evaluation design used in paragraph (c) and must include:

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

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

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

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

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

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

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

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

29.33 Subd. 7. **Approved training programs.** The commissioner may grant exemptions
29.34 from any provisions of sections 181A.01 to 181A.12 for minors participating in training
29.35 programs approved by the commissioner; or students in a valid apprenticeship program

30.1 taught by or required by a trade union, the commissioner of education, the commissioner
30.2 of employment and economic development, the Board of Trustees of the Minnesota State
30.3 Colleges and Universities, or the Board of Regents of the University of Minnesota.

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

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

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

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

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

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

30.19 (i) research and development;

30.20 (ii) business model development;

30.21 (iii) market feasibility;

30.22 (iv) operations; or

30.23 (v) other outcomes determined by the commissioner.

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

30.27 (d) For the purposes of this section, a small business means a business with fewer
30.28 than 40 employees.

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

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

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

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

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

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

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

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

31.20 (c) The commissioner shall prescribe the form of all applications for rebates, the
31.21 timing for submission of applications, the execution of agreements with the commissioner,
31.22 and the payment of rebates.

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

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

31.27 (c) "Commissioner" means the commissioner of employment and economic
31.28 development.

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

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

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

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

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

32.3 (i) "New job" means a job:

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

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

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

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

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

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

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

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

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

32.28 (3) provides that each employee must be paid wages of at least \$13 per hour, plus
32.29 benefits, except that during a period not to exceed three weeks, during which an employee
32.30 is receiving training services, the employee may be paid wages of at least \$11 per hour,
32.31 plus benefits.

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

32.35 Subd. 5. **Allocation.** (a) The commissioner shall allocate payment for rebates
32.36 to employers only after receipt of a complete application for the rebate, including the

33.1 provision of all of the required information and the execution of an agreement and
33.2 approval by the commissioner. In approving applications, the commissioner must give
33.3 priority to employers in counties with high seasonally adjusted unemployment rates.

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

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

33.9 (1) the total amount of rebates issued;

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

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

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

33.15 Sec. 12. **PILOT PROGRAMS; PRECISION MANUFACTURING AND HEALTH**
33.16 **CARE SERVICES.**

33.17 The commissioner of labor and industry shall establish pilot programs to develop
33.18 competency standards for apprenticeship programs in precision manufacturing and health
33.19 care services. The pilot programs shall be administered by the registered apprenticeship
33.20 program within the Department of Labor and Industry. In establishing the pilot programs,
33.21 the commissioner may convene recognized industry experts and representative employers
33.22 to assist in defining credible competency standards acceptable to the information
33.23 technology and health care services industries.

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

33.25 The commissioner of employment and economic development shall establish a pilot
33.26 program to develop competency standards for an information technology apprenticeship
33.27 program. In establishing the pilot program, the commissioner may convene recognized
33.28 industry experts and representative employers to define credible competency standards
33.29 acceptable to the information technology industry.

33.30 Sec. 14. **OUTCOMES.**

33.31 The outcomes expected from each of the pilot programs listed in sections 12 and
33.32 13 include:

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

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

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

34.7 (4) participation from the identified industry sectors.

34.8 Sec. 15. **REPEALER.**

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

34.10 **ARTICLE 5**

34.11 **MISCELLANEOUS FOR JOBS AND ECONOMIC DEVELOPMENT**

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

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

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

34.21 (c) The commissioner must post and maintain, on the Bureau of Mediation Services
34.22 Web site, a list of the sources of funds and amounts received under this subdivision.

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

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

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

34.28 **ARTICLE 6**

34.29 **COMMERCE**

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

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

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

35.19 Funding for the marketing grants is available
 35.20 either year of the biennium. Unexpended
 35.21 grant funds from the first year are available
 35.22 in the second year.

35.23 (b) \$100,000 of the second year appropriation
 35.24 is for a grant to the Mille Lacs Tourism
 35.25 Council to enhance marketing activities
 35.26 related to tourism promotion in the Mille
 35.27 Lacs Lake area.

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

35.30 **Sec. 2. RACING COMMISSION.**

35.31 \$100,000 in fiscal year 2014 and \$85,000 in fiscal year 2015 are appropriated
 35.32 from the racing and card playing regulation account in the special revenue fund to the
 35.33 Minnesota Racing Commission. These appropriations are onetime and are available
 35.34 either year of the biennium.

36.1

PUBLIC SAFETY AND CORRECTIONS

36.2

ARTICLE 7

36.3

PUBLIC SAFETY AND CORRECTIONS APPROPRIATIONS

36.4

Section 1. SUMMARY OF APPROPRIATIONS.

36.5

The amounts shown in this section summarize direct appropriations, by fund, made

36.6

in this article.

36.7

	<u>2014</u>		<u>2015</u>		<u>Total</u>
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36.8

<u>General</u>	\$	-0-	\$	<u>36,475,000</u>	\$	<u>36,496,000</u>
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36.9

<u>State Government Special</u>				<u>6,865,000</u>		<u>13,224,000</u>
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36.10

<u>Revenue</u>		<u>6,359,000</u>		<u>6,865,000</u>		<u>13,224,000</u>
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36.11

<u>Total</u>	\$	<u>6,359,000</u>	\$	<u>43,361,000</u>	\$	<u>49,720,000</u>
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36.12

Sec. 2. APPROPRIATIONS.

36.13

The sums shown in the columns marked "Appropriations" are added to the

36.14

appropriations in Laws 2013, chapter 86, article 1, to the agencies and for the purposes

36.15

specified in this article. The appropriations are from the general fund, or another named

36.16

fund, and are available for the fiscal years indicated for each purpose. The figures "2014"

36.17

and "2015" used in this article mean that the addition to the appropriation listed under

36.18

them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively.

36.19

Supplemental appropriations for the fiscal year ending June 30, 2014, are effective the

36.20

day following final enactment.

36.21

APPROPRIATIONS

36.22

Available for the Year

36.23

Ending June 30

36.24

<u>2014</u>	<u>2015</u>
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36.25

Sec. 3. DEPARTMENT OF PUBLIC SAFETY

36.26

<u>Subdivision 1. Total Appropriation</u>	\$	<u>6,359,000</u>	\$	<u>13,126,000</u>
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36.27

Appropriations by Fund

36.28

<u>General</u>	-0-	<u>6,261,000</u>
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36.29

<u>State Government</u>		
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36.30

<u>Special Revenue</u>	<u>6,359,000</u>	<u>6,865,000</u>
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36.31

The amounts that may be spent for each

36.32

purpose are specified in the following

36.33

subdivisions.

36.34

<u>Subd. 2. Emergency Communication Networks</u>	<u>5,059,000</u>	<u>6,865,000</u>
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37.1 This appropriation is from the state
 37.2 government special revenue fund for 911
 37.3 emergency telecommunications services.

37.4 **Subd. 3. Office of Justice Programs** -0- 600,000

37.5 (a) \$300,000 in 2015 is for grants to
 37.6 fund emergency shelter, housing, or
 37.7 advocacy services targeted to culturally
 37.8 specific programming for newer immigrant
 37.9 populations. The funds must be awarded
 37.10 to a program or programs that demonstrate
 37.11 leadership in the community to be served.
 37.12 This appropriation is added to the base.

37.13 (b) \$300,000 in 2015 is for grants to sexual
 37.14 assault advocacy programs for sexual
 37.15 violence community prevention networks.
 37.16 For purposes of this section, "sexual
 37.17 assault" means a violation of Minnesota
 37.18 Statutes, sections 609.342 to 609.3453. This
 37.19 appropriation is added to the base.

37.20 **Subd. 4. Emergency Management** -0- 5,661,000

37.21 \$5,661,000 in 2015 is for the disaster
 37.22 assistance contingency account in Minnesota
 37.23 Statutes, section 12.221. These funds are
 37.24 available until spent.

37.25 **Subd. 5. Fire Safety Account** 1,300,000 -0-

37.26 \$1,300,000 in 2014 is appropriated from the
 37.27 fire safety account in the special revenue
 37.28 fund to the commissioner of public safety
 37.29 for activities and programs under Minnesota
 37.30 Statutes, section 299F.012. This is a onetime
 37.31 appropriation. By January 15, 2015, the
 37.32 commissioner shall report to the chairs and
 37.33 ranking minority members of the legislative
 37.34 committees with jurisdiction over the fire

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

39.2 Subd. 7. **Emergency Communication Networks** 66,470,000 70,233,000

39.3 This appropriation is from the state
39.4 government special revenue fund for 911
39.5 emergency telecommunications services.

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

39.7 \$13,664,000 each year is to be distributed
39.8 as provided in Minnesota Statutes, section
39.9 403.113, subdivision 2.

39.10 **(b) Medical Resource Communication**

39.11 **Centers.** \$683,000 each year is for grants
39.12 to the Minnesota Emergency Medical
39.13 Services Regulatory Board for the Metro
39.14 East and Metro West Medical Resource
39.15 Communication Centers that were in
39.16 operation before January 1, 2000.

39.17 **(c) ARMER Debt Service.** \$17,557,000 the
39.18 first year and \$23,261,000 the second year
39.19 are to the commissioner of finance to pay
39.20 debt service on revenue bonds issued under
39.21 Minnesota Statutes, section 403.275.

39.22 Any portion of this appropriation not needed
39.23 to pay debt service in a fiscal year may be
39.24 used by the commissioner of public safety to
39.25 pay cash for any of the capital improvements
39.26 for which bond proceeds were appropriated
39.27 by Laws 2005, chapter 136, article 1, section
39.28 9, subdivision 8, or Laws 2007, chapter 54,
39.29 article 1, section 10, subdivision 8.

39.30 ~~**(d) Metropolitan Council Debt Service.**~~

39.31 ~~\$1,410,000 each year is to the commissioner~~
39.32 ~~of finance for payment to the Metropolitan~~
39.33 ~~Council for debt service on bonds issued~~
39.34 ~~under Minnesota Statutes, section 403.27.~~

40.1 ~~(e)~~ **(d) ARMER State Backbone Operating**
 40.2 **Costs.** \$5,060,000 each year is to the
 40.3 commissioner of transportation for costs
 40.4 of maintaining and operating the statewide
 40.5 radio system backbone.

40.6 ~~(f)~~ **(e) ARMER Improvements.** \$1,000,000
 40.7 each year is for the Statewide Radio Board for
 40.8 costs of design, construction, maintenance
 40.9 of, and improvements to those elements
 40.10 of the statewide public safety radio and
 40.11 communication system that support mutual
 40.12 aid communications and emergency medical
 40.13 services or provide enhancement of public
 40.14 safety communication interoperability.

40.15 ~~(g)~~ **(f) Next Generation 911.** \$3,431,000
 40.16 the first year and \$6,490,000 the second year
 40.17 are to replace the current system with the
 40.18 Next Generation Internet Protocol (IP) based
 40.19 network. This appropriation is available until
 40.20 expended. The base level of funding for
 40.21 fiscal year 2012 shall be \$2,965,000.

40.22 ~~(h)~~ **(g) Grants to Local Government.**
 40.23 \$5,000,000 the first year is for grants to
 40.24 local units of government to assist with
 40.25 the transition to the ARMER system. This
 40.26 appropriation is available until June 30, 2012.

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

40.29	Subd. 3. Criminal Apprehension	47,588,000	47,197,000
40.30	Appropriations by Fund		
40.31	General	42,315,000	42,924,000
40.32	Special Revenue	3,000,000	2,000,000
40.33	State Government		
40.34	Special Revenue	7,000	7,000
40.35	Trunk Highway	2,266,000	2,266,000

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

41.2 Notwithstanding Minnesota Statutes, section
41.3 161.20, subdivision 3, \$1,941,000 each year
41.4 is from the trunk highway fund for laboratory
41.5 analysis related to driving-while-impaired
41.6 cases.

41.7 **(b) Criminal History System**

41.8 \$50,000 the first year and \$580,000 the
41.9 second year from the general fund and,
41.10 notwithstanding Minnesota Statutes, section
41.11 299A.705, subdivision 4, \$3,000,000 the
41.12 first year and \$2,000,000 the second year
41.13 from the vehicle services account in the
41.14 special revenue fund are to replace the state
41.15 criminal history system. This appropriation
41.16 is available until expended. Of this amount,
41.17 \$2,980,000 the first year and \$2,580,000
41.18 the second year are for a onetime transfer
41.19 to the Office of Enterprise Technology for
41.20 start-up costs. Service level agreements
41.21 must document all project-related transfers
41.22 under this paragraph. Ongoing operating
41.23 and support costs for this system shall
41.24 be identified and incorporated into future
41.25 service level agreements.

41.26 The commissioner is authorized to use funds
41.27 appropriated under this paragraph for the
41.28 purposes specified in paragraph (c).

41.29 The general fund base for this program is
41.30 \$4,930,000 in fiscal year 2016 and \$417,000
41.31 in fiscal year 2017.

41.32 **(c) Criminal Reporting System**

41.33 \$1,360,000 the first year and \$1,360,000 the
41.34 second year from the general fund are to

42.1 replace the state's crime reporting system
42.2 and include one full-time equivalent business
42.3 analyst. This appropriation is available until
42.4 expended. Of these amounts, \$1,360,000
42.5 the first year and ~~\$1,360,000~~ \$1,290,000
42.6 the second year are for a onetime transfer
42.7 to the Office of Enterprise Technology for
42.8 start-up costs. Service level agreements
42.9 must document all project-related transfers
42.10 under this paragraph. Ongoing operating
42.11 and support costs for this system shall
42.12 be identified and incorporated into future
42.13 service level agreements.

42.14 The commissioner is authorized to use funds
42.15 appropriated under this paragraph for the
42.16 purposes specified in paragraph (b).

42.17 The base funding for this program is
42.18 \$1,360,000 in fiscal year 2016 and \$380,000
42.19 in fiscal year 2017.

42.20 **(d) Forensic Laboratory**

42.21 \$125,000 the first year and \$125,000 the
42.22 second year from the general fund and,
42.23 notwithstanding Minnesota Statutes, section
42.24 161.20, subdivision 3, \$125,000 the first
42.25 year and \$125,000 the second year from the
42.26 trunk highway fund are to replace forensic
42.27 laboratory equipment at the Bureau of
42.28 Criminal Apprehension.

42.29 \$200,000 the first year and \$200,000 the
42.30 second year from the general fund and,
42.31 notwithstanding Minnesota Statutes, section
42.32 161.20, subdivision 3, \$200,000 the first
42.33 year and \$200,000 the second year from the
42.34 trunk highway fund are to improve forensic

44.1 be transferred and credited to the general
44.2 fund.

44.3 **(b) Peace Officer Training**

44.4 **Reimbursements**

44.5 \$2,734,000 each year is for reimbursements
44.6 to local governments for peace officer
44.7 training costs.

44.8 **(c) Training; Sexually Exploited and**

44.9 **Trafficked Youth**

44.10 Of the appropriation in paragraph (b),
44.11 \$100,000 the first year is for reimbursements
44.12 to local governments for peace officer
44.13 training costs on sexually exploited and
44.14 trafficked youth, including effectively
44.15 identifying sex trafficked victims and
44.16 traffickers, investigation techniques, and
44.17 assisting sexually exploited youth. These
44.18 funds are available until June 30, 2016.

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

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

44.22 **ARTICLE 8**

44.23 **PUBLIC SAFETY AND CORRECTIONS**

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

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

44.27 (a) pursuant to section 13.05;

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

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

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

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

- 45.1 (f) pursuant to a valid court order; or
45.2 (g) pursuant to section 611A.06, subdivision 6.

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

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

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

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

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

45.12 (b) A parole or probation authority, a correctional agency, or agencies that provide
45.13 correctional services under contract to a correctional agency may release to a law
45.14 enforcement agency the following data on defendants, parolees, or probationers: current
45.15 address, dates of entrance to and departure from agency programs, and dates and times of
45.16 any absences, both authorized and unauthorized, from a correctional program.

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

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

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

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

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

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

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

46.3 Subdivision 1. **Definition.** As used in this section, "crime against the person" means
46.4 a violation of any of the following or a similar law of another state or of the United States:
46.5 section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223;
46.6 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235;
46.7 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision ~~2~~ 3; 609.498, subdivision
46.8 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of
46.9 section 609.229; 609.377; 609.749; or 624.713.

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

46.11 Subdivision 1. **Authorized programs within department.** From the revenues
46.12 appropriated from the fire safety account, established under section 297I.06, subdivision
46.13 3, the commissioner of public safety may expend funds for the activities and programs
46.14 identified by the advisory committee established under subdivision 2 and recommended
46.15 to the commissioner of public safety. The commissioner shall not expend funds without
46.16 the recommendation of the advisory committee established under subdivision 2. The
46.17 commissioner shall not expend funds without the recommendation of the advisory
46.18 committee established under subdivision 2. These funds are to be used to provide
46.19 resources needed for identified activities and programs of the Minnesota fire service and to
46.20 ensure the State Fire Marshal Division responsibilities are fulfilled.

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

46.22 Subd. 2. **Fire Service Advisory Committee.** (a) The Fire Service Advisory
46.23 Committee shall provide recommendations to the commissioner of public safety on
46.24 fire service-related issues and shall consist of representatives of each of the following
46.25 organizations: two appointed by the president of the Minnesota State Fire Chiefs
46.26 Association, two appointed by the president of the Minnesota State Fire Department
46.27 Association, two appointed by the president of the Minnesota Professional Fire Fighters,
46.28 two appointed by the president of the League of Minnesota Cities, one appointed by the
46.29 president of the Minnesota Association of Townships, one appointed by the president
46.30 of the Insurance Federation of Minnesota, one appointed jointly by the presidents of
46.31 the Minnesota Chapter of the International Association of Arson Investigators and the
46.32 Fire Marshals Association of Minnesota, and the commissioner of public safety or the
46.33 commissioner's designee. The commissioner of public safety must ensure that at least

47.1 three of the members of the advisory committee work and reside in counties outside of the
47.2 seven-county metropolitan area. The committee shall provide funding recommendations
47.3 to the commissioner of public safety from the fire safety fund for the following purposes:

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

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

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

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

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

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

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

47.23 ~~(d)~~ (e) If the conviction is for any misdemeanor under section 169A.20; 609.746,
47.24 subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or
47.25 609.224, subdivision 1, in which the victim of the crime was a family or household
47.26 member as defined in section 518B.01, the stay shall be for not more than two years. The
47.27 court shall provide for unsupervised probation for the second year of the stay unless the
47.28 court finds that the defendant needs supervised probation for all or part of the second year.

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

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

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

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

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

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

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

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

48.17 (1) the defendant has failed to complete court-ordered treatment successfully; and

48.18 (2) the defendant is likely not to complete court-ordered treatment before the term of
48.19 probation expires.

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

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

48.23 Subd. 3. **Felony.** A person is guilty of a felony and may be sentenced to
48.24 imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than
48.25 \$10,000, or both, if the person violates ~~subdivision 1, clause (2),~~ this section within ten
48.26 years after having been previously convicted of ~~or adjudicated delinquent for violating~~
48.27 ~~subdivision 1, clause (2)~~ this section; sections 609.342 to 609.345; or 609.3453; section
48.28 617.23, subdivision 2, clause (1); 617.247; or a statute from another state in conformity
48.29 with subdivision 1, clause (2), or section 617.23, subdivision 2, clause (1) therewith.

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

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

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

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

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

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

49.14 (b) All identifying information regarding the victim including, but not limited to, the
 49.15 notification provided by the commissioner of corrections or the commissioner's designee
 49.16 is classified as private data on individuals as defined in section 13.02, subdivision 12, and
 49.17 is accessible only to the victim.

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

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

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

49.22 **ARTICLE 9**

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

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

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

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

49.30 Subd. 6b. **Nonfederal share.** "Nonfederal share" has the meaning given in section
 49.31 12A.02, subdivision 7.

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

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

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

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

50.12 Subd. 6. **Disaster assistance contingency account; appropriation.** (a) A disaster
50.13 assistance contingency account is created in the general fund in the state treasury. Money
50.14 in the disaster assistance contingency account is appropriated to the commissioner of
50.15 public safety to provide:

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

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

50.18 (b) For appropriations under paragraph (a), clause (1), the amount appropriated is
50.19 100 percent of any nonfederal share for state agencies and local governments. Money
50.20 appropriated under paragraph (a), clause (1), may be used to pay all or a portion of the
50.21 nonfederal share for publicly owned capital improvement projects.

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

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

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

50.31 (2) the commissioner of management and budget has reported the estimate to the
50.32 chairs of the house of representatives Ways and Means Committee and the senate Finance
50.33 Committee; and

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

51.1 (e) Amounts approved by the commissioner of management and budget, up to
51.2 \$4,000,000 per fiscal year, are appropriated from the general fund to the commissioner
51.3 of public safety. By January 15 of each year, the commissioner of management and
51.4 budget shall submit a report to the chairs of the house of representatives Ways and
51.5 Means Committee and the senate Finance Committee detailing state disaster assistance
51.6 appropriations and expenditures under this subdivision during the previous calendar year.

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

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

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

51.15 (g) Notwithstanding section 16A.28:

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

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

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

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

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

51.26 Subd. 6. **Local government.** "Local government" has the meaning given in section
51.27 12.03, subdivision 5d.

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

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

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

52.2 Subd. 3. **Nonduplication of federal assistance.** State assistance may not duplicate
52.3 or supplement eligible FEMA Public Assistance Program assistance. For eligible Public
52.4 Assistance Program costs, any state ~~matching~~ cost-share money made available for
52.5 that assistance must be disbursed by the Department of Public Safety to a state agency,
52.6 local ~~political subdivision, Indian tribe~~ government, or other applicant. State assistance
52.7 distributed by a state agency, other than the Department of Public Safety, to a ~~political~~
52.8 ~~subdivision~~ local government or other applicant for disaster costs that are eligible for
52.9 FEMA Public Assistance Program assistance constitutes an advance of funds. Such
52.10 advances must be repaid to the applicable state agency when the applicant has received
52.11 the FEMA Public Assistance Program assistance, and whatever state ~~matching~~ cost-share
52.12 money may be made available for that assistance, from the Department of Public Safety.

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

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

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

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

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

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

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

53.4 Sec. 11. **EFFECTIVE DATE.**

53.5 This article is effective the day following final enactment.

53.6 **ARTICLE 10**

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

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

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

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

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

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

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

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

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

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

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

53.28 Subd. 8. **Local government.** "Local government" has the meaning given in section
53.29 12A.03, subdivision 5d.

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

53.31 Subdivision 1. **Payment required; eligibility criteria.** The director, serving as
53.32 the governor's authorized representative, may enter into grant agreements with eligible

54.1 applicants to provide state financial assistance made available as a result of a disaster
 54.2 that satisfies all of the following criteria:

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

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

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

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

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

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

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

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

54.21 (2) the availability or existence of insurance.

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

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

54.26 Subd. 2. **Ineligible costs.** Ineligible costs are all costs not included in subdivision
 54.27 1, including but not limited to:

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

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

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

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

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

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

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

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

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

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

55.13 Sec. 6. [12B.40] APPLICATION PROCESS.

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

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

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

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

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

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

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

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

55.34 (d) The director must review the application and supporting documentation for
55.35 completeness and may return the application with a request for more detailed information.

56.1 The director may consult with local public officials to ensure the application reflects the
56.2 extent and magnitude of the damage and to reconcile any differences. The application is
56.3 not complete until the director receives all requested information.

56.4 (e) If the director returns an application with a request for more detailed information
56.5 or for correction of deficiencies, the applicant must submit all required information within
56.6 30 days of the applicant's receipt of the director's request. The applicant's failure to
56.7 provide the requested information in a timely manner without a reasonable explanation
56.8 may be cause for denial of the application.

56.9 (f) The director has no more than 60 days from the receipt of a complete application
56.10 to approve or deny the application, or the application is deemed approved. If the director
56.11 denies an application, the director must send a denial letter. If the director approves an
56.12 application or the application is automatically deemed approved after 60 days, the director
56.13 must notify the applicant of the steps necessary to obtain reimbursement of eligible
56.14 costs, including submission of invoices or other documentation substantiating the costs
56.15 submitted for reimbursement.

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

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

56.21 (b) If the director denies an applicant's claim for payment, the applicant has 30 days
56.22 from receipt of the director's determination to appeal in writing to the commissioner. The
56.23 appeal must include the applicant's rationale for reversing the director's determination. The
56.24 commissioner has 30 days from receipt of the appeal to uphold or modify the director's
56.25 determination and formally respond to the applicant. If, within 30 days of receiving
56.26 the commissioner's decision, the applicant notifies the commissioner that the applicant
56.27 intends to contest the commissioner's decision, the Office of Administrative Hearings shall
56.28 conduct a hearing under the contested case provisions of chapter 14.

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

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

56.35 (1) eligible work is complete;

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

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

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

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

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

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

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

57.23 **Sec. 9. EFFECTIVE DATE.**

57.24 This article is effective the day following final enactment.

57.25 **TRANSPORTATION**

57.26 **ARTICLE 11**

57.27 **TRANSPORTATION APPROPRIATIONS**

57.28 **Section 1. APPROPRIATIONS.**

57.29 The sums shown in the columns marked "Appropriations" are added to the
 57.30 appropriations in Laws 2013, chapter 117, article 1, unless otherwise specified, to the
 57.31 agencies and for the purposes specified in this article. Unless otherwise specified, the
 57.32 appropriations are not added to the base appropriation for each purpose. The appropriations

59.1 transported. The commissioner shall identify
 59.2 highway-rail grade crossing locations and
 59.3 improvements in consultation with railroads
 59.4 and relevant road authorities.

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

59.6 This appropriation is for grants under the
 59.7 port development assistance program in
 59.8 Minnesota Statutes, chapter 457A.

59.9 **Subd. 3. State Roads**

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

59.11 This appropriation is from the trunk highway
 59.12 fund for materials and supplies related to
 59.13 road repair resulting from effects of the
 59.14 2013-2014 winter season.

59.15 **(b) Transportation Economic Development**
 59.16 **Program** 4,000,000

59.17 This appropriation is for the transportation
 59.18 economic development program under
 59.19 Minnesota Statutes, section 174.12.

59.20 **(c) Corridors of Commerce Program** 10,000,000

59.21 This appropriation is for the corridors
 59.22 of commerce program under Minnesota
 59.23 Statutes, section 161.088, and may include
 59.24 right-of-way acquisition for projects included
 59.25 in the program. The commissioner may
 59.26 identify projects based on the most recent
 59.27 selection process or may perform a new
 59.28 selection.

59.29 **Subd. 4. Local Roads**

59.30 **(a) Winter-Related County State-Aid Road**
 59.31 **Repair** 11,448,000

60.1 This appropriation is for materials and
 60.2 supplies related to road repair resulting from
 60.3 effects of the 2013-2014 winter season.

60.4 By September 1, 2014, the commissioner
 60.5 shall apportion funds to counties in the
 60.6 same manner as county state-aid highway
 60.7 funds provided for calendar year 2014 under
 60.8 Minnesota Statutes, section 162.07.

60.9 **(b) Winter-Related Municipal State-Aid Road**
 60.10 **Repair** 3,552,000

60.11 This appropriation is for materials and
 60.12 supplies related to road repair resulting from
 60.13 effects of the 2013-2014 winter season.

60.14 By September 1, 2014, the commissioner
 60.15 shall apportion funds to cities in the same
 60.16 manner as municipal state-aid street funds
 60.17 provided for calendar year 2014 under
 60.18 Minnesota Statutes, section 162.13.

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

60.20 This appropriation is from the trunk
 60.21 highway fund to complete the Willmar
 60.22 district headquarters and is added to the
 60.23 appropriation in Laws 2012, chapter 287,
 60.24 article 1, section 1, subdivision 2.

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

60.26 This appropriation is from the trunk highway
 60.27 fund to complete the Little Falls truck station
 60.28 and is added to the appropriation in Laws
 60.29 2010, chapter 189, section 15, subdivision 15.

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

60.31 **Sec. 3. METROPOLITAN COUNCIL**

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

61.1 The amounts that may be spent for each
 61.2 purpose are specified in the following
 61.3 subdivisions.

61.4 **Subd. 2. Transit Development and**
 61.5 **Improvements**

10,150,000

61.6 This appropriation is for:

61.7 (1) arterial bus rapid transit development,
 61.8 which may include but is not limited to
 61.9 design, engineering, construction, capital
 61.10 costs, technology, equipment, and rolling
 61.11 stock;

61.12 (2) bus rapid transit station development;

61.13 (3) transit shelter improvements under
 61.14 Minnesota Statutes, section 473.41; and

61.15 (4) foregone fare revenues from transit
 61.16 service under Minnesota Statutes, section
 61.17 473.408, subdivision 11. The Metropolitan
 61.18 Council shall allocate amounts under this
 61.19 appropriation to transit providers receiving
 61.20 financial assistance under Minnesota
 61.21 Statutes, section 473.388, based on
 61.22 respective foregone fare revenues.

61.23 **Subd. 3. Suburban Transit Providers**

250,000

61.24 This appropriation is for allocation to
 61.25 replacement service providers operating
 61.26 under Minnesota Statutes, section 473.388,
 61.27 as provided in this subdivision.

61.28 Upon receipt of a prioritized listing of
 61.29 expenditure items and amounts submitted
 61.30 by the Suburban Transit Association, or by
 61.31 all replacement service providers jointly,
 61.32 the Metropolitan Council shall distribute all
 61.33 funds appropriated under this subdivision to
 61.34 each identified replacement service provider,

62.1 following the priority order in the listing. An
 62.2 expenditure item in the listing must be for
 62.3 nonoperating transit-related expenses.

62.4 **Sec. 4. DEPARTMENT OF PUBLIC SAFETY**

62.5 **Subdivision 1. Total Appropriation** **\$ 2,060,000**

62.6 The amounts that may be spent for each
 62.7 purpose are specified in the following
 62.8 subdivisions.

62.9 **Subd. 2. Transit Safety Oversight** **60,000**

62.10 \$60,000 in the second year is for light rail
 62.11 transit safety oversight under Minnesota
 62.12 Statutes, section 299A.017, and is added to
 62.13 the base appropriation for the administration
 62.14 and related services program.

62.15 **Subd. 3. Capitol Security** **2,000,000**

62.16 This appropriation is for an increase in
 62.17 the number of State Patrol troopers or
 62.18 other security officers assigned to the
 62.19 Capitol complex, and is added to the base
 62.20 appropriation for the capitol security budget
 62.21 activity.

62.22 **Sec. 5. TRANSFER; RAILROAD AND PIPELINE SAFETY.**

62.23 On or before July 31, 2014, the commissioner of management and budget shall
 62.24 transfer \$2,500,000 from the general fund to the railroad and pipeline safety account in the
 62.25 special revenue fund under Minnesota Statutes, section 299A.55. This is a onetime transfer.

62.26 **Sec. 6. Laws 2010, chapter 189, section 15, subdivision 12, is amended to read:**

62.27 **26,430,000**
 62.28 **Subd. 12. Rochester Maintenance Facility** **24,937,000**

62.29 This appropriation is from the bond proceeds
 62.30 account in the trunk highway fund.

63.1 To prepare a site for and design, construct,
63.2 furnish, and equip a new maintenance facility
63.3 in Rochester.

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

63.5 Sec. 7. Laws 2010, chapter 189, section 26, subdivision 4, is amended to read:

63.6 Subd. 4. **Trunk highway fund bond proceeds account.** To provide the money
63.7 appropriated in this act from the bond proceeds account in the trunk highway fund, the
63.8 commissioner of management and budget shall sell and issue bonds of the state in an
63.9 amount up to ~~\$32,945,000~~ \$31,452,000 in the manner, upon the terms, and with the effect
63.10 prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
63.11 Constitution, article XIV, section 11, at the times and in the amounts requested by the
63.12 commissioner of transportation. The proceeds of the bonds, except accrued interest and
63.13 any premium received from the sale of the bonds, must be credited to the bond proceeds
63.14 account in the trunk highway fund.

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

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

63.17 Section 1. **ROCHESTER MAINTENANCE FACILITY.**

63.18 ~~\$16,100,000~~ \$17,593,000 is appropriated to the commissioner of transportation
63.19 to design, construct, furnish, and equip the maintenance facility in Rochester and
63.20 corresponding remodeling of the existing district headquarters building. This appropriation
63.21 is from the bond proceeds account in the trunk highway fund.

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

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

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

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

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

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

64.4 Sec. 28. **TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND**
64.5 **SALE AUTHORIZATIONS REDUCED.**

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

64.9 (b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1,
64.10 section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section
64.11 12A.07, is reduced by \$1,358,000.

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

64.15 (d) The appropriation in Laws 2010, Second Special Session chapter 1, article
64.16 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota
64.17 Statutes, section 12A.06, is reduced by \$392,000.

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

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

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

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

64.30 (i) ~~\$1,428,000~~ \$534,000 of the appropriation in Laws 2007, First Special Session
64.31 chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk
64.32 highways and trunk highway bridges is canceled. The bond sale authorization in Laws
64.33 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced
64.34 by ~~\$1,428,000~~ \$534,000.

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

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

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

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

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

65.17 Subd. 2. **Multimodal Systems**

65.18 (a) **Aeronautics**

65.19		13,648,000	13,648,000
65.20	(1) Airport Development and Assistance	<u>14,648,000</u>	<u>16,648,000</u>

65.21 This appropriation is from the state
 65.22 airports fund and must be spent according
 65.23 to Minnesota Statutes, section 360.305,
 65.24 subdivision 4.

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

65.27 Notwithstanding Minnesota Statutes, section
 65.28 16A.28, subdivision 6, this appropriation is
 65.29 available for five years after appropriation.

65.30 If the appropriation for either year is
 65.31 insufficient, the appropriation for the other
 65.32 year is available for it.

66.1 For the current biennium, the commissioner
 66.2 of transportation may establish different
 66.3 local contribution rates for airport projects
 66.4 than those established in Minnesota Statutes,
 66.5 section 360.305, subdivision 4.

66.6 **(2) Aviation Support and Services** 6,386,000 6,386,000

66.7	Appropriations by Fund		
66.8	Airports	5,286,000	5,286,000
66.9	Trunk Highway	1,100,000	1,100,000

66.10 \$65,000 in each year is from the state airports
 66.11 fund for the Civil Air Patrol.

66.12 **(b) Transit** 17,226,000 17,245,000

66.13	Appropriations by Fund		
66.14	General	16,451,000	16,470,000
66.15	Trunk Highway	775,000	775,000

66.16 \$100,000 in each year is from the general
 66.17 fund for the administrative expenses of the
 66.18 Minnesota Council on Transportation Access
 66.19 under Minnesota Statutes, section 174.285.

66.20 \$78,000 in each year is from the general
 66.21 fund for grants to greater Minnesota transit
 66.22 providers as reimbursement for the costs of
 66.23 providing fixed route public transit rides free
 66.24 of charge under Minnesota Statutes, section
 66.25 174.24, subdivision 7, for veterans certified
 66.26 as disabled.

66.27 **(c) Passenger Rail** 500,000 500,000

66.28 This appropriation is from the general
 66.29 fund for passenger rail system planning,
 66.30 alternatives analysis, environmental analysis,
 66.31 design, and preliminary engineering under
 66.32 Minnesota Statutes, sections 174.632 to
 66.33 174.636.

66.34 **(d) Freight** 5,653,000 5,153,000

67.1	Appropriations by Fund		
67.2	General	756,000	256,000
67.3	Trunk Highway	4,897,000	4,897,000

67.4 \$500,000 in the first year is from the general
 67.5 fund to pay for the department's share of costs
 67.6 associated with the cleanup of contaminated
 67.7 state rail bank property. This appropriation is
 67.8 available until expended.

67.9	(e) Safe Routes to School	250,000	250,000
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67.10 This appropriation is from the general fund
 67.11 for non-infrastructure activities in the safe
 67.12 routes to school program under Minnesota
 67.13 Statutes, section 174.40, subdivision 7a.

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

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

67.16 Subd. 3. **State Roads**

67.17		<u>262,395,000</u>	<u>262,395,000</u>
67.18	(a) Operations and Maintenance	<u>287,395,000</u>	<u>280,395,000</u>

67.19 \$5,000,000 in each year is for accelerated
 67.20 replacement of snow plowing equipment.

67.21 The base appropriation for operations and
 67.22 maintenance for fiscal years 2016 and 2017
 67.23 is \$267,395,000 in each year.

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

67.26	Appropriations by Fund		
67.27		2014	2015
67.28	H.U.T.D.	75,000	0
67.29			<u>206,720,000</u>
67.30	Trunk Highway	206,720,000	<u>209,720,000</u>

67.31 The base appropriation for program planning
 67.32 and delivery for fiscal years 2016 and 2017
 67.33 is \$206,720,000 in each year.

68.1 \$250,000 in each year is for the department's
68.2 administrative costs for creation and
68.3 operation of the Joint Program Office for
68.4 Economic Development and Alternative
68.5 Finance, including costs of hiring a
68.6 consultant and preparing required reports.

68.7 \$130,000 in each year is available for
68.8 administrative costs of the targeted group
68.9 business program.

68.10 \$266,000 in each year is available for grants
68.11 to metropolitan planning organizations
68.12 outside the seven-county metropolitan area.

68.13 \$75,000 in each year is available for a
68.14 transportation research contingent account
68.15 to finance research projects that are
68.16 reimbursable from the federal government or
68.17 from other sources. If the appropriation for
68.18 either year is insufficient, the appropriation
68.19 for the other year is available for it.

68.20 \$900,000 in each year is available for
68.21 grants for transportation studies outside
68.22 the metropolitan area to identify critical
68.23 concerns, problems, and issues. These
68.24 grants are available: (1) to regional
68.25 development commissions; (2) in regions
68.26 where no regional development commission
68.27 is functioning, to joint powers boards
68.28 established under agreement of two or
68.29 more political subdivisions in the region to
68.30 exercise the planning functions of a regional
68.31 development commission; and (3) in regions
68.32 where no regional development commission
68.33 or joint powers board is functioning, to the
68.34 department's district office for that region.

69.1 \$75,000 in the first year is from the highway
 69.2 user tax distribution fund to the commissioner
 69.3 for a grant to the Humphrey School of Public
 69.4 Affairs at the University of Minnesota for
 69.5 WorkPlace Telework program congestion
 69.6 relief efforts consisting of maintenance of
 69.7 Web site tools and content. This is a onetime
 69.8 appropriation and is available in the second
 69.9 year.

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

69.11 **(1) Economic Recovery Funds - Federal**
 69.12 **Highway Aid**

1,000,000 1,000,000

69.13 This appropriation is to complete projects
 69.14 using funds made available to the
 69.15 commissioner of transportation under
 69.16 title XII of the American Recovery and
 69.17 Reinvestment Act of 2009, Public Law
 69.18 111-5, and implemented under Minnesota
 69.19 Statutes, section 161.36, subdivision 7. The
 69.20 base appropriation is \$1,000,000 in fiscal
 69.21 year 2016 and \$0 in fiscal year 2017.

69.22 ~~909,400,000~~
 69.23 **(2) State Road Construction** 923,400,000 815,600,000

69.24 It is estimated that these appropriations will
 69.25 be funded as follows:

69.26	Appropriations by Fund		
69.27	Federal Highway		
69.28	Aid	489,200,000	482,200,000
69.29		420,200,000	
69.30	Highway User Taxes	<u>434,200,000</u>	333,400,000

69.31 The commissioner of transportation shall
 69.32 notify the chairs and ranking minority
 69.33 members of the legislative committees with
 69.34 jurisdiction over transportation finance of
 69.35 any significant events that should cause these
 69.36 estimates to change.

70.1 This appropriation is for the actual
70.2 construction, reconstruction, and
70.3 improvement of trunk highways, including
70.4 design-build contracts and consultant usage
70.5 to support these activities. This includes the
70.6 cost of actual payment to landowners for
70.7 lands acquired for highway rights-of-way,
70.8 payment to lessees, interest subsidies, and
70.9 relocation expenses.

70.10 The base appropriation for state road
70.11 construction for fiscal years 2016 and 2017
70.12 is \$645,000,000 in each year.

70.13 \$10,000,000 in each year is for the
70.14 transportation economic development
70.15 program under Minnesota Statutes, section
70.16 174.12.

70.17 The commissioner may expend up to one-half
70.18 of one percent of the federal appropriations
70.19 under this clause as grants to opportunity
70.20 industrialization centers and other nonprofit
70.21 job training centers for job training programs
70.22 related to highway construction.

70.23 The commissioner may transfer up to
70.24 \$15,000,000 each year to the transportation
70.25 revolving loan fund.

70.26 The commissioner may receive money
70.27 covering other shares of the cost of
70.28 partnership projects. These receipts are
70.29 appropriated to the commissioner for these
70.30 projects.

70.31 Notwithstanding subdivision 6, the
70.32 commissioner may transfer up to \$6,000,000
70.33 from the trunk highway fund under this
70.34 appropriation to the Stillwater lift bridge

71.1 endowment account under Minnesota
 71.2 Statutes, section 165.15.
 71.3 Of this appropriation, \$14,000,000 in the first
 71.4 year is for the specific improvements to "Old
 71.5 Highway 14" described in the settlement
 71.6 agreement and release executed January
 71.7 7, 2014, between the state and Steele and
 71.8 Waseca Counties.

71.9 **(d) Highway Debt Service** 158,417,000 189,821,000

71.10 \$148,917,000 in the first year and
 71.11 \$180,321,000 in the second year are for
 71.12 transfer to the state bond fund. If an
 71.13 appropriation is insufficient to make all
 71.14 transfers required in the year for which it is
 71.15 made, the commissioner of management and
 71.16 budget shall notify the senate Committee
 71.17 on Finance and the house of representatives
 71.18 Committee on Ways and Means of the
 71.19 amount of the deficiency and shall then
 71.20 transfer that amount under the statutory open
 71.21 appropriation. Any excess appropriation
 71.22 cancels to the trunk highway fund.

71.23 **(e) Electronic Communications** 5,171,000 5,171,000

71.24	Appropriations by Fund		
71.25	General	3,000	3,000
71.26	Trunk Highway	5,168,000	5,168,000

71.27 The general fund appropriation is to equip
 71.28 and operate the Roosevelt signal tower for
 71.29 Lake of the Woods weather broadcasting.

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

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

71.32				76,970,000
71.33	Sec. 4. METROPOLITAN COUNCIL	\$	107,889,000	\$ <u>76,910,000</u>

72.1 This appropriation is from the general fund
72.2 for transit system operations under Minnesota
72.3 Statutes, sections 473.371 to 473.449.
72.4 The base appropriation for fiscal years 2016
72.5 and 2017 is ~~\$76,686,000~~ \$76,626,000 in
72.6 each year.
72.7 \$37,000,000 in the first year is for the
72.8 Southwest Corridor light rail transit line
72.9 from the Hiawatha light rail transit line in
72.10 downtown Minneapolis to Eden Prairie, to be
72.11 used for environmental studies, preliminary
72.12 engineering, acquisition of real property, or
72.13 interests in real property, and design. This
72.14 is a onetime appropriation and is available
72.15 until expended.

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

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

72.19 ARTICLE 12

72.20 RAILROAD AND PIPELINE SAFETY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 74.13 (1) training and caching equipment with local jurisdictions;
74.14 (2) training and caching equipment with a fire mutual-aid group;
74.15 (3) means of an industry cooperative or mutual-aid group;
74.16 (4) deployment of a contractor;
74.17 (5) deployment of a response organization under state contract; or
74.18 (6) other dependable means acceptable to the Pollution Control Agency.

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

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

- 74.24 (1) on-site containment and recovery of a volume of oil equal to ten percent of the
74.25 calculated worst case discharge at any location along the route; and
74.26 (2) protection of listed sensitive areas and potable water intakes within one mile of
74.27 a discharge site and within eight hours of water travel time downstream in any river
74.28 or stream that the right-of-way intersects.

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

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

75.1 Subd. 5. **Prevention and response plans.** (a) By June 30, 2015, a railroad or
75.2 pipeline company shall submit the prevention and response plan required under section
75.3 115E.04, as necessary to comply with the requirements of this section, to the commissioner
75.4 of the Pollution Control Agency on a form designated by the commissioner.

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

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

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

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

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

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

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

75.24 (4) participating in drills and training sessions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

76.27 The commissioner shall apply to and enter into agreements with the Federal Railroad
76.28 Administration (FRA) of the United States Department of Transportation to participate
76.29 in the federal State Rail Safety ~~Partnership~~ Participation Program for training and
76.30 certification of an inspector under authority of United States Code, title 49, sections 20103,
76.31 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

76.32 ~~The~~ (b) A state rail safety inspector shall inspect mainline track, secondary track, and
76.33 yard and industry track; inspect railroad right-of-way, including adjacent or intersecting
76.34 drainage, culverts, bridges, overhead structures, and traffic and other public crossings;

77.1 inspect yards and physical plants; review and enforce safety requirements; review
77.2 maintenance and repair records; and review railroad security measures.

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

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

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

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

77.13 Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided
77.14 in this subdivision, the commissioner shall annually assess railroad companies that are
77.15 (1) defined as common carriers under section 218.011₂; (2) classified by federal law or
77.16 regulation as Class I Railroads, ~~or~~ Class I Rail Carriers, Class II Railroads, or Class II Rail
77.17 Carriers; and (3) operating in this state₂.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

78.30 (1) firefighter training needs;

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

78.32 (3) geographic balance; and

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

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

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

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

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

79.5 (4) emergency preparedness planning and coordination.

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

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

79.13 (b) The assessment for each railroad is 50 percent of the total annual assessment
 79.14 amount, divided in equal proportion between applicable rail carriers based on route miles
 79.15 operated in Minnesota. The assessment for each pipeline company is 50 percent of the
 79.16 total annual assessment amount, divided in equal proportion between companies based on
 79.17 the yearly aggregate gallons of oil and hazardous substance transported in Minnesota. The
 79.18 assessment must be in equal amounts for each day of the fiscal year.

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

79.20 Sec. 10. **REPORTS ON INCIDENT PREPAREDNESS FOR OIL AND OTHER**
 79.21 **HAZARDOUS MATERIALS TRANSPORTATION.**

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

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

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

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

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

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

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

80.6 (7) make recommendations for any legislative changes.

80.7 Subd. 2. **Evaluation of response preparedness and funding.** By November 1,
 80.8 2017, the commissioner of public safety shall submit an evaluation of railroad and pipeline
 80.9 safety preparedness and funding related to incidents involving oil and other hazardous
 80.10 materials to the chairs and ranking minority members of the legislative committees with
 80.11 jurisdiction over transportation and public safety policy and finance. At a minimum,
 80.12 the evaluation must:

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

80.15 (2) evaluate the effectiveness of training and response preparedness activities under
 80.16 Minnesota Statutes, section 299A.55, using the criteria established under subdivision
 80.17 1, clause (5);

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

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

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

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

80.26 Sec. 11. **IMPROVEMENTS STUDY ON GRADE CROSSINGS AND**
 80.27 **RAIL SAFETY FOR OIL AND OTHER HAZARDOUS MATERIALS**
 80.28 **TRANSPORTATION.**

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

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

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

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

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

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

81.7 (b) The commissioner shall submit an interim update on the study by August 31,
 81.8 2014, and a final report by October 31, 2014, to the chairs and ranking minority members
 81.9 of the legislative committees with jurisdiction over transportation policy and finance.

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

81.11 **ARTICLE 13**

81.12 **TRANSPORTATION FINANCE PROVISIONS**

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

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

81.21 For the purposes of this section:

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

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

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

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

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

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

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

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

82.11 ~~(c)~~ (d) For a veteran who served during World War II, the plates must bear the
82.12 inscription "WORLD WAR VET."

82.13 ~~(d)~~ (e) For a veteran who served during the Korean Conflict, the special plates
82.14 must bear the inscription "KOREAN VET."

82.15 ~~(e)~~ (f) For a combat wounded veteran who is a recipient of the Purple Heart medal,
82.16 the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile
82.17 or an emblem of the official Purple Heart medal.

82.18 A member of the United States armed forces who is serving actively in the military
82.19 and who is a recipient of the Purple Heart medal is also eligible for this license plate.
82.20 The commissioner of public safety shall ensure that information regarding the required
82.21 proof of eligibility for any applicant under this paragraph who has not yet been issued
82.22 military discharge papers is distributed to the public officials responsible for administering
82.23 this section.

82.24 ~~(f)~~ (g) For a Persian Gulf War veteran, the plates must bear the inscription "GULF
82.25 WAR VET." For the purposes of this section, "Persian Gulf War veteran" means a person
82.26 who served on active duty after August 1, 1990, in a branch of the armed forces of the
82.27 United States or a nation or society allied with the United States or the United Nations
82.28 during Operation Desert Shield, Operation Desert Storm, or other military operation in
82.29 the Persian Gulf area combat zone as designated in United States Presidential Executive
82.30 Order No. 12744, dated January 21, 1991.

82.31 ~~(g)~~ (h) For a veteran who served in the Laos War after July 1, 1961, and before July
82.32 1, 1978, the special plates must bear the inscription "LAOS WAR VET."

82.33 ~~(h)~~ (i) For a veteran who is the recipient of:

82.34 (1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of
82.35 that medal and must bear the inscription "IRAQ WAR VET" directly below the special
82.36 plate number;

83.1 (2) the Afghanistan Campaign Medal, the special plates must be inscribed with a
83.2 facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly
83.3 below the special plate number;

83.4 (3) the Global War on Terrorism Expeditionary Medal, the special plates must
83.5 be inscribed with a facsimile of that medal and must bear the inscription "GWOT
83.6 VETERAN" directly below the special plate number; or

83.7 (4) the Armed Forces Expeditionary Medal, the special plates must bear an
83.8 appropriate inscription that includes a facsimile of that medal.

83.9 ~~(i)~~ (j) For a veteran who is the recipient of the Global War on Terrorism Service
83.10 Medal, the special plates must be inscribed with a facsimile of that medal and must bear
83.11 the inscription "GWOT VETERAN" directly below the special plate number. In addition,
83.12 any member of the National Guard or other military reserves who has been ordered to
83.13 federally funded state active service under United States Code, title 32, as defined in
83.14 section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism
83.15 Service Medal, is eligible for the license plate described in this paragraph, irrespective of
83.16 whether that person qualifies as a veteran under section 197.447.

83.17 ~~(j)~~ (k) For a veteran who is the recipient of the Korean Defense Service Medal,
83.18 the special plates must be inscribed with a facsimile of that medal and must bear the
83.19 inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

83.20 ~~(k)~~ (l) For a veteran who is a recipient of the Bronze Star medal, the plates must
83.21 bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the
83.22 official Bronze Star medal.

83.23 ~~(l)~~ (m) For a veteran who is a recipient of the Silver Star medal, the plates must bear
83.24 the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official
83.25 Silver Star medal.

83.26 (n) For a woman veteran, the plates must bear the inscription "WOMAN
83.27 VETERAN" and have a facsimile or an emblem as designated by the commissioners of
83.28 veterans affairs and public safety.

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

83.30 Sec. 3. Minnesota Statutes 2012, section 169.826, is amended by adding a subdivision
83.31 to read:

83.32 Subd. 7. **Expiration date.** Upon request of the permit applicant, the expiration
83.33 date for a permit issued under this section must be the same as the expiration date of the
83.34 permitted vehicle's registration.

84.1 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
84.2 to permits issued on and after that date.

84.3 Sec. 4. Minnesota Statutes 2012, section 169.8261, is amended by adding a subdivision
84.4 to read:

84.5 **Subd. 3. Expiration date.** Upon request of the permit applicant, the expiration
84.6 date for a permit issued under this section must be the same as the expiration date of the
84.7 permitted vehicle's registration.

84.8 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
84.9 to permits issued on and after that date.

84.10 Sec. 5. Minnesota Statutes 2012, section 169.86, subdivision 5, is amended to read:

84.11 **Subd. 5. Fees; proceeds deposited; appropriation.** The commissioner, with
84.12 respect to highways under the commissioner's jurisdiction, may charge a fee for each
84.13 permit issued. The fee for an annual permit that expires by law on the date of the
84.14 vehicle registration expiration must be based on the proportion of the year that remains
84.15 until the expiration date. Unless otherwise specified, all fees for permits issued by the
84.16 commissioner of transportation must be deposited in the state treasury and credited to
84.17 the trunk highway fund. Except for those annual permits for which the permit fees are
84.18 specified elsewhere in this chapter, the fees are:

84.19 (a) \$15 for each single trip permit.

84.20 (b) \$36 for each job permit. A job permit may be issued for like loads carried on
84.21 a specific route for a period not to exceed two months. "Like loads" means loads of the
84.22 same product, weight, and dimension.

84.23 (c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive
84.24 months. Annual permits may be issued for:

84.25 (1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety
84.26 or well-being of the public;

84.27 (2) motor vehicles that travel on interstate highways and carry loads authorized
84.28 under subdivision 1a;

84.29 (3) motor vehicles operating with gross weights authorized under section 169.826,
84.30 subdivision 1a;

84.31 (4) special pulpwood vehicles described in section 169.863;

84.32 (5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

84.33 (6) noncommercial transportation of a boat by the owner or user of the boat;

85.1 (7) motor vehicles carrying bales of agricultural products authorized under section
 85.2 169.862; and

85.3 (8) special milk-hauling vehicles authorized under section 169.867.

85.4 (d) \$120 for an oversize annual permit to be issued for a period not to exceed 12
 85.5 consecutive months. Annual permits may be issued for:

85.6 (1) mobile cranes;

85.7 (2) construction equipment, machinery, and supplies;

85.8 (3) manufactured homes and manufactured storage buildings;

85.9 (4) implements of husbandry;

85.10 (5) double-deck buses;

85.11 (6) commercial boat hauling and transporting waterfront structures, including, but
 85.12 not limited to, portable boat docks and boat lifts;

85.13 (7) three-vehicle combinations consisting of two empty, newly manufactured trailers
 85.14 for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however,
 85.15 the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer
 85.16 only while operating on twin-trailer routes designated under section 169.81, subdivision 3,
 85.17 paragraph (c); and

85.18 (8) vehicles operating on that portion of marked Trunk Highway 36 described in
 85.19 section 169.81, subdivision 3, paragraph (e).

85.20 (e) For vehicles that have axle weights exceeding the weight limitations of sections
 85.21 169.823 to 169.829, an additional cost added to the fees listed above. However, this
 85.22 paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph
 85.23 (b), but only when the vehicle exceeds its gross weight allowance set forth in that
 85.24 paragraph, and then the additional cost is for all weight, including the allowance weight,
 85.25 in excess of the permitted maximum axle weight. The additional cost is equal to the
 85.26 product of the distance traveled times the sum of the overweight axle group cost factors
 85.27 shown in the following chart:

85.28 Overweight Axle Group Cost Factors

85.29 Weight (pounds)	85.29 Cost Per Mile For Each Group Of:		
85.30 exceeding weight	85.30 Two	85.30 Three	
85.31 limitations on axles	85.31 consecutive	85.31 consecutive	
	85.32 axles spaced	85.32 axles spaced	85.32 Four consecutive
	85.33 within 8 feet	85.33 within 9 feet	85.33 axles spaced within
	85.34 or less	85.34 or less	85.34 14 feet or less
85.35 0-2,000	85.35 .12	85.35 .05	85.35 .04
85.36 2,001-4,000	85.36 .14	85.36 .06	85.36 .05
85.37 4,001-6,000	85.37 .18	85.37 .07	85.37 .06
85.38 6,001-8,000	85.38 .21	85.38 .09	85.38 .07
85.39 8,001-10,000	85.39 .26	85.39 .10	85.39 .08

86.1	10,001-12,000	.30	.12	.09
86.2		Not		
86.3	12,001-14,000	permitted	.14	.11
86.4		Not		
86.5	14,001-16,000	permitted	.17	.12
86.6		Not		
86.7	16,001-18,000	permitted	.19	.15
86.8		Not	Not	
86.9	18,001-20,000	permitted	permitted	.16
86.10		Not	Not	
86.11	20,001-22,000	permitted	permitted	.20

86.12 The amounts added are rounded to the nearest cent for each axle or axle group. The
 86.13 additional cost does not apply to paragraph (c), clauses (1) and (3).

86.14 For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile
 86.15 fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed
 86.16 in addition to the normal permit fee. Miles must be calculated based on the distance
 86.17 already traveled in the state plus the distance from the point of detection to a transportation
 86.18 loading site or unloading site within the state or to the point of exit from the state.

86.19 (f) As an alternative to paragraph (e), an annual permit may be issued for overweight,
 86.20 or oversize and overweight, mobile cranes; construction equipment, machinery, and
 86.21 supplies; implements of husbandry; and commercial boat hauling. The fees for the permit
 86.22 are as follows:

86.23	Gross Weight (pounds) of Vehicle	Annual Permit Fee
86.24	90,000 or less	\$200
86.25	90,001 - 100,000	\$300
86.26	100,001 - 110,000	\$400
86.27	110,001 - 120,000	\$500
86.28	120,001 - 130,000	\$600
86.29	130,001 - 140,000	\$700
86.30	140,001 - 145,000	\$800
86.31	145,001 - 155,000	\$900

86.32 If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined
 86.33 under paragraph (e).

86.34 (g) For vehicles which exceed the width limitations set forth in section 169.80 by
 86.35 more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a)
 86.36 when the permit is issued while seasonal load restrictions pursuant to section 169.87 are
 86.37 in effect.

86.38 (h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for
 86.39 refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on
 86.40 a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828,

87.1 subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds
87.2 on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

87.3 (i) \$300 for a motor vehicle described in section 169.8261. The fee under this
87.4 paragraph must be deposited as follows:

87.5 (1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for
87.6 costs related to administering the permit program and inspecting and posting bridges; and

87.7 (2) all remaining money in each fiscal year must be deposited in the bridge
87.8 inspection and signing account as provided under subdivision 5b.

87.9 (j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating
87.10 under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

87.11 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
87.12 to permits issued on and after that date.

87.13 Sec. 6. Minnesota Statutes 2012, section 169.863, is amended by adding a subdivision
87.14 to read:

87.15 Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration
87.16 date for a permit issued under this section must be the same as the expiration date of the
87.17 permitted vehicle's registration.

87.18 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
87.19 to permits issued on and after that date.

87.20 Sec. 7. Minnesota Statutes 2012, section 169.865, subdivision 1, is amended to read:

87.21 Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit
87.22 authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw
87.23 or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

87.24 (1) 90,000 pounds; and

87.25 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
87.26 subdivision 1.

87.27 (b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or
87.28 combination of vehicles operated under this subdivision and transporting only sealed
87.29 intermodal containers may be operated on an interstate highway if allowed by the United
87.30 States Department of Transportation.

87.31 (c) The fee for a permit issued under this subdivision is \$300, or a proportional
87.32 amount as provided in section 169.86, subdivision 5.

88.1 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
88.2 to permits issued on and after that date.

88.3 Sec. 8. Minnesota Statutes 2012, section 169.865, subdivision 2, is amended to read:

88.4 Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit
88.5 authorizing a vehicle or combination of vehicles with a total of seven or more axles to
88.6 haul raw or unprocessed agricultural products and be operated with a gross vehicle weight
88.7 of up to:

88.8 (1) 97,000 pounds; and

88.9 (2) 99,000 pounds during the period set by the commissioner under section 169.826,
88.10 subdivision 1.

88.11 (b) Drivers of vehicles operating under this subdivision must comply with driver
88.12 qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code
88.13 of Federal Regulations, title 49, parts 40 and 382.

88.14 (c) The fee for a permit issued under this subdivision is \$500, or a proportional
88.15 amount as provided in section 169.86, subdivision 5.

88.16 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
88.17 to permits issued on and after that date.

88.18 Sec. 9. Minnesota Statutes 2012, section 169.865, is amended by adding a subdivision
88.19 to read:

88.20 Subd. 5. **Expiration date.** Upon request of the permit applicant, the expiration
88.21 date for a permit issued under this section must be the same as the expiration date of the
88.22 permitted vehicle's registration.

88.23 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
88.24 to permits issued on and after that date.

88.25 Sec. 10. Minnesota Statutes 2012, section 169.866, subdivision 3, is amended to read:

88.26 Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1
88.27 must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as
88.28 provided in section 169.86, subdivision 5, and must be deposited in the trunk highway
88.29 fund. An amount sufficient to administer the permit program is appropriated from the
88.30 trunk highway fund to the commissioner for the costs of administering the permit program.

88.31 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
88.32 to permits issued on and after that date.

89.1 Sec. 11. Minnesota Statutes 2012, section 169.866, is amended by adding a subdivision
89.2 to read:

89.3 Subd. 4. **Expiration date.** Upon request of the permit applicant, the expiration
89.4 date for a permit issued under this section must be the same as the expiration date of the
89.5 permitted vehicle's registration.

89.6 **EFFECTIVE DATE.** This section is effective November 30, 2016, and applies
89.7 to permits issued on and after that date.

89.8 Sec. 12. Minnesota Statutes 2012, section 174.24, is amended by adding a subdivision
89.9 to read:

89.10 Subd. 8. **Transit service on election day.** An eligible recipient of operating
89.11 assistance under this section who contracts or has contracted to provide fixed route public
89.12 transit shall provide fixed route public transit service free of charge on a day a state
89.13 general election is held.

89.14 **EFFECTIVE DATE.** This section is effective July 1, 2014, and expires November
89.15 5, 2014.

89.16 Sec. 13. Minnesota Statutes 2013 Supplement, section 174.42, subdivision 2, is
89.17 amended to read:

89.18 Subd. 2. **Funding requirement.** In each federal fiscal year, the commissioner
89.19 shall obtain a total amount in federal authorizations for reimbursement on transportation
89.20 alternatives projects that is equal to or greater than the annual average of federal
89.21 authorizations on transportation alternatives projects calculated over ~~the preceding four~~
89.22 federal fiscal years 2009 to 2012.

89.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
89.24 applies to authorizations for federal fiscal year 2015 and subsequent federal fiscal years.

89.25 Sec. 14. Minnesota Statutes 2012, section 174.56, subdivision 1, is amended to read:

89.26 Subdivision 1. **Report required.** (a) The commissioner of transportation shall
89.27 submit a report by December 15 of each year on (1) the status of major highway projects
89.28 completed during the previous two years or under construction or planned during the year
89.29 of the report and for the ensuing 15 years, ~~and~~ (2) trunk highway fund expenditures, and
89.30 (3) efficiencies achieved in the previous biennium.

89.31 (b) For purposes of this section, a "major highway project" is a highway project that
89.32 has a total cost for all segments that the commissioner estimates at the time of the report

90.1 to be at least (1) \$15,000,000 in the metropolitan highway construction district, or (2)
90.2 \$5,000,000 in any nonmetropolitan highway construction district.

90.3 Sec. 15. Minnesota Statutes 2012, section 174.56, is amended by adding a subdivision
90.4 to read:

90.5 Subd. 2b. **Efficiencies.** The commissioner shall include in the report information on
90.6 efficiencies implemented in the previous biennium in planning and project management
90.7 and delivery, along with an explanation of the efficiencies used to achieve the savings and
90.8 the methodology used in the calculations. The level of savings achieved must equal, in
90.9 comparison with the total state road construction budget for that year, a minimum of five
90.10 percent in fiscal year 2015. The report must identify the projects that have been advanced
90.11 or completed due to the implementation of efficiency measures.

90.12 Sec. 16. [219.375] RAILROAD YARD LIGHTING.

90.13 Subdivision 1. **General requirements.** (a) All railroad common carriers, and their
90.14 officers, agents, and employees, operating a railroad in this state are required to maintain
90.15 lighting between sunset and sunrise above switches in railroad yards where:

90.16 (1) cars or locomotives are switched or inspected; or

90.17 (2) cars are switched to assemble or disassemble trains.

90.18 (b) Railroad common carriers shall provide lighting adjacent to those portions of
90.19 railroad yard tracks where railroad common carrier employees frequently work on the
90.20 ground performing switching, inspection, and repair activities. For purposes of this
90.21 section, "frequently work" means at least five days per week.

90.22 (c) Railroad yard lighting over switches and inspection areas must:

90.23 (1) conform with the guidelines set forth by the American Railway Engineering
90.24 and Manufacturing Association (AREMA);

90.25 (2) include at least one lighting source for each two-yard track switch segment; and

90.26 (3) be displayed from a height of at least 30 feet above the railroad yard lead-track
90.27 area.

90.28 (d) Lighting over switches and other light sources within railroad yards or at other
90.29 railroad locations must be:

90.30 (1) maintained to illuminate as designed;

90.31 (2) compliant with the National Electrical Code;

90.32 (3) kept clear of obstructions; and

90.33 (4) focused on the railroad common carrier property designed to be illuminated.

90.34 (e) The energy source for lighting is permitted, though not required, to:

91.1 (1) be direct wired from a carrier facility power source, have solar panel power with
91.2 a battery storage source, or have another constant energy source; or

91.3 (2) be designed to have standard or light-emitting diode fixtures or electrical circuits
91.4 that include power saving or ambient atmosphere actuating switches.

91.5 (f) Railroad common carriers must replace damaged or nonoperative lighting within
91.6 48 hours after light source damage has been reported to the carrier.

91.7 Subd. 2. **Allowances for unusual conditions.** Railroad common carriers are not
91.8 required to comply with the requirements of this section during:

91.9 (1) maintenance activities;

91.10 (2) derailments;

91.11 (3) any period of heavy rain or snow, washouts, or similar weather or seismic
91.12 conditions; or

91.13 (4) a reasonable period after any occurrence identified in clauses (1) to (3), but no
91.14 longer than is necessary to achieve compliance with this section.

91.15 Subd. 3. **Lighting orders; commissioner authority.** (a) When the commissioner
91.16 finds that railroad common carrier employees who frequently work adjacent to a portion
91.17 of track performing switching, inspection, maintenance, repair, or fueling activities are
91.18 exposed to hazard resulting from the lack of lighting, or to the condition of lighting
91.19 constructed before July 1, 2014, the commissioner may order a railroad common carrier
91.20 to construct lighting adjacent to a portion of track where employees are performing
91.21 switching, inspection, maintenance, repair, or fueling activities, or require a railroad
91.22 common carrier to modify existing lighting to conform with the standards set forth by
91.23 AREMA lighting standards, within a reasonable period of time.

91.24 (b) A railroad common carrier, person, or corporation may appeal an order under this
91.25 subdivision. An appeal under this paragraph is subject to the processes and requirements
91.26 of chapter 14.

91.27 Subd. 4. **Failure to correct.** If a railroad common carrier, person, or corporation
91.28 fails to correct a violation of this section within the time provided in an order issued by
91.29 the commissioner of transportation under subdivision 3, and the railroad common carrier,
91.30 person, or corporation does not appeal the order, the failure to correct the violation as
91.31 ordered by the commissioner constitutes a new and separate offense distinct from the
91.32 original violation of this section.

91.33 Subd. 5. **Complaints.** No formal complaint of an alleged violation of this section
91.34 may be filed until the filing party has attempted to address the alleged violations with the
91.35 railroad common carrier. Any complaint of an alleged violation must contain a written

92.1 statement that the filing party has made a reasonable, good faith attempt to address the
92.2 alleged violation.

92.3 Subd. 6. **Waiver.** Upon written request of a railroad common carrier, the
92.4 commissioner of transportation may waive any portion of this section if conditions do
92.5 not reasonably permit compliance. The commissioner's decision is subject to section
92.6 218.041, and must include an on-site inspection of the area for which the waiver has
92.7 been requested. The inspection shall occur between sunset and sunrise, and all parties of
92.8 interest shall be permitted to attend.

92.9 Subd. 7. **Violations and penalties.** A railroad common carrier, corporation, or
92.10 person who violates this section is subject to a penalty not to exceed \$500 for each violation.

92.11 Subd. 8. **Exceptions; applicability.** (a) This section establishes minimum standards
92.12 for railroad yard lighting. Nothing in this section shall be construed to preclude design of
92.13 railroad yard towers with multiple lighting sources, a brighter lighting design, or other
92.14 features that exceed the requirements of this section.

92.15 (b) This section applies to all Class I and Class II railroad common carrier railroad
92.16 yards. This section does not apply to an entity that owns or operates track in Minnesota
92.17 that is not a Class I or Class II railroad common carrier as classified by the Federal
92.18 Railroad Administration.

92.19 (c) Railroad yards and other locations where lighting exists on July 1, 2014, are
92.20 deemed compliant with subdivision 1, paragraphs (b) and (c).

92.21 **EFFECTIVE DATE.** This section is effective November 1, 2016.

92.22 Sec. 17. **[219.995] MADE IN MINNESOTA SOLAR INSTALLATIONS.**

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

92.25 (b) "Made in Minnesota" has the meaning given in section 216C.411, paragraph (a).

92.26 (c) "Solar photovoltaic module" has the meaning given in section 116C.7791,
92.27 subdivision 1, paragraph (e).

92.28 Subd. 2. **Made in Minnesota solar energy system requirement.** Notwithstanding
92.29 any other law to the contrary, if a railroad common carrier engages in any project in
92.30 Minnesota for the construction, improvement, maintenance, or repair of any building,
92.31 railroad, railroad yard, railroad facility, or land owned or controlled by the railroad
92.32 common carrier and the construction, improvement, maintenance, or repair involves
92.33 installation of one or more solar photovoltaic modules, the railroad common carrier
92.34 must ensure that the solar photovoltaic modules purchased and installed are "Made in
92.35 Minnesota" as defined in subdivision 1, paragraph (b).

93.1 Subd. 3. **Application.** Subdivision 2 does not apply if:

93.2 (1) as a condition of the receipt of federal financial assistance for a specific project,
 93.3 the railroad common carrier is required to use a procurement method that might result in
 93.4 the award of a contract to a manufacturer that does not meet the "Made in Minnesota"
 93.5 definition in subdivision 1, paragraph (b);

93.6 (2) no solar photovoltaic modules are available that meet the "Made in Minnesota"
 93.7 definition and fulfill the function required by the project; or

93.8 (3) a railroad common carrier's compliance with the "Made in Minnesota" solar
 93.9 energy system requirement would result in noncompliance with any applicable federal
 93.10 statute or regulation.

93.11 Sec. 18. **[299A.017] STATE SAFETY OVERSIGHT.**

93.12 Subdivision 1. **Office created.** The commissioner of public safety shall establish an
 93.13 Office of State Safety Oversight in the Department of Public Safety for safety oversight of
 93.14 rail fixed guideway public transportation systems within the state. The commissioner shall
 93.15 designate a director of the office.

93.16 Subd. 2. **Authority.** The director shall implement and has regulatory authority to
 93.17 enforce the requirements for the state set forth in United States Code, title 49, sections
 93.18 5329 and 5330, federal regulations adopted pursuant to those sections, and successor or
 93.19 supplemental requirements.

93.20 Sec. 19. Minnesota Statutes 2012, section 473.408, is amended by adding a subdivision
 93.21 to read:

93.22 Subd. 11. **Transit service on election day.** (a) The council shall provide regular
 93.23 route transit, as defined in section 473.385, subdivision 1, paragraph (b), free of charge
 93.24 on a day a state general election is held.

93.25 (b) The requirements under this subdivision apply to operators of regular route
 93.26 transit (1) receiving financial assistance under section 473.388, or (2) operating under
 93.27 section 473.405, subdivision 12.

93.28 **EFFECTIVE DATE.** This section is effective July 1, 2014, and expires November
 93.29 5, 2014.

93.30 Sec. 20. **[473.41] TRANSIT SHELTERS AND STOPS.**

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

93.33 (b) "Transit authority" means:

94.1 (1) a statutory or home rule charter city, with respect to rights-of-way at bus stop and
 94.2 train stop locations, transit shelters, and transit passenger seating facilities owned by the
 94.3 city or established pursuant to a vendor contract with the city;

94.4 (2) the Metropolitan Council, with respect to transit shelters and transit passenger
 94.5 seating facilities owned by the council or established pursuant to a vendor contract with
 94.6 the council; or

94.7 (3) a replacement service provider under section 473.388, with respect to
 94.8 rights-of-way at bus stop and train stop locations, transit shelters, and transit passenger
 94.9 seating facilities owned by the provider or established pursuant to a vendor contract
 94.10 with the provider.

94.11 (c) "Transit shelter" means a wholly or partially enclosed structure provided for
 94.12 public use as a waiting area in conjunction with light rail transit, bus rapid transit, or
 94.13 regular route transit.

94.14 Subd. 2. **Design.** (a) A transit authority shall establish design specifications for
 94.15 establishment and replacement of its transit shelters, which must include:

94.16 (1) engineering standards, as appropriate;

94.17 (2) maximization of protection from the wind, snow, and other elements, including
 94.18 but not limited to entrances that are equivalently sized to regular doorways;

94.19 (3) to the extent feasible, inclusion of warming capability at each shelter in which
 94.20 there is a proportionally high number of transit service passenger boardings; and

94.21 (4) full accessibility for the elderly and persons with disabilities.

94.22 (b) The council shall consult with the Transportation Accessibility Advisory
 94.23 Committee.

94.24 Subd. 3. **Maintenance.** A transit authority shall ensure transit shelters are
 94.25 maintained in good working order and are accessible to all users of the transit system.

94.26 This requirement includes but is not limited to:

94.27 (1) keeping transit shelters reasonably clean and free from graffiti; and

94.28 (2) removing snow and ice in a manner that provides accessibility for the elderly
 94.29 and persons with disabilities to be able to enter and exit transit shelters, and board and
 94.30 exit trains at each stop.

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

94.32 Sec. 21. **WATERCRAFT DECONTAMINATION SITES; REST AREAS.**

94.33 Where feasible with existing resources, the commissioners of natural resources
 94.34 and transportation shall cooperate in an effort to use rest areas as sites for watercraft
 94.35 decontamination and other activities to prevent the spread of aquatic invasive species.

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

95.2 Sec. 22. **WOMAN VETERAN LICENSE PLATES; DESIGN.**

95.3 The commissioner of veterans affairs, in consultation with the commissioner of
95.4 public safety, a representative of the Minnesota Women Veterans Initiative Working
95.5 Group, and any interested Minnesota veterans service organization, shall design the
95.6 "WOMAN VETERAN" special plates established in Minnesota Statutes, section 168.123,
95.7 subdivision 2, subject to the approval of the commissioner of public safety.

95.8 Sec. 23. **HIGHWAY 14 TURNBACK.**

95.9 Notwithstanding Minnesota Statutes, sections 161.081, subdivision 3, and 161.16, or
95.10 any other law to the contrary, the commissioner of transportation may:

95.11 (1) by temporary order, take over the road described as "Old Highway 14" in the
95.12 settlement agreement and release executed January 7, 2014, between the state and Waseca
95.13 and Steele Counties;

95.14 (2) expend \$35,000,000 or the amount necessary to complete the work required
95.15 under the settlement agreement; and

95.16 (3) upon completion of the work described in the settlement agreement, release "Old
95.17 Highway 14" back to Steele and Waseca Counties.

95.18 Upon completion of the work described in the settlement agreement between the
95.19 state and Waseca and Steele Counties, the counties shall accept responsibility for the road
95.20 described in the agreement as "Old Highway 14."

95.21 Sec. 24. **COMMUNITY DESTINATION SIGN PILOT PROGRAM.**

95.22 Subdivision 1. **Definition.** (a) For purposes of this section, the following terms
95.23 have the meanings given.

95.24 (b) "City" means the city of Two Harbors.

95.25 (c) "General retail services" means a business that sells goods or services at retail
95.26 and directly to an end-use consumer. General retail services includes but is not limited to:

95.27 (1) personal services;

95.28 (2) repair services;

95.29 (3) hardware stores;

95.30 (4) lumber or building supply stores; and

95.31 (5) automotive parts sellers.

95.32 Subd. 2. **Pilot program established.** (a) In consultation with the city of Two
95.33 Harbors, the commissioner of transportation shall establish a community destination sign

96.1 pilot program for wayfinding within the city to destinations or attractions of interest to
96.2 the traveling public.

96.3 (b) For purposes of Minnesota Statutes, chapter 173, signs under the pilot program
96.4 are official signs.

96.5 Subd. 3. **Signage, design.** (a) The pilot program must include as eligible attractions
96.6 and destinations:

96.7 (1) minor traffic generators; and

96.8 (2) general retail services, specified by business name, that are identified in a
96.9 community wayfinding program established by the city.

96.10 (b) The commissioner of transportation, in coordination with the city, may establish
96.11 sign design specifications for signs under the pilot program. Design specifications must
96.12 allow for placement of:

96.13 (1) a city name and city logo or symbol; and

96.14 (2) up to five attractions or destinations on a community destination sign assembly.

96.15 Subd. 4. **Program costs.** The city shall pay costs of design, construction,
96.16 erection, and maintenance of the signs and sign assemblies under the pilot program. The
96.17 commissioner shall not impose fees for the pilot program.

96.18 Subd. 5. **Expiration.** The pilot program under this section expires January 1, 2022.

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

96.20 **AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES**

96.21 **ARTICLE 14**

96.22 **AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES**
96.23 **APPROPRIATIONS**

96.24 Section 1. **SUMMARY OF APPROPRIATIONS.**

96.25 The amounts shown in this section summarize direct appropriations, by fund, made
96.26 in this article.

96.27		<u>2015</u>
96.28	<u>General</u>	\$ <u>15,999,000</u>
96.29	<u>Natural Resources</u>	<u>900,000</u>
96.30	<u>Game and Fish</u>	<u>3,000</u>
96.31	<u>Environment and Natural</u>	
96.32	<u>Resources Trust</u>	<u>490,000</u>
96.33	<u>Total</u>	\$ <u>17,392,000</u>

96.34 Sec. 2. **APPROPRIATIONS.**

97.1 The sums shown in the columns marked "Appropriations" are added to the
 97.2 appropriations in Laws 2013, chapter 114, or appropriated to the agencies and for the
 97.3 purposes specified in this article. The appropriations are from the general fund, or another
 97.4 named fund, and are available for the fiscal year indicated for each purpose. The figure
 97.5 "2015" used in this article means that the addition to the appropriations listed under them
 97.6 are available for the fiscal year ending June 30, 2015.

APPROPRIATIONS
Available for the Year
Ending June 30
2015

97.11 **Sec. 3. AGRICULTURE.**

97.12 **Subdivision 1. Total Appropriation** **\$ 1,910,000**

97.13 The amounts that may be spent for each
 97.14 purpose are specified in the following
 97.15 subdivisions.

97.16 **Subd. 2. Department of Agriculture** **1,600,000**

97.17 \$1,500,000 in 2015 is for a grant to Second
 97.18 Harvest Heartland on behalf of the six
 97.19 Feeding America food banks that serve
 97.20 Minnesota to compensate agricultural
 97.21 producers and processors for costs incurred
 97.22 to harvest and package for transfer surplus
 97.23 fruits, vegetables, or other agricultural
 97.24 commodities that would otherwise go
 97.25 unharvested or be discarded. Surplus
 97.26 commodities must be distributed statewide
 97.27 to food shelves and other charitable
 97.28 organizations that are eligible to receive
 97.29 food from the food banks. Surplus food
 97.30 acquired under this appropriation must be
 97.31 from Minnesota producers and processors.
 97.32 Second Harvest Heartland must report when
 97.33 required by, and in the form prescribed by,
 97.34 the commissioner. Second Harvest Heartland
 97.35 may use up to 11 percent of the grant for

98.1 administrative expenses. This appropriation
 98.2 is added to the base.

98.3 \$100,000 in 2015 is to compensate experts
 98.4 evaluating pollinator death or illness as
 98.5 authorized in Minnesota Statutes, section
 98.6 18B.04. \$65,000 is added to the base.

98.7 The commissioner shall examine how other
 98.8 states are implementing the industrial hemp
 98.9 research authority provided in Public Law
 98.10 113-79 and gauge the interest of Minnesota
 98.11 higher education institutions. No later
 98.12 than January 15, 2015, the commissioner
 98.13 must report the information and items for
 98.14 legislative consideration to the legislative
 98.15 committees with jurisdiction over agriculture
 98.16 policy and finance.

98.17 Subd. 3. **Board of Animal Health** 310,000

98.18 \$310,000 in 2015 is to administer the dog and
 98.19 cat breeder licensing and inspection program.
 98.20 The base in fiscal year 2016 is \$426,000 and
 98.21 the base in fiscal year 2017 is \$435,000.

98.22 **Sec. 4. POLLUTION CONTROL AGENCY**

98.23 Subdivision 1. **Total Appropriation** \$ 7,349,000

98.24 The amounts that may be spent for each
 98.25 purpose are specified in the following
 98.26 subdivisions.

98.27 Subd. 2. **Water** 1,000

98.28 \$1,000 in 2015 is to compile information
 98.29 on the presence of plastic microbeads in the
 98.30 state's waters and their potential impacts
 98.31 on aquatic ecosystems and human health,
 98.32 in consultation with the University of
 98.33 Minnesota. No later than December 15,

99.1 2014, the commissioner must present the
 99.2 information to the legislative committees
 99.3 with jurisdiction over environment and
 99.4 natural resources policy and finance and
 99.5 make recommendations. This is a onetime
 99.6 appropriation.

99.7 **Subd. 3. Environmental**
 99.8 **Assistance and Cross-Media** 7,348,000

99.9 \$7,000,000 in 2015 is for the purposes
 99.10 of Minnesota Statutes, section 115A.557,
 99.11 subdivision 2. This appropriation is added
 99.12 to the base.

99.13 \$348,000 in 2015 is for costs incurred
 99.14 implementing Minnesota Statutes, sections
 99.15 116.9401 to 116.9425. This is a onetime
 99.16 appropriation. Of this amount, \$13,000
 99.17 is transferred to the commissioner of
 99.18 health. The base for this program from the
 99.19 environmental fund is \$744,000 in fiscal year
 99.20 2016 and \$495,000 in fiscal year 2017.

99.21 **Sec. 5. NATURAL RESOURCES**

99.22 **Subdivision 1. Total Appropriation** **\$ 2,107,000**

<u>Appropriations by Fund</u>	
99.24 <u>General</u>	<u>1,654,000</u>
99.25 <u>Game and Fish</u>	<u>3,000</u>
99.26 <u>Natural Resources</u>	<u>450,000</u>

99.27 The amounts that may be spent for each
 99.28 purpose are specified in the following
 99.29 subdivisions.

99.30 **Subd. 2. Ecological and Water Resources** 50,000

99.31 \$50,000 in 2015 is for a study of the effects
 99.32 of the Lake Emily dam in Crow Wing County
 99.33 on water clarity and water levels in Lake

100.1 Emily, Lake Mary, and the Little Pine River.
 100.2 This is a onetime appropriation.
 100.3 **Subd. 3. Parks and Trails**
 100.4 **Management** 2,045,000
 100.5 \$1,595,000 in 2015 is for the improvement,
 100.6 maintenance, and conditions of facilities and
 100.7 infrastructure in state parks for safety and
 100.8 general use. This is a onetime appropriation.
 100.9 \$450,000 in 2015 is from the natural
 100.10 resources fund for state trail, park, and
 100.11 recreation area operations. This appropriation
 100.12 is from the revenue deposited in the natural
 100.13 resources fund under Minnesota Statutes,
 100.14 section 297A.94, paragraph (e), clause (2).
 100.15 This is a onetime appropriation.
 100.16 **Subd. 4. Fish and Wildlife**
 100.17 **Management** 12,000
 100.18 \$3,000 in 2015 is from the game and fish fund
 100.19 for a report on aquatic plant management
 100.20 permitting policies for the management
 100.21 of narrow-leaved and hybrid cattail in a
 100.22 range of basin types across the state. The
 100.23 report shall be submitted to the chairs and
 100.24 ranking minority members of the house of
 100.25 representatives and senate committees with
 100.26 jurisdiction over environment and natural
 100.27 resources by December 15, 2014, and include
 100.28 recommendations for any necessary changes
 100.29 in statutes, rules, or permitting procedures.
 100.30 This is a onetime appropriation.
 100.31 \$9,000 in 2015 is for the commissioner,
 100.32 in consultation with interested parties,
 100.33 agencies, and other states, to develop a
 100.34 detailed restoration plan to recover the
 100.35 historical native population of bobwhite

101.1 quail in Minnesota for its ecological and
 101.2 recreational benefits to the citizens of the
 101.3 state. The commissioner shall conduct public
 101.4 meetings in developing the plan. No later
 101.5 than January 15, 2015, the commissioner
 101.6 must report on the plan's progress to the
 101.7 legislative committees with jurisdiction over
 101.8 environment and natural resources policy
 101.9 and finance. This is a onetime appropriation.

101.10 Sec. 6. **METROPOLITAN COUNCIL** **\$** **450,000**

101.11 \$450,000 in 2015 is from the natural
 101.12 resources fund for metropolitan area regional
 101.13 parks and trails maintenance and operations.
 101.14 This appropriation is from the revenue
 101.15 deposited in the natural resources fund
 101.16 under Minnesota Statutes, section 297A.94,
 101.17 paragraph (e), clause (3). This is a onetime
 101.18 appropriation.

101.19 Sec. 7. **UNIVERSITY OF MINNESOTA** **\$** **5,554,000**

101.20	<u>Appropriations by Fund</u>	
101.21	<u>General</u>	<u>5,064,000</u>
101.22	<u>Environment and</u>	
101.23	<u>Natural Resources</u>	
101.24	<u>Trust</u>	<u>490,000</u>

101.25 \$3,864,000 in 2015 is from the general fund
 101.26 for the Invasive Terrestrial Plants and Pests
 101.27 Center requested under this act, including a
 101.28 director, graduate students, and necessary
 101.29 supplies. This is a onetime appropriation and
 101.30 is available until June 30, 2025.

101.31 \$490,000 in 2015 is from the environment
 101.32 and natural resources trust fund for the
 101.33 Invasive Terrestrial Plants and Pests Center
 101.34 requested under this act, including a director,
 101.35 graduate students, and necessary supplies.

102.1 This is a onetime appropriation and is
 102.2 available until June 30, 2025.
 102.3 \$970,000 from the environment and natural
 102.4 resources trust fund appropriated in Laws
 102.5 2011, First Special Session chapter 2, article
 102.6 3, section 2, subdivision 9, paragraph (d),
 102.7 Reinvest in Minnesota Wetlands Reserve
 102.8 Acquisition and Restoration Program
 102.9 Partnership, is transferred to the Board of
 102.10 Regents of the University of Minnesota for
 102.11 the Invasive Terrestrial Plants and Pests
 102.12 Center requested under this act, including a
 102.13 director, graduate students, and necessary
 102.14 supplies and is available until June 30, 2025.
 102.15 \$1,200,000 in 2015 is for the Veterinary
 102.16 Diagnostic Laboratory to research porcine
 102.17 epidemic diarrhea virus and other emerging
 102.18 livestock diseases. Any unexpended balance
 102.19 as of June 30, 2015, is for the Invasive
 102.20 Terrestrial Plants and Pests Center requested
 102.21 under this act and is available until June 30,
 102.22 2025.

102.23 Sec. 8. Laws 2013, chapter 114, article 3, section 4, subdivision 3, is amended to read:

102.24			<u>31,582,000</u>
102.25	Subd. 3. Ecological and Water Resources	27,182,000	<u>31,604,000</u>

102.26	Appropriations by Fund		
102.27			16,817,000
102.28	General	12,117,000	<u>16,839,000</u>
102.29	Natural Resources	11,002,000	10,702,000
102.30	Game and Fish	4,063,000	4,063,000

102.31 \$3,542,000 the first year and \$3,242,000 the
 102.32 second year are from the invasive species
 102.33 account in the natural resources fund and
 102.34 \$2,906,000 the first year and \$3,206,000 the
 102.35 second year are from the general fund for

103.1 management, public awareness, assessment
103.2 and monitoring research, and water access
103.3 inspection to prevent the spread of invasive
103.4 species; management of invasive plants in
103.5 public waters; and management of terrestrial
103.6 invasive species on state-administered lands.
103.7 \$5,000,000 the first year and \$5,000,000 the
103.8 second year are from the water management
103.9 account in the natural resources fund for only
103.10 the purposes specified in Minnesota Statutes,
103.11 section 103G.27, subdivision 2.
103.12 ~~\$103,000~~ the first year and ~~\$103,000~~
103.13 \$125,000 the second year are for a grant to
103.14 the Mississippi Headwaters Board for up to
103.15 50 percent of the cost of implementing the
103.16 comprehensive plan for the upper Mississippi
103.17 within areas under the board's jurisdiction.
103.18 The base for this grant is \$103,000. By
103.19 January 15, 2015, the board shall submit a
103.20 report detailing the results achieved with
103.21 the fiscal year 2014 appropriation and the
103.22 anticipated results that will be achieved with
103.23 the fiscal year 2015 appropriation to the
103.24 commissioner and the chairs and ranking
103.25 minority members of the senate and house
103.26 of representatives committees and divisions
103.27 with jurisdiction over environment and
103.28 natural resources policy and finance.
103.29 \$10,000 the first year and \$10,000 the second
103.30 year are for payment to the Leech Lake Band
103.31 of Chippewa Indians to implement the band's
103.32 portion of the comprehensive plan for the
103.33 upper Mississippi.
103.34 \$264,000 the first year and \$264,000 the
103.35 second year are for grants for up to 50

104.1 percent of the cost of implementation of
104.2 the Red River mediation agreement. The
104.3 commissioner shall submit a report to the
104.4 chairs of the legislative committees having
104.5 primary jurisdiction over environment and
104.6 natural resources policy and finance on the
104.7 accomplishments achieved with the grants
104.8 by January 15, 2015.

104.9 \$1,643,000 the first year and \$1,643,000
104.10 the second year are from the heritage
104.11 enhancement account in the game and
104.12 fish fund for only the purposes specified
104.13 in Minnesota Statutes, section 297A.94,
104.14 paragraph (e), clause (1).

104.15 \$1,223,000 the first year and \$1,223,000 the
104.16 second year are from the nongame wildlife
104.17 management account in the natural resources
104.18 fund for the purpose of nongame wildlife
104.19 management. Notwithstanding Minnesota
104.20 Statutes, section 290.431, \$100,000 the first
104.21 year and \$100,000 the second year may
104.22 be used for nongame wildlife information,
104.23 education, and promotion.

104.24 \$1,600,000 the first year and \$6,000,000 the
104.25 second year are from the general fund for the
104.26 following activities:

104.27 (1) increased financial reimbursement
104.28 and technical support to soil and water
104.29 conservation districts or other local units
104.30 of government for groundwater level
104.31 monitoring;

104.32 (2) additional surface water monitoring and
104.33 analysis, including installation of monitoring
104.34 gauges;

105.1 (3) additional groundwater analysis to
105.2 assist with water appropriation permitting
105.3 decisions;

105.4 (4) additional permit application review
105.5 incorporating surface water and groundwater
105.6 technical analysis;

105.7 (5) enhancement of precipitation data and
105.8 analysis to improve the use of irrigation;

105.9 (6) enhanced information technology,
105.10 including electronic permitting and
105.11 integrated data systems; and

105.12 (7) increased compliance and monitoring.

105.13 Of this amount, \$600,000 the first year is for
105.14 silica sand rulemaking and is available until
105.15 spent.

105.16 The commissioner, in cooperation with the
105.17 commissioner of agriculture, shall enforce
105.18 compliance with aquatic plant management
105.19 requirements regulating the control of
105.20 aquatic plants with pesticides and removal of
105.21 aquatic plants by mechanical means under
105.22 Minnesota Statutes, section 103G.615.

105.23

ARTICLE 15

105.24

AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES

105.25

FISCAL IMPLEMENTATION PROVISIONS

105.26 Section 1. Minnesota Statutes 2012, section 13.643, subdivision 6, is amended to read:

105.27 Subd. 6. **Animal premises data.** (a) The following data collected and maintained
105.28 by the Board of Animal Health related to registration and identification of premises and
105.29 animals under chapter 35, are classified as private or nonpublic:

105.30 (1) the names and addresses;

105.31 (2) the location of the premises where animals are kept; and

105.32 (3) the identification number of the premises or the animal.

106.1 (b) Except as provided in section 347.58, subdivision 5, data collected and
106.2 maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified
106.3 as private or nonpublic.

106.4 ~~(b)~~ (c) The Board of Animal Health may disclose data collected under paragraph (a)
106.5 or (b) to any person, agency, or to the public if the board determines that the access will
106.6 aid in the law enforcement process or the protection of public or animal health or safety.

106.7 Sec. 2. Minnesota Statutes 2012, section 13.7411, subdivision 8, is amended to read:

106.8 Subd. 8. **Pollution Control Agency.** (a) **Hazardous waste generators.**
106.9 Information provided by hazardous waste generators under section 473.151 and for which
106.10 confidentiality is claimed is governed by section 116.075, subdivision 2.

106.11 (b) **Tests.** Trade secret information made available by applicants for certain projects
106.12 of the Pollution Control Agency is classified under section 116.54.

106.13 (c) **Priority chemicals.** Information submitted to the Pollution Control Agency
106.14 related to priority chemicals in children's products is classified under section 116.9403.

106.15 Sec. 3. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
106.16 to read:

106.17 Subd. 1c. **Apiary.** "Apiary" means a place where a collection of one or more hives
106.18 or colonies of bees or the nuclei of bees are kept.

106.19 Sec. 4. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
106.20 to read:

106.21 Subd. 2a. **Bee.** "Bee" means any stage of the common honeybee, Apis mellifera (L).

106.22 Sec. 5. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
106.23 to read:

106.24 Subd. 2b. **Bee owner.** "Bee owner" means a person who owns an apiary.

106.25 Sec. 6. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
106.26 to read:

106.27 Subd. 4c. **Colony.** "Colony" means the aggregate of worker bees, drones, the queen,
106.28 and developing young bees living together as a family unit in a hive or other dwelling.

106.29 Sec. 7. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
106.30 to read:

107.1 Subd. 11a. **Hive.** "Hive" means a frame hive, box hive, box, barrel, log gum, skep,
107.2 or any other receptacle or container, natural or artificial, or any part of one, which is
107.3 used as domicile for bees.

107.4 Sec. 8. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision
107.5 to read:

107.6 Subd. 20a. **Pollinator.** "Pollinator" means an insect that pollinates flowers.

107.7 Sec. 9. Minnesota Statutes 2012, section 18B.03, is amended by adding a subdivision
107.8 to read:

107.9 Subd. 4. **Pollinator enforcement.** The commissioner may take enforcement action
107.10 under chapter 18D for a violation of this chapter, or any rule adopted under this chapter,
107.11 that results in harm to pollinators, including but not limited to applying a pesticide in
107.12 a manner inconsistent with the pesticide product's label or labeling and resulting in
107.13 pollinator death or willfully applying pesticide in a manner inconsistent with the pesticide
107.14 product's label or labeling. The commissioner must deposit any penalty collected under
107.15 this subdivision in the pesticide regulatory account in section 18B.05.

107.16 Sec. 10. Minnesota Statutes 2012, section 18B.04, is amended to read:

107.17 **18B.04 PESTICIDE IMPACT ON ENVIRONMENT.**

107.18 (a) The commissioner shall:

107.19 (1) determine the impact of pesticides on the environment, including the impacts on
107.20 surface water and groundwater in this state;

107.21 (2) develop best management practices involving pesticide distribution, storage,
107.22 handling, use, and disposal; and

107.23 (3) cooperate with and assist other state agencies and local governments to protect
107.24 public health, pollinators, and the environment from harmful exposure to pesticides.

107.25 (b) The commissioner may assemble a group of experts under section 16C.10,
107.26 subdivision 2, to consult in the investigation of pollinator deaths or illnesses. The group of
107.27 experts may include representatives from local, state, and federal agencies; academia; the
107.28 state pollinator bank; or other professionals as deemed necessary by the commissioner.

107.29 Sec. 11. **[18B.055] COMPENSATION FOR BEES KILLED BY PESTICIDE;**
107.30 **APPROPRIATION.**

108.1 Subdivision 1. **Compensation required.** (a) The commissioner of agriculture
108.2 must compensate a person for an acute pesticide poisoning resulting in the death of bees
108.3 owned by the person, provided:

108.4 (1) the person who applied the pesticide cannot be determined;

108.5 (2) the person who applied the pesticide did so in a manner consistent with the
108.6 pesticide product's label or labeling; or

108.7 (3) the person who applied the pesticide did so in a manner inconsistent with the
108.8 pesticide product's label or labeling.

108.9 (b) Except as provided in this section, the bee owner is entitled to the fair market
108.10 value of the dead bees as determined by the commissioner upon recommendation by
108.11 academic experts and bee keepers. In any fiscal year, a bee owner must not be compensated
108.12 for a claim that is less than \$100 or compensated more than \$20,000 for all eligible claims.

108.13 Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a
108.14 manner inconsistent with the pesticide product's label or labeling requirements as approved
108.15 by the commissioner and is determined to have caused the acute pesticide poisoning of
108.16 bees, resulting in death, kept for commercial purposes, then the person so identified must
108.17 bear the responsibility of restitution for the value of the bees to the bee owner. In such
108.18 cases the commissioner must not provide compensation as provided in this section.

108.19 Subd. 3. **Claim form.** The bee owner must file a claim on forms provided by the
108.20 commissioner and available on the Department of Agriculture's Web site.

108.21 Subd. 4. **Determination.** The commissioner must determine whether the death of
108.22 the bees was caused by an acute pesticide poisoning, whether the pesticide applicator can
108.23 be determined, and whether the pesticide applicator applied the pesticide product in a
108.24 manner consistent with the pesticide product's label or labeling.

108.25 Subd. 5. **Payments; denial of compensation.** (a) If the commissioner determines
108.26 the bee death was caused by an acute pesticide poisoning and either the pesticide
108.27 applicator cannot be determined or the pesticide applicator applied the pesticide product in
108.28 a manner consistent with the pesticide product's label or labeling, the commissioner may
108.29 award compensation from the pesticide regulatory account. If the pesticide applicator can
108.30 be determined and the applicator applied the pesticide product in a manner inconsistent
108.31 with the product's label or labeling, the commissioner may collect a penalty from the
108.32 pesticide applicator sufficient to compensate the bee owner for the fair market value of the
108.33 dead bees and must award the money to the bee owner.

108.34 (b) If the commissioner denies compensation claimed by a bee owner under this
108.35 section, the commissioner must issue a written decision based upon the available evidence.
108.36 The decision must include specification of the facts upon which the decision is based and

109.1 the conclusions on the material issues of the claim. The commissioner must mail a copy
109.2 of the decision to the bee owner.

109.3 (c) A decision to deny compensation claimed under this section is not subject to the
109.4 contested case review procedures of chapter 14, but may be reviewed upon a trial de
109.5 novo in a court in the county where the loss occurred. The decision of the court may be
109.6 appealed as in other civil cases. Review in court may be obtained by filing a petition for
109.7 review with the administrator of the court within 60 days following receipt of a decision
109.8 under this section. Upon the filing of a petition, the administrator must mail a copy to the
109.9 commissioner and set a time for hearing within 90 days of the filing.

109.10 Subd. 6. **Deduction from payment.** In order to be eligible for compensation under
109.11 this section, a bee owner must document that at the time of the loss the bee owner had
109.12 insurance sufficient to cover up to 50 percent of the total value of the owner's colony.
109.13 The commissioner must reduce payments made under this section by any compensation
109.14 received by the bee owner as proceeds from an insurance policy or from another source.

109.15 Subd. 7. **Appropriation.** The amount necessary to pay claims under this section,
109.16 not to exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory
109.17 account in section 18B.05.

109.18 Sec. 12. **[19.70] DEFINITIONS.**

109.19 Subdivision 1. **Scope.** For the purposes of this chapter the terms defined in this
109.20 section have the meanings given.

109.21 Subd. 2. **Abandoned apiary.** "Abandoned apiary" means any apiary not regularly
109.22 attended in accordance with good beekeeping practices and which constitutes a disease or
109.23 parasite hazard to the beekeeping industry.

109.24 Subd. 3. **Africanized honeybees.** "Africanized honeybees" means Africanized
109.25 honeybees using United States Department of Agriculture standards.

109.26 Subd. 4. **Bee diseases.** "Bee diseases" means infectious, contagious, or harmful
109.27 diseases including but not limited to: American or European foulbrood, sacbrood,
109.28 chalkbrood, Nosema, bee paralysis, or abnormal condition of egg, larval, pupal, or adult
109.29 stages of bees.

109.30 Subd. 5. **Bee equipment.** "Bee equipment" means hives, supers, frames, veils,
109.31 gloves, and any apparatus, tool, machine, vehicle, or other device used in the handling,
109.32 moving, or manipulating of bees, honey, wax, or hives, including containers of honey or
109.33 wax which may be used in an apiary or in transporting bees and their products and apiary
109.34 supplies.

109.35 Subd. 6. **Beekeeper.** "Beekeeper" means a person who keeps bees.

110.1 Subd. 7. **Beekeeping.** "Beekeeping" means the moving, raising, and producing of
 110.2 bees, beeswax, honey, related products, and pollination.

110.3 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of agriculture
 110.4 or the commissioner's authorized agents.

110.5 Subd. 9. **Department.** "Department" means the Department of Agriculture.

110.6 Subd. 10. **Exotic parasite.** "Exotic parasite" means any parasite harmful to bees
 110.7 including but not limited to: Varroa jacobsoni, Tropilaelaps clareae, or Acarapis woodi.

110.8 Subd. 11. **Queen apiary.** "Queen apiary" means any apiary or premises in which
 110.9 queen bees are reared or kept for sale or gift.

110.10 Sec. 13. Minnesota Statutes 2012, section 84.788, subdivision 2, is amended to read:

110.11 Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

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

110.14 (2) registered in another state or country that have not been within this state for
 110.15 more than 30 consecutive days; ~~or~~

110.16 (3) registered under chapter 168, when operated on forest roads to gain access to a
 110.17 state forest campground;

110.18 (4) used exclusively in organized track racing events;

110.19 (5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident
 110.20 off-highway motorcycle state trail pass; or

110.21 (6) operated by a person participating in an event for which the commissioner has
 110.22 issued a special use permit.

110.23 Sec. 14. [84.7945] **NONRESIDENT OFF-HIGHWAY MOTORCYCLE STATE**
 110.24 **TRAIL PASS.**

110.25 Subdivision 1. **Pass required; fee.** (a) A tribal member exempt from registration
 110.26 under section 84.788, subdivision 2, clause (2), or a nonresident, may not operate an
 110.27 off-highway motorcycle on a state or grant-in-aid off-highway motorcycle trail unless the
 110.28 operator carries a valid nonresident off-highway motorcycle state trail pass in immediate
 110.29 possession. The pass must be available for inspection by a peace officer, a conservation
 110.30 officer, or an employee designated under section 84.0835.

110.31 (b) The commissioner of natural resources shall issue a pass upon application and
 110.32 payment of a \$20 fee. The pass is valid from January 1 through December 31. Fees
 110.33 collected under this section, except for the issuing fee for licensing agents, shall be
 110.34 deposited in the state treasury and credited to the off-highway motorcycle account in

111.1 the natural resources fund and, except for the electronic licensing system commission
111.2 established by the commissioner under section 84.027, subdivision 15, must be used for
111.3 grants-in-aid to counties and municipalities for off-highway motorcycle organizations to
111.4 construct and maintain off-highway motorcycle trails and use areas.

111.5 (c) A nonresident off-highway motorcycle state trail pass is not required for:

111.6 (1) an off-highway motorcycle that is owned and used by the United States, another
111.7 state, or a political subdivision thereof that is exempt from registration under section
111.8 84.788, subdivision 2;

111.9 (2) a person operating an off-highway motorcycle only on the portion of a trail that
111.10 is owned by the person or the person's spouse, child, or parent; or

111.11 (3) a nonresident operating an off-highway motorcycle that is registered according
111.12 to section 84.788.

111.13 Subd. 2. **License agents.** The commissioner may appoint agents to issue and sell
111.14 nonresident off-highway motorcycle state trail passes. The commissioner may revoke the
111.15 appointment of an agent at any time. The commissioner may adopt additional rules as
111.16 provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted
111.17 by the commissioner for accounting and handling of passes pursuant to section 97A.485,
111.18 subdivision 11. An agent shall promptly deposit and remit all money received from the
111.19 sale of the passes, exclusive of the issuing fee, to the commissioner.

111.20 Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell
111.21 nonresident off-highway motorcycle state trail passes. The commissioner shall also make
111.22 the passes available through the electronic licensing system established under section
111.23 84.027, subdivision 15.

111.24 Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass
111.25 shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees
111.26 for passes issued by the commissioner shall be deposited in the off-highway motorcycle
111.27 account in the natural resources fund and retained for the operation of the electronic
111.28 licensing system.

111.29 Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate
111.30 pass to persons whose pass is lost or destroyed using the process established under section
111.31 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate nonresident
111.32 off-highway motorcycle state trail pass is \$2, with an issuing fee of 50 cents.

111.33 Sec. 15. Minnesota Statutes 2012, section 85.053, subdivision 2, is amended to read:

111.34 Subd. 2. **Requirement.** Except as provided in section 85.054, a motor vehicle
111.35 may not enter a state park, state recreation area, or state wayside over 50 acres in area,

112.1 without a state park permit issued under this section or a state parks and trails plate issued
112.2 under section 168.1295. Except for vehicles permitted under subdivisions 7, paragraph
112.3 (a), clause (2), and 8, the state park permit must be affixed to the lower right corner
112.4 windshield of the motor vehicle and must be completely affixed by its own adhesive to
112.5 the windshield, or the commissioner may, by written order, provide an alternative means
112.6 to display and validate state park permits.

112.7 Sec. 16. **[85.056] STATE PARKS AND TRAILS DONATION ACCOUNT.**

112.8 Subdivision 1. **Establishment.** The state parks and trails donation account is
112.9 established as a separate account in the natural resources fund. The account shall be
112.10 administered by the commissioner of natural resources as provided in this section.

112.11 Subd. 2. **Funding sources.** The state parks and trails donation account shall consist
112.12 of contributions made under section 168.1295 and other contributions. The contributions
112.13 may be made in cash, property, land, or interests in land.

112.14 Subd. 3. **Uses.** Money in the account is appropriated to the commissioner of natural
112.15 resources to operate and maintain the state parks and trails system.

112.16 Sec. 17. Minnesota Statutes 2012, section 85.34, subdivision 7, is amended to read:

112.17 Subd. 7. **Disposition of proceeds.** (a) All revenue derived from the lease of the Fort
112.18 Snelling upper bluff, with the exception of payment for costs of the water line as described
112.19 in subdivision 6, shall be deposited in the natural resources fund and credited to a state
112.20 park account. Interest earned on the money in the account accrues to the account.

112.21 (b) Revenue and expenses from the upper bluff shall be tracked separately within
112.22 the account. Money in the account derived from the leasing or operation of the property
112.23 described in subdivision 1 ~~may be~~ is appropriated annually to the commissioner for
112.24 the payment of expenses attributable to the leasing, development, and operation of the
112.25 property described in subdivision 1, including, but not limited to, the maintenance, repair,
112.26 and rehabilitation of historic buildings and landscapes.

112.27 Sec. 18. Minnesota Statutes 2012, section 85A.02, subdivision 2, is amended to read:

112.28 Subd. 2. **Zoological Garden.** The board shall acquire, construct, equip, operate
112.29 and maintain the Minnesota Zoological Garden at a site in Dakota County legally
112.30 described in Laws 1975, chapter 382, section 12. The Zoological Garden shall consist
112.31 of adequate facilities and structures for the collection, habitation, preservation, care,
112.32 exhibition, examination or study of wild and domestic animals, including, but not limited
112.33 to mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The board

113.1 may provide such lands, buildings and equipment as it deems necessary for parking,
113.2 transportation, entertainment, education or instruction of the public in connection with
113.3 such Zoological Garden. The Zoological Garden is the official pollinator bank for the state
113.4 of Minnesota. For purposes of this subdivision, "pollinator bank" means a program to
113.5 avert the extinction of pollinator species by cultivating insurance breeding populations.

113.6 Sec. 19. **[87A.10] TRAP SHOOTING SPORTS FACILITY GRANTS.**

113.7 The commissioner of natural resources shall administer a program to provide
113.8 cost-share grants to local recreational trap shooting clubs for up to 50 percent of the costs
113.9 of developing or rehabilitating trap shooting sports facilities for public use. A facility
113.10 rehabilitated or developed with a grant under this section must be open to the general
113.11 public at reasonable times and for a reasonable fee on a walk-in basis. The commissioner
113.12 shall give preference to projects that will provide the most opportunities for youth.

113.13 Sec. 20. Minnesota Statutes 2012, section 103G.271, subdivision 6, is amended to read:

113.14 Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs
113.15 (b) to ~~(f)~~ (g), a water use permit processing fee must be prescribed by the commissioner in
113.16 accordance with the schedule of fees in this subdivision for each water use permit in force
113.17 at any time during the year. Fees collected under this paragraph are credited to the water
113.18 management account in the natural resources fund. The schedule is as follows, with the
113.19 stated fee in each clause applied to the total amount appropriated:

113.20 (1) \$140 for amounts not exceeding 50,000,000 gallons per year;

113.21 (2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less
113.22 than 100,000,000 gallons per year;

113.23 (3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less
113.24 than 150,000,000 gallons per year;

113.25 (4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but
113.26 less than 200,000,000 gallons per year;

113.27 (5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less
113.28 than 250,000,000 gallons per year;

113.29 (6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but
113.30 less than 300,000,000 gallons per year;

113.31 (7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less
113.32 than 350,000,000 gallons per year;

113.33 (8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but
113.34 less than 400,000,000 gallons per year;

114.1 (9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less
114.2 than 450,000,000 gallons per year;

114.3 (10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but
114.4 less than 500,000,000 gallons per year; and

114.5 (11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

114.6 (b) For once-through cooling systems, a water use processing fee must be prescribed
114.7 by the commissioner in accordance with the following schedule of fees for each water use
114.8 permit in force at any time during the year:

114.9 (1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and

114.10 (2) for all other users, \$420 per 1,000,000 gallons.

114.11 (c) The fee is payable based on the amount of water appropriated during the year
114.12 and, except as provided in paragraph (f), the minimum fee is \$100.

114.13 (d) For water use processing fees other than once-through cooling systems:

114.14 (1) the fee for a city of the first class may not exceed \$250,000 per year;

114.15 (2) the fee for other entities for any permitted use may not exceed:

114.16 (i) \$60,000 per year for an entity holding three or fewer permits;

114.17 (ii) \$90,000 per year for an entity holding four or five permits; or

114.18 (iii) \$300,000 per year for an entity holding more than five permits;

114.19 (3) the fee for agricultural irrigation may not exceed \$750 per year;

114.20 (4) the fee for a municipality that furnishes electric service and cogenerates steam
114.21 for home heating may not exceed \$10,000 for its permit for water use related to the
114.22 cogeneration of electricity and steam; and

114.23 (5) no fee is required for a project involving the appropriation of surface water to
114.24 prevent flood damage or to remove flood waters during a period of flooding, as determined
114.25 by the commissioner.

114.26 (e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two
114.27 percent per month calculated from the original due date must be imposed on the unpaid
114.28 balance of fees remaining 30 days after the sending of a second notice of fees due. A fee
114.29 may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal
114.30 governmental agency holding a water appropriation permit.

114.31 (f) The minimum water use processing fee for a permit issued for irrigation of
114.32 agricultural land is \$20 for years in which:

114.33 (1) there is no appropriation of water under the permit; or

114.34 (2) the permit is suspended for more than seven consecutive days between May 1
114.35 and October 1.

115.1 (g) The commissioner shall waive the water use permit fee for installations and
 115.2 projects that use storm water runoff or for a public entity that is diverting water to treat a
 115.3 water quality issue and returning that water to its source without using the water for
 115.4 any other purpose, unless the commissioner determines that any of the proposed uses
 115.5 adversely affect surface water or groundwater.

115.6 ~~(g)~~ (h) A surcharge of \$30 per million gallons in addition to the fee prescribed in
 115.7 paragraph (a) shall be applied to the volume of water used in each of the months of June,
 115.8 July, and August that exceeds the volume of water used in January for municipal water
 115.9 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities
 115.10 with more than one permit shall be determined based on the total appropriations from all
 115.11 permits that supply a common distribution system.

115.12 Sec. 21. Minnesota Statutes 2012, section 115A.151, is amended to read:

115.13 **115A.151 RECYCLABLE MATERIAL CONTAINER REQUIREMENTS;**
 115.14 **PUBLIC ENTITIES AND SPORTS FACILITIES.**

115.15 (a) A public entity and the owner of a sports facility shall:

115.16 (1) ensure that facilities under its control, from which mixed municipal solid waste
 115.17 is collected, have containers for at least three recyclable materials, such as, but not limited
 115.18 to, paper, glass, plastic, and metal; and

115.19 (2) transfer all recyclable materials collected to a recycler.

115.20 (b) For the purposes of this section:

115.21 (1) "public entity" means the state, an office, agency, or institution of the state,
 115.22 the Metropolitan Council, a metropolitan agency, the Metropolitan Mosquito Control
 115.23 Commission, the legislature, the courts, a county, a statutory or home rule charter city, a
 115.24 town, a school district, a special taxing district, or any entity that receives an appropriation
 115.25 from the state for a capital improvement project after August 1, 2002;

115.26 (2) "metropolitan agency" and "Metropolitan Council," have the meanings given
 115.27 them in section 473.121; and

115.28 (3) "Metropolitan Mosquito Control Commission" means the commission created
 115.29 in section 473.702; and

115.30 (4) "sports facility" means a professional or collegiate sports facility at which
 115.31 competitions take place before a public audience.

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

115.33 Sec. 22. Minnesota Statutes 2012, section 115A.55, subdivision 4, is amended to read:

116.1 Subd. 4. **Statewide source reduction goal.** (a) It is a goal of the state ~~that there~~
116.2 ~~be a minimum ten percent per capita reduction in the amount of mixed and counties to~~
116.3 ~~reduce the generation of municipal solid waste generated in the state by December 31,~~
116.4 ~~2000, based on a reasonable estimate of the amount of mixed municipal solid waste that~~
116.5 ~~was generated in calendar year 1993.~~

116.6 (b) As part of the ~~1997~~ report required under section 115A.411, the commissioner
116.7 shall submit to the senate and house of representatives committees having jurisdiction
116.8 over environment and natural resources and environment and natural resources finance
116.9 a proposed strategy for meeting the goal in paragraph (a). The strategy must include a
116.10 discussion of the different reduction potentials to be found in various sectors and may
116.11 include recommended interim goals. The commissioner shall report progress on meeting
116.12 the goal in paragraph (a), as well as recommendations and revisions to the proposed
116.13 strategy, as part of the ~~1999~~ report required under section 115A.411.

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

116.15 Sec. 23. Minnesota Statutes 2012, section 115A.551, subdivision 1, is amended to read:

116.16 Subdivision 1. **Definition.** (a) For the purposes of this section, "recycling" means,
116.17 in addition to the meaning given in section 115A.03, subdivision 25b, yard waste and
116.18 source-separated compostable materials composting, and recycling that occurs through
116.19 mechanical or hand separation of materials that are then delivered ~~for reuse in their~~
116.20 ~~original form or~~ for use in manufacturing processes that do not cause the destruction of
116.21 recyclable materials in a manner that precludes further use.

116.22 (b) For the purposes of this section, "total solid waste generation" means the total
116.23 by weight of:

116.24 (1) materials separated for recycling;

116.25 (2) materials separated for yard waste and source-separated compostable materials
116.26 composting;

116.27 (3) mixed municipal solid waste plus ~~yard waste~~, motor and vehicle fluids and
116.28 filters, tires, lead acid batteries, and major appliances; and

116.29 (4) residential waste materials that would be mixed municipal solid waste but for
116.30 the fact that they are not collected as such.

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

116.32 Sec. 24. Minnesota Statutes 2012, section 115A.551, subdivision 2a, is amended to read:

117.1 Subd. 2a. **Supplementary County recycling goals.** (a) By December 31, ~~1996~~
117.2 2030, each county will have as a goal to recycle the following amounts:

117.3 (1) for a county outside of the metropolitan area, 35 percent by weight of total
117.4 solid waste generation; and

117.5 (2) for a metropolitan county, ~~50~~ 75 percent by weight of total solid waste generation.

117.6 (b) Each county will develop and implement or require political subdivisions within
117.7 the county to develop and implement programs, practices, or methods designed to meet its
117.8 recycling goal. Nothing in this section or in any other law may be construed to prohibit a
117.9 county from establishing a higher recycling goal.

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

117.11 Sec. 25. Minnesota Statutes 2012, section 115A.557, subdivision 2, is amended to read:

117.12 Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money
117.13 distributed by the commissioner under this section may use the money only for the
117.14 development and implementation of programs to:

117.15 (1) reduce the amount of solid waste generated;

117.16 (2) recycle the maximum amount of solid waste technically feasible;

117.17 (3) create and support markets for recycled products;

117.18 (4) remove problem materials from the solid waste stream and develop proper
117.19 disposal options for them;

117.20 (5) inform and educate all sectors of the public about proper solid waste management
117.21 procedures;

117.22 (6) provide technical assistance to public and private entities to ensure proper solid
117.23 waste management;

117.24 (7) provide educational, technical, and financial assistance for litter prevention; ~~and~~

117.25 (8) process mixed municipal solid waste generated in the county at a resource
117.26 recovery facility located in Minnesota; and

117.27 (9) compost source-separated compostable materials, including the provision of
117.28 receptacles for residential composting.

117.29 (b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed
117.30 by the commissioner under this section to a metropolitan county, as defined in section
117.31 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under
117.32 this section in fiscal year 2014: (1) at least 50 percent must be expended on activities
117.33 in paragraph (a), clause (9); and (2) the remainder must be expended on activities in
117.34 paragraph (a), clauses (1) to (7) and (9) that advance the county toward achieving its
117.35 recycling goal under section 115A.551.

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

118.2 Sec. 26. Minnesota Statutes 2012, section 115A.557, subdivision 3, is amended to read:

118.3 Subd. 3. **Eligibility to receive money.** (a) To be eligible to receive money distributed
118.4 by the commissioner under this section, a county shall within one year of October 4, 1989:

118.5 (1) create a separate account in its general fund to credit the money; and

118.6 (2) set up accounting procedures to ensure that money in the separate account is
118.7 spent only for the purposes in subdivision 2.

118.8 (b) In each following year, each county shall also:

118.9 (1) have in place an approved solid waste management plan or master plan including
118.10 a recycling implementation strategy under section 115A.551, subdivision 7, and a
118.11 household hazardous waste management plan under section 115A.96, subdivision 6,
118.12 by the dates specified in those provisions;

118.13 (2) submit a report by April 1 of each year to the commissioner, which may be
118.14 submitted electronically and must be posted on the agency's Web site, detailing for the
118.15 previous calendar year:

118.16 (i) how the money was spent including, but not limited to, specific recycling and
118.17 composting activities undertaken to increase the county's proportion of solid waste
118.18 recycled in order to achieve its recycling goal established in section 115A.551; specific
118.19 information on the number of employees performing SCORE planning, oversight, and
118.20 administration; the percentage of those employees' total work time allocated to SCORE
118.21 planning, oversight, and administration; the specific duties and responsibilities of those
118.22 employees; and the amount of staff salary for these SCORE duties and responsibilities of
118.23 the employees; and

118.24 (ii) the resulting gains achieved in solid waste management practices; and

118.25 (3) provide evidence to the commissioner that local revenue equal to 25 percent of
118.26 the money sought for distribution under this section will be spent for the purposes in
118.27 subdivision 2.

118.28 (c) The commissioner shall withhold all or part of the funds to be distributed
118.29 to a county under this section if the county fails to comply with this subdivision and
118.30 subdivision 2.

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

118.32 Sec. 27. Minnesota Statutes 2012, section 115B.39, subdivision 2, is amended to read:

119.1 Subd. 2. **Definitions.** (a) In addition to the definitions in this subdivision, the
119.2 definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to 115B.445,
119.3 except as specifically modified in this subdivision.

119.4 (b) "Cleanup order" means a consent order between responsible persons and the
119.5 agency or an order issued by the United States Environmental Protection Agency under
119.6 section 106 of the federal Superfund Act.

119.7 (c) "Closure" means actions to prevent or minimize the threat to public health and
119.8 the environment posed by a mixed municipal solid waste disposal facility that has stopped
119.9 accepting waste by controlling the sources of releases or threatened releases at the facility.
119.10 "Closure" includes removing contaminated equipment and liners; applying final cover;
119.11 grading and seeding final cover; installing wells, borings, and other monitoring devices;
119.12 constructing groundwater and surface water diversion structures; and installing gas control
119.13 systems and site security systems, as necessary. The commissioner may authorize use of
119.14 final cover that includes processed materials that meet the requirements in Code of Federal
119.15 Regulations, title 40, section 503.32, paragraph (a).

119.16 (d) "Closure upgrade" means construction activity that will, at a minimum, modify
119.17 an existing cover so that it satisfies current rule requirements for mixed municipal solid
119.18 waste land disposal facilities.

119.19 (e) "Contingency action" means organized, planned, or coordinated courses of action
119.20 to be followed in case of fire, explosion, or release of solid waste, waste by-products, or
119.21 leachate that could threaten human health or the environment.

119.22 (f) "Corrective action" means steps taken to repair facility structures including
119.23 liners, monitoring wells, separation equipment, covers, and aeration devices and to bring
119.24 the facility into compliance with design, construction, groundwater, surface water, and air
119.25 emission standards.

119.26 (g) "Decomposition gases" means gases produced by chemical or microbial activity
119.27 during the decomposition of solid waste.

119.28 (h) "Dump materials" means nonhazardous mixed municipal solid wastes disposed
119.29 at a Minnesota waste disposal site other than a qualified facility prior to 1973.

119.30 (i) "Environmental response action" means response action at a qualified facility,
119.31 including corrective action, closure, postclosure care; contingency action; environmental
119.32 studies, including remedial investigations and feasibility studies; engineering, including
119.33 remedial design; removal; remedial action; site construction; and other similar
119.34 cleanup-related activities.

119.35 (j) "Environmental response costs" means:

120.1 (1) costs of environmental response action, not including legal or administrative
 120.2 expenses; and

120.3 (2) costs required to be paid to the federal government under section 107(a) of
 120.4 the federal Superfund Act, as amended.

120.5 (k) "Postclosure" or "postclosure care" means actions taken for the care, maintenance,
 120.6 and monitoring of closure actions at a mixed municipal solid waste disposal facility.

120.7 (l) "Qualified facility" means a mixed municipal solid waste disposal facility as
 120.8 described in the most recent agency permit, including adjacent property used for solid
 120.9 waste disposal that did not occur under a permit from the agency, that:

120.10 (1)(i) is or was permitted by the agency;

120.11 (ii) stopped accepting solid waste, except demolition debris, for disposal by April 9,
 120.12 1994; and

120.13 (iii) stopped accepting demolition debris for disposal by June 1, 1994, except that
 120.14 demolition debris may be accepted until May 1, 1995, at a permitted area where disposal
 120.15 of demolition debris is allowed, if the area where the demolition debris is deposited is at
 120.16 least 50 feet from the fill boundary of the area where mixed municipal solid waste was
 120.17 deposited; or

120.18 (2)(~~i~~) is or was permitted by the agency; and

120.19 (~~ii~~) (i) stopped accepting waste by January 1, 2000, except that demolition debris,
 120.20 industrial waste, and municipal solid waste combustor ash may be accepted until January
 120.21 1, 2001, at a permitted area where disposal of such waste is allowed, if the area where
 120.22 the waste is deposited is at least 50 feet from the fill boundary of the area where mixed
 120.23 municipal solid waste was deposited; or

120.24 (ii) stopped accepting waste by January 1, 2019, and is located in a county that
 120.25 meets all applicable recycling goals in section 115A.551 and that has arranged for all
 120.26 mixed municipal solid waste generated in the county to be delivered to and processed by a
 120.27 resource recovery facility located in the county for at least 20 years.

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

120.29 Sec. 28. Minnesota Statutes 2012, section 116.9401, is amended to read:

120.30 **116.9401 DEFINITIONS.**

120.31 (a) For the purposes of sections 116.9401 to ~~116.9407~~ 116.9425, the following terms
 120.32 have the meanings given them.

120.33 (b) "Agency" means the Pollution Control Agency.

121.1 (c) "Alternative" means a substitute process, product, material, chemical, strategy,
121.2 or combination of these that is technically feasible and serves a functionally equivalent
121.3 purpose to a chemical in a children's product.

121.4 (d) "Chemical" means a substance with a distinct molecular composition or a group
121.5 of structurally related substances and includes the breakdown products of the substance or
121.6 substances that form through decomposition, degradation, or metabolism.

121.7 (e) "Chemical of high concern" means a chemical identified on the basis of credible
121.8 scientific evidence by a state, federal, or international agency as being known or suspected
121.9 with a high degree of probability to:

121.10 (1) harm the normal development of a fetus or child or cause other developmental
121.11 toxicity;

121.12 (2) cause cancer, genetic damage, or reproductive harm;

121.13 (3) disrupt the endocrine or hormone system;

121.14 (4) damage the nervous system, immune system, or organs, or cause other systemic
121.15 toxicity;

121.16 (5) be persistent, bioaccumulative, and toxic; or

121.17 (6) be very persistent and very bioaccumulative.

121.18 (f) "Child" means a person under 12 years of age.

121.19 (g) "Children's product" means a consumer product intended for use by children,
121.20 such as baby products, toys, car seats, personal care products, and clothing.

121.21 (h) "Commissioner" means the commissioner of the Pollution Control Agency.

121.22 (i) "Contaminant" means a trace amount of a chemical that is incidental to
121.23 manufacturing and serves no intended function in the product component. Contaminant
121.24 includes, but is not limited to, unintended by-products of chemical reactions that
121.25 occur during the manufacture of the product component, trace impurities in feedstock,
121.26 incompletely reacted chemical mixtures, and degradation products.

121.27 (j) "Department" means the Department of Health.

121.28 (k) "Distributor" means a person who sells consumer products to retail
121.29 establishments on a wholesale basis.

121.30 (l) "Green chemistry" means an approach to designing and manufacturing
121.31 products that minimizes the use and generation of toxic substances.

121.32 (m) "Intentionally added chemical" means a chemical in a product that serves an
121.33 intended function in the product component.

121.34 (n) "Manufacturer" means any person who manufactures a final consumer product
121.35 sold at retail or whose brand name is affixed to the consumer product. In the case of a
121.36 consumer product imported into the United States, manufacturer includes the importer

122.1 or domestic distributor of the consumer product if the person who manufactured or
122.2 assembled the consumer product or whose brand name is affixed to the consumer product
122.3 does not have a presence in the United States.

122.4 (o) "Mouthable" means a product that can be placed into and kept in a child's
122.5 mouth to be sucked or chewed, including any product or product part smaller than five
122.6 centimeters in one dimension. A product that can only be licked is not mouthable.

122.7 (p) "Practical quantification limit" means the lowest concentration of a chemical that
122.8 can be reliably measured within specified limits of precision, accuracy, representativeness,
122.9 completeness, and comparability under routine laboratory operating conditions and the
122.10 value of which:

122.11 (1) is based on scientifically defensible, standard analytical methods;

122.12 (2) may vary depending on the matrix and analytical method used; and

122.13 (3) will be determined by the commissioner, taking into consideration practical
122.14 quantification limits established by federal or state agencies.

122.15 ~~(m)~~ (q) "Priority chemical" means a chemical identified by the Department of Health
122.16 as a chemical of high concern that meets the criteria in section 116.9403.

122.17 (r) "Product category" means the brick level of the GS1 Global Product Classification
122.18 (GPC) standard, which identifies products that serve a common purpose, are of a similar
122.19 form and material, and share the same set of category attributes.

122.20 (s) "Product code" means the numeric representation of the item level of the
122.21 GS1 electronic product code (EPC), the international article number (EAN), or the
122.22 universal product code (UPC), whichever is used by a manufacturer to identify a unique
122.23 company-specific or brand-specific product.

122.24 (t) "Product component" means a uniquely identifiable material or coating including,
122.25 but not limited to, an ink or dye that is intended to be included as a part of a finished
122.26 children's product.

122.27 ~~(n)~~ (u) "Safer alternative" means:

122.28 (1) an alternative whose potential to harm human health or the environment is less
122.29 than that of the use of a priority chemical that it could replace;

122.30 (2) an alternative chemical that is not a priority chemical identified by the department
122.31 under section 116.9403; or

122.32 (3) an alternative chemical that is not identified on the basis of credible scientific
122.33 evidence by a state, federal, or international agency as being known or suspected with
122.34 a high degree of probability to:

122.35 (i) harm the normal development of a fetus or child or cause other developmental
122.36 toxicity;

- 123.1 (ii) cause cancer, genetic damage, or reproductive harm;
123.2 (iii) disrupt the endocrine or hormone system; or
123.3 (iv) damage the nervous system, immune system, or organs, or cause other systemic
123.4 toxicity.
123.5 (v) "Toy" means a product designed or intended by the manufacturer to be used
123.6 by a child at play.
123.7 (w) "Trade association" means a membership organization of persons engaging
123.8 in a similar or related line of commerce, organized to promote and improve business
123.9 conditions in that line of commerce and not to engage in a regular business of a kind
123.10 ordinarily carried on for profit.

123.11 Sec. 29. Minnesota Statutes 2012, section 116.9402, is amended to read:

123.12 **116.9402 IDENTIFICATION OF CHEMICALS OF HIGH CONCERN.**

123.13 (a) By July 1, 2010, the department shall, after consultation with the agency,
123.14 generate a list of chemicals of high concern.

123.15 (b) The department must periodically review and revise the list of chemicals of
123.16 high concern at least every three years. The department may add chemicals to the list if
123.17 the chemical meets one or more of the criteria in section 116.9401, paragraph (e). Any
123.18 changes to the list of chemicals of high concern must be published on the department's
123.19 Web site and in the State Register when a change is made.

123.20 (c) The department shall consider chemicals listed as a suspected carcinogen,
123.21 reproductive or developmental toxicant, or as being persistent, bioaccumulative, and
123.22 toxic, or very persistent and very bioaccumulative by a state, federal, or international
123.23 agency. These agencies may include, but are not limited to, the California Environmental
123.24 Protection Agency, the Washington Department of Ecology, the United States Department
123.25 of Health, the United States Environmental Protection Agency, the United Nation's World
123.26 Health Organization, and European Parliament Annex XIV concerning the Registration,
123.27 Evaluation, Authorisation, and Restriction of Chemicals.

123.28 (d) The department may consider chemicals listed by another state as harmful to
123.29 human health or the environment for possible inclusion in the list of chemicals of high
123.30 concern.

123.31 Sec. 30. Minnesota Statutes 2012, section 116.9403, is amended to read:

123.32 **116.9403 IDENTIFICATION OF PRIORITY CHEMICALS.**

124.1 Subdivision 1. Designation; publication. (a) The department, after consultation
 124.2 with the agency, may designate a chemical of high concern as a priority chemical if the
 124.3 department finds that the chemical:

124.4 (1) has been identified as a high-production volume chemical by the United States
 124.5 Environmental Protection Agency; and

124.6 (2) meets any of the following criteria:

124.7 (i) the chemical has been found through biomonitoring to be present in human blood,
 124.8 including umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

124.9 (ii) the chemical has been found through sampling and analysis to be present in
 124.10 household dust, indoor air, drinking water, or elsewhere in the home environment; or

124.11 (iii) the chemical has been found through monitoring to be present in fish, wildlife,
 124.12 or the natural environment.

124.13 (b) By February 1, 2011, the department shall publish a list of priority chemicals in
 124.14 the State Register and on the department's Internet Web site and shall update the published
 124.15 list whenever a new priority chemical is designated. Any proposed changes to the list
 124.16 of priority chemicals must be published on the department's Web site and in the State
 124.17 Register and will be subject to a minimum 60-day public comment period. In the 60 days
 124.18 following the date of publication in the State Register, the public may submit comments
 124.19 to the department on the proposed changes to the priority chemical list. A final list of
 124.20 changes to the list of priority chemicals must be published on the department's Web site
 124.21 following the end of the comment period and the department's review and consideration of
 124.22 all comments received during this period before finalizing changes to the list.

124.23 Subd. 2. Public data. Notwithstanding section 13.37, subdivision 2, the presence
 124.24 and concentration and total amount of a priority chemical in a specific children's product
 124.25 reported to the agency under section 116.9409, clauses (1) to (6), are classified as public
 124.26 data.

124.27 Subd. 3. Not misappropriation of trade secret. Notwithstanding section 325C.01,
 124.28 subdivision 3, publication of the presence and concentration and total amount of a priority
 124.29 chemical in a specific children's product under this section is not misappropriation of
 124.30 a trade secret.

124.31 Sec. 31. Minnesota Statutes 2012, section 116.9405, is amended to read:

124.32 **116.9405 APPLICABILITY EXEMPTIONS.**

124.33 The requirements of sections ~~116.9401~~ 116.9408 to ~~116.9407~~ 116.9425 do not
 124.34 apply to:

124.35 (1) chemicals in ~~used~~ previously owned children's products;

- 125.1 (2) priority chemicals used in the manufacturing process, but that are not present
125.2 in the final product;
- 125.3 (3) priority chemicals used in agricultural production;
- 125.4 (4) motor vehicles as defined in chapter 168 or watercraft as defined in chapter
125.5 86B or their component parts, except that the use of priority chemicals in detachable
125.6 car seats is not exempt;
- 125.7 (5) priority chemicals generated solely as combustion by-products or that are present
125.8 ~~in combustible fuels;~~ in combustible petroleum fuels or in biofuel, as defined in section
125.9 239.051, subdivision 5a;
- 125.10 (6) retailers, except if a retailer is also the producer, manufacturer, importer, or
125.11 domestic distributor of a children's product containing a priority chemical or the retailer's
125.12 brand name is affixed to a children's product containing a priority chemical;
- 125.13 (7) over-the-counter drugs, pharmaceutical products, dietary supplements, or
125.14 biologics;
- 125.15 (8) a medical device as defined in the federal Food, Drug, and Cosmetic Act, United
125.16 States Code, title 21, section 321(h);
- 125.17 (9) ~~food and food or beverage packaging, except a container containing baby food~~
125.18 ~~or infant formula;~~
- 125.19 ~~(10)~~ consumer electronics products and electronic components, including but not
125.20 limited to personal computers; audio and video equipment; calculators; digital displays;
125.21 wireless phones; cameras; game consoles; printers; and handheld electronic and electrical
125.22 devices used to access interactive software or their associated peripherals; or products that
125.23 comply with the provisions of directive 2002/95/EC of the European Union, adopted by
125.24 the European Parliament and Council of the European Union now or hereafter in effect; ~~or~~
- 125.25 (10) interactive software, such as computer games, and their storage media, such as
125.26 compact discs;
- 125.27 (11) outdoor sport equipment, including snowmobiles as defined in section 84.81,
125.28 subdivision 3; all-terrain vehicles as defined in section 84.92, subdivision 8; personal
125.29 watercraft as defined in section 86B.005, subdivision 14a; watercraft as defined in section
125.30 86B.005, subdivision 18; and off-highway motorcycles, as defined in section 84.787,
125.31 subdivision 7, and all attachments and repair parts for all of this equipment;
- 125.32 (12) batteries; or
- 125.33 (13) a children's product, manufactured or distributed by an individual manufacturer
125.34 or distributor, if fewer than 3,000 units of the children's product are manufactured or
125.35 distributed annually in the United States by that manufacturer.

126.1 Sec. 32. Minnesota Statutes 2012, section 116.9406, is amended to read:

126.2 **116.9406 DONATIONS TO THE STATE.**

126.3 The commissioner may accept donations, grants, and other funds to carry out the
126.4 purposes of sections 116.9401 to ~~116.9407~~ 116.9425. All donations, grants, and other
126.5 funds must be accepted without preconditions regarding the outcomes of the regulatory
126.6 oversight processes set forth in sections 116.9401 to ~~116.9407~~ 116.9425.

126.7 Sec. 33. **[116.9408] CHILDREN'S PRODUCTS; INITIAL NOTIFICATION**
126.8 **ON PRIORITY CHEMICALS.**

126.9 (a) A manufacturer or distributor of a children's product offered for sale in this state
126.10 that contains a priority chemical must, unless the children's product is not subject to
126.11 regulation under section 116.9405, provide the information required under this section
126.12 to the agency:

126.13 (1) within one year of the effective date of this act, if both the designation of the
126.14 priority chemical under section 116.9403 and the offering for sale in this state of the
126.15 children's product containing the priority chemical occurred prior to the effective date
126.16 of this act;

126.17 (2) within one year of the priority chemical being designated under section 116.9403,
126.18 if the children's product is initially offered for sale in this state before the designation and
126.19 the designation is made after the effective date of this act; or

126.20 (3) within one year of the initial offering of the children's product for sale in this
126.21 state, if the initial offering occurs after the priority chemical is designated under section
126.22 116.9403 and the designation is made after the effective date of this act.

126.23 (b) An initial notification is required for each children's product that is known
126.24 or believed likely to include a priority chemical in any amount and must include the
126.25 following information submitted to the agency on a form developed by the commissioner:

126.26 (1) the name of the priority chemical and its Chemical Abstracts Service Registry
126.27 number;

126.28 (2) in which of the following tiers the children's product containing a priority
126.29 chemical belongs:

126.30 (i) Tier 1: a mouthable children's product intended to be used by children three years
126.31 of age or younger or a children's product intended to be placed in a child's mouth or
126.32 directly applied to a child's skin;

126.33 (ii) Tier 2: a children's product intended to be in direct contact with a child's skin for
126.34 one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

127.1 (iii) Tier 3: a children's product intended to be in direct contact with a child's skin
127.2 for less than one hour; or

127.3 (iv) Tier 4: a children's product in which a priority chemical is contained only in an
127.4 internal component that, under normal use, is unlikely to come into direct contact with
127.5 a child's skin or mouth;

127.6 (3) a description of the product component in which the priority chemical is present;
127.7 and

127.8 (4) the name and address of the reporting manufacturer or distributor and the name,
127.9 address, and telephone number of the contact person for the reporting manufacturer or
127.10 distributor.

127.11 Sec. 34. **[116.9409] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING**
127.12 **INFORMATION ON PRIORITY CHEMICALS; TIMING.**

127.13 A manufacturer or distributor of a children's product offered for sale in this state
127.14 that contains a priority chemical must, unless the children's product is not subject to
127.15 regulation under section 116.9405, provide the full product information required under
127.16 section 116.9410 to the agency. The maximum length of time between the filing of the
127.17 information required under section 116.9408, paragraph (a), and the filing of full product
127.18 information required under section 116.9410 varies according to the manufacturer's or
127.19 distributor's annual aggregate gross sales, both within and outside the state, as reported in
127.20 the manufacturer's or distributor's most recently filed federal tax return, as follows:

127.21 (1) for a manufacturer or distributor with gross sales exceeding \$1,000,000,000, one
127.22 year or, for a priority chemical designated under section 116.9403 before January 1, 2014,
127.23 by two years after the effective date of this section;

127.24 (2) for a manufacturer or distributor with gross sales exceeding \$250,000,000 but
127.25 less than or equal to \$1,000,000,000, 1-1/2 years or, for a priority chemical designated
127.26 under section 116.9403 before January 1, 2014, by 2-1/2 years after the effective date
127.27 of this section;

127.28 (3) for a manufacturer or distributor with gross sales exceeding \$100,000,000 but less
127.29 than or equal to \$250,000,000, two years or, for a priority chemical designated under section
127.30 116.9403 before January 1, 2014, by three years after the effective date of this section;

127.31 (4) for a manufacturer or distributor with gross sales exceeding \$5,000,000 but
127.32 less than or equal to \$100,000,000, three years or, for a priority chemical designated
127.33 under section 116.9403 before January 1, 2014, by four years after the effective date
127.34 of this section;

128.1 (5) for a manufacturer or distributor with gross sales exceeding \$100,000 but less
128.2 than or equal to \$5,000,000, four years or, for a priority chemical designated under section
128.3 116.9403 before January 1, 2014, by five years after the effective date of this section; and
128.4 (6) for a manufacturer or distributor with gross sales less than or equal to \$100,000,
128.5 five years or, for a priority chemical designated under section 116.9403 before January 1,
128.6 2014, by six years after the effective date of this section.

128.7 **Sec. 35. [116.9410] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING**
128.8 **INFORMATION ON PRIORITY CHEMICALS.**

128.9 (a) A manufacturer or distributor of a children's product offered for sale in the state
128.10 that contains one or more priority chemicals must, except as provided in paragraph (e) or
128.11 if the children's product is not subject to regulation under section 116.9405, provide the
128.12 following full product information to the agency on a form developed by the commissioner:

128.13 (1) the name of each priority chemical and its Chemical Abstracts Service Registry
128.14 number;

128.15 (2) in which of the following tiers the children's product containing a priority
128.16 chemical belongs:

128.17 (i) Tier 1: a mouthable children's product intended to be used by children three years
128.18 of age or younger or a children's product intended to be placed in a child's mouth or
128.19 directly applied to a child's skin;

128.20 (ii) Tier 2: a children's product intended to be in direct contact with a child's skin for
128.21 one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

128.22 (iii) Tier 3: a children's product intended to be in direct contact with a child's skin
128.23 for less than one hour; or

128.24 (iv) Tier 4: a children's product in which a priority chemical is contained only in an
128.25 internal component that, under normal use, is unlikely to come into direct contact with
128.26 a child's skin or mouth;

128.27 (3) the product components, materials, or coatings that contain one or more priority
128.28 chemicals;

128.29 (4) the concentration and total amount of each priority chemical contained in a
128.30 children's product, a description of how the concentration was determined, and an
128.31 evaluation of the accuracy of the determination. Concentrations at or above the practical
128.32 quantification limit must be reported, but may be reported in the following ranges:

128.33 (i) greater than or equal to the practical quantification limit but less than 100 ppm;

128.34 (ii) greater than or equal to 100 ppm but less than 500 ppm;

128.35 (iii) greater than or equal to 500 ppm but less than 1,000 ppm;

129.1 (iv) greater than or equal to 1,000 ppm but less than 5,000 ppm;

129.2 (v) greater than or equal to 5,000 ppm but less than 10,000 ppm; and

129.3 (vi) greater than or equal to 10,000 ppm.

129.4 For the purposes of this section, "ppm" means parts per million;

129.5 (5) the product category or categories for the children's product;

129.6 (6) a description of the function of the priority chemical in the product, including
129.7 whether it is present as a contaminant;

129.8 (7) the name and address of the manufacturer, distributor, or trade association filing
129.9 the report and the name, address, and telephone number of the contact person for the
129.10 reporting manufacturer, distributor, or trade association;

129.11 (8) evidence describing the extent to which a child is likely to be exposed to the
129.12 priority chemical through normal use of the children's product;

129.13 (9) the number of units of the children's product sold or distributed in Minnesota
129.14 or nationally;

129.15 (10) any other information the manufacturer or distributor deems relevant; and

129.16 (11) any other information requested by the commissioner.

129.17 (b) Reporting shall include all intentionally added chemicals at or above the
129.18 applicable practical quantification limit, and contaminants present in a product component
129.19 at a concentration above 100 ppm.

129.20 (c) Reporting parties are not required to include any specific formula information
129.21 or the specific name and address of the facility that is responsible for introduction of a
129.22 priority chemical into a children's product or product component.

129.23 (d) If the information required in paragraph (a) is not submitted in a timely fashion
129.24 or is incomplete or otherwise unacceptable as determined by the agency, the agency may
129.25 contract with an independent third party of the agency's choice to provide the information
129.26 and may assess a fee on the manufacturer or distributor to pay the costs as specified
129.27 under section 116.9419.

129.28 (e) The agency shall determine on a case-by-case basis if reporting the information
129.29 in paragraph (a), clauses (3) to (9), is required by a manufacturer or distributor whose
129.30 children's product belongs in Tier 4 under paragraph (a), clause (2).

129.31 (f) If a manufacturer claims that any of the information provided to the agency under
129.32 this section is trade secret information under section 13.37, subdivision 1, the agency shall
129.33 make a determination regarding the claim. Information determined to be public data shall
129.34 be posted on the agency's Web site. This paragraph does not apply to the presence and
129.35 concentration and total amount of a priority chemical in a specific children's product,
129.36 which is governed under section 116.9403, subdivisions 2 and 3.

130.1 (g) A trade association may file the information required under this section on behalf
130.2 of a manufacturer or distributor, provided that the trade association includes in the filing a
130.3 list of the manufacturers or distributors on whose behalf the trade association is reporting
130.4 and all the information otherwise required of an individual manufacturer or distributor.

130.5 **Sec. 36. [116.9411] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING**
130.6 **INFORMATION ON PRIORITY CHEMICALS; SECOND AND SUBSEQUENT**
130.7 **REPORTS.**

130.8 (a) Following the initial submission of the information required under section
130.9 116.9410, a manufacturer or distributor of a children's product offered for sale in the state
130.10 that continues to contain a priority chemical must submit the information required under
130.11 section 116.9410 to the agency every two years.

130.12 (b) If a reporting party determines that there has been no change in the information
130.13 required to be filed under section 116.9410 since the most recent filing, the reporting party
130.14 may submit a written statement indicating that the previously filed data is still valid, in
130.15 lieu of a new duplicate complete report, and must submit the required fees.

130.16 (c) If a manufacturer or distributor is required to file more than one report under
130.17 section 116.9410 on the same priority chemical in the same children's product code, each
130.18 subsequent report must include the following information in addition to the information
130.19 required under section 116.9410:

130.20 (1) the product code of the children's product; and

130.21 (2) a description of the manufacturer's attempts to remove the priority chemical
130.22 from the children's product and any evaluation made of the use of safer alternatives to
130.23 substitute for the priority chemical contained in the children's product, including the
130.24 Chemical Abstracts Service Registry numbers of safer alternatives considered. If the
130.25 manufacturer claims that any information provided to the agency under this clause is
130.26 trade secret information under section 13.37, subdivision 1, the agency shall make a
130.27 determination regarding the claim.

130.28 **Sec. 37. [116.9412] CHILDREN'S PRODUCTS; REMOVING A PRIORITY**
130.29 **CHEMICAL; REPORTING REQUIREMENT.**

130.30 A manufacturer or distributor who removes a priority chemical from a children's
130.31 product for which an initial notification has been filed under section 116.9408 or for which
130.32 full product information has been filed under section 116.9410 must notify the agency
130.33 of the removal at the earliest date possible. If the priority chemical removed is replaced
130.34 by a safer alternative, the manufacturer or distributor must provide, on a form developed

131.1 by the commissioner, the information in section 116.9410, paragraph (a), clauses (1) to
131.2 (7), and the name of the safer alternative and its Chemical Abstracts Service Registry
131.3 number, or, if not replaced by a chemical alternative, a description of the techniques or
131.4 design changes implemented. The safer alternative or nonchemical techniques or design
131.5 changes are trade secrets.

131.6 **Sec. 38. [116.9419] FEES.**

131.7 (a) The agency shall, if applicable, assess and collect the following fees from
131.8 manufacturers and distributors of children's products offered for sale in this state:

131.9 (1) a fee of \$1,000 for each full product report required under section 116.9410. If
131.10 a children's product contains more than one priority chemical, each priority chemical is
131.11 subject to this fee;

131.12 (2) a fee equal to the costs billed by the independent contractor plus the agency's
131.13 actual incurred costs to bid and administer the contract for each contract issued under
131.14 section 116.9410, paragraph (d); and

131.15 (3) a fee equal to twice the fee in clause (1) for the second full product report
131.16 required under section 116.9410 on the same priority chemical in the same children's
131.17 product. The fee for each subsequent full product report required under that section is
131.18 correspondingly increased by an amount equal to the fee in clause (1).

131.19 (b) No fee is required for filing an initial notification under section 116.9408.

131.20 (c) The commissioner shall deposit all fees collected under this section in the
131.21 environmental fund. All fees collected under this section are exempt from section
131.22 16A.1285.

131.23 **Sec. 39. [116.9420] STATE AGENCY DUTIES.**

131.24 (a) The agency shall publish all data that is required to be filed under sections
131.25 116.9410 and 116.9411 and that is not trade secret data on the agency's Web site and
131.26 through other means determined by the commissioner.

131.27 (b) If a priority chemical continues to be used in a specific children's product after
131.28 its manufacturer files a report required under section 116.9411, the commissioner may
131.29 recommend options to further reduce or eliminate the use of the priority chemical in the
131.30 report required under section 116.9425.

131.31 (c) The commissioner, in consultation with the commissioners of commerce and
131.32 health, may use fee revenue in excess of program implementation costs to offer grants
131.33 awarded competitively to manufacturers or other researchers to develop safer alternatives

132.1 to priority chemicals in children's products, to establish alternatives as safer alternatives,
132.2 or to accelerate the commercialization of safer alternatives.

132.3 (d) The commissioners of health and commerce shall develop and implement
132.4 an education effort regarding priority chemicals in children's products. Education and
132.5 outreach activities include, but are not limited to, consumer product safety advice;
132.6 notification of recalls; identification of target audiences for product alerts and methods
132.7 of notification; outreach and feedback at county and state fairs; publicity of reporting
132.8 requirements of priority chemicals in children's products; and education of retailers about
132.9 reporting requirements.

132.10 Sec. 40. **[116.9423] ENFORCEMENT.**

132.11 The agency shall enforce sections 116.9401 to 116.9424 and rules adopted
132.12 thereunder in the manner provided by section 115.071, subdivisions 1, 3, 4, 5, and 6.
132.13 Section 115.071, subdivision 2, does not apply to violations of sections 116.9401 to
132.14 116.9424 and rules adopted thereunder.

132.15 Sec. 41. **[116.9424] RULES.**

132.16 The commissioner or the commissioner of commerce may adopt rules as necessary
132.17 to implement, administer, and enforce sections 116.9401 to 116.9425.

132.18 Sec. 42. **[116.9425] REPORT.**

132.19 By November 15, 2015, and every three years thereafter, the commissioners of the
132.20 Pollution Control Agency, health, and commerce shall report to the legislative committees
132.21 with jurisdiction over environment and natural resources, commerce, and public health
132.22 on the implementation of sections 116.9401 to 116.9424.

132.23 Sec. 43. **[168.1295] STATE PARKS AND TRAILS PLATES.**

132.24 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
132.25 issue state parks and trails plates to an applicant who:

132.26 (1) is a registered owner of a passenger automobile, recreational vehicle, one ton
132.27 pickup truck, or motorcycle;

132.28 (2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

132.29 (3) pays the registration tax required under section 168.013;

132.30 (4) pays the fees required under this chapter;

132.31 (5) contributes a minimum of \$50 annually to the state parks and trails donation
132.32 account established in section 85.056; and

133.1 (6) complies with this chapter and rules governing registration of motor vehicles
 133.2 and licensing of drivers.

133.3 (b) The state parks and trails plate application must indicate that the contribution
 133.4 specified under paragraph (a), clause (5), is a minimum contribution to receive the plate
 133.5 and that the applicant may make an additional contribution to the account.

133.6 (c) State parks and trails plates may be personalized according to section 168.12,
 133.7 subdivision 2a.

133.8 Subd. 2. **Design.** After consultation with interested groups, the commissioners of
 133.9 natural resources and public safety shall jointly select a suitable symbol for use by the
 133.10 commissioner of public safety to design the state parks and trails plates.

133.11 Subd. 3. **No refund.** Contributions under this section must not be refunded.

133.12 Subd. 4. **Plate transfers.** Notwithstanding section 168.12, subdivision 1, on
 133.13 payment of a transfer fee of \$5, plates issued under this section may be transferred to
 133.14 another passenger automobile registered to the person to whom the plates were issued.

133.15 Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1,
 133.16 paragraph (a), clause (5), must be paid to the commissioner and credited to the state
 133.17 parks and trails donation account established in section 85.056. The other fees collected
 133.18 under this section must be deposited in the vehicle services operating account of the
 133.19 special revenue fund under section 299A.705.

133.20 Subd. 6. **Record.** The commissioner shall maintain a record of the number of
 133.21 plates issued under this section.

133.22 Subd. 7. **Exemption.** Special plates issued under this section are not subject to
 133.23 section 168.1293, subdivision 2.

133.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 133.25 applies to applications submitted on or after January 1, 2016, or the date the new driver and
 133.26 vehicle services information technology system is implemented, whichever comes later.

133.27 Sec. 44. **[347.57] DEFINITIONS.**

133.28 Subdivision 1. **Terms.** The definitions in this section apply to sections 347.57
 133.29 to 347.64.

133.30 Subd. 2. **Animal.** "Animal" means a dog or a cat.

133.31 Subd. 3. **Board.** "Board" means the Board of Animal Health.

133.32 Subd. 4. **Cat.** "Cat" means a mammal that is wholly or in part of the species Felis
 133.33 domesticus. An adult cat is a cat 28 weeks of age or older. A kitten is a cat under 28
 133.34 weeks of age.

134.1 Subd. 5. **Commercial breeder.** "Commercial breeder" means a person who
134.2 possesses or has an ownership interest in animals and is engaged in the business of
134.3 breeding animals for sale or for exchange in return for consideration, and who possesses
134.4 ten or more adult intact animals and whose animals produce more than five total litters of
134.5 puppies or kittens per year.

134.6 Subd. 6. **Confinement area.** "Confinement area" means a structure used or
134.7 designed for use to restrict an animal to a limited amount of space, such as a room, pen,
134.8 cage, kennel, compartment, crate, or hutch.

134.9 Subd. 7. **Dog.** "Dog" means a mammal that is wholly or in part of the species *Canis*
134.10 familiaris. An adult dog is a dog 28 weeks of age or older. A puppy is a dog under 28
134.11 weeks of age.

134.12 Subd. 8. **Facility.** "Facility" means the place used by a commercial breeder for
134.13 breeding animals, and includes all buildings, property, confinement areas, and vehicles.

134.14 Subd. 9. **Local animal control authority.** "Local animal control authority" means
134.15 an agency of the state, county, municipality, or other political subdivision of the state that
134.16 is responsible for animal control operations in its jurisdiction.

134.17 Subd. 10. **Person.** "Person" means a natural person, firm, partnership, corporation,
134.18 or association, however organized.

134.19 Subd. 11. **Possess.** "Possess" means to have custody of or have control over.

134.20 Subd. 12. **Veterinarian.** "Veterinarian" means a veterinarian in good standing and
134.21 licensed in the state of Minnesota.

134.22 Sec. 45. **[347.58] LICENSING AND INSPECTIONS.**

134.23 Subdivision 1. **Licensing.** (a) The board may grant an operating license to a
134.24 commercial breeder and must enforce sections 347.58 to 347.64.

134.25 (b) Beginning July 1, 2015, a commercial breeder must obtain an annual license
134.26 for each facility it owns or operates. More than one building on the same premises is
134.27 considered one facility. The initial prelicense inspection fee and the annual license fee is
134.28 \$10 per adult intact animal, but each fee must not exceed \$250.

134.29 (c) The board must perform an announced initial prelicense inspection within 60
134.30 days from the date of receiving a license application. A commercial breeder is not in
134.31 violation of this section if the commercial breeder has filed a completed license application
134.32 with the board and the board has not performed the initial prelicense inspection. The
134.33 board must inspect a commercial breeder's facility before an initial license is issued. The
134.34 initial prelicense inspection fee must be included with the license application. Upon

135.1 completion of the inspection, the inspector must provide the commercial breeder an
135.2 inspection certificate signed by the inspector in a format approved by the board.

135.3 (d) The license application must indicate if a commercial breeder operates under
135.4 more than one name from a single location or has an ownership interest in any other
135.5 facility. License holders must keep separate records for each business name.

135.6 (e) The application must include a statement that includes the following information:

135.7 (1) whether any license held by an applicant under this section or under any other
135.8 federal, state, county, or local law, ordinance, or other regulation relating to breeding cats
135.9 or dogs was ever suspended, revoked, or denied; and

135.10 (2) whether the applicant was ever convicted of animal cruelty.

135.11 (f) An application from a partnership, corporation, or limited liability company must
135.12 include the name and address of all partners, directors, officers, or members and must
135.13 include a notation of any partners, directors, officers, members, or others authorized to
135.14 represent the partnership, corporation, or limited liability company.

135.15 (g) A nonresident applicant must consent to adjudication of any violation under the
135.16 laws of the state of Minnesota and in Minnesota courts.

135.17 (h) A license issued under this section is not transferable.

135.18 (i) A license holder must apply for license renewal annually by submitting a renewal
135.19 application on a form approved by the board. The license renewal application must be
135.20 postmarked or submitted electronically in a method approved by the board by July 1
135.21 of each year. The board may assess a late renewal penalty of up to 50 percent of the
135.22 license fee. If a license is not renewed by August 1, the board may require the commercial
135.23 breeder to reapply for an initial license.

135.24 (j) A commercial breeder must submit to the board an annual report by July 1 on a
135.25 form prepared by the board. The form must include the current number of cats and dogs at
135.26 the facility on the date of the report, the number of animals during the preceding year that
135.27 were sold, traded, bartered, leased, brokered, given away, euthanized, or deceased from
135.28 other causes, and any other information required by the board.

135.29 (k) If a commercial breeder is required to be licensed by the United States
135.30 Department of Agriculture, United States Department of Agriculture inspection reports
135.31 and records relating to animal care plans and veterinary care must be made available
135.32 during an inspection, upon request.

135.33 (l) A commercial breeder must prominently display the commercial breeder's license
135.34 at each facility.

135.35 (m) A commercial breeder's state license number or a symbol approved by the board
135.36 must be included in all of the commercial breeder's advertisements or promotions that

136.1 pertain to animals being sold or traded including, but not limited to, all newspapers,
136.2 Internet, radio, or flyers.

136.3 (n) A commercial breeder must notify the board by certified mail or electronically
136.4 in a method approved by the board within ten days of any change in address, name,
136.5 management, or substantial control and ownership of the business or operation.

136.6 (o) The board must refuse to issue an initial license when a commercial breeder:

136.7 (1) is in violation of section 343.21; 343.24; 343.27; 343.28; 343.31; 343.37; 346.37;
136.8 346.38; 346.39; 346.44; or 346.155;

136.9 (2) has failed to meet any of the requirements of this section and section 347.59;

136.10 (3) is in violation of a local ordinance regarding breeders;

136.11 (4) has been convicted, other than a petty misdemeanor conviction, of cruelty to
136.12 animals under Minnesota law or a substantially similar animal cruelty law of another
136.13 jurisdiction;

136.14 (5) has had a substantially similar license denied, revoked, or suspended by another
136.15 federal or state authority within the last five years; or

136.16 (6) has falsified any material information requested by the board.

136.17 (p) A person who has been an officer, agent, direct family member, or employee of a
136.18 commercial breeder whose license was revoked or suspended and who was responsible for
136.19 or participated in the violation that was a basis for the revocation or suspension may not
136.20 be licensed while the revocation or suspension is in effect.

136.21 Subd. 2. **Inspections.** (a) The board must inspect each licensed facility at least
136.22 annually. The inspection must be with the commercial breeder or an agent of the
136.23 commercial breeder present. The inspector must submit an inspection report to the board
136.24 within ten days of each inspection on a form prepared by the board. The inspection report
136.25 form must list separately each law, rule, regulation, and ordinance the facility is not in
136.26 compliance with and what correction is required for compliance. The inspection report
136.27 form must document the animal inventory on the date of the inspection.

136.28 (b) If, after the prelicense inspection, the commercial breeder has two consecutive
136.29 years of inspections with no violations, the board must inspect the commercial breeder at
136.30 least every two years. If the commercial breeder has any violations during an inspection or
136.31 if the board has cause, the board must inspect the commercial breeder at least annually.

136.32 (c) If a license to operate is suspended, revoked, or denied, the board must be granted
136.33 access to the facility during normal business hours to verify that it is not operating.

136.34 Subd. 3. **Record requirements.** (a) The commercial breeder must keep records on
136.35 each animal at the facility that includes:

137.1 (1) the name, address, and United States Department of Agriculture license number,
137.2 if applicable, from whom an animal was received; the date the commercial breeder
137.3 received the animal; the date of the animal's birth; the breed, sex, color, and identifying
137.4 marks of the animal; any identifying tag, tattoo, microchip, or collar number; worming
137.5 treatments, vaccinations, and name of the person who administered the vaccination;
137.6 medication received by the animal while in the possession of the commercial breeder; and
137.7 any disease conditions diagnosed by a veterinarian; and

137.8 (2) the name and address of the person or entity to whom an animal was transferred.

137.9 (b) The commercial breeder must maintain a copy of the records required to be
137.10 kept under this subdivision for two years.

137.11 Subd. 4. **Veterinary protocol.** (a) A commercial breeder must establish and
137.12 maintain a written protocol for disease control and prevention, euthanasia, and veterinary
137.13 care of animals at each facility. The initial protocol must be developed under the direction
137.14 and supervision of the board. A commercial breeder must maintain a written protocol that
137.15 is updated at least every 12 months and that is signed and dated by the board or by a
137.16 veterinarian along with the commercial breeder. The written protocol must be available to
137.17 the board upon request or at the time of inspection.

137.18 (b) An animal sold or otherwise distributed by a commercial breeder must be
137.19 accompanied by a veterinary health certificate completed by a veterinarian. The certificate
137.20 must be completed within 30 days prior to the sale or distribution and must indicate that
137.21 the animal is current with vaccinations and has no signs of infectious or contagious
137.22 diseases. The certificate accompanying an adult dog that was not spayed or neutered must
137.23 indicate that the dog has no signs of infectious or contagious diseases and was tested for
137.24 canine brucellosis with a test approved by the board and found to be negative.

137.25 Subd. 5. **Posting of information.** The board must maintain and post in a timely
137.26 manner on its Web site a list of commercial breeders licensed and in good standing
137.27 under this section.

137.28 Sec. 46. **[347.59] STANDARDS OF CARE.**

137.29 (a) A commercial breeder must comply with chapters 343 and 346.

137.30 (b) A commercial breeder must ensure that animals that are part of the commercial
137.31 breeder's breeding business operations are cared for as follows:

137.32 (1) cats must not be housed in outdoor confinement areas;

137.33 (2) animals exercised in groups must be compatible and show no signs of contagious
137.34 or infectious disease;

138.1 (3) females in estrus must not be housed in the same confinement area with
138.2 unneutered males, except for breeding purposes;

138.3 (4) animals must be provided daily enrichment and must be provided positive physical
138.4 contact with human beings and compatible animals at least twice daily unless a veterinarian
138.5 determines such activities would adversely affect the health or well-being of the animal;

138.6 (5) animals must not be sold, traded, or given away before the age of eight weeks
138.7 unless a veterinarian determines it would be in the best interests of the health or well-being
138.8 of the animal;

138.9 (6) the commercial breeder must provide identification and tracking for each animal,
138.10 which is not transferable to another animal; and

138.11 (7) the commercial breeder must provide adequate staff to maintain the facility and
138.12 observe each animal daily to monitor each animal's health and well-being, and to properly
138.13 care for the animals.

138.14 (c) A commercial breeder must not knowingly hire staff or independent contractors
138.15 who have been convicted of cruelty to animals under the law of any jurisdiction.

138.16 (d) A commercial breeder must comply with any additional standards the board
138.17 considers necessary to protect the public health and welfare of animals covered under
138.18 sections 347.57 to 347.61. The standards must be established by rule.

138.19 (e) A United States Department of Agriculture (USDA) licensed breeder or dealer
138.20 who is in compliance with the minimum USDA regulations governing the license holder
138.21 as they relate to animal confinement areas as of the effective date of this section does not
138.22 have to comply with the minimum confinement area measurements under section 346.39,
138.23 subdivision 4, for existing confinement areas in each facility the breeder or dealer owns. If
138.24 a USDA-licensed breeder or dealer builds a new confinement area after the effective date
138.25 of this section, those minimum standards must meet or exceed the minimum specifications
138.26 as they relate to confinement area size under section 346.39, subdivision 4.

138.27 **Sec. 47. [347.60] INVESTIGATIONS.**

138.28 (a) The board must initiate an investigation upon receiving a formal complaint
138.29 alleging violations of section 347.58 or 347.59.

138.30 (b) When a local animal control authority, a peace officer, or a humane agent
138.31 appointed under section 343.01 is made aware of an alleged violation under this chapter
138.32 or chapter 343 or 346, committed by a commercial breeder, the local animal control
138.33 authority, peace officer, or humane agent appointed under section 343.01 must report the
138.34 alleged violation in a timely manner to the board.

139.1 Sec. 48. **[347.61] CIVIL ENFORCEMENT.**

139.2 **Subdivision 1. Correction orders.** (a) The board may issue a correction order
139.3 requiring a commercial breeder to correct a violation of state statutes, rules, and
139.4 regulations governing breeding facilities. The correction order must state the deficiencies
139.5 that constitute the violation; the specific statute, rule, or regulation violated; and when
139.6 the violation must be corrected.

139.7 (b) A commercial breeder may ask the board to reconsider any portion of the
139.8 correction order that the commercial breeder believes is in error. The request for
139.9 reconsideration must be made in writing by certified mail or electronically in a method
139.10 approved by the board within seven days after receipt of the correction order. The
139.11 request for reconsideration does not stay the correction order. The board must respond
139.12 to the request for reconsideration within 15 days after receiving a request. The board's
139.13 disposition of a request for reconsideration is final. The board may extend the time for
139.14 complying with a correction order after receiving a request for reconsideration if necessary.

139.15 (c) The board must reinspect the facility within 15 days after the time for correcting
139.16 the violation has passed to determine whether the violation has been corrected. If the
139.17 violation has been corrected, the board must notify the commercial breeder in writing that
139.18 the commercial breeder is in compliance with the correction order. The board may charge
139.19 a reinspection fee to determine if a previous violation has been corrected.

139.20 **Subd. 2. Administrative penalty orders.** After the inspection required under
139.21 subdivision 1, paragraph (c), the board may issue an order requiring violations to
139.22 be corrected and administratively assessing monetary penalties for violations. The
139.23 administrative penalty order must include a citation of the statute, rule, or regulation
139.24 violated; a description of the violation; and the amount of the penalty for each violation. A
139.25 single correction order may assess a maximum administrative penalty of \$5,000.

139.26 **Subd. 3. Injunctive relief.** In addition to any other remedy provided by law, the
139.27 board may bring an action for injunctive relief in the district court in Ramsey County or in
139.28 the county in which a violation of the statutes, rules, or regulations governing the breeding
139.29 of cats and dogs occurred to enjoin the violation.

139.30 **Subd. 4. Cease and desist.** The board must issue an order to cease a practice if its
139.31 continuation would result in an immediate risk to animal welfare or public health. An
139.32 order issued under this subdivision is effective for a maximum of 72 hours. The board or
139.33 its designated agent must seek an injunction or take other administrative action authorized
139.34 by law to restrain a practice beyond 72 hours. The issuance of a cease-and-desist order
139.35 does not preclude other enforcement action by the board.

140.1 Subd. 5. Refusal to reissue license; license suspension or revocation. (a) The
140.2 board may suspend, revoke, or refuse to renew a license as follows:

- 140.3 (1) for failure to comply with a correction order;
140.4 (2) for failure to pay an administrative penalty;
140.5 (3) for failure to meet the requirements of section 347.58 or 347.59; or
140.6 (4) for falsifying information requested by the board.

140.7 A license suspension, revocation, or nonrenewal may be appealed through the Office of
140.8 Administrative Hearings. A notice of intent to appeal must be filed in writing with the
140.9 board within 20 days after receipt of the notice of suspension, revocation, or nonrenewal.

140.10 (b) The board must revoke a license if a commercial breeder has been convicted
140.11 of cruelty to animals under Minnesota law or a substantially similar animal cruelty law
140.12 of another jurisdiction, or for the denial, revocation, or suspension of a similar license
140.13 by another federal or state authority. A license revocation under this subdivision may be
140.14 appealed through the Office of Administrative Hearings. A notice of intent to appeal must
140.15 be filed in writing with the board within 20 days after receipt of the notice of revocation.

140.16 (c) A commercial breeder whose license is revoked may not reapply for licensure for
140.17 two years after the date of revocation. The license is permanently revoked if the basis for
140.18 the revocation was a gross misdemeanor or felony conviction for animal cruelty.

140.19 (d) A commercial breeder whose license is suspended or revoked two times is
140.20 permanently barred from licensure.

140.21 Subd. 6. Administrative hearing rights. (a) Except as provided in paragraph
140.22 (b), if the board proposes to refuse to renew, suspend, or revoke a license, the board
140.23 must first notify the commercial breeder in writing of the proposed action and provide an
140.24 opportunity to request a hearing under the contested case provisions of chapter 14. If the
140.25 commercial breeder does not request a hearing within 20 days after receipt of the notice of
140.26 the proposed action, the board may proceed with the action without a hearing.

140.27 (b) The contested case provisions of chapter 14 do not apply when the board denies
140.28 a license based on an applicant's failure to meet the minimum qualifications for licensure.

140.29 (c) A commercial breeder may appeal the amount of an administrative penalty
140.30 order through the Office of Administrative Hearings pursuant to the procedures set forth
140.31 in chapter 14. A commercial breeder wishing to file an appeal must notify the board in
140.32 writing within 20 days after receipt of the administrative penalty order.

140.33 Subd. 7. Other jurisdictions. The board may accept as prima facie evidence of
140.34 grounds for an enforcement action under this section any enforcement or disciplinary
140.35 action from another jurisdiction, if the underlying violation would be grounds for a
140.36 violation under the provisions of this section.

141.1 Subd. 8. Appeals. A final order by the board may be appealed to the Minnesota
 141.2 Court of Appeals.

141.3 Sec. 49. [347.615] BIOSECURITY; ENTRY INTO FACILITIES.

141.4 No law enforcement officer, agent of the board, or other official may enter a
 141.5 commercial breeder facility unless the person follows either the biosecurity procedure
 141.6 issued by the board or a reasonable biosecurity procedure maintained and prominently
 141.7 posted by the commercial breeder at each entry to a facility, whichever is more stringent.
 141.8 This section does not apply in emergency or exigent circumstances.

141.9 Sec. 50. [347.62] PENALTIES.

141.10 (a) A violation of section 347.58 or 347.59 that results in cruelty or torture to an
 141.11 animal, as those terms are defined in section 343.20, subdivision 3, is subject to the
 141.12 penalties in section 343.21, subdivisions 9 and 10, relating to pet or companion animals.

141.13 (b) It is a misdemeanor to falsify information in a license application, annual report,
 141.14 or record.

141.15 (c) It is a misdemeanor for an unlicensed commercial breeder to advertise animals
 141.16 for sale.

141.17 (d) It is a misdemeanor for a commercial breeder to operate without a license.

141.18 Sec. 51. [347.63] DOG AND CAT BREEDERS LICENSING ACCOUNT;
 141.19 APPROPRIATION.

141.20 A dog and cat breeders licensing account is created in the special revenue fund.
 141.21 All fees and penalties collected by the board under sections 347.58 to 347.62 must be
 141.22 deposited in the state treasury and credited to the dog and cat breeders licensing account
 141.23 in the special revenue fund. Money in the account, including interest on the account, is
 141.24 annually appropriated to the board to administer those sections.

141.25 Sec. 52. [347.64] APPLICABILITY.

141.26 Sections 347.57 to 347.63 do not apply to:

- 141.27 (1) any species other than dogs and cats as they are defined in section 347.57; and
- 141.28 (2) veterinary clinics or veterinary hospitals.

141.29 Sec. 53. Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended by
 141.30 Laws 2009, chapter 37, article 1, section 61, is amended to read:

141.31 **Subd. 7. Fish and Wildlife Management** 123,000 119,000

142.1	Appropriations by Fund		
142.2	General	-0-	(427,000)
142.3	Game and Fish	123,000	546,000

142.4 \$329,000 in 2009 is a reduction for fish and
 142.5 wildlife management.

142.6 \$46,000 in 2009 is a reduction in the
 142.7 appropriation for the Minnesota Shooting
 142.8 Sports Education Center.

142.9 \$52,000 in 2009 is a reduction for licensing.

142.10 \$123,000 in 2008 and \$246,000 in 2009 are
 142.11 from the game and fish fund to implement
 142.12 fish virus surveillance, prepare infrastructure
 142.13 to handle possible outbreaks, and implement
 142.14 control procedures for highest risk waters
 142.15 and fish production operations. This is a
 142.16 onetime appropriation.

142.17 Notwithstanding Minnesota Statutes, section
 142.18 297A.94, paragraph (e), \$300,000 in 2009
 142.19 is from the second year appropriation in
 142.20 Laws 2007, chapter 57, article 1, section 4,
 142.21 subdivision 7, from the heritage enhancement
 142.22 account in the game and fish fund ~~to study,~~
 142.23 ~~pre-design, and design a shooting sports~~
 142.24 ~~facility in the seven-county metropolitan~~
 142.25 ~~area~~ for shooting sports facilities. Of this
 142.26 amount, \$100,000 is for a grant to the Itasca
 142.27 County Gun Club for shooting sports facility
 142.28 improvements; and the remaining balance
 142.29 is for trap shooting facility grants under
 142.30 Minnesota Statutes, section 87A.10. This is
 142.31 available onetime only and is available until
 142.32 expended.

142.33 \$300,000 in 2009 is appropriated from the
 142.34 game and fish fund for only activities that

143.1 improve, enhance, or protect fish and wildlife
143.2 resources. This is a onetime appropriation.

143.3 Sec. 54. Laws 2012, chapter 249, section 11, is amended to read:

143.4 Sec. 11. **COSTS OF SCHOOL TRUST LANDS DIRECTOR AND**
143.5 **LEGISLATIVE PERMANENT SCHOOL FUND COMMISSION.**

143.6 (a) The costs of the school trust lands director, including the costs of hiring staff,
143.7 and the Legislative Permanent School Fund Commission for fiscal years 2014 ~~and~~₂ 2015₂
143.8 and 2016 shall be from the state forest development suspense account under Minnesota
143.9 Statutes, section 16A.125, and from the minerals management account under Minnesota
143.10 Statutes, section 93.2236, as appropriated by the legislature.

143.11 (b) The school trust lands director and the Legislative Permanent School Fund
143.12 Commission shall submit to the ~~2014~~ 2015 legislature a proposal to fund the operational
143.13 costs of the Legislative Permanent School Fund Commission and school trust lands
143.14 director and staff with a cost certification method using revenues generated by the
143.15 permanent school fund lands.

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

143.17 Sec. 55. **RECOGNITION; COMMERCIAL BREEDER EXCELLENCE.**

143.18 The Board of Animal Health, in consultation with representatives of the licensed
143.19 commercial breeder industry, must develop a program to recognize persons who
143.20 demonstrate commercial breeder excellence and exceed the standards and practices
143.21 required of commercial breeders under this act.

143.22 Sec. 56. **REGISTRATION; INITIAL PRELICENSE INSPECTIONS.**

143.23 Subdivision 1. Commercial breeder registration. Beginning July 1, 2014, until
143.24 June 30, 2015, a commercial breeder must register each facility it owns or operates by
143.25 paying a registration fee not to exceed \$250 per facility to the Board of Animal Health.

143.26 Subd. 2. Initial prelicense inspections. Beginning July 1, 2014, the board may
143.27 begin the initial prelicense inspections under Minnesota Statutes, section 347.58.

143.28 Subd. 3. Deposits of fees. Fees collected under this section must be deposited in the
143.29 dog and cat breeders licensing account in the special revenue fund.

143.30 Sec. 57. **BEE VALUATION PROTOCOL REQUIRED.**

143.31 No later than January 1, 2015, the commissioner of agriculture must report to
143.32 the house of representatives and senate committees with jurisdiction over agriculture

144.1 finance the protocol that the commissioner developed, in consultation with experts, for
144.2 determining the fair market value of bees, hives, colonies, apiaries, and queen apiaries for
144.3 purposes of compensation under Minnesota Statutes, section 18B.055.

144.4 Sec. 58. **INVASIVE TERRESTRIAL PLANTS AND PESTS CENTER.**

144.5 Subdivision 1. **Establishment.** The Board of Regents of the University of Minnesota
144.6 is requested to establish an Invasive Terrestrial Plants and Pests Center to prevent and
144.7 minimize the threats posed by terrestrial invasive plants, other weeds, pathogens, and
144.8 pests in order to protect the state's prairies, forests, wetlands, and agricultural resources.
144.9 With the approval of the board, the College of Food, Agricultural and Natural Resource
144.10 Science, in coordination with the College of Biological Sciences, shall administer the
144.11 center utilizing the following departments:

- 144.12 (1) Entomology;
144.13 (2) Plant Pathology;
144.14 (3) Forest Resources;
144.15 (4) Horticultural Science;
144.16 (5) Fisheries Wildlife and Conservation Biology;
144.17 (6) Agronomy and Plant Genetics;
144.18 (7) Plant Biology; and
144.19 (8) Ecology, Evolution, and Behavior.

144.20 The college may also utilize the following research and outreach centers in
144.21 achieving the purposes of this section: Cloquet Forestry Center; North Central Research
144.22 and Outreach Center; Northwest Research and Outreach Center; Southern Research and
144.23 Outreach Center; Southwest Research and Outreach Center; West Central Research and
144.24 Outreach Center; Rosemount Research and Outreach Center; Horticultural Research
144.25 Center; and Sand Plain Research Center.

144.26 Subd. 2. **Purpose.** The purpose of the Invasive Terrestrial Plants and Pests Center is
144.27 to research and develop effective measures to prevent and minimize the threats posed by
144.28 terrestrial invasive plants, pathogens, and pests, including agricultural weeds and pests, in
144.29 order to protect the state's native prairies, forests, wetlands, and agricultural resources, by:

- 144.30 (1) creating a prioritized list of pest and plant species that threaten the state's prairies,
144.31 forests, wetlands, and agricultural resources and making the list publicly accessible; and
144.32 (2) conducting research focused on the species included on the prioritized list
144.33 developed under this subdivision that includes:
144.34 (i) development of new control methods, including biocontrols;

145.1 (ii) development of integrated pest management tools that minimize nontarget
 145.2 impacts;

145.3 (iii) research projects focused on establishment prevention, early detection, and
 145.4 rapid response;

145.5 (iv) an analysis of any consequences related to the management of prioritized species
 145.6 to the state's water, pollinators, and native prairies and other native species; and

145.7 (v) reports on the results that are made publicly accessible.

145.8 Subd. 3. **Report.** By January 15, each year as a condition of the appropriation
 145.9 provided under this act, the Board of Regents of the University of Minnesota shall submit
 145.10 a report to the chairs and ranking minority members of the house of representatives and
 145.11 senate committees and divisions with jurisdiction over the environment and natural
 145.12 resources and agriculture on: (1) the activities and outcomes of the center; and (2) any
 145.13 recommendations for additional funding for education, implementation, or other activities.

145.14 Sec. 59. **REPEALER.**

145.15 Minnesota Statutes 2012, section 115A.551, subdivision 2, is repealed.

145.16 **EDUCATION**

145.17 **ARTICLE 16**

145.18 **GENERAL EDUCATION**

145.19 Section 1. Minnesota Statutes 2012, section 123A.05, subdivision 2, is amended to read:

145.20 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center
 145.21 or alternative learning program must reserve revenue in an amount equal to the sum of
 145.22 (1) at least 90 and no more than 100 percent of the district average general education
 145.23 revenue per adjusted pupil unit minus an amount equal to the product of the formula
 145.24 allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated
 145.25 without basic skills revenue and transportation sparsity revenue, times the number of
 145.26 pupil units attending an area learning center or alternative learning program under this
 145.27 section, plus (2) the amount of basic skills revenue generated by pupils attending the area
 145.28 learning center or alternative learning program. The amount of reserved revenue under
 145.29 this subdivision may only be spent on program costs associated with the area learning
 145.30 center or alternative learning program.

145.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 145.32 and later.

146.1 Sec. 2. Minnesota Statutes 2013 Supplement, section 123B.75, subdivision 5, is
146.2 amended to read:

146.3 Subd. 5. **Levy recognition.** For fiscal year ~~2011~~ 2014 and later years, in June of
146.4 each year, the school district must recognize as revenue, in the fund for which the levy
146.5 was made, the lesser of:

146.6 (1) the sum of May, June, and July school district tax settlement revenue received in
146.7 that calendar year, plus general education aid according to section 126C.13, subdivision
146.8 4, received in July and August of that calendar year; or

146.9 (2) the sum of:

146.10 (i) ~~the greater of 48.6 percent of the referendum levy certified according to section~~
146.11 ~~126C.17 in the prior calendar year, or 31 percent of the referendum levy certified~~
146.12 ~~according to section 126C.17 in calendar year 2000; plus~~

146.13 (ii) the entire amount of the levy certified in the prior calendar year according
146.14 to section ~~124D.4531, 124D.86, subdivision 4, for school districts receiving revenue~~
146.15 ~~under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, for Special~~
146.16 ~~School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and~~
146.17 ~~Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a),~~
146.18 ~~and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus~~

146.19 (iii) ~~48.6 percent of the amount of the levy certified in the prior calendar year for the~~
146.20 ~~school district's general and community service funds, plus or minus auditor's adjustments,~~
146.21 ~~that remains after subtracting the referendum levy certified according to section 126C.17~~
146.22 ~~and the amount recognized according to item (ii).~~

146.23 Sec. 3. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

146.24 Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its
146.25 postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses.

146.26 A postsecondary institution may provide information about its programs to a secondary
146.27 school or to a pupil or parent and it may advertise or otherwise recruit or solicit a
146.28 secondary pupil to enroll in its programs on educational and programmatic grounds only.

146.29 An institution must not enroll secondary pupils, for postsecondary enrollment options
146.30 purposes, in remedial, developmental, or other courses that are not college level except
146.31 when a student eligible to participate in the graduation incentives program under section
146.32 124D.68 enrolls full time in a middle or early college program specifically designed to
146.33 allow the student to earn dual high school and college credit. In this case, the student shall
146.34 receive developmental college credit and not college credit for completing remedial or

147.1 developmental courses. Once a pupil has been enrolled in a postsecondary course under
147.2 this section, the pupil shall not be displaced by another student.

147.3 **EFFECTIVE DATE.** This section is effective July 1, 2014.

147.4 Sec. 4. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

147.5 Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this
147.6 section, the department must make payments according to this subdivision for courses that
147.7 were taken for secondary credit.

147.8 The department must not make payments to a school district or postsecondary
147.9 institution for a course taken for postsecondary credit only. The department must not
147.10 make payments to a postsecondary institution for a course from which a student officially
147.11 withdraws during the first 14 days of the quarter or semester or who has been absent from
147.12 the postsecondary institution for the first 15 consecutive school days of the quarter or
147.13 semester and is not receiving instruction in the home or hospital.

147.14 A postsecondary institution shall receive the following:

147.15 (1) for an institution granting quarter credit, the reimbursement per credit hour shall
147.16 be an amount equal to 88 percent of the product of the formula allowance minus ~~\$415~~
147.17 \$425, multiplied by ~~1.3~~ 1.2, and divided by 45; or

147.18 (2) for an institution granting semester credit, the reimbursement per credit hour
147.19 shall be an amount equal to 88 percent of the product of the general revenue formula
147.20 allowance minus ~~\$415~~ \$425, multiplied by ~~1.3~~ 1.2, and divided by 30.

147.21 The department must pay to each postsecondary institution 100 percent of the
147.22 amount in clause (1) or (2) within 30 days of receiving initial enrollment information
147.23 each quarter or semester. If changes in enrollment occur during a quarter or semester,
147.24 the change shall be reported by the postsecondary institution at the time the enrollment
147.25 information for the succeeding quarter or semester is submitted. At any time the
147.26 department notifies a postsecondary institution that an overpayment has been made, the
147.27 institution shall promptly remit the amount due.

147.28 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

147.29 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is
147.30 amended to read:

147.31 Subdivision 1. **General education revenue.** General education revenue must be
147.32 paid to a charter school as though it were a district. The general education revenue
147.33 for each adjusted pupil unit is the state average general education revenue per pupil

148.1 unit, plus the referendum equalization aid allowance in the pupil's district of residence,
148.2 minus an amount equal to the product of the formula allowance according to section
148.3 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,
148.4 local optional revenue, basic skills revenue, extended time revenue, pension adjustment
148.5 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment
148.6 revenue, basic skills revenue, extended time revenue, pension adjustment revenue, and
148.7 transition revenue as though the school were a school district. The general education
148.8 revenue for each extended time pupil unit equals \$4,794.

148.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
148.10 and later.

148.11 Sec. 6. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

148.12 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten
148.13 through grade 12 who meets the following requirements:

148.14 (1) the pupil, as declared by a parent or guardian first learned a language other than
148.15 English, comes from a home where the language usually spoken is other than English, or
148.16 usually speaks a language other than English; and

148.17 (2) the pupil is determined by a valid assessment measuring the pupil's English
148.18 language proficiency and by developmentally appropriate measures, which might include
148.19 observations, teacher judgment, parent recommendations, or developmentally appropriate
148.20 assessment instruments, to lack the necessary English skills to participate fully in
148.21 academic classes taught in English.

148.22 (b) ~~Notwithstanding paragraph (a),~~ A pupil enrolled in a Minnesota public school
148.23 in grades any grade 4 through 12 who was enrolled in a Minnesota public school on
148.24 the dates during in the previous school year when a commissioner provided took a
148.25 commissioner-provided assessment that measures measuring the pupil's emerging
148.26 academic English was administered, shall not be counted as an English learner in
148.27 calculating English learner pupil units under section 126C.05, subdivision 17, and shall not
148.28 generate state English learner aid under section 124D.65, subdivision 5, ~~unless if~~ if the pupil
148.29 scored below the state cutoff score or is otherwise counted as a nonproficient participant
148.30 on ~~an~~ the assessment measuring the pupil's emerging academic English provided by the
148.31 commissioner during the previous school year, or, in the judgment of the pupil's classroom
148.32 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate
148.33 academic language proficiency in English, including oral academic language, sufficient to
148.34 successfully and fully participate in the general core curriculum in the regular classroom.

149.1 (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade
 149.2 12 shall not be counted as an English learner in calculating English learner pupil units
 149.3 under section 126C.05, subdivision 17, and shall not generate state English learner aid
 149.4 under section 124D.65, subdivision 5, if:

149.5 (1) the pupil is not enrolled during the current fiscal year in an educational program
 149.6 for English learners ~~in accordance with~~ under sections 124D.58 to 124D.64; or

149.7 (2) the pupil has generated ~~five~~ six or more years of average daily membership in
 149.8 Minnesota public schools since July 1, 1996.

149.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 149.10 and later.

149.11 Sec. 7. Minnesota Statutes 2013 Supplement, section 124D.65, subdivision 5, is
 149.12 amended to read:

149.13 Subd. 5. **School district EL revenue.** (a) A district's English learner programs
 149.14 revenue equals the product of (1) ~~\$704~~ \$726 times (2) the greater of 20 or the adjusted
 149.15 average daily membership of eligible English learners enrolled in the district during the
 149.16 current fiscal year.

149.17 ~~(b) A pupil ceases to generate state English learner aid in the school year following~~
 149.18 ~~the school year in which the pupil attains the state cutoff score on a commissioner-provided~~
 149.19 ~~assessment that measures the pupil's emerging academic English.~~

149.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 149.21 and later.

149.22 Sec. 8. **[124D.695] APPROVED RECOVERY PROGRAM FUNDING.**

149.23 Subdivision 1. **Approved recovery program.** "Approved recovery program" means
 149.24 a course of instruction offered by a recovery school that provides academic services,
 149.25 assistance with recovery, and continuing care to students recovering from substance abuse
 149.26 or dependency. A recovery program may be offered in a transitional academic setting
 149.27 designed to meet graduation requirements. A recovery program must be approved by the
 149.28 commissioner of education. The commissioner may specify the manner and form of the
 149.29 application for the approval of a recovery school or recovery program.

149.30 Subd. 2. **Eligibility.** An approved recovery program is eligible for an annual
 149.31 recovery program grant of up to \$125,000 to pay for a portion of the costs of recovery
 149.32 program support staff under this section. "Recovery program support staff" means licensed

150.1 alcohol and chemical dependency counselors, licensed school counselors, licensed school
150.2 psychologists, licensed school nurses, and licensed school social workers.

150.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
150.4 and later.

150.5 Sec. 9. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15, is
150.6 amended to read:

150.7 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning
150.8 year program under section 124D.128, an area learning center or an alternative learning
150.9 program approved by the commissioner under sections 123A.05 and 123A.06, or a
150.10 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or
150.11 subdivision 4, for more than 1,020 hours in a school year for a secondary student, more
150.12 than 935 hours in a school year for an elementary student, more than 850 hours in a school
150.13 year for a kindergarten student without a disability in an all-day kindergarten program,
150.14 or more than 425 hours in a school year for a half-day kindergarten student without a
150.15 disability, that pupil may be counted as more than one pupil in average daily membership
150.16 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must
150.17 be determined by the ratio of the number of hours of instruction provided to that pupil in
150.18 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time
150.19 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours
150.20 or the number of hours required for a full-time elementary pupil in the district to 935 for
150.21 an elementary pupil in grades 1 through 6; and (iii) the greater of 425 850 hours or the
150.22 number of hours required for a full-time kindergarten student without a disability in the
150.23 district to 425 850 for a kindergarten student without a disability; ~~and (iv) the greater of~~
150.24 ~~425 hours or the number of hours required for a half-time kindergarten student without a~~
150.25 ~~disability in the district to 425 for a half-day kindergarten student without a disability.~~

150.26 Hours that occur after the close of the instructional year in June shall be attributable to
150.27 the following fiscal year. A student in kindergarten or grades 1 through 12 must not be
150.28 counted as more than 1.2 pupils in average daily membership under this subdivision.

150.29 (b)(i) To receive general education revenue for a pupil in an area learning center
150.30 or alternative learning program that has an independent study component, a district
150.31 must meet the requirements in this paragraph. The district must develop, for the pupil,
150.32 a continual learning plan consistent with section 124D.128, subdivision 3. Each school
150.33 district that has an area learning center or alternative learning program must reserve
150.34 revenue in an amount equal to at least 90 and not more than 100 percent of the district
150.35 average general education revenue per pupil unit, minus an amount equal to the product

151.1 of the formula allowance according to section 126C.10, subdivision 2, times .0466,
151.2 calculated without basic skills and transportation sparsity revenue, times the number of
151.3 pupil units generated by students attending an area learning center or alternative learning
151.4 program. The amount of reserved revenue available under this subdivision may only be
151.5 spent for program costs associated with the area learning center or alternative learning
151.6 program. Basic skills revenue generated according to section 126C.10, subdivision 4, by
151.7 pupils attending the eligible program must be allocated to the program.

151.8 (ii) General education revenue for a pupil in a state-approved alternative program
151.9 without an independent study component must be prorated for a pupil participating for
151.10 less than a full year, or its equivalent. The district must develop a continual learning plan
151.11 for the pupil, consistent with section 124D.128, subdivision 3. Each school district that
151.12 has an area learning center or alternative learning program must reserve revenue in an
151.13 amount equal to at least 90 and not more than 100 percent of the district average general
151.14 education revenue per pupil unit, minus an amount equal to the product of the formula
151.15 allowance according to section 126C.10, subdivision 2, times .0466, calculated without
151.16 basic skills and transportation sparsity revenue, times the number of pupil units generated
151.17 by students attending an area learning center or alternative learning program. The amount
151.18 of reserved revenue available under this subdivision may only be spent for program costs
151.19 associated with the area learning center or alternative learning program. Basic skills
151.20 revenue generated according to section 126C.10, subdivision 4, by pupils attending the
151.21 eligible program must be allocated to the program.

151.22 (iii) General education revenue for a pupil in a state-approved alternative program
151.23 that has an independent study component must be paid for each hour of teacher contact
151.24 time and each hour of independent study time completed toward a credit or graduation
151.25 standards necessary for graduation. Average daily membership for a pupil shall equal the
151.26 number of hours of teacher contact time and independent study time divided by 1,020.

151.27 (iv) For a state-approved alternative program having an independent study
151.28 component, the commissioner shall require a description of the courses in the program, the
151.29 kinds of independent study involved, the expected learning outcomes of the courses, and
151.30 the means of measuring student performance against the expected outcomes.

151.31 Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2, is
151.32 amended to read:

151.33 Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district
151.34 equals the formula allowance times the adjusted marginal cost pupil units for the school
151.35 year. For fiscal year 2015 and later, the basic revenue for each district equals the formula

152.1 allowance times the adjusted pupil units for the school year. The formula allowance for
152.2 fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The
152.3 formula allowance for fiscal year 2015 and later is ~~\$5,806~~ \$5,864.

152.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
152.5 and later.

152.6 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a,
152.7 is amended to read:

152.8 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for
152.9 fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal
152.10 cost pupil units of the district for each pupil in average daily membership in excess of 1.0
152.11 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended
152.12 time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum
152.13 of the adjusted pupil units of the district for each pupil in average daily membership in
152.14 excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

152.15 (b) A school district's extended time revenue may be used for extended day
152.16 programs, extended week programs, summer school, and other programming authorized
152.17 under the learning year program.

152.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
152.19 and applies to revenue for fiscal year 2014 and later.

152.20 Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24,
152.21 is amended to read:

152.22 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

152.23 (1) the school district's adjusted pupil unit amount of basic revenue, transition
152.24 revenue, and referendum revenue is less than the value of the school district at or
152.25 immediately above the 95th percentile of school districts in its equity region for those
152.26 revenue categories; and

152.27 (2) the school district's administrative offices are not located in a city of the first
152.28 class on July 1, 1999.

152.29 (b) Equity revenue for a qualifying district that receives referendum revenue under
152.30 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil
152.31 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's
152.32 equity index computed under subdivision 27.

153.1 (c) Equity revenue for a qualifying district that does not receive referendum revenue
153.2 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil
153.3 units for that year times \$14.

153.4 (d) A school district's equity revenue is increased by the greater of zero or an amount
153.5 equal to the district's ~~resident~~ adjusted pupil units times the difference between ten percent
153.6 of the statewide average amount of referendum revenue per ~~resident~~ adjusted pupil unit for
153.7 that year and the district's referendum revenue per ~~resident~~ adjusted pupil unit. A school
153.8 district's revenue under this paragraph must not exceed \$100,000 for that year.

153.9 (e) A school district's equity revenue for a school district located in the metro equity
153.10 region or a school district with its administrative offices located in any Minnesota county
153.11 in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated in
153.12 2009 by the United States Census Bureau equals the amount computed in paragraphs (b),
153.13 (c), and (d) multiplied by 1.25.

153.14 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil
153.15 units.

153.16 **EFFECTIVE DATE.** The changes in paragraph (d) are effective for revenue for
153.17 fiscal year 2015 and later. The changes in paragraph (e) are effective for revenue for
153.18 fiscal years 2017 and later.

153.19 Sec. 13. Minnesota Statutes 2012, section 126C.10, subdivision 25, is amended to read:

153.20 Subd. 25. **Regional equity gap.** The regional equity gap equals the difference
153.21 between the value of the school district at or immediately above the fifth percentile of
153.22 adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit and the value of the school
153.23 district at or immediately above the 95th percentile of adjusted general revenue per
153.24 adjusted ~~marginal-cost~~ pupil unit.

153.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
153.26 and later.

153.27 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

153.28 Subd. 26. **District equity gap.** A district's equity gap equals the greater of zero
153.29 or the difference between the district's adjusted general revenue and the value of the
153.30 school district at or immediately above the regional 95th percentile of adjusted general
153.31 revenue per adjusted ~~marginal-cost~~ pupil unit.

153.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
153.33 and later.

154.1 Sec. 15. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31,
154.2 is amended to read:

154.3 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
154.4 sum of the transition revenue the district would have received for fiscal year 2015 under
154.5 Minnesota Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater
154.6 of zero or the difference between:

154.7 (1) the sum of:

154.8 (i) the general education revenue the district would have received for fiscal year
154.9 2015 according to Minnesota Statutes 2012, section 126C.10;

154.10 (ii) the integration revenue the district received for fiscal year 2013 under Minnesota
154.11 Statutes 2012, section 124D.86;

154.12 (iii) the pension adjustment the district would have received for fiscal year 2015
154.13 under Minnesota Statutes 2012, section 127A.50;

154.14 (iv) the special education aid the district would have received for fiscal year 2015
154.15 under Minnesota Statutes 2012, section 125A.76; and

154.16 (v) the special education excess cost aid the district would have received for fiscal
154.17 year 2015 under Minnesota Statutes 2012, section 125A.79; and

154.18 (2) the sum of the district's:

154.19 (i) general education revenue for fiscal year 2015 excluding transition revenue
154.20 under this section;

154.21 (ii) achievement and integration revenue for fiscal year 2015 under section
154.22 124D.862; ~~and~~

154.23 (iii) special education aid for fiscal year 2015 under section 125A.76; and

154.24 (iv) alternative teacher compensation revenue for fiscal year 2015 under section
154.25 122A.415,

154.26 divided by the number of adjusted pupil units for fiscal year 2015.

154.27 (b) A district's transition revenue for fiscal year 2015 and later equals the product of
154.28 the district's transition allowance times the district's adjusted pupil units.

154.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
154.30 and later.

154.31 Sec. 16. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is
154.32 amended to read:

154.33 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~

154.34 A district's referendum equalization levy equals the sum of the first tier referendum

155.1 equalization levy, the second tier referendum equalization levy, and the third tier
155.2 referendum equalization levy.

155.3 (b) A district's first tier referendum equalization levy equals the district's first tier
155.4 referendum equalization revenue times the lesser of one or the ratio of the district's
155.5 referendum market value per resident pupil unit to \$880,000.

155.6 (c) A district's second tier referendum equalization levy equals the district's second
155.7 tier referendum equalization revenue times the lesser of one or the ratio of the district's
155.8 referendum market value per resident pupil unit to \$510,000.

155.9 (d) A district's third tier referendum equalization levy equals the district's third
155.10 tier referendum equalization revenue times the lesser of one or the ratio of the district's
155.11 referendum market value per resident pupil unit to \$290,000.

155.12 Sec. 17. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b,
155.13 is amended to read:

155.14 Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, the sum
155.15 of a district's referendum equalization aid and location equity aid under section 126C.10,
155.16 subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum
155.17 equalization aid the district would have received for fiscal year 2015 under Minnesota
155.18 Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have
155.19 received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs
155.20 (a), (b), and (c).

155.21 (b) Notwithstanding subdivision 7, the sum of referendum equalization aid and
155.22 location equity aid under section 126C.10, subdivision 2e, for fiscal year 2016 and later,
155.23 for a district qualifying for additional aid under paragraph (a) for fiscal year 2015, must
155.24 not be less than the product of (1) the district's referendum equalization aid for fiscal year
155.25 2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that
155.26 school year to the district's referendum revenue for fiscal year 2015, times (3) the lesser
155.27 of one or the ratio of the district's referendum market value used for fiscal year 2015
155.28 referendum equalization calculations to the district's referendum market value used for
155.29 that year's referendum equalization calculations.

155.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
155.31 and later.

155.32 Sec. 18. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is
155.33 amended to read:

156.1 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
156.2 subdivision 1, may be increased in the amount approved by the voters of the district
156.3 at a referendum called for the purpose. The referendum may be called by the board.
156.4 The referendum must be conducted one or two calendar years before the increased levy
156.5 authority, if approved, first becomes payable. Only one election to approve an increase
156.6 may be held in a calendar year. Unless the referendum is conducted by mail under
156.7 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the
156.8 first Monday in November. The ballot must state the maximum amount of the increased
156.9 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,
156.10 of increased revenue per adjusted pupil unit that differs from year to year over the number
156.11 of years for which the increased revenue is authorized or may state that the amount shall
156.12 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the
156.13 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may
156.14 state that existing referendum levy authority is expiring. In this case, the ballot may also
156.15 compare the proposed levy authority to the existing expiring levy authority, and express
156.16 the proposed increase as the amount, if any, over the expiring referendum levy authority.
156.17 The ballot must designate the specific number of years, not to exceed ten, for which the
156.18 referendum authorization applies. The ballot, including a ballot on the question to revoke
156.19 or reduce the increased revenue amount under paragraph (c), must abbreviate the term
156.20 "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may
156.21 be modified to read, in cases of renewing existing levies at the same amount per pupil
156.22 as in the previous year:

156.23 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING
156.24 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS
156.25 SCHEDULED TO EXPIRE."

156.26 The ballot may contain a textual portion with the information required in this
156.27 subdivision and a question stating substantially the following:

156.28 "Shall the increase in the revenue proposed by (petition to) the board of,
156.29 School District No. ..., be approved?"

156.30 If approved, an amount equal to the approved revenue per adjusted pupil unit times
156.31 the adjusted pupil units for the school year beginning in the year after the levy is certified
156.32 shall be authorized for certification for the number of years approved, if applicable, or
156.33 until revoked or reduced by the voters of the district at a subsequent referendum.

156.34 (b) The board must prepare and deliver by first class mail at least 15 days but no more
156.35 than 30 days before the day of the referendum to each taxpayer a notice of the referendum
156.36 and the proposed revenue increase. The board need not mail more than one notice to any

157.1 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be
157.2 those shown to be owners on the records of the county auditor or, in any county where
157.3 tax statements are mailed by the county treasurer, on the records of the county treasurer.
157.4 Every property owner whose name does not appear on the records of the county auditor
157.5 or the county treasurer is deemed to have waived this mailed notice unless the owner
157.6 has requested in writing that the county auditor or county treasurer, as the case may be,
157.7 include the name on the records for this purpose. The notice must project the anticipated
157.8 amount of tax increase in annual dollars for typical residential homesteads, agricultural
157.9 homesteads, apartments, and commercial-industrial property within the school district.

157.10 The notice for a referendum may state that an existing referendum levy is expiring
157.11 and project the anticipated amount of increase over the existing referendum levy in
157.12 the first year, if any, in annual dollars for typical residential homesteads, agricultural
157.13 homesteads, apartments, and commercial-industrial property within the district.

157.14 The notice must include the following statement: "Passage of this referendum will
157.15 result in an increase in your property taxes." However, in cases of renewing existing levies,
157.16 the notice may include the following statement: "Passage of this referendum extends an
157.17 existing operating referendum at the same amount per pupil as in the previous year."

157.18 (c) A referendum on the question of revoking or reducing the increased revenue
157.19 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to
157.20 revoke or reduce the revenue amount must state the amount per ~~resident marginal cost~~
157.21 adjusted pupil unit by which the authority is to be reduced. Revenue authority approved
157.22 by the voters of the district pursuant to paragraph (a) must be available to the school
157.23 district at least once before it is subject to a referendum on its revocation or reduction for
157.24 subsequent years. Only one revocation or reduction referendum may be held to revoke or
157.25 reduce referendum revenue for any specific year and for years thereafter.

157.26 (d) The approval of 50 percent plus one of those voting on the question is required to
157.27 pass a referendum authorized by this subdivision.

157.28 (e) At least 15 days before the day of the referendum, the district must submit a
157.29 copy of the notice required under paragraph (b) to the commissioner and to the county
157.30 auditor of each county in which the district is located. Within 15 days after the results
157.31 of the referendum have been certified by the board, or in the case of a recount, the
157.32 certification of the results of the recount by the canvassing board, the district must notify
157.33 the commissioner of the results of the referendum.

157.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
157.35 and later.

158.1 Sec. 19. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a,
158.2 is amended to read:

158.3 Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision
158.4 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority
158.5 from voter approved to board approved by a board vote. A district with less than \$300 per
158.6 adjusted pupil unit of referendum authority after the local optional revenue subtraction
158.7 under subdivision 1 may authorize new referendum authority up to the difference between
158.8 \$300 per adjusted pupil unit and the district's referendum authority. The board may
158.9 authorize this levy for up to five years and may subsequently reauthorize that authority
158.10 in increments of up to five years.

158.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
158.12 and later.

158.13 Sec. 20. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

158.14 **126C.44 SAFE SCHOOLS LEVY.**

158.15 (a) Each district may make a levy on all taxable property located within the district
158.16 for the purposes specified in this section. The maximum amount which may be levied for
158.17 all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil
158.18 units for the school year. The proceeds of the levy must be reserved and used for directly
158.19 funding the following purposes or for reimbursing the cities and counties who contract
158.20 with the district for the following purposes:

158.21 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of
158.22 peace officers and sheriffs for liaison in services in the district's schools;

158.23 (2) to pay the costs for a drug abuse prevention program as defined in section
158.24 609.101, subdivision 3, paragraph (e), in the elementary schools;

158.25 (3) to pay the costs for a gang resistance education training curriculum in the
158.26 district's schools;

158.27 (4) to pay the costs for security in the district's schools and on school property;

158.28 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,
158.29 voluntary opt-in suicide prevention tools, and violence prevention measures taken by
158.30 the school district;

158.31 (6) to pay costs for licensed school counselors, licensed school nurses, licensed
158.32 school social workers, licensed school psychologists, and licensed alcohol and chemical
158.33 dependency counselors to help provide early responses to problems;

159.1 (7) to pay for facility security enhancements including laminated glass, public
 159.2 announcement systems, emergency communications devices, and equipment and facility
 159.3 modifications related to violence prevention and facility security;

159.4 (8) to pay for costs associated with improving the school climate; or

159.5 (9) to pay costs for colocating and collaborating with mental health professionals
 159.6 who are not district employees or contractors.

159.7 (b) For expenditures under paragraph (a), clause (1), the district must initially
 159.8 attempt to contract for services to be provided by peace officers or sheriffs with the
 159.9 police department of each city or the sheriff's department of the county within the district
 159.10 containing the school receiving the services. If a local police department or a county
 159.11 sheriff's department does not wish to provide the necessary services, the district may
 159.12 contract for these services with any other police or sheriff's department located entirely or
 159.13 partially within the school district's boundaries.

159.14 (c) A school district that is a member of an intermediate school district may
 159.15 include in its authority under this section the costs associated with safe schools activities
 159.16 authorized under paragraph (a) for intermediate school district programs. This authority
 159.17 must not exceed ~~\$10~~ \$15 times the adjusted ~~marginal-cost~~ pupil units of the member
 159.18 districts. This authority is in addition to any other authority authorized under this section.
 159.19 Revenue raised under this paragraph must be transferred to the intermediate school district.

159.20 **EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

159.21 Sec. 21. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

159.22 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county
 159.23 treasurers pursuant to section 276.10, apportionments from the school endowment fund
 159.24 pursuant to section 127A.33, apportionments by the county auditor pursuant to section
 159.25 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue
 159.26 pursuant to chapter 298.

159.27 (b) "Cumulative amount guaranteed" means the product of

159.28 (1) the cumulative disbursement percentage shown in subdivision 3; times

159.29 (2) the sum of

159.30 (i) the current year aid payment percentage of the estimated aid and credit
 159.31 entitlements paid according to subdivision 13; plus

159.32 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

159.33 (iii) the other district receipts.

159.34 (c) "Payment date" means the date on which state payments to districts are made
 159.35 by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,

160.1 or a weekday which is a legal holiday, the payment shall be made on the immediately
 160.2 preceding business day. The commissioner may make payments on dates other than
 160.3 those listed in subdivision 3, but only for portions of payments from any preceding
 160.4 payment dates which could not be processed by the electronic funds transfer method due
 160.5 to documented extenuating circumstances.

160.6 (d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in~~
 160.7 ~~fiscal year 2011, and 60 in fiscal years 2012 and later~~ 90.

160.8 Sec. 22. Minnesota Statutes 2012, section 127A.45, subdivision 3, is amended to read:

160.9 Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a
 160.10 district on the dates indicated an amount computed as follows: the cumulative amount
 160.11 guaranteed minus the sum of (1) the district's other district receipts through the current
 160.12 payment, and (2) the aid and credit payments through the immediately preceding payment.
 160.13 For purposes of this computation, the payment dates and the cumulative disbursement
 160.14 percentages are as follows:

	Payment date	Percentage
160.15		
160.16	Payment 1 July 15:	5.5
160.17	Payment 2 July 30:	8.0
160.18	Payment 3 August 15:	17.5
160.19	Payment 4 August 30:	20.0
160.20	Payment 5 September 15:	22.5
160.21	Payment 6 September 30:	25.0
160.22	Payment 7 October 15:	27.0
160.23	Payment 8 October 30:	30.0
160.24	Payment 9 November 15:	32.5
160.25	Payment 10 November 30:	36.5
160.26	Payment 11 December 15:	42.0
160.27	Payment 12 December 30:	45.0
160.28	Payment 13 January 15:	50.0
160.29	Payment 14 January 30:	54.0
160.30	Payment 15 February 15:	58.0
160.31	Payment 16 February 28:	63.0
160.32	Payment 17 March 15:	68.0
160.33	Payment 18 March 30:	74.0
160.34	Payment 19 April 15:	78.0
160.35	Payment 20 April 30:	85.0
160.36	Payment 21 May 15:	90.0
160.37	Payment 22 May 30:	95.0
160.38	Payment 23 June 20:	100.0

161.1 (b) In addition to the amounts paid under paragraph (a), the commissioner shall pay
 161.2 to a school district or charter school on the dates indicated an amount computed as follows:

161.3 Payment 3 August 15: the final adjustment for the prior fiscal year for the state paid
 161.4 property tax credits established in section 273.1392

161.5 Payment 4 August 30: 30 percent of the final adjustment for the prior fiscal year for
 161.6 all aid entitlements except state paid property tax credits

161.7 Payment 6 September 30: 40 percent of the final adjustment for the prior fiscal year
 161.8 for all aid entitlements except state paid property tax credits

161.9 Payment 8 October 30: 30 percent of the final adjustment for the prior fiscal year
 161.10 for all aid entitlements except state paid property tax credits

161.11 (c) Notwithstanding paragraph (b), if the current year aid payment percentage
 161.12 under subdivision 2, paragraph (d), is less than 90, in addition to the amounts paid under
 161.13 paragraph (a), the commissioner shall pay to a charter school on the dates indicated an
 161.14 amount computed as follows:

161.15 Payment 1 July 15: 75 percent of the final adjustment for the prior fiscal year for
 161.16 all aid entitlements

161.17 Payment 8 October 30: 25 percent of the final adjustment for the prior fiscal year
 161.18 for all aid entitlements

161.19 **EFFECTIVE DATE.** This section is effective July 1, 2015.

161.20 Sec. 23. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is
 161.21 amended to read:

161.22 Subd. 7. **Alternative attendance programs.** (a) The general education aid and
 161.23 special education aid for districts must be adjusted for each pupil attending a nonresident
 161.24 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The
 161.25 adjustments must be made according to this subdivision.

161.26 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
 161.27 education and services" means the difference between: (1) the actual cost of providing
 161.28 special instruction and services, including special transportation and unreimbursed
 161.29 building lease and debt service costs for facilities used primarily for special education, for
 161.30 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
 161.31 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
 161.32 receives special instruction and services outside the regular classroom for more than
 161.33 60 percent of the school day, the amount of general education revenue and referendum
 161.34 equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable
 161.35 to that pupil for the portion of time the pupil receives special instruction and services
 161.36 outside of the regular classroom, excluding portions attributable to district and school
 161.37 administration, district support services, operations and maintenance, capital expenditures,

162.1 and pupil transportation, minus (3) special education aid under section 125A.76
162.2 attributable to that pupil, that is received by the district providing special instruction and
162.3 services. For purposes of this paragraph, general education revenue and referendum
162.4 equalization aid attributable to a pupil must be calculated using the serving district's
162.5 average general education revenue and referendum equalization aid per adjusted pupil unit.

162.6 (c) For fiscal year 2015 and later, special education aid paid to a resident district
162.7 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing
162.8 special education and services.

162.9 (d) Notwithstanding paragraph (c), special education aid paid to a resident district
162.10 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
162.11 education and services provided to students at an intermediate district, cooperative, or
162.12 charter school where the percent of students eligible for special education services is at
162.13 least 70 percent of the charter school's total enrollment.

162.14 (e) Special education aid paid to the district or cooperative providing special
162.15 instruction and services for the pupil, or to the fiscal agent district for a cooperative,
162.16 must be increased by the amount of the reduction in the aid paid to the resident district
162.17 under paragraphs (c) and (d). If the resident district's special education aid is insufficient
162.18 to make the full adjustment, the remaining adjustment shall be made to other state aids
162.19 due to the district.

162.20 (f) An area learning center operated by a service cooperative, intermediate district,
162.21 education district, or a joint powers cooperative may elect through the action of the
162.22 constituent boards to charge the resident district tuition for pupils rather than to have the
162.23 general education revenue paid to a fiscal agent school district. Except as provided in
162.24 paragraph (e), the district of residence must pay tuition equal to at least 90 and no more
162.25 than 100 percent of the district average general education revenue per pupil unit minus
162.26 an amount equal to the product of the formula allowance according to section 126C.10,
162.27 subdivision 2, times .0466, calculated without compensatory revenue and transportation
162.28 sparsity revenue, times the number of pupil units for pupils attending the area learning
162.29 center.

162.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
162.31 and later.

162.32 Sec. 24. Laws 2012, chapter 263, section 1, is amended to read:

162.33 Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND**
162.34 **SHARING OF DISTRICT RESOURCES; PILOT PROJECT.**

163.1 Subdivision 1. **Establishment; requirements for participation.** (a) A ~~five-year~~
163.2 pilot project ~~for the 2013-2014 through 2017-2018 school years~~ is established to improve
163.3 student and school outcomes by allowing groups of school districts to work together to
163.4 provide innovative education programs and activities and share district resources. The
163.5 pilot project may last until June 30, 2018, or for up to five years, whichever is less, except
163.6 that innovation partnerships formed during the period of the pilot project may continue
163.7 past June 30, 2018, with the agreement of the partnership members.

163.8 (b) To participate in this pilot project to improve student and school outcomes, a
163.9 group of two or more school districts must collaborate with school staff and receive formal
163.10 school board approval to form a partnership. The partnership must develop a plan to
163.11 provide challenging programmatic options for students, create professional development
163.12 opportunities for educators, increase student engagement and connection and challenging
163.13 learning opportunities for students, or demonstrate efficiencies in delivering financial and
163.14 other services. The plan must establish:

163.15 (1) collaborative educational goals and objectives;

163.16 (2) strategies and processes to implement those goals and objectives, including a
163.17 budget process with periodic expenditure reviews;

163.18 (3) valid and reliable measures to evaluate progress in realizing the goals and
163.19 objectives;

163.20 (4) an implementation timeline; and

163.21 (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee
163.22 schedules, and legal considerations needed to fully implement the plan.

163.23 A partnership may invite additional districts to join the partnership during the pilot
163.24 project term after notifying the commissioner.

163.25 (c) A partnership of interested districts must apply by February 1, ~~2013~~, of any year
163.26 to the education commissioner in the form and manner the commissioner determines,
163.27 consistent with this section. The application must contain the formal approval adopted by
163.28 the school board in each district to participate in the plan.

163.29 (d) Notwithstanding other law to the contrary, a participating school district under
163.30 this section continues to: receive revenue and maintain its taxation authority; be organized
163.31 and governed by an elected school board with general powers under Minnesota Statutes,
163.32 section 123B.02; and be subject to employment agreements under Minnesota Statutes,
163.33 chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue
163.34 to remain employees of the employing school district.

163.35 Subd. 2. **Commissioner's role.** Interested groups of school districts must submit
163.36 a completed application to the commissioner by March 1, ~~2013~~, of any year in the form

164.1 and manner determined by the commissioner. The education commissioner must convene
 164.2 an advisory panel composed of a teacher appointed by Education Minnesota, a school
 164.3 principal appointed by the Minnesota Association of Secondary School Principals, a
 164.4 school board member appointed by the Minnesota School Boards Association, and a
 164.5 school superintendent appointed by the Minnesota Association of School Administrators
 164.6 to advise the commissioner on applicants' qualifications to participate in this pilot project.
 164.7 The commissioner ~~must select between three and~~ may select up to six qualified applicants
 164.8 under subdivision 1 by April 1, ~~2013,~~ of any year to participate in this pilot project,
 164.9 ensuring an equitable geographical distribution of project participants to the extent
 164.10 practicable. The commissioner must select only those applicants that fully comply with
 164.11 the requirements in subdivision 1. The commissioner must terminate a project participant
 164.12 that fails to effectively implement the goals and objectives contained in its application and
 164.13 according to its stated timeline.

164.14 Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot
 164.15 project data to the commissioner in the form and manner determined by the commissioner.
 164.16 The education commissioner must analyze participating districts' progress in realizing
 164.17 their educational goals and objectives to work together in providing innovative education
 164.18 programs and activities and sharing resources. The commissioner must include the
 164.19 analysis of best practices in a report to the legislative committees with jurisdiction over
 164.20 kindergarten through grade 12 education finance and policy on the efficacy of this pilot
 164.21 project. The commissioner ~~may~~ shall submit an interim project report ~~at any time by~~
 164.22 February 1, 2016, and must submit a final report to the legislature by February 1, ~~2018~~
 164.23 2019, recommending whether or not to continue or expand the pilot project.

164.24 Sec. 25. Laws 2012, chapter 263, section 1, the effective date, is amended to read:

164.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
 164.26 ~~and applies to the 2013-2014 through 2017-2018 school years.~~

164.27 Sec. 26. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

164.28 Subd. 2. **General education aid.** For general education aid under Minnesota
 164.29 Statutes, section 126C.13, subdivision 4:

164.30		6,051,766,000		
164.31	\$	<u>6,851,972,000</u>	.....	2014
164.32		6,370,640,000		
164.33	\$	<u>6,495,698,000</u>	.....	2015

165.1 The 2014 appropriation includes ~~\$781,842,000~~ \$780,709,000 for 2013 and
 165.2 ~~\$5,269,924,000~~ \$6,071,263,000 for 2014.

165.3 The 2015 appropriation includes ~~\$823,040,000~~ \$589,097,000 for 2014 and
 165.4 ~~\$5,547,600,000~~ \$5,906,601,000 for 2015.

165.5 Sec. 27. **APPROPRIATIONS.**

165.6 Subdivision 1. Department of Education. The sums indicated in this section are
 165.7 appropriated from the general fund to the Department of Education for the fiscal years
 165.8 designated.

165.9 Subd. 2. Recovery program grants. For recovery program grants under Minnesota
 165.10 Statutes, section 124D.695:

165.11 § 500,000 2015

165.12 Sec. 28. **REVISOR'S INSTRUCTION.**

165.13 In Minnesota Statutes, the revisor of statutes shall change the term "location equity"
 165.14 to "local optional."

165.15 **ARTICLE 17**

165.16 **EDUCATION EXCELLENCE**

165.17 Section 1. Minnesota Statutes 2012, section 122A.40, subdivision 13, is amended to
 165.18 read:

165.19 Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph
 165.20 (b), a board may discharge a continuing-contract teacher, effective immediately, upon any
 165.21 of the following grounds:

165.22 (1) immoral conduct, insubordination, or conviction of a felony;

165.23 (2) conduct unbecoming a teacher which requires the immediate removal of the
 165.24 teacher from classroom or other duties;

165.25 (3) failure without justifiable cause to teach without first securing the written release
 165.26 of the school board;

165.27 (4) gross inefficiency which the teacher has failed to correct after reasonable written
 165.28 notice;

165.29 (5) willful neglect of duty; or

165.30 (6) continuing physical or mental disability subsequent to a 12 months leave of
 165.31 absence and inability to qualify for reinstatement in accordance with subdivision 12.

166.1 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair
166.2 discriminatory practice described in section 363A.13.

166.3 Prior to discharging a teacher under this paragraph, the board must notify the teacher
166.4 in writing and state its ground for the proposed discharge in reasonable detail. Within
166.5 ten days after receipt of this notification the teacher may make a written request for a
166.6 hearing before the board and it shall be granted before final action is taken. The board
166.7 may suspend a teacher with pay pending the conclusion of the hearing and determination
166.8 of the issues raised in the hearing after charges have been filed which constitute ground for
166.9 discharge. If a teacher has been charged with a felony and the underlying conduct that
166.10 is the subject of the felony charge is a ground for a proposed immediate discharge, the
166.11 suspension pending the conclusion of the hearing and determination of the issues may be
166.12 without pay. If a hearing under this paragraph is held, the board must reimburse the teacher
166.13 for any salary or compensation withheld if the final decision of the board or the arbitrator
166.14 does not result in a penalty to or suspension, termination, or discharge of the teacher.

166.15 (b) A board must discharge a continuing-contract teacher, effective immediately,
166.16 upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the
166.17 teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

166.18 (c) When a teacher is discharged under paragraph (b) or when the commissioner
166.19 makes a final determination of child maltreatment involving a teacher under section
166.20 626.556, subdivision 11, the school principal or other person having administrative
166.21 control of the school must include in the teacher's employment record the information
166.22 contained in the record of the disciplinary action or the final maltreatment determination,
166.23 consistent with the definition of public data under section 13.41, subdivision 5, and must
166.24 provide the Board of Teaching and the licensing division at the department with the
166.25 necessary and relevant information to enable the Board of Teaching and the department's
166.26 licensing division to fulfill their statutory and administrative duties related to issuing,
166.27 renewing, suspending, or revoking a teacher's license. Information received by the Board
166.28 of Teaching or the licensing division at the department under this paragraph is governed
166.29 by section 13.41 or other applicable law governing data of the receiving entity. In addition
166.30 to the background check required under section 123B.03, a school board or other school
166.31 hiring authority must contact the Board of Teaching and the department to determine
166.32 whether the teacher's license has been suspended or revoked, consistent with the discharge
166.33 and final maltreatment determinations identified in this paragraph. Unless restricted by
166.34 federal or state data practices law or by the terms of a collective bargaining agreement,
166.35 the responsible authority for a school district must disseminate to another school district
166.36 private personnel data on a current or former teacher employee or contractor of the district,

167.1 including the results of background investigations, if the requesting school district seeks
167.2 the information because the subject of the data has applied for employment with the
167.3 requesting school district.

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

167.5 Sec. 2. Minnesota Statutes 2012, section 122A.41, subdivision 6, is amended to read:

167.6 Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided
167.7 in paragraph (b), causes for the discharge or demotion of a teacher either during or after
167.8 the probationary period must be:

167.9 (1) immoral character, conduct unbecoming a teacher, or insubordination;

167.10 (2) failure without justifiable cause to teach without first securing the written release
167.11 of the school board having the care, management, or control of the school in which the
167.12 teacher is employed;

167.13 (3) inefficiency in teaching or in the management of a school, consistent with
167.14 subdivision 5, paragraph (b);

167.15 (4) affliction with active tuberculosis or other communicable disease must be
167.16 considered as cause for removal or suspension while the teacher is suffering from such
167.17 disability; or

167.18 (5) discontinuance of position or lack of pupils.

167.19 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair
167.20 discriminatory practice described in section 363A.13.

167.21 (b) A probationary or continuing-contract teacher must be discharged immediately
167.22 upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the
167.23 teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

167.24 (c) When a teacher is discharged under paragraph (b) or when the commissioner
167.25 makes a final determination of child maltreatment involving a teacher under section
167.26 626.556, subdivision 11, the school principal or other person having administrative
167.27 control of the school must include in the teacher's employment record the information
167.28 contained in the record of the disciplinary action or the final maltreatment determination,
167.29 consistent with the definition of public data under section 13.41, subdivision 5, and must
167.30 provide the Board of Teaching and the licensing division at the department with the
167.31 necessary and relevant information to enable the Board of Teaching and the department's
167.32 licensing division to fulfill their statutory and administrative duties related to issuing,
167.33 renewing, suspending, or revoking a teacher's license. Information received by the Board
167.34 of Teaching or the licensing division at the department under this paragraph is governed
167.35 by section 13.41 or other applicable law governing data of the receiving entity. In addition

168.1 to the background check required under section 123B.03, a school board or other school
168.2 hiring authority must contact the Board of Teaching and the department to determine
168.3 whether the teacher's license has been suspended or revoked, consistent with the discharge
168.4 and final maltreatment determinations identified in this paragraph. Unless restricted by
168.5 federal or state data practices law or by the terms of a collective bargaining agreement,
168.6 the responsible authority for a school district must disseminate to another school district
168.7 private personnel data on a current or former teacher employee or contractor of the district,
168.8 including the results of background investigations, if the requesting school district seeks
168.9 the information because the subject of the data has applied for employment with the
168.10 requesting school district.

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

168.12 Sec. 3. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

168.13 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,
168.14 school site, or charter school that meets the conditions of section 122A.414 and submits an
168.15 application approved by the commissioner is eligible for alternative teacher compensation
168.16 revenue.

168.17 (b) For school district and intermediate school district applications, the commissioner
168.18 must consider only those applications to participate that are submitted jointly by a
168.19 district and the exclusive representative of the teachers. The application must contain an
168.20 alternative teacher professional pay system agreement that:

168.21 (1) implements an alternative teacher professional pay system consistent with
168.22 section 122A.414; and

168.23 (2) is negotiated and adopted according to the Public Employment Labor Relations
168.24 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a
168.25 district may enter into a contract for a term of two or four years.

168.26 Alternative teacher compensation revenue for a qualifying school district or site in
168.27 which the school board and the exclusive representative of the teachers agree to place
168.28 teachers in the district or at the site on the alternative teacher professional pay system
168.29 equals \$260 times the number of pupils enrolled at the district or site on October 1 of
168.30 the previous fiscal year. Alternative teacher compensation revenue for a qualifying
168.31 intermediate school district must be calculated under ~~section 126C.10, subdivision 34~~
168.32 subdivision 4, paragraphs (a) and (b).

168.33 (c) For a newly combined or consolidated district, the revenue shall be computed
168.34 using the sum of pupils enrolled on October 1 of the previous year in the districts entering
168.35 into the combination or consolidation. The commissioner may adjust the revenue computed

169.1 for a site using prior year data to reflect changes attributable to school closings, school
169.2 openings, or grade level reconfigurations between the prior year and the current year.

169.3 (d) The revenue is available only to school districts, intermediate school districts,
169.4 school sites, and charter schools that fully implement an alternative teacher professional
169.5 pay system by October 1 of the current school year.

169.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
169.7 and later.

169.8 Sec. 4. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1, is
169.9 amended to read:

169.10 Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible
169.11 district's initial achievement and integration revenue equals the lesser of 100.3 percent of
169.12 the district's expenditures under the budget approved by the commissioner under section
169.13 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive
169.14 revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil
169.15 units for that year times the ratio of the district's enrollment of protected students for the
169.16 previous school year to total enrollment for the previous school year and (2) the greater of
169.17 zero or 66 percent of the difference between the district's integration revenue for fiscal
169.18 year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

169.19 (b) In each year, 0.3 percent of each district's initial achievement and integration
169.20 revenue is transferred to the department for the oversight and accountability activities
169.21 required under this section and section 124D.861.

169.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
169.23 and applies to revenue for fiscal year 2014 and later.

169.24 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2, is
169.25 amended to read:

169.26 Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive
169.27 revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must~~
169.28 ~~be~~ A district's incentive revenue equals the lesser of the maximum incentive revenue
169.29 or the district's expenditures for implementing a voluntary plan to reduce racial and
169.30 economic enrollment disparities through intradistrict and interdistrict activities that have
169.31 been approved as a part of the district's achievement and integration plan under the budget
169.32 approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

170.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
 170.2 and applies to revenue for fiscal year 2014 and later.

170.3 Sec. 6. Laws 2013, chapter 116, article 3, section 37, subdivision 11, is amended to read:

170.4 Subd. 11. **Concurrent enrollment program.** For concurrent enrollment programs
 170.5 under Minnesota Statutes, section 124D.091:

170.6	\$	2,000,000	.....	2014
170.7		2,000,000		
170.8	\$	<u>3,897,000</u>	.....	2015

170.9 If the appropriation is insufficient, the commissioner must proportionately reduce
 170.10 the aid payment to each district.

170.11 Any balance in the first year does not cancel but is available in the second year. The
 170.12 annual base budget for this program is \$2,000,000 for fiscal years 2016 and 2017.

170.13 Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 15, is amended to read:

170.14 Subd. 15. **Early childhood literacy programs.** For early childhood literacy
 170.15 programs under Minnesota Statutes, section 119A.50, subdivision 3:

170.16	\$	4,125,000	.....	2014
170.17		4,125,000		
170.18	\$	<u>4,625,000</u>	.....	2015

170.19 Up to \$4,125,000 ~~each~~ in the first year and \$4,625,000 in the second year is for
 170.20 leveraging federal and private funding to support AmeriCorps members serving in the
 170.21 Minnesota Reading Corps program established by ServeMinnesota, including costs
 170.22 associated with the training and teaching of early literacy skills to children age three
 170.23 to grade 3 and the evaluation of the impact of the program under Minnesota Statutes,
 170.24 sections 124D.38, subdivision 2, and 124D.42, subdivision 6. Up to \$500,000 in fiscal
 170.25 year 2015 must be used to support priority and focus schools as defined by the Department
 170.26 of Education and to expand kindergarten programming.

170.27 Any balance in the first year does not cancel but is available in the second year.

170.28 Sec. 8. **BETTER ALIGNING MINNESOTA'S ALTERNATIVE TEACHER**
 170.29 **PROFESSIONAL PAY SYSTEM AND TEACHER DEVELOPMENT AND**
 170.30 **EVALUATION PROGRAM.**

170.31 To better align Minnesota's alternative teacher professional pay system under
 170.32 Minnesota Statutes, sections 122A.413 to 122A.416, and Minnesota's teacher development
 170.33 and evaluation program under Minnesota Statutes, sections 122A.40, subdivision 8, and
 170.34 122A.41, subdivision 5, and effect and fund an improved alignment of this system and

171.1 program, the commissioner of education must consult with stakeholders, including, but
171.2 not limited to, representatives of the Minnesota Association of School Administrators,
171.3 the Minnesota Association of Secondary School Principals, the Minnesota Elementary
171.4 School Principals' Association, Education Minnesota, Schools for Equity in Education, the
171.5 Minnesota Business Partnership, the Minnesota Chamber of Commerce, the Minnesota
171.6 School Boards Association, the Department of Education, the College of Education
171.7 and Human Development at the University of Minnesota, the Minnesota Association
171.8 of the Colleges for Teacher Education, licensed elementary and secondary school
171.9 teachers employed in school districts with an alternative teacher professional pay system
171.10 agreement and licensed elementary and secondary school teachers employed in school
171.11 districts without an alternative teacher professional pay system agreement, where one or
171.12 more of these teachers may be a master teacher, peer evaluator, in another teacher leader
171.13 position, or national board certified teacher, a teacher or school administrator employed in
171.14 a Minnesota charter school with an alternative teacher professional pay system agreement
171.15 and a teacher or school administrator employed in a Minnesota charter school without an
171.16 alternative teacher professional pay system agreement, a parent or guardian of a student
171.17 currently enrolled in a Minnesota public school, the Association of Metropolitan School
171.18 Districts, and the Minnesota Rural Education Association. The commissioner also must
171.19 consult with members of the house of representatives and members of the senate.

171.20 The commissioner, by February 1, 2015, must submit to the education policy and
171.21 finance committees of the legislature written recommendations on better aligning and
171.22 financing the alternative teacher professional pay system and teacher development and
171.23 evaluation program.

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

171.25 Sec. 9. **CAREER AND TECHNICAL EDUCATION PROGRAM INVENTORY.**

171.26 (a) The commissioner of education must consult with experts knowledgeable about
171.27 secondary and postsecondary career and technical education programs to determine the
171.28 content and status of particular career and technical education programs in Minnesota
171.29 school districts, including cooperating districts under Minnesota Statutes, 123A.33,
171.30 subdivision 2, integration districts, and postsecondary institutions partnering with school
171.31 districts or offering courses through PSEO or career and technical programs and the rates
171.32 of student participation and completion for these various programs, including: agriculture,
171.33 food, and natural resources; architecture and construction; arts, audiovisual technology,
171.34 and communications; business management and administration; computer science; family
171.35 and consumer science; finance; health science; hospitality and tourism; human services;

172.1 information technology; manufacturing; marketing; science, technology, engineering, and
 172.2 mathematics; and transportation, distribution, and logistics.

172.3 (b) To accomplish paragraph (a) and to understand the current role of local school
 172.4 districts and postsecondary institutions in providing career and technical education
 172.5 programs, the commissioner of education, in consultation with experts, also must examine
 172.6 the extent to which secondary and postsecondary education programs offer students a
 172.7 progression of coordinated, nonduplicative courses that adequately prepare students to
 172.8 successfully complete a career and technical education program.

172.9 (c) The commissioner of education must submit a report by February 1, 2015,
 172.10 to the education policy and finance committees of the legislature, consistent with this
 172.11 section, and include information about each district's dedicated equipment, resources, and
 172.12 relationships with postsecondary institutions and the local business community.

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

172.14 Sec. 10. **APPROPRIATIONS.**

172.15 Subdivision 1. **Department of Education.** The sums indicated in this section are
 172.16 appropriated from the general fund to the Department of Education for the fiscal years
 172.17 designated.

172.18 Subd. 2. **Career and technical program inventory.** For the career and technical
 172.19 program inventory program under section 9:

172.20 \$ 150,000 2015

172.21 This is a onetime appropriation.

172.22 Subd. 3. **Teacher Professional Pay System and Teacher Evaluation Program**
 172.23 alignment. For the alignment and reporting activities under section 8:

172.24 \$ 25,000 2015

172.25 **ARTICLE 18**

172.26 **SPECIAL EDUCATION**

172.27 Section 1. Minnesota Statutes 2013 Supplement, section 125A.0942, is amended to read:

172.28 **125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.**

172.29 Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use
 172.30 restrictive procedures shall maintain and make publicly accessible in an electronic format

173.1 on a school or district Web site or make a paper copy available upon request describing a
173.2 restrictive procedures plan for children with disabilities that at least:

173.3 (1) lists the restrictive procedures the school intends to use;

173.4 (2) describes how the school will implement a range of positive behavior strategies
173.5 and provide links to mental health services;

173.6 (3) describes how the school will provide training on de-escalation techniques,
173.7 consistent with section 122A.09, subdivision 4, paragraph (k);

173.8 (4) describes how the school will monitor and review the use of restrictive
173.9 procedures, including:

173.10 (i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a),
173.11 clause (5); and

173.12 (ii) convening an oversight committee to undertake a quarterly review of the use
173.13 of restrictive procedures based on patterns or problems indicated by similarities in the
173.14 time of day, day of the week, duration of the use of a procedure, the individuals involved,
173.15 or other factors associated with the use of restrictive procedures; the number of times a
173.16 restrictive procedure is used schoolwide and for individual children; the number and types
173.17 of injuries, if any, resulting from the use of restrictive procedures; whether restrictive
173.18 procedures are used in nonemergency situations; the need for additional staff training; and
173.19 proposed actions to minimize the use of restrictive procedures; and

173.20 ~~(4)~~ (5) includes a written description and documentation of the training staff
173.21 completed under subdivision 5.

173.22 (b) Schools annually must publicly identify oversight committee members who
173.23 must at least include:

173.24 (1) a mental health professional, school psychologist, or school social worker;

173.25 (2) an expert in positive behavior strategies;

173.26 (3) a special education administrator; and

173.27 (4) a general education administrator.

173.28 **Subd. 2. Restrictive procedures.** (a) Restrictive procedures may be used only
173.29 by a licensed special education teacher, school social worker, school psychologist,
173.30 behavior analyst certified by the National Behavior Analyst Certification Board, a person
173.31 with a master's degree in behavior analysis, other licensed education professional,
173.32 paraprofessional under section 120B.363, or mental health professional under section
173.33 245.4871, subdivision 27, who has completed the training program under subdivision 5.

173.34 (b) A school shall make reasonable efforts to notify the parent on the same day a
173.35 restrictive procedure is used on the child, or if the school is unable to provide same-day

174.1 notice, notice is sent within two days by written or electronic means or as otherwise
174.2 indicated by the child's parent under paragraph ~~(d)~~ (f).

174.3 (c) The district must hold a meeting of the individualized education program team,
174.4 conduct or review a functional behavioral analysis, review data, consider developing
174.5 additional or revised positive behavioral interventions and supports, consider actions to
174.6 reduce the use of restrictive procedures, and modify the individualized education program
174.7 or behavior intervention plan as appropriate. The district must hold the meeting: within
174.8 ten calendar days after district staff use restrictive procedures on two separate school
174.9 days within 30 calendar days or a pattern of use emerges and the child's individualized
174.10 education program or behavior intervention plan does not provide for using restrictive
174.11 procedures in an emergency; or at the request of a parent or the district after restrictive
174.12 procedures are used. The district must review use of restrictive procedures at a child's
174.13 annual individualized education program meeting when the child's individualized
174.14 education program provides for using restrictive procedures in an emergency.

174.15 (d) If the individualized education program team under paragraph (c) determines
174.16 that existing interventions and supports are ineffective in reducing the use of restrictive
174.17 procedures or the district uses restrictive procedures on a child on ten or more school days
174.18 during the same school year, the team, as appropriate, either must consult with other
174.19 professionals working with the child; consult with experts in behavior analysis, mental
174.20 health, communication, or autism; consult with culturally competent professionals;
174.21 review existing evaluations, resources, and successful strategies; or consider whether to
174.22 reevaluate the child.

174.23 (e) At the individualized education program meeting under paragraph (c), the team
174.24 must review any known medical or psychological limitations, including any medical
174.25 information the parent provides voluntarily, that contraindicate the use of a restrictive
174.26 procedure, consider whether to prohibit that restrictive procedure, and document any
174.27 prohibition in the individualized education program or behavior intervention plan.

174.28 (f) An individualized education program team may plan for using restrictive
174.29 procedures and may include these procedures in a child's individualized education
174.30 program or behavior intervention plan; however, the restrictive procedures may be used
174.31 only in response to behavior that constitutes an emergency, consistent with this section.
174.32 The individualized education program or behavior intervention plan shall indicate how the
174.33 parent wants to be notified when a restrictive procedure is used.

174.34 Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be
174.35 used only in an emergency. A school that uses physical holding or seclusion shall meet the
174.36 following requirements:

- 175.1 (1) physical holding or seclusion is the least intrusive intervention that effectively
175.2 responds to the emergency;
- 175.3 (2) physical holding or seclusion is not used to discipline a noncompliant child;
- 175.4 (3) physical holding or seclusion ends when the threat of harm ends and the staff
175.5 determines the child can safely return to the classroom or activity;
- 175.6 (4) staff directly observes the child while physical holding or seclusion is being used;
- 175.7 (5) each time physical holding or seclusion is used, the staff person who implements
175.8 or oversees the physical holding or seclusion documents, as soon as possible after the
175.9 incident concludes, the following information:
- 175.10 (i) a description of the incident that led to the physical holding or seclusion;
- 175.11 (ii) why a less restrictive measure failed or was determined by staff to be
175.12 inappropriate or impractical;
- 175.13 (iii) the time the physical holding or seclusion began and the time the child was
175.14 released; and
- 175.15 (iv) a brief record of the child's behavioral and physical status;
- 175.16 (6) the room used for seclusion must:
- 175.17 (i) be at least six feet by five feet;
- 175.18 (ii) be well lit, well ventilated, adequately heated, and clean;
- 175.19 (iii) have a window that allows staff to directly observe a child in seclusion;
- 175.20 (iv) have tamperproof fixtures, electrical switches located immediately outside the
175.21 door, and secure ceilings;
- 175.22 (v) have doors that open out and are unlocked, locked with keyless locks that
175.23 have immediate release mechanisms, or locked with locks that have immediate release
175.24 mechanisms connected with a fire and emergency system; and
- 175.25 (vi) not contain objects that a child may use to injure the child or others;
- 175.26 (7) before using a room for seclusion, a school must:
- 175.27 (i) receive written notice from local authorities that the room and the locking
175.28 mechanisms comply with applicable building, fire, and safety codes; and
- 175.29 (ii) register the room with the commissioner, who may view that room; and
- 175.30 (8) until August 1, 2015, a school district may use prone restraints with children
175.31 age five or older if:
- 175.32 (i) the district has provided to the department a list of staff who have had specific
175.33 training on the use of prone restraints;
- 175.34 (ii) the district provides information on the type of training that was provided and
175.35 by whom;
- 175.36 (iii) only staff who received specific training use prone restraints;

176.1 (iv) each incident of the use of prone restraints is reported to the department within
176.2 five working days on a form provided by the department; and

176.3 (v) the district, before using prone restraints, must review any known medical or
176.4 psychological limitations that contraindicate the use of prone restraints.

176.5 The department must collect data on districts' use of prone restraints and publish the data
176.6 in a readily accessible format on the department's Web site on a quarterly basis.

176.7 (b) By ~~March 1, 2014~~ February 1, 2015, and annually thereafter, stakeholders must
176.8 recommend to the commissioner specific and measurable implementation and outcome
176.9 goals for reducing the use of restrictive procedures and the commissioner must submit to
176.10 the legislature a report on districts' progress in reducing the use of restrictive procedures
176.11 that recommends how to further reduce these procedures and eliminate the use of prone
176.12 restraints. The statewide plan includes the following components: measurable goals; the
176.13 resources, training, technical assistance, mental health services, and collaborative efforts
176.14 needed to significantly reduce districts' use of prone restraints; and recommendations
176.15 to clarify and improve the law governing districts' use of restrictive procedures. The
176.16 commissioner must consult with interested stakeholders when preparing the report,
176.17 including representatives of advocacy organizations, special education directors, teachers,
176.18 paraprofessionals, intermediate school districts, school boards, day treatment providers,
176.19 county social services, state human services department staff, mental health professionals,
176.20 and autism experts. By June 30 each year, districts must report summary data on their
176.21 use of restrictive procedures to the department, in a form and manner determined by the
176.22 commissioner. The summary data must include information about the use of restrictive
176.23 procedures, including use of reasonable force under section 121A.582.

176.24 Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

176.25 (1) engaging in conduct prohibited under section 121A.58;

176.26 (2) requiring a child to assume and maintain a specified physical position, activity,
176.27 or posture that induces physical pain;

176.28 (3) totally or partially restricting a child's senses as punishment;

176.29 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,
176.30 substance, or spray as punishment;

176.31 (5) denying or restricting a child's access to equipment and devices such as walkers,
176.32 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,
176.33 except when temporarily removing the equipment or device is needed to prevent injury
176.34 to the child or others or serious damage to the equipment or device, in which case the
176.35 equipment or device shall be returned to the child as soon as possible;

177.1 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or
177.2 physical abuse under section 626.556;

177.3 (7) withholding regularly scheduled meals or water;

177.4 (8) denying access to bathroom facilities; and

177.5 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or
177.6 impairs a child's ability to communicate distress, places pressure or weight on a child's
177.7 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in
177.8 straddling a child's torso.

177.9 Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1, staff
177.10 who use restrictive procedures, including paraprofessionals, shall complete training in
177.11 the following skills and knowledge areas:

177.12 (1) positive behavioral interventions;

177.13 (2) communicative intent of behaviors;

177.14 (3) relationship building;

177.15 (4) alternatives to restrictive procedures, including techniques to identify events and
177.16 environmental factors that may escalate behavior;

177.17 (5) de-escalation methods;

177.18 (6) standards for using restrictive procedures only in an emergency;

177.19 (7) obtaining emergency medical assistance;

177.20 (8) the physiological and psychological impact of physical holding and seclusion;

177.21 (9) monitoring and responding to a child's physical signs of distress when physical
177.22 holding is being used;

177.23 (10) recognizing the symptoms of and interventions that may cause positional
177.24 asphyxia when physical holding is used;

177.25 (11) district policies and procedures for timely reporting and documenting each
177.26 incident involving use of a restricted procedure; and

177.27 (12) schoolwide programs on positive behavior strategies.

177.28 (b) The commissioner, after consulting with the commissioner of human services,
177.29 must develop and maintain a list of training programs that satisfy the requirements of
177.30 paragraph (a). The commissioner also must develop and maintain a list of experts to
177.31 help individualized education program teams reduce the use of restrictive procedures.
177.32 The district shall maintain records of staff who have been trained and the organization
177.33 or professional that conducted the training. The district may collaborate with children's
177.34 community mental health providers to coordinate trainings.

177.35 Subd. 6. **Behavior supports; reasonable force.** (a) School districts are encouraged
177.36 to establish effective schoolwide systems of positive behavior interventions and supports.

178.1 (b) Nothing in this section or section 125A.0941 precludes the use of reasonable
178.2 force under sections 121A.582; 609.06, subdivision 1; and 609.379. For the 2014-2015
178.3 school year and later, districts must collect and submit to the commissioner summary
178.4 data, consistent with subdivision 3, paragraph (b), on district use of reasonable force
178.5 that is consistent with the definition of physical holding or seclusion for a child with a
178.6 disability under this section.

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

178.8 Sec. 2. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1, is
178.9 amended to read:

178.10 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
178.11 later, when a school district provides special instruction and services for a pupil with
178.12 a disability as defined in section 125A.02 outside the district of residence, excluding
178.13 a pupil for whom an adjustment to special education aid is calculated according to
178.14 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
178.15 resident district must be reduced by an amount equal to (1) the actual cost of providing
178.16 special instruction and services to the pupil, including a proportionate amount for special
178.17 transportation and unreimbursed building lease and debt service costs for facilities used
178.18 primarily for special education, plus (2) the amount of general education revenue and
178.19 referendum equalization aid attributable to that pupil, calculated using the resident district's
178.20 average general education revenue and referendum equalization aid per adjusted pupil
178.21 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity
178.22 revenue, minus (3) the amount of special education aid for children with a disability
178.23 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives
178.24 special instruction and services outside the regular classroom for more than 60 percent
178.25 of the school day, the amount of general education revenue and referendum equalization
178.26 aid, excluding portions attributable to district and school administration, district support
178.27 services, operations and maintenance, capital expenditures, and pupil transportation,
178.28 attributable to that pupil for the portion of time the pupil receives special instruction
178.29 and services outside of the regular classroom, calculated using the resident district's
178.30 average general education revenue and referendum equalization aid per adjusted pupil unit
178.31 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
178.32 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
178.33 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
178.34 served by a cooperative unit without a fiscal agent school district, the general education
178.35 revenue and referendum equalization aid attributable to a pupil must be calculated using

179.1 the resident district's average general education revenue and referendum equalization aid
179.2 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
179.3 revenue. Special education aid paid to the district or cooperative providing special
179.4 instruction and services for the pupil must be increased by the amount of the reduction in
179.5 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
179.6 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
179.7 expenditures on the resident school district's books of account under sections 123B.75
179.8 and 123B.76. If the resident district's special education aid is insufficient to make the full
179.9 adjustment, the remaining adjustment shall be made to other state aid due to the district.

179.10 (b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
179.11 (b) to (d), a charter school where more than 30 percent of enrolled students receive special
179.12 education and related services, a site approved under section 125A.515, an intermediate
179.13 district, a special education cooperative, or a school district that served as the applicant
179.14 agency for a group of school districts for federal special education aids for fiscal year
179.15 2006 may apply to the commissioner for authority to charge the resident district an
179.16 additional amount to recover any remaining unreimbursed costs of serving pupils with
179.17 a disability. The application must include a description of the costs and the calculations
179.18 used to determine the unreimbursed portion to be charged to the resident district. Amounts
179.19 approved by the commissioner under this paragraph must be included in the tuition billings
179.20 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs
179.21 (b) to (d), as applicable.

179.22 (c) For purposes of this subdivision and section 127A.47, subdivision 7, ~~paragraphs~~
179.23 ~~(d) and (e)~~ paragraph (b), "general education revenue and referendum equalization aid"
179.24 means the sum of the general education revenue according to section 126C.10, subdivision
179.25 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph
179.26 (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

179.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
179.28 and later.

179.29 Sec. 3. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is
179.30 amended to read:

179.31 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
179.32 the definitions in this subdivision apply.

179.33 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.
179.34 For the purposes of computing basic revenue pursuant to this section, each child with a
179.35 disability shall be counted as prescribed in section 126C.05, subdivision 1.

180.1 (c) "Essential personnel" means teachers, cultural liaisons, related services, and
180.2 support services staff providing services to students. Essential personnel may also include
180.3 special education paraprofessionals or clericals providing support to teachers and students
180.4 by preparing paperwork and making arrangements related to special education compliance
180.5 requirements, including parent meetings and individualized education programs. Essential
180.6 personnel does not include administrators and supervisors.

180.7 (d) "Average daily membership" has the meaning given it in section 126C.05.

180.8 (e) "Program growth factor" means 1.046 for fiscal years 2012 ~~though~~ through 2015,
180.9 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the
180.10 program growth factor for the previous year for fiscal year 2018 and later.

180.11 (f) "Nonfederal special education expenditure" means all direct expenditures that
180.12 are necessary and essential to meet the district's obligation to provide special instruction
180.13 and services to children with a disability according to sections 124D.454, 125A.03 to
180.14 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by
180.15 the department under section 125A.75, subdivision 4, excluding expenditures:

180.16 (1) reimbursed with federal funds;

180.17 (2) reimbursed with other state aids under this chapter;

180.18 (3) for general education costs of serving students with a disability;

180.19 (4) for facilities;

180.20 (5) for pupil transportation; and

180.21 (6) for postemployment benefits.

180.22 (g) "Old formula special education expenditures" means expenditures eligible for
180.23 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

180.24 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
180.25 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and
180.26 fringe benefits of one-to-one instructional and behavior management aides and one-to-one
180.27 licensed, certified professionals assigned to a child attending the academy, if the aides or
180.28 professionals are required by the child's individualized education program.

180.29 ~~(h)~~ (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year
180.30 2014 and 2.27 percent for fiscal year 2015.

180.31 ~~(i)~~ (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48
180.32 for fiscal year 2015.

180.33 ~~(j)~~ (k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100
180.34 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education
180.35 aid increase limit for the previous fiscal year and \$40.

181.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
181.2 and later.

181.3 Sec. 4. Minnesota Statutes 2012, section 125A.76, subdivision 2, is amended to read:

181.4 Subd. 2. **Special education initial aid.** The special education initial aid equals the
181.5 sum of the following amounts computed using current year data:

181.6 (1) 68 percent of the salary of each essential person employed in the district's program
181.7 for children with a disability during the fiscal year, whether the person is employed by one
181.8 or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

181.9 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy
181.10 for the Blind, 68 percent of the salary of each ~~one-to-one~~ one-to-one instructional and
181.11 behavior management aide and one-to-one licensed, certified professional assigned to
181.12 a child attending the academy, if the aides or professionals are required by the child's
181.13 individualized education program;

181.14 (3) for special instruction and services provided to any pupil by contracting with
181.15 public, private, or voluntary agencies other than school districts, in place of special
181.16 instruction and services provided by the district, 52 percent of the difference between
181.17 the amount of the contract and the general education revenue, excluding basic skills
181.18 revenue and alternative teacher compensation revenue, and referendum equalization aid
181.19 attributable to a pupil, calculated using the resident district's average general education
181.20 revenue and referendum equalization aid per adjusted pupil unit for the fraction of the
181.21 school day the pupil receives services under the contract. This includes children who
181.22 are residents of the state, receive services under this subdivision and subdivision 1, and
181.23 are placed in a care and treatment facility by court action in a state that does not have a
181.24 reciprocity agreement with the commissioner under section 125A.155 as provided for in
181.25 section 125A.79, subdivision 8;

181.26 (4) for special instruction and services provided to any pupil by contracting for
181.27 services with public, private, or voluntary agencies other than school districts, that are
181.28 supplementary to a full educational program provided by the school district, 52 percent of
181.29 the amount of the contract for that pupil;

181.30 (5) for supplies and equipment purchased or rented for use in the instruction of
181.31 children with a disability, an amount equal to 47 percent of the sum actually expended by
181.32 the district, or a Minnesota correctional facility operating on a fee-for-service basis, but
181.33 not to exceed an average of \$47 in any one school year for each child with a disability
181.34 receiving instruction;

182.1 (6) for fiscal years 1997 and later, special education base revenue shall include
182.2 amounts under clauses (1) to (5) for special education summer programs provided during
182.3 the base year for that fiscal year;

182.4 (7) the cost of providing transportation services for children with disabilities under
182.5 section 123B.92, subdivision 1, paragraph (b), clause (4); and

182.6 (8) the district's transition-disabled program initial aid according to section
182.7 124D.454, subdivision 3.

182.8 The department shall establish procedures through the uniform financial accounting
182.9 and reporting system to identify and track all revenues generated from third-party billings
182.10 as special education revenue at the school district level; include revenue generated from
182.11 third-party billings as special education revenue in the annual cross-subsidy report; and
182.12 exclude third-party revenue from calculation of excess cost aid to the districts.

182.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
182.14 and later.

182.15 Sec. 5. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2a, is
182.16 amended to read:

182.17 Subd. 2a. **Special education initial aid.** For fiscal year 2016 and later, a district's
182.18 special education initial aid equals the sum of:

182.19 (1) the ~~lesser~~ least of 62 percent of the district's old formula special education
182.20 expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50
182.21 percent of the district's nonfederal special education expenditures for the prior year,
182.22 excluding pupil transportation expenditures, or 56 percent of the product of the sum of the
182.23 following amounts, computed using prior fiscal year data, and the program growth factor:

182.24 (i) the product of the district's average daily membership served and the sum of:

182.25 (A) \$450; plus

182.26 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1
182.27 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
182.28 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

182.29 (C) .008 times the district's average daily membership served; plus

182.30 (ii) \$10,400 times the December 1 child count for the primary disability areas of
182.31 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

182.32 (iii) \$18,000 times the December 1 child count for the primary disability areas of
182.33 deaf and hard-of-hearing and emotional or behavioral disorders; plus

183.1 (iv) \$27,000 times the December 1 child count for the primary disability areas of
183.2 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
183.3 physically impaired, visually impaired, and deafblind; plus

183.4 (2) the cost of providing transportation services for children with disabilities under
183.5 section 123B.92, subdivision 1, paragraph (b), clause (4).

183.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
183.7 and later.

183.8 Sec. 6. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2b, is
183.9 amended to read:

183.10 Subd. 2b. **Cross subsidy reduction aid.** For fiscal years 2014 and 2015, the cross
183.11 subsidy reduction aid for a school district, not including a charter school, equals the
183.12 lesser of (a) the product of the cross subsidy reduction aid limit and the district's average
183.13 daily membership served or (b) the sum of the product of the cross subsidy reduction aid
183.14 percentage, the district's average daily membership served, and the sum of:

183.15 (1) \$450; plus

183.16 (2) \$400 times the ratio of the sum of the number of pupils enrolled on October 1
183.17 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
183.18 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

183.19 (3) .008 times the district's average daily membership served; plus the product of the
183.20 cross subsidy aid percentage and the sum of:

183.21 (i) \$10,100 times the December 1 child count for the primary disability areas of
183.22 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

183.23 (ii) \$17,500 times the December 1 child count for the primary disability areas of
183.24 deaf and hard-of-hearing and emotional or behavioral disorders; plus

183.25 (iii) \$26,000 times the December 1 child count for the primary disability areas of
183.26 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
183.27 physically impaired, visually impaired, and deafblind.

183.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
183.29 and applies to revenue for fiscal year 2014 and later.

183.30 Sec. 7. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c, is
183.31 amended to read:

183.32 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a
183.33 district's special education aid equals the sum of the district's special education ~~initial~~ aid

184.1 under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and
184.2 the district's excess cost aid under section 125A.79, subdivision 7.

184.3 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of
184.4 the district's special education initial aid under subdivision 2a and the district's excess cost
184.5 aid under section 125A.79, subdivision 5.

184.6 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
184.7 a school district must not exceed the sum of the special education aid the district would
184.8 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
184.9 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
184.10 127A.47, subdivision 7, and the product of the district's average daily membership served
184.11 and the special education aid increase limit.

184.12 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education
184.13 aid for a school district must not exceed the sum of: (i) the product of the district's average
184.14 daily membership served and the special education aid increase limit and (ii) the product
184.15 of the sum of the special education aid the district would have received for fiscal year 2016
184.16 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according
184.17 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of
184.18 the district's average daily membership served for the current fiscal year to the district's
184.19 average daily membership served for fiscal year 2016, and the program growth factor.

184.20 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education
184.21 aid for a school district, not including a charter school, must not be less than the lesser of
184.22 (1) the district's nonfederal special education expenditures for that fiscal year or (2) the
184.23 product of the sum of the special education aid the district would have received for fiscal
184.24 year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted
184.25 according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the
184.26 ratio of the district's adjusted daily membership for the current fiscal year to the district's
184.27 average daily membership for fiscal year 2016, and the program growth factor.

184.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
184.29 and applies to revenue for fiscal year 2014 and later.

184.30 Sec. 8. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is
184.31 amended to read:

184.32 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
184.33 subdivision apply.

184.34 (a) "Unreimbursed old formula special education expenditures" means:

184.35 (1) old formula special education expenditures for the prior fiscal year; minus

185.1 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
 185.2 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
 185.3 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
 185.4 initial aid under section 125A.76, subdivision 2a; minus

185.5 (3) the amount of general education revenue, excluding local optional revenue, plus
 185.6 local optional aid and referendum equalization aid for the prior fiscal year attributable
 185.7 to pupils receiving special instruction and services outside the regular classroom for
 185.8 more than 60 percent of the school day for the portion of time the pupils receive special
 185.9 instruction and services outside the regular classroom, excluding portions attributable to
 185.10 district and school administration, district support services, operations and maintenance,
 185.11 capital expenditures, and pupil transportation.

185.12 (b) "Unreimbursed nonfederal special education expenditures" means:

185.13 (1) nonfederal special education expenditures for the prior fiscal year; minus

185.14 (2) special education initial aid under section 125A.76, subdivision 2a; minus

185.15 (3) for fiscal year 2016 and later, the amount of general education revenue and

185.16 referendum equalization aid for the prior fiscal year attributable to pupils receiving
 185.17 special instruction and services outside the regular classroom for more than 60 percent of
 185.18 the school day for the portion of time the pupils receive special instruction and services
 185.19 outside of the regular classroom, excluding portions attributable to district and school
 185.20 administration, district support services, operations and maintenance, capital expenditures,
 185.21 and pupil transportation.

185.22 (c) "General revenue" for a school district means the sum of the general education

185.23 revenue according to section 126C.10, subdivision 1, excluding alternative teacher

185.24 compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, local optional

185.25 revenue, and total operating capital revenue. "General revenue" for a charter school means

185.26 the sum of the general education revenue according to section 124D.11, subdivision 1, and

185.27 transportation revenue according to section 124D.11, subdivision 2, excluding alternative

185.28 teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~, transportation

185.29 sparsity revenue ~~minus~~, and operating capital revenue.

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

185.31 and applies to revenue for fiscal year 2014 and later.

185.32 Sec. 9. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is

185.33 amended to read:

185.34 Subd. 5. **Initial Excess cost aid.** For fiscal year 2016 and later, a district's ~~initial~~

185.35 excess cost aid equals the greater of:

186.1 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal
186.2 special education expenditures and (ii) 7.0 percent of the district's general revenue;

186.3 (2) 62 percent of the difference between (i) the district's unreimbursed old formula
186.4 special education expenditures and (ii) 2.5 percent of the district's general revenue; or

186.5 (3) zero.

186.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
186.7 and later.

186.8 Sec. 10. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is
186.9 amended to read:

186.10 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive
186.11 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and
186.12 treatment facility by court action in a state that does not have a reciprocity agreement with
186.13 the commissioner under section 125A.155, the resident school district shall ~~submit the~~
186.14 ~~balance~~ receive special education out-of-state tuition aid equal to the amount of the tuition
186.15 bills, minus (1) the general education revenue, excluding basic skills revenue and the local
186.16 optional levy attributable to the pupil, calculated using the resident district's average
186.17 general education revenue per adjusted pupil unit, and (2) the referendum equalization aid
186.18 attributable to the pupil, calculated using the resident district's average general education
186.19 revenue and referendum equalization aid per adjusted pupil unit minus, and (3) the special
186.20 education contracted services initial revenue aid attributable to the pupil.

186.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
186.22 and later.

186.23 Sec. 11. Laws 2013, chapter 116, article 5, section 31, subdivision 8, is amended to read:

186.24 Subd. 8. **Special education paperwork cost savings.** (a) For the contract to
186.25 customize a statewide online reporting system and effect special education paperwork
186.26 cost savings:

186.27 \$ 1,763,000 2014

186.28 For a transfer to MNIT. This appropriation is available in fiscal year 2015 ~~if not~~ and
186.29 must be expended according to this subdivision for online due process reporting.

186.30 (b) To ensure a strong focus on outcomes for children with disabilities informs
186.31 federal and state compliance and accountability requirements and to increase opportunities
186.32 for special educators and related-services providers to focus on teaching children with
186.33 disabilities, the commissioner must customize a streamlined, user-friendly statewide

187.1 online system, with a single model online form, for effectively and efficiently collecting
187.2 and reporting required special education-related data to individuals with a legitimate
187.3 educational interest and who are authorized by law to access the data.

187.4 (c) The commissioner must consult with qualified experts, including information
187.5 technology specialists, licensed special education teachers and directors of special
187.6 education, related-services providers, third-party vendors, a designee of the commissioner
187.7 of human services, parents of children with disabilities, representatives of advocacy groups
187.8 representing children with disabilities, and representatives of school districts and special
187.9 education cooperatives on integrating, field testing, customizing, and sustaining this simple,
187.10 easily accessible, efficient, and effective online data system for uniform statewide reporting
187.11 of required due process compliance data. Among other outcomes, the system must:

187.12 (1) reduce special education teachers' paperwork burden and thereby increase the
187.13 teachers' opportunities to focus on teaching children;

187.14 (2) to the extent authorized by chapter 13 or other applicable state or federal law
187.15 governing access to and dissemination of educational records, provide for efficiently
187.16 and effectively transmitting the records of all transferring children with disabilities,
187.17 including highly mobile and homeless children with disabilities, among others, and avoid
187.18 fragmented service delivery;

187.19 (3) address language and other barriers and disparities that prevent parents from
187.20 understanding and communicating information about the needs of their children with
187.21 disabilities; and

187.22 (4) help continuously improve the interface among the online systems serving
187.23 children with disabilities in order to maintain and reinforce the children's ability to learn.

187.24 (d) The commissioner must use the federal Office of Special Education Programs
187.25 model forms for the (1) individualized education program, (2) notice of procedural
187.26 safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate
187.27 and customize a state-sponsored universal special education online case management
187.28 system, consistent with the requirements of state law and this subdivision for customizing
187.29 a statewide online reporting system. The commissioner must use a request for proposal
187.30 process to contract for the technology and software needed for customizing the online
187.31 system in order for the system to be fully functional, consistent with the requirements of
187.32 this subdivision. This online system must be made available to school districts without
187.33 charge beginning in the 2015-2016 school year. For the 2015-2016 through 2017-2018
187.34 school years, school districts may use this online system or may contract with an outside
187.35 vendor for compliance reporting. Beginning in the 2018-2019 school year and later,
187.36 school districts must use this online system for compliance reporting.

188.1 (e) All data on individuals maintained in the statewide reporting system are
188.2 classified as provided in chapter 13 or other applicable state or federal law. An authorized
188.3 individual's ability to enter, update, or access data must be limited through the use of
188.4 role-based access codes corresponding to that individual's official duties or training level,
188.5 and the statutory authorization that grants access for a particular purpose. Any action
188.6 in which data in the system are entered, updated, accessed, or shared or disseminated
188.7 outside of the system must be recorded in an audit trail. The audit trail must identify the
188.8 specific user responsible for the action, the date and time the action occurred, and the
188.9 purpose for the action. Data contained in the audit trail maintain the same classification
188.10 as the underlying data affected by the action, provided the responsible authority makes
188.11 the data available to a student or the student's parent upon request, and the responsible
188.12 authority may access the data to audit the system's user activity and security safeguards.
188.13 Before entering data on a student, the responsible authority must provide the student or the
188.14 student's parent written notice of the data practices rights and responsibilities required by
188.15 this subdivision and a reasonable opportunity to refuse consent to have the student's data
188.16 included in the system. Upon receiving the student or the student's parent written refusal
188.17 to consent, the school district must not enter data on that student into the system and must
188.18 delete any existing data on that student currently in the system.

188.19 (f) Consistent with this subdivision, the commissioner must establish a public
188.20 Internet Web interface to provide information to educators, parents, and the public about
188.21 the form and content of required special education reports, to respond to queries from
188.22 educators, parents, and the public about specific aspects of special education reports
188.23 and reporting, and to use the information garnered from the interface to streamline and
188.24 revise special education reporting on the online system under this subdivision. The public
188.25 Internet Web interface must have a prominently-linked page describing the rights and
188.26 responsibilities of students and parents whose data are included in the statewide reporting
188.27 system, and include information on the data practices rights of students and parents
188.28 provided by this subdivision and a form students or parents may use to refuse consent to
188.29 have a student's data included in the system. The public Internet Web interface must not
188.30 provide access to the educational records of any individual child.

188.31 (g) The commissioner annually by February 1 must submit to the legislature a report
188.32 on the status, recent changes, and sustainability of the online system under this subdivision.

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

188.34 **Sec. 12. RULEMAKING AUTHORITY; SPECIAL EDUCATION TASK FORCE**
188.35 **RECOMMENDATIONS.**

189.1 The commissioner of education must use the expedited rulemaking process under
 189.2 Minnesota Statutes, section 14.389, including subdivision 5, to make the specific rule
 189.3 changes recommended by the Special Education Case Load and Rule Alignment Task
 189.4 Force in its 2014 report entitled "Recommendations for Special Education Case Load and
 189.5 Rule Alignment" submitted to the legislature on February 15, 2014.

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

189.7 Sec. 13. **APPROPRIATION.**

189.8 Subdivision 1. **Department of Education.** The sums indicated in this section are
 189.9 appropriated from the general fund to the Department of Education for the fiscal years
 189.10 designated.

189.11 Subd. 2. **Department assistance.** For the commissioner of education to assist
 189.12 school districts in meeting the needs of children who have experienced a high use of prone
 189.13 restraints, consistent with Minnesota Statutes 2013 Supplement, section 125A.0942:

189.14 § 250,000 2015

189.15 The commissioners of education and human services, or their designees, must
 189.16 discuss coordinating use of funds and personnel available for this purpose within their
 189.17 respective departments. This is a onetime appropriation.

189.18 **ARTICLE 19**

189.19 **FACILITIES**

189.20 Section 1. **[123A.482] JOINT POWERS COOPERATIVE FACILITY.**

189.21 Subdivision 1. **Schools may be jointly operated.** Two or more school districts may
 189.22 agree to jointly operate a secondary facility. The districts may choose to operate the
 189.23 facility according to a joint powers agreement under section 123A.78 or 471.59.

189.24 Subd. 2. **Expanded program offerings.** A jointly operated secondary program
 189.25 seeking funding under section 123A.485 must demonstrate to the commissioner's
 189.26 satisfaction that the jointly operated program provides enhanced learning opportunities and
 189.27 broader curriculum offerings to the students attending that program. The commissioner
 189.28 must approve or disapprove a cooperative secondary program within 60 days of receipt of
 189.29 an application.

189.30 Subd. 3. **Transfer of employees.** If an employee is transferred between two
 189.31 employer members of the joint powers agreement under this section, the employee's
 189.32 length of service under section 122A.40, subdivision 5, remains uninterrupted. The

190.1 employee shall receive credit on the receiving district's salary schedule for the employee's
190.2 educational attainment and years of continuous service in the sending district, or shall
190.3 receive a comparable salary, whichever is greater. The employee shall receive credit for
190.4 accrued sick leave and rights to severance benefits as if the employee had been employed
190.5 by the receiving district during the employee's years of employment in the sending district.

190.6 Subd. 4. **Revenue.** An approved program that is jointly operated under this section
190.7 is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections
190.8 123A.44 to 123A.446.

190.9 Subd. 5. **Duty to maintain elementary and secondary schools met.** A school
190.10 district operating a joint facility under this section meets the requirements of section
190.11 123A.64.

190.12 Subd. 6. **Estimated market value limit exclusion.** Bonds for a cooperative facility
190.13 operated under this section issued by a member school district are not subject to the net
190.14 debt limit under section 475.53, subdivision 4.

190.15 Subd. 7. **Allocation of levy authority for joint facility.** For purposes of determining
190.16 each member district's school levy, a jointly operated secondary program may allocate
190.17 program costs to each member district according to the joint powers agreement and each
190.18 member district may include those costs in its tax levy. The joint powers agreement may
190.19 choose to allocate costs on any basis adopted as part of the joint powers agreement.

190.20 Subd. 8. **Effect of consolidation.** The joint powers agreement may allow member
190.21 school districts that choose to consolidate to continue to certify levies separately based on
190.22 each component district's characteristics.

190.23 Subd. 9. **Bonds.** A joint powers district formed under this section may issue bonds
190.24 according to section 123A.78 or its member districts may issue bonds individually after
190.25 complying with this subdivision. The joint powers board must submit the project for
190.26 review and comment under section 123B.71. The joint powers board must hold a hearing
190.27 on the proposal. If the bonds are not issued under section 123A.78, each member district
190.28 of the joint powers district must submit the question of authorizing borrowing of funds for
190.29 the project to the voters of the district at a special election. The question submitted shall
190.30 state the total amount of funding needed from that district. The member district may issue
190.31 the bonds according to chapter 475 and certify the levy required by section 475.61 only if
190.32 a majority of those voting on the question in that district vote in the affirmative and only
190.33 after the board has adopted a resolution pledging the full faith and credit of that unit. The
190.34 resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy
190.35 shortages that, together with other funds available, would allow the member school board
190.36 to pay the principal and interest on the obligations. The clerk of the joint powers board

191.1 must certify the vote of any bond elections to the commissioner. Bonds issued under this
 191.2 section first qualify for debt service equalization aid in fiscal year 2018.

191.3 Subd. 10. **Election.** A district entering into a joint powers agreement under this
 191.4 section may conduct a referendum seeking approval for a new facility. This election may
 191.5 be held separately or at the same time as a bond election under subdivision 9. If the
 191.6 election is held at the same time, the questions may be asked separately or as a conjunctive
 191.7 question. The question must be approved by a majority of those voting on the question.
 191.8 If asked separately and the question fails, a district may not proceed with the sale of
 191.9 bonds according to subdivision 9.

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

191.11 Sec. 2. Minnesota Statutes 2012, section 123A.485, is amended to read:

191.12 **123A.485 CONSOLIDATION TRANSITION REVENUE AID.**

191.13 Subdivision 1. **Eligibility and use.** A district that operates a cooperative facility
 191.14 under section 123A.482 or that has been reorganized after June 30, 1994, under section
 191.15 123A.48 is eligible for consolidation transition revenue. Revenue is equal to the sum of
 191.16 aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue
 191.17 aid may only be used according to this section. Revenue must be used for the following
 191.18 purposes and may be distributed among these purposes at the discretion of the district or
 191.19 the governing board of the cooperative facility:

- 191.20 (1) to offer early retirement incentives as provided by section 123A.48, subdivision
 191.21 23;
- 191.22 (2) to reduce operating debt as defined in section 123B.82;
- 191.23 (3) to enhance learning opportunities for students in the reorganized district; ~~and~~
- 191.24 (4) to repay building debt; or
- 191.25 (5) for other costs incurred in the reorganization.

191.26 Revenue received and utilized under clause (3) or ~~(4)~~ (5) may be expended for
 191.27 operating, facilities, and/or equipment.

191.28 Subd. 2. **Aid.** ~~(a)~~ Consolidation transition aid is equal to ~~\$200~~ \$300 times the
 191.29 number of ~~resident~~ adjusted pupil units in the ~~newly created~~ cooperative facility under
 191.30 section 123A.482 or the consolidated district ~~in the year of consolidation and \$100 times~~
 191.31 ~~the number of resident pupil units in the first year following the year of consolidation~~
 191.32 under section 123A.48. The number of pupil units used to calculate aid in either year
 191.33 ~~shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts~~

192.1 ~~consolidating July 1, 1995, and thereafter~~ A district may receive aid under this section for
 192.2 not more than five years except as provided in subdivision 4.

192.3 ~~(b) If the total appropriation for consolidation transition aid for any fiscal year, plus~~
 192.4 ~~any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all~~
 192.5 ~~districts the full amount of aid earned, the department must first pay the districts in the first~~
 192.6 ~~year following the year of consolidation the full amount of aid earned and distribute any~~
 192.7 ~~remaining funds to the newly created districts in the first year of consolidation.~~

192.8 Subd. 3. **Levy.** If the aid available in subdivision 2 is insufficient to cover the costs
 192.9 of the district under section 123A.48, subdivision 23, the district may levy the difference
 192.10 over a period of time not to exceed three years.

192.11 Subd. 4. **New districts.** If a district enters into a cooperative secondary facilities
 192.12 program or consolidates with another district that has received aid under section 123A.39,
 192.13 subdivision 3, or 123A.485 for a combination or consolidation taking effect within
 192.14 six years of the effective date of the new consolidation or the start of the cooperative
 192.15 secondary facilities program, only the pupil units in the district or districts not previously
 192.16 cooperating or reorganized must be counted for aid purposes under subdivision 2. If
 192.17 two or more districts consolidate and all districts received aid under subdivision 2 for a
 192.18 consolidation taking effect within six years of the effective date of the new consolidation,
 192.19 only one quarter of the pupil units in the newly created district must be used to determine
 192.20 aid under subdivision 2.

192.21 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2017
 192.22 and later.

192.23 Sec. 3. Minnesota Statutes 2012, section 123A.64, is amended to read:

192.24 **123A.64 DUTY TO MAINTAIN ELEMENTARY AND SECONDARY**
 192.25 **SCHOOLS.**

192.26 Each district must maintain classified elementary and secondary schools, grades 1
 192.27 through 12, unless the district is exempt according to section 123A.61 or 123A.62, has
 192.28 made an agreement with another district or districts as provided in sections 123A.30,
 192.29 123A.32, or sections 123A.35 to 123A.43, or 123A.17, subdivision 7, ~~or~~ has received a
 192.30 grant under sections 123A.441 to 123A.446, or has formed a cooperative under section
 192.31 123A.482. A district that has an agreement according to sections 123A.35 to 123A.43 or
 192.32 123A.32 must operate a school with the number of grades required by those sections. A
 192.33 district that has an agreement according to section 123A.30 or 123A.17, subdivision 7, or

193.1 has received a grant under sections 123A.441 to 123A.446 must operate a school for the
193.2 grades not included in the agreement, but not fewer than three grades.

193.3 Sec. 4. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 1, is
193.4 amended to read:

193.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
193.6 revenue of a district is defined as follows:

193.7 (1) the amount needed to produce between five and six percent in excess of the
193.8 amount needed to meet when due the principal and interest payments on the obligations
193.9 of the district for eligible projects according to subdivision 2, including the amounts
193.10 necessary for repayment of energy loans according to section 216C.37 or sections 298.292
193.11 to 298.298, debt service loans and capital loans, lease purchase payments under section
193.12 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision
193.13 5, paragraph (a), minus

193.14 (2) the amount of debt service excess levy reduction for that school year calculated
193.15 according to the procedure established by the commissioner.

193.16 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

193.17 (1) obligations under section 123B.61;

193.18 (2) the part of debt service principal and interest paid from the taconite environmental
193.19 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
193.20 taconite payments from the Iron Range school consolidation and cooperatively operated
193.21 school account under section 298.28, subdivision 7a;

193.22 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
193.23 amended by Laws 1992, chapter 499, article 5, section 24; ~~and~~

193.24 (4) obligations under section 123B.62; and

193.25 (5) obligations equalized under section 123B.535.

193.26 (c) For purposes of this section, if a preexisting school district reorganized under
193.27 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
193.28 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
193.29 service equalization aid must be computed separately for each of the preexisting districts.

193.30 (d) For purposes of this section, the adjusted net tax capacity determined according
193.31 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
193.32 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

193.33 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

194.1 Sec. 5. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 5, is
194.2 amended to read:

194.3 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a
194.4 district equals the sum of the first tier equalized debt service levy and the second tier
194.5 equalized debt service levy.

194.6 (b) A district's first tier equalized debt service levy equals the district's first tier debt
194.7 service equalization revenue times the lesser of one or the ratio of:

194.8 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
194.9 the year before the year the levy is certified by the adjusted pupil units in the district for
194.10 the school year ending in the year prior to the year the levy is certified; to

194.11 (2) ~~\$3,550~~ \$4,970.

194.12 (c) A district's second tier equalized debt service levy equals the district's second tier
194.13 debt service equalization revenue times the lesser of one or the ratio of:

194.14 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
194.15 the year before the year the levy is certified by the adjusted pupil units in the district for
194.16 the school year ending in the year prior to the year the levy is certified; to

194.17 (2) ~~\$7,900~~ \$8,000.

194.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
194.19 and later.

194.20 Sec. 6. **[123B.535] NATURAL DISASTER DEBT SERVICE EQUALIZATION.**

194.21 **Subdivision 1. Definitions.** (a) For purposes of this section, the eligible natural
194.22 disaster debt service revenue of a district is defined as the amount needed to produce
194.23 between five and six percent in excess of the amount needed to meet when due the
194.24 principal and interest payments on the obligations of the district that would otherwise
194.25 qualify under section 123B.53 under the following conditions:

194.26 (1) the district was impacted by a natural disaster event or area occurring January
194.27 1, 2005, or later, as declared by the President of the United States of America, which is
194.28 eligible for Federal Emergency Management Agency payments;

194.29 (2) the natural disaster caused \$500,000 or more in damages to school district
194.30 buildings; and

194.31 (3) the repair and replacement costs are not covered by insurance payments or
194.32 Federal Emergency Management Agency payments.

194.33 (b) For purposes of this section, the adjusted net tax capacity equalizing factor
194.34 equals the quotient derived by dividing the total adjusted net tax capacity of all school

195.1 districts in the state for the year before the year the levy is certified by the total number of
195.2 adjusted pupil units in the state for the year prior to the year the levy is certified.

195.3 (c) For purposes of this section, the adjusted net tax capacity determined according
195.4 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
195.5 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

195.6 Subd. 2. **Notification.** A district eligible for natural disaster debt service
195.7 equalization revenue under subdivision 1 must notify the commissioner of the amount of
195.8 its intended natural disaster debt service revenue calculated under subdivision 1 for all
195.9 bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

195.10 Subd. 3. **Natural disaster debt service equalization revenue.** The debt service
195.11 equalization revenue of a district equals the greater of zero or the eligible debt service
195.12 revenue, minus the greater of zero or the difference between:

195.13 (1) the amount raised by a levy of ten percent times the adjusted net tax capacity
195.14 of the district; and

195.15 (2) the district's eligible debt service revenue under section 123B.53.

195.16 Subd. 4. **Equalized natural disaster debt service levy.** A district's equalized
195.17 natural disaster debt service levy equals the district's natural disaster debt service
195.18 equalization revenue times the lesser of one or the ratio of:

195.19 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
195.20 the year before the year the levy is certified by the adjusted pupil units in the district for
195.21 the school year ending in the year prior to the year the levy is certified; to

195.22 (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

195.23 Subd. 5. **Natural disaster debt service equalization aid.** A district's natural
195.24 disaster debt service equalization aid equals the difference between the district's natural
195.25 disaster debt service equalization revenue and the district's equalized natural disaster
195.26 debt service levy.

195.27 Subd. 6. **Natural disaster debt service equalization aid payment schedule.** Debt
195.28 service equalization aid must be paid according to section 127A.45, subdivision 10.

195.29 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and
195.30 revenue for fiscal year 2017 and later.

195.31 Sec. 7. Minnesota Statutes 2013 Supplement, section 123B.54, is amended to read:

195.32 **123B.54 DEBT SERVICE APPROPRIATION.**

196.1 (a) The amount necessary to make debt service equalization aid payments under
196.2 ~~section~~ sections 123B.53 and 123B.535 is annually appropriated from the general fund to
196.3 the commissioner of education.

196.4 (b) The appropriations in paragraph (a) must be reduced by the amount of any
196.5 money specifically appropriated for the same purpose in any year from any state fund.

196.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
196.7 and later.

196.8 Sec. 8. Minnesota Statutes 2012, section 123B.57, subdivision 6, is amended to read:

196.9 Subd. 6. **Uses of health and safety revenue.** (a) Health and safety revenue may be
196.10 used only for approved expenditures necessary for the correction of fire and life safety
196.11 hazards; design, purchase, installation, maintenance, and inspection of fire protection and
196.12 alarm equipment; purchase or construction of appropriate facilities for the storage of
196.13 combustible and flammable materials; inventories and facility modifications not related
196.14 to a remodeling project to comply with lab safety requirements under section 121A.31;
196.15 inspection, testing, repair, removal or encapsulation, and disposal of asbestos-containing
196.16 building materials; cleanup and disposal of polychlorinated biphenyls; cleanup and
196.17 disposal of hazardous and infectious wastes; cleanup, removal, disposal, and repairs
196.18 related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil,
196.19 and special fuel, as defined in section 296A.01; correction of occupational safety and
196.20 health administration regulated hazards; indoor air quality inspections, investigations, and
196.21 testing; mold abatement; upgrades or replacement of mechanical ventilation systems
196.22 to meet American Society of Heating, Refrigerating and Air Conditioning Engineers
196.23 standards and State Mechanical Code; design, materials, and installation of local exhaust
196.24 ventilation systems, including required make-up air for controlling regulated hazardous
196.25 substances; correction of Department of Health Food Code violations; correction of
196.26 swimming pool hazards excluding depth correction; playground safety inspections,
196.27 repair of unsafe outdoor playground equipment, and the installation of impact surfacing
196.28 materials; bleacher repair or rebuilding to comply with the order of a building code
196.29 inspector under section 326B.112; testing and mitigation of elevated radon hazards; lead
196.30 testing; copper in water testing; cleanup after major weather-related disasters or flooding;
196.31 reduction of excessive organic and inorganic levels in wells and capping of abandoned
196.32 wells; installation and testing of boiler backflow valves to prevent contamination of
196.33 potable water; vaccinations, titers, and preventative supplies for bloodborne pathogen
196.34 compliance; costs to comply with the Janet B. Johnson Parents' Right to Know Act;
196.35 automated external defibrillators and other emergency plan equipment and supplies

197.1 specific to the district's emergency action plan; compliance with the National Emission
197.2 Standards for Hazardous Air Pollutants for school generators established by the
197.3 United States Environmental Protection Agency; and health, safety, and environmental
197.4 management costs associated with implementing the district's health and safety program
197.5 including costs to establish and operate safety committees, in school buildings or property
197.6 owned or being acquired by the district. Testing and calibration activities are permitted for
197.7 existing mechanical ventilation systems at intervals no less than every five years.

197.8 (b) For fiscal years 2014 through 2017, a school district must not include expenses
197.9 related to emission compliance projects for school generators in its health and safety
197.10 revenue unless it reduces its approved spending on other qualified health and safety
197.11 projects by the same amount.

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

197.13 Sec. 9. Minnesota Statutes 2012, section 123B.71, subdivision 8, is amended to read:

197.14 Subd. 8. **Review and comment.** A school district, a special education cooperative,
197.15 or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not
197.16 initiate an installment contract for purchase or a lease agreement, hold a referendum for
197.17 bonds, nor solicit bids for new construction, expansion, or remodeling of an educational
197.18 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital
197.19 loan outstanding, or ~~\$1,400,000~~ \$2,000,000 per school site if it does not have a capital
197.20 loan outstanding, prior to review and comment by the commissioner. ~~The commissioner~~
197.21 ~~may exempt~~ A facility addition, maintenance project, or remodeling project funded only
197.22 with general education aid and levy revenue, deferred maintenance revenue, alternative
197.23 facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond
197.24 proceeds, or health and safety revenue is exempt from this provision ~~after reviewing a~~
197.25 ~~written request from a school district describing the scope of work.~~ A capital project under
197.26 section 123B.63 addressing only technology is exempt from this provision if the district
197.27 submits a school board resolution stating that funds approved by the voters will be used
197.28 only as authorized in section 126C.10, subdivision 14. A school board shall not separate
197.29 portions of a single project into components to avoid the requirements of this subdivision.

197.30 Sec. 10. Minnesota Statutes 2012, section 123B.71, subdivision 9, is amended to read:

197.31 Subd. 9. **Information required.** A school board proposing to construct, expand,
197.32 or remodel a facility ~~described in that requires a review and comment under~~ subdivision
197.33 8 shall submit to the commissioner a proposal containing information including at least
197.34 the following:

198.1 (1) the geographic area and population to be served, preschool through grade 12
198.2 student enrollments for the past five years, and student enrollment projections for the
198.3 next five years;

198.4 (2) a list of existing facilities by year constructed, their uses, and an assessment of
198.5 the extent to which alternate facilities are available within the school district boundaries
198.6 and in adjacent school districts;

198.7 (3) a list of the specific deficiencies of the facility that demonstrate the need for a
198.8 new or renovated facility to be provided, the process used to determine the deficiencies, a
198.9 list of those deficiencies that will and will not be addressed by the proposed project, and a
198.10 list of the specific benefits that the new or renovated facility will provide to the students,
198.11 teachers, and community users served by the facility;

198.12 ~~(4) the relationship of the project to any priorities established by the school district,~~
198.13 ~~educational cooperatives that provide support services, or other public bodies in the~~
198.14 ~~service area;~~

198.15 ~~(5) a description of the pedestrian, bicycle, and transit connections between the~~
198.16 ~~school and nearby residential areas that make it easier for children, teachers, and parents~~
198.17 ~~to get to the school by walking, bicycling, and taking transit;~~

198.18 ~~(6) a specification of how the project maximizes the opportunity for cooperative use~~
198.19 ~~of existing park, recreation, and other public facilities and whether and how the project~~
198.20 ~~will increase collaboration with other governmental or nonprofit entities;~~

198.21 ~~(7)~~ (4) a description of the project, including the specification of site and outdoor
198.22 space acreage and square footage allocations for classrooms, laboratories, and support
198.23 spaces; estimated expenditures for the major portions of the project; and the dates the
198.24 project will begin and be completed;

198.25 ~~(8)~~ (5) a specification of the source of financing the project, including applicable
198.26 statutory citations; the scheduled date for a bond issue or school board action; a schedule
198.27 of payments, including debt service equalization aid; and the effect of a bond issue on
198.28 local property taxes by the property class and valuation;

198.29 ~~(9) an analysis of how the proposed new or remodeled facility will affect school~~
198.30 ~~district operational or administrative staffing costs, and how the district's operating budget~~
198.31 ~~will cover any increased operational or administrative staffing costs;~~

198.32 ~~(10) a description of the consultation with local or state transportation officials~~
198.33 ~~on multimodal school site access and safety issues, and the ways that the project will~~
198.34 ~~address those issues;~~

- 199.1 ~~(11) a description of how indoor air quality issues have been considered and a~~
199.2 ~~certification that the architects and engineers designing the facility will have professional~~
199.3 ~~liability insurance;~~
- 199.4 ~~(12) as required under section 123B.72, for buildings coming into service after July 1,~~
199.5 ~~2002, a certification that the plans and designs for the extensively renovated or new facility's~~
199.6 ~~heating, ventilation, and air conditioning systems will meet or exceed code standards; will~~
199.7 ~~provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and~~
199.8 ~~will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;~~
- 199.9 ~~(13) a specification of any desegregation requirements that cannot be met by any~~
199.10 ~~other reasonable means;~~
- 199.11 ~~(14) a specification of how the facility will utilize environmentally sustainable~~
199.12 ~~school facility design concepts;~~
- 199.13 ~~(15) a description of how the architects and engineers have considered the American~~
199.14 ~~National Standards Institute Acoustical Performance Criteria, Design Requirements~~
199.15 ~~and Guidelines for Schools of the maximum background noise level and reverberation~~
199.16 ~~times; and~~
- 199.17 ~~(16) any existing information from the relevant local unit of government about the~~
199.18 ~~cumulative costs to provide infrastructure to serve the school, such as utilities, sewer,~~
199.19 ~~roads, and sidewalks.~~
- 199.20 (6) documents obligating the school district and contractors to comply with items (i)
199.21 to (vii) in planning and executing the project:
- 199.22 (i) section 471.346 governing municipal contracts;
199.23 (ii) sustainable design;
199.24 (iii) school facility commissioning under section 123B.72 certifying the plans and
199.25 designs for the heating, ventilating, air conditioning, and air filtration for an extensively
199.26 renovated or new facility meet or exceed current code standards, including the ASHRAE
199.27 air filtration standard 52.1;
- 199.28 (iv) American National Standards Institute Acoustical Performance Criteria, Design
199.29 Requirements and Guidelines for Schools on maximum background noise level and
199.30 reverberation times;
- 199.31 (v) State Fire Code;
199.32 (vi) chapter 326B governing building codes; and
199.33 (vii) consultation with affected government units about the impact of the project
199.34 on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic,
199.35 access to mass transit, and safe access for pedestrians and cyclists.

200.1 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2d,
200.2 is amended to read:

200.3 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining
200.4 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the
200.5 formula allowance for that year and (2) the difference between the adjusted pupil units for
200.6 the preceding year and the adjusted pupil units for the current year.

200.7 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
200.8 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
200.9 district or charter school in which the pupil was last counted in average daily membership.

200.10 Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.48, subdivision 8, is
200.11 amended to read:

200.12 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies
200.13 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

200.14 (2) Notwithstanding any other law to the contrary, districts that have revenue
200.15 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
200.16 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34
200.17 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon
200.18 severed mineral values must reduce the levies authorized by this chapter and chapters
200.19 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the
200.20 previous year's revenue specified under this clause and the amount attributable to the same
200.21 production year distributed to the cities and townships within the school district under
200.22 section 298.28, subdivision 2, paragraph (c).

200.23 (3) The amount of any voter approved referendum, facilities down payment, and
200.24 debt levies shall not be reduced by more than 50 percent under this subdivision, except
200.25 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
200.26 more than 50 percent. In administering this paragraph, the commissioner shall first reduce
200.27 the nonvoter approved levies of a district; then, if any payments, severed mineral value
200.28 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
200.29 reduce any voter approved referendum levies authorized under section 126C.17; then, if
200.30 any payments, severed mineral value tax revenue or recognized revenue under paragraph
200.31 (2) remains, the commissioner shall reduce any voter approved facilities down payment
200.32 levies authorized under section 123B.63 and then, if any payments, severed mineral value
200.33 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
200.34 reduce any voter approved debt levies.

201.1 (4) Before computing the reduction pursuant to this subdivision of the health and
201.2 safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner
201.3 shall ascertain from each affected school district the amount it proposes to levy under
201.4 each section or subdivision. The reduction shall be computed on the basis of the amount
201.5 so ascertained.

201.6 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the
201.7 limitation in paragraph (3), an amount equal to the excess must be distributed from the
201.8 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following
201.9 year to the cities and townships within the school district in the proportion that their
201.10 taxable net tax capacity within the school district bears to the taxable net tax capacity of
201.11 the school district for property taxes payable in the year prior to distribution. No city or
201.12 township shall receive a distribution greater than its levy for taxes payable in the year prior
201.13 to distribution. The commissioner of revenue shall certify the distributions of cities and
201.14 towns under this paragraph to the county auditor by September 30 of the year preceding
201.15 distribution. The county auditor shall reduce the proposed and final levies of cities and
201.16 towns receiving distributions by the amount of their distribution. Distributions to the cities
201.17 and towns shall be made at the times provided under section 298.27.

201.18 Sec. 13. Minnesota Statutes 2012, section 127A.49, subdivision 2, is amended to read:

201.19 Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86,
201.20 375.192, or otherwise, the net tax capacity or referendum market value of any district for
201.21 any taxable year is changed after the taxes for that year have been spread by the county
201.22 auditor and the local tax rate as determined by the county auditor based upon the original
201.23 net tax capacity is applied upon the changed net tax capacities, the county auditor shall,
201.24 prior to February 1 of each year, certify to the commissioner of education the amount of
201.25 any resulting net revenue loss that accrued to the district during the preceding year. Each
201.26 year, the commissioner shall pay an abatement adjustment to the district in an amount
201.27 calculated according to the provisions of this subdivision. This amount shall be deducted
201.28 from the amount of the levy authorized by section 126C.46. The amount of the abatement
201.29 adjustment must be the product of:

201.30 (1) the net revenue loss as certified by the county auditor, times

201.31 (2) the ratio of:

201.32 (i) the sum of the amounts of the district's certified levy in the third preceding year
201.33 according to the following:

201.34 (A) section 123B.57, if the district received health and safety aid according to that
201.35 section for the second preceding year;

202.1 (B) section 124D.20, if the district received aid for community education programs
 202.2 according to that section for the second preceding year;

202.3 (C) section 124D.135, subdivision 3, if the district received early childhood family
 202.4 education aid according to section 124D.135 for the second preceding year;

202.5 (D) section 126C.17, subdivision 6, if the district received referendum equalization
 202.6 aid according to that section for the second preceding year;

202.7 (E) section 126C.10, subdivision 13a, if the district received operating capital aid
 202.8 according to section 126C.10, subdivision 13b, in the second preceding year;

202.9 (F) section 126C.10, subdivision 29, if the district received equity aid according to
 202.10 section 126C.10, subdivision 30, in the second preceding year;

202.11 (G) section 126C.10, subdivision 32, if the district received transition aid according
 202.12 to section 126C.10, subdivision 33, in the second preceding year;

202.13 (H) section 123B.53, subdivision 5, if the district received debt service equalization
 202.14 aid according to section 123B.53, subdivision 6, in the second preceding year;

202.15 (I) section 123B.535, subdivision 4, if the district received natural disaster debt
 202.16 service equalization aid according to section 123B.535, subdivision 5, in the second
 202.17 preceding year;

202.18 ~~(J)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid
 202.19 according to section 124D.22, subdivision 4, in the second preceding year;

202.20 ~~(K)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance
 202.21 aid according to section 123B.591, subdivision 4, in the second preceding year; and

202.22 ~~(L)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher
 202.23 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
 202.24 (a), in the second preceding year; to

202.25 (ii) the total amount of the district's certified levy in the third preceding December,
 202.26 plus or minus auditor's adjustments.

202.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
 202.28 and later.

202.29 Sec. 14. Minnesota Statutes 2012, section 127A.49, subdivision 3, is amended to read:

202.30 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a
 202.31 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon
 202.32 decertification of a tax increment district, the school district's aid and levy limitations
 202.33 must be adjusted for the fiscal year in which the excess tax increment is paid under the
 202.34 provisions of this subdivision.

- 203.1 (b) An amount must be subtracted from the district's aid for the current fiscal year
203.2 equal to the product of:
- 203.3 (1) the amount of the payment of excess tax increment to the district, times
203.4 (2) the ratio of:
- 203.5 (i) the sum of the amounts of the district's certified levy for the fiscal year in which
203.6 the excess tax increment is paid according to the following:
- 203.7 (A) section 123B.57, if the district received health and safety aid according to that
203.8 section for the second preceding year;
- 203.9 (B) section 124D.20, if the district received aid for community education programs
203.10 according to that section for the second preceding year;
- 203.11 (C) section 124D.135, subdivision 3, if the district received early childhood family
203.12 education aid according to section 124D.135 for the second preceding year;
- 203.13 (D) section 126C.17, subdivision 6, if the district received referendum equalization
203.14 aid according to that section for the second preceding year;
- 203.15 (E) section 126C.10, subdivision 13a, if the district received operating capital aid
203.16 according to section 126C.10, subdivision 13b, in the second preceding year;
- 203.17 (F) section 126C.10, subdivision 29, if the district received equity aid according to
203.18 section 126C.10, subdivision 30, in the second preceding year;
- 203.19 (G) section 126C.10, subdivision 32, if the district received transition aid according
203.20 to section 126C.10, subdivision 33, in the second preceding year;
- 203.21 (H) section 123B.53, subdivision 5, if the district received debt service equalization
203.22 aid according to section 123B.53, subdivision 6, in the second preceding year;
- 203.23 (I) section 123B.535, subdivision 4, if the district received natural disaster debt
203.24 service equalization aid according to section 123B.535, subdivision 5, in the second
203.25 preceding year;
- 203.26 ~~(J)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid
203.27 according to section 124D.22, subdivision 4, in the second preceding year;
- 203.28 ~~(K)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance
203.29 aid according to section 123B.591, subdivision 4, in the second preceding year; and
- 203.30 ~~(L)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher
203.31 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
203.32 (a), in the second preceding year; to
- 203.33 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus
203.34 auditor's adjustments.
- 203.35 (c) An amount must be subtracted from the school district's levy limitation for the
203.36 next levy certified equal to the difference between:

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

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

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

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

204.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
204.11 and later.

204.12 Sec. 15. Minnesota Statutes 2012, section 129C.10, subdivision 3, is amended to read:

204.13 Subd. 3. **Powers and duties of board.** (a) The board has the powers necessary for
204.14 the care, management, and control of the Perpich Center for Arts Education and any other
204.15 school authorized in this chapter, and all ~~its~~ their real and personal property. The powers
204.16 shall include, but are not limited to, those listed in this subdivision.

204.17 (b) The board may employ and discharge necessary employees, and contract for
204.18 other services to ensure the efficient operation of the Center for Arts Education and any
204.19 other school authorized in this chapter.

204.20 (c) The board may receive and award grants. The board may establish a charitable
204.21 foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for
204.22 educational purposes and hold, manage, invest, and dispose of them and the proceeds
204.23 and income of them according to the terms and conditions of the gift, grant, bequest, or
204.24 devise and its acceptance. The board must adopt internal procedures to administer and
204.25 monitor aids and grants.

204.26 (d) The board may establish or coordinate evening, continuing education, extension,
204.27 and summer programs for teachers and pupils.

204.28 (e) The board may identify pupils who have artistic talent, either demonstrated or
204.29 potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more
204.30 than one art form.

204.31 (f) The board must educate pupils with artistic talent by providing:

204.32 (1) an interdisciplinary academic and arts program for pupils in the 11th and 12th
204.33 grades. The total number of pupils accepted under this clause and clause (2) shall not
204.34 exceed 310;

205.1 (2) additional instruction to pupils for a 13th grade. Pupils eligible for this
205.2 instruction are those enrolled in 12th grade who need extra instruction and who apply
205.3 to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes
205.4 established by the board;

205.5 (3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

205.6 (4) summer arts institutes for pupils in grades 9 to 12;

205.7 (5) artist mentor and extension programs in regional sites; and

205.8 (6) teacher education programs for indirect curriculum delivery.

205.9 (g) The board may determine the location for the Perpich Center for Arts Education
205.10 and any additional facilities related to the center, including the authority to lease a
205.11 temporary facility.

205.12 (h) The board must plan for the enrollment of pupils on an equal basis from each
205.13 congressional district.

205.14 (i) The board may establish task forces as needed to advise the board on policies and
205.15 issues. The task forces expire as provided in section 15.059, subdivision 6.

205.16 (j) The board may request the commissioner of education for assistance and services.

205.17 (k) The board may enter into contracts with other public and private agencies
205.18 and institutions for residential and building maintenance services if it determines that
205.19 these services could be provided more efficiently and less expensively by a contractor
205.20 than by the board itself. The board may also enter into contracts with public or private
205.21 agencies and institutions, school districts or combinations of school districts, or service
205.22 cooperatives to provide supplemental educational instruction and services.

205.23 (l) The board may provide or contract for services and programs by and for the
205.24 Center for Arts Education, including a store, operating in connection with the center;
205.25 theatrical events; and other programs and services that, in the determination of the board,
205.26 serve the purposes of the center.

205.27 (m) The board may provide for transportation of pupils to and from the Center for
205.28 Arts Education for all or part of the school year, as the board considers advisable and
205.29 subject to its rules. Notwithstanding any other law to the contrary, the board may charge a
205.30 reasonable fee for transportation of pupils. Every driver providing transportation of pupils
205.31 under this paragraph must possess all qualifications required by the commissioner of
205.32 education. The board may contract for furnishing authorized transportation under rules
205.33 established by the commissioner of education and may purchase and furnish gasoline to a
205.34 contract carrier for use in the performance of a contract with the board for transportation
205.35 of pupils to and from the Center for Arts Education. When transportation is provided,
205.36 scheduling of routes, establishment of the location of bus stops, the manner and method of

206.1 transportation, the control and discipline of pupils, and any other related matter is within
206.2 the sole discretion, control, and management of the board.

206.3 (n) The board may provide room and board for its pupils. If the board provides room
206.4 and board, it shall charge a reasonable fee for the room and board. The fee is not subject
206.5 to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

206.6 (o) The board may establish and set fees for services and programs. If the board sets
206.7 fees not authorized or prohibited by the Minnesota public school fee law, it may do so
206.8 without complying with the requirements of section 123B.38.

206.9 (p) The board may apply for all competitive grants administered by agencies of the
206.10 state and other government or nongovernment sources.

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

206.12 Sec. 16. Minnesota Statutes 2012, section 129C.10, is amended by adding a
206.13 subdivision to read:

206.14 **Subd. 5a. Interdistrict voluntary integration magnet program.** Notwithstanding
206.15 Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate
206.16 an interdistrict integration magnet program according to section 129C.30. For fiscal year
206.17 2016 and later, the board must have an approved achievement and integration plan and
206.18 budget under section 124D.861.

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

206.20 Sec. 17. **[129C.30] CROSSWINDS INTEGRATION MAGNET SCHOOL.**

206.21 **Subdivision 1. Definitions.** (a) The following terms having the meanings given
206.22 them for this chapter.

206.23 (b) "Board" means the board of directors of the Perpich Center for Arts Education.

206.24 (c) "Crosswinds school" means the Crosswinds school in Woodbury operated during
206.25 the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration
206.26 District.

206.27 **Subd. 2. Board to operate the Crosswinds school.** The board may operate the
206.28 Crosswinds school with the powers and duties granted to it under this chapter. A student
206.29 may apply to the Crosswinds school under section 124D.03 and the Crosswinds school
206.30 may accept students under that section.

206.31 **Subd. 3. General education funding.** General education revenue must be paid to
206.32 the Crosswinds school as though it were a district. The general education revenue for each
206.33 adjusted pupil unit is the state average general education revenue per pupil unit, plus

207.1 the referendum equalization aid allowance in the pupil's district of residence, minus an
207.2 amount equal to the product of the formula allowance according to section 126C.10,
207.3 subdivision 2, times .0466, calculated without declining enrollment, basic skills revenue,
207.4 extended time revenue, pension adjustment revenue, transition revenue, and transportation
207.5 sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue,
207.6 pension adjustment revenue, and transition revenue as though the school were a school
207.7 district. The general education revenue for each extended time pupil unit equals \$4,794.

207.8 Subd. 4. **Special education funding.** Special education aid must be paid to the
207.9 Crosswinds school according to sections 125A.76 and 125A.79, as though it were a
207.10 school district. The special education aid paid to the Crosswinds school shall be adjusted
207.11 as follows:

207.12 (1) if the Crosswinds school does not receive general education revenue on behalf of
207.13 the student according to subdivision 3, the aid shall be adjusted as provided in section
207.14 125A.11; or

207.15 (2) if the Crosswinds school receives general education revenue on behalf of the
207.16 student according to subdivision 3, the aid shall be adjusted as provided in section
207.17 127A.47, subdivision 7, paragraphs (b) to (d).

207.18 Subd. 5. **Pupil transportation.** (a) For fiscal year 2015 only, a member district of
207.19 Joint Powers District No. 6067, East Metro Integration District, must transport pupils
207.20 enrolled at the Crosswinds school in the same manner as they were transported in fiscal
207.21 year 2014.

207.22 (b) Pupil transportation expenses under this section are reimbursable under section
207.23 124D.87.

207.24 Subd. 6. **Achievement and integration aid.** For fiscal year 2016 and later, the
207.25 Crosswinds school is eligible for achievement and integration aid under section 124D.862
207.26 as if it were a school district.

207.27 Subd. 7. **Other aids, grants, revenue.** (a) The Crosswinds school is eligible to
207.28 receive other aids, grants, and revenue according to chapters 120A to 129C as though it
207.29 were a district.

207.30 (b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a
207.31 grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue
207.32 replaces levy revenue that is not general education revenue, except as otherwise provided
207.33 in this section.

207.34 (c) Federal aid received by the state must be paid to the school if it qualifies for
207.35 the aid as though it were a school district.

208.1 (d) In the year-end report to the commissioner of education, the Crosswinds school
 208.2 shall report the total amount of funds received from grants and other outside sources.

208.3 Subd. 8. **Year-round programming.** The Crosswinds school may operate as a
 208.4 flexible learning year program under sections 124D.12 to 124D.127.

208.5 Subd. 9. **Data requirements.** The commissioner of education shall require the
 208.6 Crosswinds school to follow the budget and accounting procedures required for school
 208.7 districts and the Crosswinds school shall report all data to the Department of Education in
 208.8 the form and manner required by the commissioner.

208.9 Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 5, is amended to read:

208.10 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications
 208.11 access:

208.12	\$	3,750,000	.....	2014
208.13		3,750,000		
208.14	\$	<u>8,750,000</u>	.....	2015

208.15 If the appropriation amount is insufficient, the commissioner shall reduce the
 208.16 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
 208.17 revenue for fiscal years 2014 and 2015 shall be prorated.

208.18 Any balance in the first year does not cancel but is available in the second year.
 208.19 The base appropriation for this program for fiscal years 2016 and 2017 is \$8,750,000
 208.20 for each year.

208.21 Sec. 19. **HARAMBEE COMMUNITY SCHOOL TRANSITION.**

208.22 Subdivision 1. **Student enrollment.** A student enrolled in the Harambee community
 208.23 school during the 2013-2014 school year may continue to enroll in the Harambee
 208.24 community school in any subsequent year. For the 2014-2015 school year and later, other
 208.25 students may apply for enrollment under Minnesota Statutes, section 124D.03.

208.26 Subd. 2. **Compensatory revenue; literacy aid; alternative compensation**
 208.27 revenue. For the 2014-2015 school year only, the Department of Education must calculate
 208.28 compensatory revenue, literacy aid, and alternative compensation revenue for the
 208.29 Harambee community school based on the October 1, 2013, enrollment counts.

208.30 Subd. 3. **Year-round programming.** Harambee community school may operate as
 208.31 a flexible learning year program under Minnesota Statutes, sections 124D.12 to 124D.127.

208.32 Subd. 4. **Pupil transportation.** The board may transport pupils enrolled in the
 208.33 2013-2014 school year to and from the Harambee community school in succeeding school

209.1 years regardless of the students' districts of residence. Pupil transportation expenses under
209.2 this section are reimbursable under Minnesota Statutes, section 124D.87.

209.3 **Sec. 20. TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

209.4 Subdivision 1. **Student enrollment.** Any student enrolled in the Crosswinds school
209.5 during the 2013-2014 school year may continue to enroll in the Crosswinds school in
209.6 any subsequent year. For the 2014-2015 school year and later, a student may apply for
209.7 enrollment to the school under Minnesota Statutes, section 124D.03.

209.8 Subd. 2. **Compensatory revenue, literacy aid, and alternative compensation**
209.9 **revenue.** For the 2014-2015 school year only, the Department of Education must calculate
209.10 compensatory revenue, literacy aid, and alternative compensation revenue for the
209.11 Crosswinds school based on the October 1, 2013, enrollment counts at that site.

209.12 Subd. 3. **Title 1 funding.** To the extent possible, the Department of Education
209.13 must qualify the Crosswinds school for Title 1, and, if applicable, other federal funding
209.14 as if the program were still operated by Joint Powers District No. 6067, East Metro
209.15 Integration District.

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

209.17 **Sec. 21. LEASE LEVY; TRANSPORTATION HUB FOR ROSEMOUNT-APPLE**
209.18 **VALLEY-EAGAN SCHOOL DISTRICT.**

209.19 Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent
209.20 School District No. 196, Rosemount-Apple Valley-Eagan, may lease a transportation
209.21 hub under Minnesota Statutes, section 126C.40, subdivision 1. Levy authority under
209.22 this section shall not exceed the total levy authority under Minnesota Statutes, section
209.23 126C.40, subdivision 1, paragraph (e).

209.24 **EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

209.25 **Sec. 22. REPEALER.**

209.26 Minnesota Statutes 2012, section 123B.71, subdivision 1, is repealed.

209.27 **ARTICLE 20**

209.28 **NUTRITION**

209.29 **Section 1. Minnesota Statutes 2013 Supplement, section 124D.111, subdivision 1,**
209.30 **is amended to read:**

210.1 Subdivision 1. **School lunch aid computation.** Each school year, the state must
 210.2 pay participants in the national school lunch program the amount of 12.5 cents for each
 210.3 full paid, ~~reduced-price~~, and free student lunch and 52.5 cents for each reduced-price
 210.4 lunch served to students.

210.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 210.6 and later.

210.7 Sec. 2. Minnesota Statutes 2012, section 124D.111, is amended by adding a
 210.8 subdivision to read:

210.9 Subd. 4. **No fees.** A participant that receives school lunch aid under this section
 210.10 must make lunch available without charge to all participating students who qualify for
 210.11 free or reduced-price meals. The participant must also ensure that any reminders for
 210.12 payment of outstanding student meal balances do not demean or stigmatize any child
 210.13 participating in the school lunch program.

210.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 210.15 and later.

210.16 Sec. 3. Laws 2013, chapter 116, article 7, section 21, subdivision 2, is amended to read:

210.17 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
 210.18 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

210.19		13,032,000		
210.20	\$	<u>12,417,000</u>	.....	2014
210.21		13,293,000		
210.22	\$	<u>16,185,000</u>	.....	2015

210.23 **ARTICLE 21**

210.24 **EARLY EDUCATION, COMMUNITY EDUCATION, SELF-SUFFICIENCY**
 210.25 **AND LIFELONG LEARNING**

210.26 Section 1. Minnesota Statutes 2012, section 121A.19, is amended to read:

210.27 **121A.19 DEVELOPMENTAL SCREENING AID.**

210.28 Each school year, the state must pay a district for each child or student screened by
 210.29 the district according to the requirements of section 121A.17. The amount of state aid
 210.30 for each child or student screened shall be: (1) ~~\$75~~ \$80 for a child screened at age three;
 210.31 (2) ~~\$50~~ \$55 for a child screened at age four; (3) \$40 for a child screened at age five or
 210.32 six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first

211.1 enrolling in a public school kindergarten if the student has not previously been screened
211.2 according to the requirements of section 121A.17. If this amount of aid is insufficient,
211.3 the district may permanently transfer from the general fund an amount that, when added
211.4 to the aid, is sufficient. Developmental screening aid shall not be paid for any student
211.5 who is screened more than 30 days after the first day of attendance at a public school
211.6 kindergarten, except if a student transfers to another public school kindergarten within
211.7 30 days after first enrolling in a Minnesota public school kindergarten program. In this
211.8 case, if the student has not been screened, the district to which the student transfers may
211.9 receive developmental screening aid for screening that student when the screening is
211.10 performed within 30 days of the transfer date.

211.11 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015
211.12 and later.

211.13 Sec. 2. Minnesota Statutes 2012, section 124D.16, subdivision 2, is amended to read:

211.14 Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid
211.15 for eligible prekindergarten pupils enrolled in a school readiness program under section
211.16 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been
211.17 approved by the commissioner.

211.18 (b) ~~For fiscal year 2002 and thereafter,~~ A district must receive school readiness aid
211.19 equal to:

211.20 (1) the number of four-year-old children in the district on October 1 for the previous
211.21 school year times the ratio of 50 percent of the total school readiness aid for that year to
211.22 the total number of four-year-old children reported to the commissioner for the previous
211.23 school year; plus

211.24 (2) the number of pupils enrolled in the school district from families eligible for the
211.25 free or reduced school lunch program for the previous school year times the ratio of
211.26 50 percent of the total school readiness aid for that year to the total number of pupils
211.27 in the state from families eligible for the free or reduced school lunch program for the
211.28 previous school year.

211.29 (c) For fiscal year 2015 and later, total school readiness aid equals \$12,000,000.

211.30 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015
211.31 and later.

211.32 Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 5, is
211.33 amended to read:

212.1 Subd. 5. **Report required.** The commissioner shall contract with an independent
212.2 contractor to evaluate the early learning scholarship program. The evaluation must
212.3 include recommendations regarding the appropriate scholarship amount, efficiency, and
212.4 effectiveness of the administration, and impact on kindergarten readiness. By January
212.5 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs
212.6 and ranking minority members of the legislative committees and divisions with primary
212.7 jurisdiction over kindergarten through grade 12 education.

212.8 Sec. 4. Minnesota Statutes 2012, section 124D.522, is amended to read:

212.9 **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**
212.10 **GRANTS.**

212.11 (a) The commissioner, in consultation with the policy review task force under
212.12 section 124D.521, may make grants to nonprofit organizations to provide services that
212.13 are not offered by a district adult basic education program or that are supplemental to
212.14 either the statewide adult basic education program, or a district's adult basic education
212.15 program. The commissioner may make grants for: staff development for adult basic
212.16 education teachers and administrators; training for volunteer tutors; training, services, and
212.17 materials for serving disabled students through adult basic education programs; statewide
212.18 promotion of adult basic education services and programs; development and dissemination
212.19 of instructional and administrative technology for adult basic education programs;
212.20 programs which primarily serve communities of color; adult basic education distance
212.21 learning projects, including television instruction programs; and other supplemental
212.22 services to support the mission of adult basic education and innovative delivery of adult
212.23 basic education services.

212.24 (b) The commissioner must establish eligibility criteria and grant application
212.25 procedures. Grants under this section must support services throughout the state, focus on
212.26 educational results for adult learners, and promote outcome-based achievement through
212.27 adult basic education programs. Beginning in fiscal year 2002, the commissioner may
212.28 make grants under this section from the state total adult basic education aid set aside for
212.29 supplemental service grants under section 124D.531. Up to one-fourth of the appropriation
212.30 for supplemental service grants must be used for grants for adult basic education programs
212.31 to encourage and support innovations in adult basic education instruction and service
212.32 delivery. A grant to a single organization cannot exceed ~~20~~ 40 percent of the total
212.33 supplemental services aid. Nothing in this section prevents an approved adult basic
212.34 education program from using state or federal aid to purchase supplemental services.

213.1 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is
213.2 amended to read:

213.3 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic
213.4 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid
213.5 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph
213.6 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later
213.7 fiscal years equals:

213.8 (1) the state total adult basic education aid for the preceding fiscal year plus any
213.9 amount that is not paid for during the previous fiscal year, as a result of adjustments under
213.10 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

213.11 (2) the lesser of:

213.12 (i) ~~1.025~~ 1.03; or

213.13 (ii) the average growth in state total contact hours over the prior ten program years.

213.14 ~~Beginning in fiscal year 2002, two~~ Three percent of the state total adult basic
213.15 education aid must be set aside for adult basic education supplemental service grants
213.16 under section 124D.522.

213.17 (b) The state total adult basic education aid, excluding basic population aid, equals
213.18 the difference between the amount computed in paragraph (a), and the state total basic
213.19 population aid under subdivision 2.

213.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
213.21 and later.

213.22 Sec. 6. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

213.23 Subd. 3. **Program revenue.** Adult basic education programs established under
213.24 section 124D.52 and approved by the commissioner are eligible for revenue under this
213.25 subdivision. For fiscal year 2001 and later, adult basic education revenue for each
213.26 approved program equals the sum of:

213.27 (1) the basic population aid under subdivision 2 for districts participating in the
213.28 program during the current program year; plus

213.29 (2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the
213.30 ratio of the contact hours for students participating in the program during the first prior
213.31 program year to the state total contact hours during the first prior program year; plus

213.32 (3) eight percent times the amount computed in subdivision 1, paragraph (b), times
213.33 the ratio of the enrollment of English learners during the second prior school year in
213.34 districts participating in the program during the current program year to the state total

214.1 enrollment of English learners during the second prior school year in districts participating
 214.2 in adult basic education programs during the current program year; plus

214.3 (4) eight percent times the amount computed in subdivision 1, paragraph (b), times
 214.4 the ratio of the latest federal census count of the number of adults aged ~~20~~ 25 or older
 214.5 with no diploma residing in the districts participating in the program during the current
 214.6 program year to the latest federal census count of the state total number of adults aged ~~20~~
 214.7 25 or older with no diploma residing in the districts participating in adult basic education
 214.8 programs during the current program year.

214.9 Sec. 7. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:

214.10 Subd. 2. **School readiness.** For revenue for school readiness programs under
 214.11 Minnesota Statutes, sections 124D.15 and 124D.16:

214.12		10,095,000		
214.13	\$	<u>10,458,000</u>	.....	2014
214.14		10,159,000		
214.15	\$	<u>11,809,000</u>	.....	2015

214.16 The 2014 appropriation includes \$1,372,000 for 2013 and ~~\$8,723,000~~ \$9,086,000
 214.17 for 2014.

214.18 The 2015 appropriation includes ~~\$1,372,000~~ \$1,009,000 for 2014 and ~~\$8,787,000~~
 214.19 \$10,800,000 for 2015.

214.20 Sec. 8. Laws 2013, chapter 116, article 8, section 5, subdivision 4, is amended to read:

214.21 Subd. 4. **Health and developmental screening aid.** For health and developmental
 214.22 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

214.23	\$	3,421,000	.....	2014
214.24		3,344,000		
214.25	\$	<u>3,569,000</u>	.....	2015

214.26 The 2014 appropriation includes \$474,000 for 2013 and \$2,947,000 for 2014.

214.27 The 2015 appropriation includes \$463,000 for 2014 and ~~\$2,881,000~~ \$3,106,000
 214.28 for 2015.

214.29 Sec. 9. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

214.30 Subd. 14. **Adult basic education aid.** For adult basic education aid under
 214.31 Minnesota Statutes, section 124D.531:

214.32		47,005,000		
214.33	\$	<u>48,782,000</u>	.....	2014
214.34		48,145,000		
214.35	\$	<u>48,415,000</u>	.....	2015

215.1 The 2014 appropriation includes \$6,284,000 for 2013 and ~~\$40,721,000~~ \$42,498,000
 215.2 for 2014.

215.3 The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~
 215.4 \$43,693,000 for 2015.

215.5 Sec. 10. **APPROPRIATIONS.**

215.6 **Subdivision 1. Department of Education.** The sums indicated in this section are
 215.7 appropriated from the general fund to the Department of Education for the fiscal years
 215.8 designated.

215.9 **Subd. 2. Northside Achievement Zone.** (a) For a grant to the Northside
 215.10 Achievement Zone:

215.11 \$ 1,132,000 2015

215.12 (b) Funds appropriated in this subdivision are to reduce multigenerational poverty
 215.13 and the educational achievement gap through increased enrollment of families within
 215.14 the zone, and may be used for Northside Achievement Zone programming and services
 215.15 consistent with federal Promise Neighborhood program agreements and requirements.

215.16 (c) The Northside Achievement Zone shall submit a report by October 1, 2015, to
 215.17 the chairs of the legislative committees with jurisdiction over early childhood through
 215.18 grade 12 education policy and finance that, at a minimum, summarizes program activities,
 215.19 specifies performance measures, and analyzes program outcomes.

215.20 (d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

215.21 **Subd. 3. St. Paul Promise Neighborhood.** (a) For a grant to the St. Paul Promise
 215.22 Neighborhood:

215.23 \$ 1,132,000 2015

215.24 (b) Funds appropriated in this subdivision are to reduce multigenerational poverty
 215.25 and the educational achievement gap through increased enrollment of families within the
 215.26 zone, and may be used for St. Paul Promise Neighborhood programming and services
 215.27 consistent with federal Promise Neighborhood program agreements and requirements.

215.28 (c) The St. Paul Promise Neighborhood shall submit a report by October 1, 2015, to
 215.29 the chairs of the legislative committees with jurisdiction over early childhood through
 215.30 grade 12 education policy and finance that, at a minimum, summarizes program activities,
 215.31 specifies performance measures, and analyzes program outcomes.

215.32 (d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

216.1 **ARTICLE 22**

216.2 **STATE AGENCIES**

216.3 Section 1. Laws 2013, chapter 116, article 9, section 1, subdivision 2, is amended to read:

216.4 Subd. 2. **Department.** (a) For the Department of Education:

216.5 \$ 20,058,000 2014

216.6 ~~19,308,000~~

216.7 \$ 19,716,000 2015

216.8 Any balance in the first year does not cancel but is available in the second year.

216.9 (b) \$260,000 each year is for the Minnesota Children's Museum.

216.10 (c) \$41,000 each year is for the Minnesota Academy of Science.

216.11 (d) \$50,000 each year is for the Duluth Children's Museum.

216.12 (e) \$618,000 each in fiscal year 2014 and \$718,000 in fiscal year is 2015 only are

216.13 for the Board of Teaching. Any balance in the first year does not cancel but is available
216.14 in the second year.

216.15 (f) \$167,000 each in fiscal year 2014 and \$225,000 in fiscal year is 2015 are for
216.16 the Board of School Administrators. Any balance in the first year does not cancel but
216.17 is available in the second year.

216.18 (g) \$75,000 in fiscal year 2015 only is for The Works Museum.

216.19 (h) \$50,000 in fiscal year 2015 only is for a grant to the Headwaters Science Center
216.20 for hands-on science, technology, engineering, and math (STEM) education.

216.21 (i) \$25,000 each year is for innovation pilot grants under Laws 2012, chapter 263,
216.22 section 1.

216.23 (j) The expenditures of federal grants and aids as shown in the biennial budget
216.24 document and its supplements are approved and appropriated and shall be spent as
216.25 indicated.

216.26 ~~(h)~~ (k) None of the amounts appropriated under this subdivision may be used for
216.27 Minnesota's Washington, D.C. office.

216.28 ~~(i)~~ (l) \$250,000 each year is for the School Finance Division to enhance financial
216.29 data analysis.

216.30 ~~(j)~~ (m) \$750,000 in fiscal year 2014 only is for departmental costs associated with
216.31 teacher development and evaluation. Any balance in the first year does not cancel and
216.32 is available in the second year.

216.33 Sec. 2. Laws 2013, chapter 116, article 9, section 2, is amended to read:

216.34 Sec. 2. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

217.1 The sums indicated in this section are appropriated from the general fund to the
 217.2 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

217.3	\$	11,749,000	.....	2014
217.4		11,664,000		
217.5	\$	<u>11,964,000</u>	.....	2015

217.6 \$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading
 217.7 kitchen facilities. Any balance in the first year does not cancel but is available in the
 217.8 second year.

217.9 Sec. 3. **APPROPRIATION; RESPONSES TO HEALTH INSURANCE**
 217.10 **TRANSPARENCY ACT BID REQUESTS.**

217.11 (a) \$294,000 is appropriated for fiscal year 2015 from the general fund to the
 217.12 commissioner of management and budget to comply with the requirements relating to
 217.13 health insurance transparency similar to those proposed in House File 2180, if enacted in
 217.14 the 2014 regular legislative session. This is a onetime appropriation.

217.15 (b) If a bill meeting the requirements of paragraph (a) is enacted, the commissioner
 217.16 of management and budget shall report by January 15, 2015, to the legislative chairs
 217.17 and ranking minority members with jurisdiction over state government finance on the
 217.18 ongoing costs incurred by the public employees insurance program in compliance with
 217.19 the requirements of the health insurance transparency act and may request additional
 217.20 appropriations, if necessary.

217.21 **ARTICLE 23**

217.22 **FORECAST ADJUSTMENTS**

217.23 **A. GENERAL EDUCATION**

217.24 Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 3, is amended to
 217.25 read:

217.26 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
 217.27 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
 217.28 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

217.29		44,000		
217.30	\$	<u>37,000</u>	.....	2014
217.31		48,000		
217.32	\$	<u>40,000</u>	.....	2015

217.33 Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 4, is amended to read:

218.1 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
 218.2 127A.49:

218.3 ~~2,747,000~~
 218.4 \$ 2,876,000 2014
 218.5 ~~3,136,000~~
 218.6 \$ 3,103,000 2015

218.7 The 2014 appropriation includes \$301,000 for 2013 and ~~\$2,446,000~~ \$2,575,000
 218.8 for 2014.

218.9 The 2015 appropriation includes ~~\$385,000~~ \$286,000 for 2014 and ~~\$2,751,000~~
 218.10 \$2,817,000 for 2015.

218.11 Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 5, is amended to read:

218.12 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
 218.13 Statutes, section 123A.485:

218.14 ~~472,000~~
 218.15 \$ 585,000 2014
 218.16 ~~480,000~~
 218.17 \$ 254,000 2015

218.18 The 2014 appropriation includes \$40,000 for 2013 and ~~\$432,000~~ \$545,000 for 2014.

218.19 The 2015 appropriation includes ~~\$68,000~~ \$60,000 for 2014 and ~~\$412,000~~ \$194,000
 218.20 for 2015.

218.21 Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 6, is amended to read:

218.22 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
 218.23 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

218.24 ~~15,582,000~~
 218.25 \$ 16,068,000 2014
 218.26 ~~16,169,000~~
 218.27 \$ 16,074,000 2015

218.28 The 2014 appropriation includes \$2,099,000 for 2013 and ~~\$13,483,000~~ \$13,969,000
 218.29 for 2014.

218.30 The 2015 appropriation includes ~~\$2,122,000~~ \$1,552,000 for 2014 and ~~\$14,047,000~~
 218.31 \$14,522,000 for 2015.

218.32 Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 7, is amended to read:

218.33 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
 218.34 under Minnesota Statutes, section 123B.92, subdivision 9:

220.1 ~~52,514,000~~
 220.2 \$ 50,998,000 2014
 220.3 ~~53,818,000~~
 220.4 \$ 47,458,000 2015

220.5 The 2014 appropriation includes \$6,607,000 for 2013 and ~~\$45,907,000~~ \$44,391,000
 220.6 for 2014.

220.7 The 2015 appropriation includes ~~\$7,225,000~~ \$4,932,000 for 2014 and ~~\$46,593,000~~
 220.8 \$42,526,000 for 2015.

220.9 Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 5, is amended to read:

220.10 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For
 220.11 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 220.12 section 124D.87:

220.13 ~~13,968,000~~
 220.14 \$ 13,521,000 2014
 220.15 ~~14,712,000~~
 220.16 \$ 14,248,000 2015

220.17 Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 6, is amended to read:

220.18 Subd. 6. **Success for the future.** For American Indian success for the future grants
 220.19 under Minnesota Statutes, section 124D.81:

220.20 ~~2,137,000~~
 220.21 \$ 2,214,000 2014
 220.22 \$ 2,137,000 2015

220.23 The 2014 appropriation includes \$290,000 for 2013 and ~~\$1,847,000~~ \$1,924,000
 220.24 for 2014.

220.25 The 2015 appropriation includes ~~\$290,000~~ \$213,000 for 2014 and ~~\$1,847,000~~
 220.26 \$1,924,000 for 2015.

220.27 Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 8, is amended to read:

220.28 Subd. 8. **Tribal contract schools.** For tribal contract school aid under Minnesota
 220.29 Statutes, section 124D.83:

220.30 ~~2,080,000~~
 220.31 \$ 2,144,000 2014
 220.32 ~~2,230,000~~
 220.33 \$ 2,152,000 2015

220.34 The 2014 appropriation includes \$266,000 for 2013 and ~~\$1,814,000~~ \$1,878,000
 220.35 for 2014.

221.1 The 2015 appropriation includes ~~\$285,000~~ \$208,000 for 2014 and ~~\$1,945,000~~
 221.2 \$1,944,000 for 2015.

221.3 Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 20, is amended to
 221.4 read:

221.5 Subd. 20. **Alternative compensation.** For alternative teacher compensation aid
 221.6 under Minnesota Statutes, section 122A.415, subdivision 4:

221.7 ~~60,340,000~~
 221.8 \$ 71,599,000 2015

221.9 The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

221.10 **C. CHARTER SCHOOLS**

221.11 Sec. 13. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

221.12 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
 221.13 Statutes, section 124D.11, subdivision 4:

221.14 ~~54,484,000~~
 221.15 \$ 54,763,000 2014
 221.16 ~~59,533,000~~
 221.17 \$ 58,294,000 2015

221.18 The 2014 appropriation includes \$6,819,000 for 2013 and ~~\$47,665,000~~ \$47,944,000
 221.19 for 2014.

221.20 The 2015 appropriation includes ~~\$7,502,000~~ \$5,327,000 for 2014 and ~~\$52,031,000~~
 221.21 \$52,967,000 for 2015.

221.22 **D. SPECIAL PROGRAMS**

221.23 Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 2, is amended to read:

221.24 Subd. 2. **Special education; regular.** For special education aid under Minnesota
 221.25 Statutes, section 125A.75:

221.26 ~~997,725,000~~
 221.27 \$ 1,038,514,000 2014
 221.28 ~~1,108,211,000~~
 221.29 \$ 1,111,641,000 2015

221.30 The 2014 appropriation includes \$118,232,000 for 2013 and ~~\$802,884,000~~
 221.31 \$920,282,000 for 2014.

221.32 The 2015 appropriation includes ~~\$169,929,000~~ \$129,549,000 for 2014 and
 221.33 ~~\$938,282,000~~ \$982,092,000 for 2015.

222.1 Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 3, is amended to read:

222.2 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
 222.3 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
 222.4 within the district boundaries for whom no district of residence can be determined:

222.5		1,655,000		
222.6	\$	<u>1,548,000</u>	.....	2014
222.7		1,752,000		
222.8	\$	<u>1,674,000</u>	.....	2015

222.9 If the appropriation for either year is insufficient, the appropriation for the other
 222.10 year is available.

222.11 Sec. 16. Laws 2013, chapter 116, article 5, section 31, subdivision 4, is amended to read:

222.12 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
 222.13 services under Minnesota Statutes, section 125A.75, subdivision 1:

222.14		345,000		
222.15	\$	<u>351,000</u>	.....	2014
222.16		355,000		
222.17	\$	<u>346,000</u>	.....	2015

222.18 The 2014 appropriation includes \$45,000 for 2013 and ~~\$300,000~~ \$306,000 for 2014.

222.19 The 2015 appropriation includes ~~\$47,000~~ \$33,000 for 2014 and ~~\$308,000~~ \$313,000
 222.20 for 2015.

222.21 **E. FACILITIES AND TECHNOLOGY**

222.22 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 2, is amended to read:

222.23 Subd. 2. **Health and safety revenue.** For health and safety aid according to
 222.24 Minnesota Statutes, section 123B.57, subdivision 5:

222.25		463,000		
222.26	\$	<u>473,000</u>	.....	2014
222.27		434,000		
222.28	\$	<u>651,000</u>	.....	2015

222.29 The 2014 appropriation includes \$26,000 for 2013 and ~~\$437,000~~ \$447,000 for 2014.

222.30 The 2015 appropriation includes ~~\$68,000~~ \$49,000 for 2014 and ~~\$366,000~~ \$602,000
 222.31 for 2015.

222.32 Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 3, is amended to read:

222.33 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
 222.34 Statutes, section 123B.53, subdivision 6:

224.1 ~~5,711,000~~
 224.2 \$ 5,308,000 2014
 224.3 ~~6,022,000~~
 224.4 \$ 5,607,000 2015

224.5 Sec. 22. Laws 2013, chapter 116, article 7, section 21, subdivision 4, is amended to read:

224.6 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
 224.7 section 124D.118:

224.8 ~~1,039,000~~
 224.9 \$ 992,000 2014
 224.10 ~~1,049,000~~
 224.11 \$ 1,002,000 2015

224.12 Sec. 23. Laws 2013, chapter 116, article 7, section 21, subdivision 6, is amended to read:

224.13 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
 224.14 Statutes, section 134.355:

224.15 ~~13,570,000~~
 224.16 \$ 14,058,000 2014
 224.17 ~~13,570,000~~
 224.18 \$ 13,570,000 2015

224.19 The 2014 appropriation includes \$1,845,000 for 2013 and ~~\$11,725,000~~ \$12,213,000
 224.20 for 2014.

224.21 The 2015 appropriation includes ~~\$1,845,000~~ \$1,357,000 for 2014 and ~~\$11,725,000~~
 224.22 \$12,213,000 for 2015.

224.23 Sec. 24. Laws 2013, chapter 116, article 7, section 21, subdivision 7, is amended to read:

224.24 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
 224.25 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

224.26 ~~1,300,000~~
 224.27 \$ 1,346,000 2014
 224.28 \$ 1,300,000 2015

224.29 The 2014 appropriation includes \$176,000 for 2013 and ~~\$1,124,000~~ \$1,170,000
 224.30 for 2014.

224.31 The 2015 appropriation includes ~~\$176,000~~ \$130,000 for 2014 and ~~\$1,124,000~~
 224.32 \$1,170,000 for 2015.

224.33 Sec. 25. Laws 2013, chapter 116, article 7, section 21, subdivision 9, is amended to read:

225.1 Subd. 9. **Regional library telecommunications aid.** For regional library
 225.2 telecommunications aid under Minnesota Statutes, section 134.355:

225.3		2,300,000		
225.4	\$	<u>2,382,000</u>	.....	2014
225.5	\$	2,300,000	.....	2015

225.6 The 2014 appropriation includes \$312,000 for 2013 and ~~\$1,988,000~~ \$2,070,000
 225.7 for 2014.

225.8 The 2015 appropriation includes ~~\$312,000~~ \$230,000 for 2014 and ~~\$1,988,000~~
 225.9 \$2,070,000 for 2015.

225.10 **G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY,**
 225.11 **AND LIFELONG LEARNING**

225.12 Sec. 26. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:

225.13 Subd. 3. **Early childhood family education aid.** For early childhood family
 225.14 education aid under Minnesota Statutes, section 124D.135:

225.15		22,078,000		
225.16	\$	<u>22,797,000</u>	.....	2014
225.17		22,425,000		
225.18	\$	<u>22,001,000</u>	.....	2015

225.19 The 2014 appropriation includes \$3,008,000 for 2013 and ~~\$19,070,000~~ \$19,789,000
 225.20 for 2014.

225.21 The 2015 appropriation includes ~~\$3,001,000~~ \$2,198,000 for 2014 and ~~\$19,424,000~~
 225.22 \$19,803,000 for 2015.

225.23 Sec. 27. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:

225.24 Subd. 10. **Community education aid.** For community education aid under
 225.25 Minnesota Statutes, section 124D.20:

225.26		935,000		
225.27	\$	<u>955,000</u>	.....	2014
225.28		1,056,000		
225.29	\$	<u>1,060,000</u>	.....	2015

225.30 The 2014 appropriation includes \$118,000 for 2013 and ~~\$817,000~~ \$837,000 for 2014.

225.31 The 2015 appropriation includes ~~\$128,000~~ \$93,000 for 2014 and ~~\$928,000~~ \$967,000
 225.32 for 2015.

225.33 Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:

226.1 Subd. 11. **Adults with disabilities program aid.** For adults with disabilities
 226.2 programs under Minnesota Statutes, section 124D.56:

226.3		710,000		
226.4	\$	<u>735,000</u>	.....	2014
226.5	\$	710,000	.....	2015

226.6 The 2014 appropriation includes \$96,000 for 2013 and ~~\$614,000~~ \$639,000 for 2014.
 226.7 The 2015 appropriation includes ~~\$96,000~~ \$71,000 for 2014 and ~~\$614,000~~ \$639,000
 226.8 for 2015.

226.9 **HEALTH AND HUMAN SERVICES**

226.10 **ARTICLE 24**

226.11 **HEALTH DEPARTMENT**

226.12 Section 1. Minnesota Statutes 2012, section 144.551, subdivision 1, is amended to read:

226.13 Subdivision 1. **Restricted construction or modification.** (a) The following
 226.14 construction or modification may not be commenced:

226.15 (1) any erection, building, alteration, reconstruction, modernization, improvement,
 226.16 extension, lease, or other acquisition by or on behalf of a hospital that increases the bed
 226.17 capacity of a hospital, relocates hospital beds from one physical facility, complex, or site
 226.18 to another, or otherwise results in an increase or redistribution of hospital beds within
 226.19 the state; and

226.20 (2) the establishment of a new hospital.

226.21 (b) This section does not apply to:

226.22 (1) construction or relocation within a county by a hospital, clinic, or other health
 226.23 care facility that is a national referral center engaged in substantial programs of patient
 226.24 care, medical research, and medical education meeting state and national needs that
 226.25 receives more than 40 percent of its patients from outside the state of Minnesota;

226.26 (2) a project for construction or modification for which a health care facility held
 226.27 an approved certificate of need on May 1, 1984, regardless of the date of expiration of
 226.28 the certificate;

226.29 (3) a project for which a certificate of need was denied before July 1, 1990, if a
 226.30 timely appeal results in an order reversing the denial;

226.31 (4) a project exempted from certificate of need requirements by Laws 1981, chapter
 226.32 200, section 2;

227.1 (5) a project involving consolidation of pediatric specialty hospital services within
227.2 the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the
227.3 number of pediatric specialty hospital beds among the hospitals being consolidated;

227.4 (6) a project involving the temporary relocation of pediatric-orthopedic hospital beds
227.5 to an existing licensed hospital that will allow for the reconstruction of a new philanthropic,
227.6 pediatric-orthopedic hospital on an existing site and that will not result in a net increase in
227.7 the number of hospital beds. Upon completion of the reconstruction, the licenses of both
227.8 hospitals must be reinstated at the capacity that existed on each site before the relocation;

227.9 (7) the relocation or redistribution of hospital beds within a hospital building or
227.10 identifiable complex of buildings provided the relocation or redistribution does not result
227.11 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds
227.12 from one physical site or complex to another; or (iii) redistribution of hospital beds within
227.13 the state or a region of the state;

227.14 (8) relocation or redistribution of hospital beds within a hospital corporate system
227.15 that involves the transfer of beds from a closed facility site or complex to an existing site
227.16 or complex provided that: (i) no more than 50 percent of the capacity of the closed facility
227.17 is transferred; (ii) the capacity of the site or complex to which the beds are transferred
227.18 does not increase by more than 50 percent; (iii) the beds are not transferred outside of a
227.19 federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or
227.20 redistribution does not involve the construction of a new hospital building;

227.21 (9) a construction project involving up to 35 new beds in a psychiatric hospital in
227.22 Rice County that primarily serves adolescents and that receives more than 70 percent of its
227.23 patients from outside the state of Minnesota;

227.24 (10) a project to replace a hospital or hospitals with a combined licensed capacity
227.25 of 130 beds or less if: (i) the new hospital site is located within five miles of the current
227.26 site; and (ii) the total licensed capacity of the replacement hospital, either at the time of
227.27 construction of the initial building or as the result of future expansion, will not exceed 70
227.28 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

227.29 (11) the relocation of licensed hospital beds from an existing state facility operated
227.30 by the commissioner of human services to a new or existing facility, building, or complex
227.31 operated by the commissioner of human services; from one regional treatment center
227.32 site to another; or from one building or site to a new or existing building or site on the
227.33 same campus;

227.34 (12) the construction or relocation of hospital beds operated by a hospital having a
227.35 statutory obligation to provide hospital and medical services for the indigent that does not
227.36 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27

228.1 beds, of which 12 serve mental health needs, may be transferred from Hennepin County
228.2 Medical Center to Regions Hospital under this clause;

228.3 (13) a construction project involving the addition of up to 31 new beds in an existing
228.4 nonfederal hospital in Beltrami County;

228.5 (14) a construction project involving the addition of up to eight new beds in an
228.6 existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

228.7 (15) a construction project involving the addition of 20 new hospital beds
228.8 used for rehabilitation services in an existing hospital in Carver County serving the
228.9 southwest suburban metropolitan area. Beds constructed under this clause shall not be
228.10 eligible for reimbursement under medical assistance, general assistance medical care,
228.11 or MinnesotaCare;

228.12 (16) a project for the construction or relocation of up to 20 hospital beds for the
228.13 operation of up to two psychiatric facilities or units for children provided that the operation
228.14 of the facilities or units have received the approval of the commissioner of human services;

228.15 (17) a project involving the addition of 14 new hospital beds to be used for
228.16 rehabilitation services in an existing hospital in Itasca County;

228.17 (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin
228.18 County that closed 20 rehabilitation beds in 2002, provided that the beds are used only
228.19 for rehabilitation in the hospital's current rehabilitation building. If the beds are used for
228.20 another purpose or moved to another location, the hospital's licensed capacity is reduced
228.21 by 20 beds;

228.22 (19) a critical access hospital established under section 144.1483, clause (9), and
228.23 section 1820 of the federal Social Security Act, United States Code, title 42, section
228.24 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public
228.25 Law 105-33, to the extent that the critical access hospital does not seek to exceed the
228.26 maximum number of beds permitted such hospital under federal law;

228.27 (20) notwithstanding section 144.552, a project for the construction of a new hospital
228.28 in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

228.29 (i) the project, including each hospital or health system that will own or control the
228.30 entity that will hold the new hospital license, is approved by a resolution of the Maple
228.31 Grove City Council as of March 1, 2006;

228.32 (ii) the entity that will hold the new hospital license will be owned or controlled by
228.33 one or more not-for-profit hospitals or health systems that have previously submitted a
228.34 plan or plans for a project in Maple Grove as required under section 144.552, and the
228.35 plan or plans have been found to be in the public interest by the commissioner of health
228.36 as of April 1, 2005;

229.1 (iii) the new hospital's initial inpatient services must include, but are not limited
229.2 to, medical and surgical services, obstetrical and gynecological services, intensive
229.3 care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics,
229.4 behavioral health services, and emergency room services;

229.5 (iv) the new hospital:

229.6 (A) will have the ability to provide and staff sufficient new beds to meet the growing
229.7 needs of the Maple Grove service area and the surrounding communities currently being
229.8 served by the hospital or health system that will own or control the entity that will hold
229.9 the new hospital license;

229.10 (B) will provide uncompensated care;

229.11 (C) will provide mental health services, including inpatient beds;

229.12 (D) will be a site for workforce development for a broad spectrum of
229.13 health-care-related occupations and have a commitment to providing clinical training
229.14 programs for physicians and other health care providers;

229.15 (E) will demonstrate a commitment to quality care and patient safety;

229.16 (F) will have an electronic medical records system, including physician order entry;

229.17 (G) will provide a broad range of senior services;

229.18 (H) will provide emergency medical services that will coordinate care with regional
229.19 providers of trauma services and licensed emergency ambulance services in order to
229.20 enhance the continuity of care for emergency medical patients; and

229.21 (I) will be completed by December 31, 2009, unless delayed by circumstances
229.22 beyond the control of the entity holding the new hospital license; and

229.23 (v) as of 30 days following submission of a written plan, the commissioner of health
229.24 has not determined that the hospitals or health systems that will own or control the entity
229.25 that will hold the new hospital license are unable to meet the criteria of this clause;

229.26 (21) a project approved under section 144.553;

229.27 (22) a project for the construction of a hospital with up to 25 beds in Cass County
229.28 within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's
229.29 license holder is approved by the Cass County Board;

229.30 (23) a project for an acute care hospital in Fergus Falls that will increase the bed
229.31 capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16
229.32 and closing a separately licensed 13-bed skilled nursing facility; ~~or~~

229.33 (24) notwithstanding section 144.552, a project for the construction and expansion
229.34 of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for
229.35 patients who are under 21 years of age on the date of admission. The commissioner
229.36 conducted a public interest review of the mental health needs of Minnesota and the Twin

230.1 Cities metropolitan area in 2008. No further public interest review shall be conducted for
230.2 the construction or expansion project under this clause; or
230.3 (25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if
230.4 the commissioner finds the project is in the public interest after the public interest review
230.5 conducted under section 144.552 is complete.

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

230.7 Sec. 2. **[144.9513] HEALTHY HOUSING GRANTS.**

230.8 **Subdivision 1. Definitions.** For purposes of this section and sections 144.9501 to
230.9 144.9512, the following terms have the meanings given.

230.10 **(a) "Housing" means a room or group of rooms located within a dwelling forming**
230.11 **a single habitable unit with facilities used or intended to be used for living, sleeping,**
230.12 **cooking, and eating.**

230.13 **(b) "Healthy housing" means housing that is sited, designed, built, renovated, and**
230.14 **maintained in ways that supports the health of residents.**

230.15 **(c) "Housing-based health threat" means a chemical, biologic, or physical agent in**
230.16 **the immediate housing environment which constitutes a potential or actual hazard to**
230.17 **human health at acute or chronic exposure levels.**

230.18 **(d) "Primary prevention" means preventing exposure to housing-based health threats**
230.19 **before seeing clinical symptoms or a diagnosis.**

230.20 **Subd. 2. Grants; administration.** Grant applicants shall submit applications to
230.21 **the commissioner as directed by a request for proposals. Grants must be competitively**
230.22 **awarded and recipients of a grant under this section must prepare and submit a quarterly**
230.23 **progress report to the commissioner beginning three months after receipt of the grant. The**
230.24 **commissioner shall provide technical assistance and program support as needed to ensure**
230.25 **that housing-based health threats are effectively identified, mitigated, and evaluated by**
230.26 **grantees.**

230.27 **Subd. 3. Education and training grant; eligible activities.** (a) Within the limits of
230.28 **available appropriations, the commissioner shall make grants to nonprofit organizations,**
230.29 **community health boards, and community action agencies under section 256E.31 with**
230.30 **expertise in providing outreach, education, and training on healthy homes subjects and in**
230.31 **providing comprehensive healthy homes assessments and interventions to provide healthy**
230.32 **housing education, training, and technical assistance services for persons engaged in**
230.33 **addressing housing-based health threats and other individuals impacted by housing-based**
230.34 **health threats.**

230.35 **(b) The grantee may conduct the following activities:**

231.1 (1) implement and maintain primary prevention programs to reduce housing-based
 231.2 health threats that include the following:

231.3 (i) providing education materials to the general public and to property owners,
 231.4 contractors, code officials, health care providers, public health professionals, health
 231.5 educators, nonprofit organizations, and other persons and organizations engaged in
 231.6 housing and health issues;

231.7 (ii) promoting awareness of community, legal, and housing resources; and

231.8 (iii) promoting the use of hazard reduction measures in new housing construction
 231.9 and housing rehabilitation programs;

231.10 (2) provide training on identifying and addressing housing-based health threats;

231.11 (3) provide technical assistance on the implementation of mitigation measures;

231.12 (4) promote adoption of evidence-based best practices for mitigation of

231.13 housing-based health threats; or

231.14 (5) develop work practices for addressing specific housing-based health threats.

231.15 Sec. 3. **[144A.484] INTEGRATED LICENSURE; HOME AND**
 231.16 **COMMUNITY-BASED SERVICES DESIGNATION.**

231.17 Subdivision 1. **Integrated licensing established.** (a) From January 1, 2014, to June
 231.18 30, 2015, the commissioner of health shall enforce the home and community-based services
 231.19 standards under chapter 245D for those providers who also have a home care license
 231.20 pursuant to chapter 144A as required under Laws 2013, chapter 108, article 11, section 31,
 231.21 and article 8, section 60. During this period, the commissioner shall provide technical
 231.22 assistance on how to achieve and maintain compliance with applicable law or rules
 231.23 governing the provision of home and community-based services, including complying with
 231.24 the service recipient rights notice in subdivision 4, clause (4). If, during the survey, the
 231.25 commissioner finds that the licensee has failed to achieve compliance with an applicable
 231.26 law or rule under chapter 245D and this failure does not imminently endanger the health,
 231.27 safety, or rights of the persons served by the program, the commissioner may issue a
 231.28 licensing survey report with recommendations for achieving and maintaining compliance.

231.29 (b) Beginning July 1, 2015, a home care provider applicant or license holder may
 231.30 apply to the commissioner of health for a home and community-based services designation
 231.31 for the provision of basic home and community-based services identified under section
 231.32 245D.03, subdivision 1, paragraph (b). The designation allows the license holder to
 231.33 provide basic home and community-based services that would otherwise require licensure
 231.34 under chapter 245D, under the license holder's home care license governed by sections
 231.35 144A.43 to 144A.481.

232.1 Subd. 2. **Application for home and community-based services designation.** An
232.2 application for a home and community-based services designation must be made on the
232.3 forms and in the manner prescribed by the commissioner. The commissioner shall provide
232.4 the applicant with instruction for completing the application and provide information
232.5 about the requirements of other state agencies that affect the applicant. Application for
232.6 the home and community-based services designation is subject to the requirements under
232.7 section 144A.473.

232.8 Subd. 3. **Home and community-based services designation fees.** A home care
232.9 provider applicant or licensee applying for the home and community-based services
232.10 designation or renewal of a home and community-based services designation must submit
232.11 a fee in the amount specified in subdivision 8.

232.12 Subd. 4. **Applicability of home and community-based services requirements.** A
232.13 home care provider with a home and community-based services designation must comply
232.14 with the requirements for home care services governed by this chapter. For the provision
232.15 of basic home and community-based services, the home care provider must also comply
232.16 with the following home and community-based services licensing requirements:

- 232.17 (1) person-centered planning requirements in section 245D.07;
232.18 (2) protection standards in section 245D.06;
232.19 (3) emergency use of manual restraints in section 245D.061; and
232.20 (4) service recipient rights in section 245D.04, subdivision 3, paragraph (a), clauses
232.21 (5), (7), (8), (12), and (13), and paragraph (b).

232.22 A home care provider with the integrated license-HCBS designation may utilize a bill of
232.23 rights which incorporates the service recipient rights in section 245D.04, subdivision 3,
232.24 paragraph (a), clauses (5), (7), (8), (12), and (13), and paragraph (b) with the home care
232.25 bill of rights in section 144A.44.

232.26 Subd. 5. **Monitoring and enforcement.** (a) The commissioner shall monitor for
232.27 compliance with the home and community-based services requirements identified in
232.28 subdivision 5, in accordance with this section and any agreements by the commissioners
232.29 of health and human services.

232.30 (b) The commissioner shall enforce compliance with applicable home and
232.31 community-based services licensing requirements as follows:

232.32 (1) the commissioner may deny a home and community-based services designation
232.33 in accordance with section 144A.473 or 144A.475; and

232.34 (2) if the commissioner finds that the applicant or license holder has failed to comply
232.35 with the applicable home and community-based services designation requirements the
232.36 commissioner may issue:

- 233.1 (i) a correction order in accordance with section 144A.474;
- 233.2 (ii) an order of conditional license in accordance with section 144A.475;
- 233.3 (iii) a sanction in accordance with section 144A.475; or
- 233.4 (iv) any combination of clauses (i) to (iii).

233.5 Subd. 6. **Appeals.** A home care provider applicant that has been denied a temporary
 233.6 license will also be denied their application for the home and community-based services
 233.7 designation. The applicant may request reconsideration in accordance with section
 233.8 144A.473, subdivision 3. A licensed home care provider whose application for a home
 233.9 and community-based services designation has been denied or whose designation has been
 233.10 suspended or revoked may appeal the denial, suspension, revocation, or refusal to renew a
 233.11 home and community-based services designation in accordance with section 144A.475.
 233.12 A license holder may request reconsideration of a correction order in accordance with
 233.13 section 144A.474, subdivision 12.

233.14 Subd. 7. **Agreements.** The commissioners of health and human services shall enter
 233.15 into any agreements necessary to implement this section.

233.16 Subd. 8. **Fees; home and community-based services designation.** (a) The initial
 233.17 fee for a basic home and community-based services designation is \$155. A home care
 233.18 provider who is seeking to renew the provider's home and community-based services
 233.19 designation must pay an annual nonrefundable fee with the annual home care license
 233.20 fee according to the following schedule and based on revenues from the home and
 233.21 community-based services:

<u>Provider Annual Revenue from HCBS</u>	<u>HCBS Designation</u>
233.22 <u>greater than \$1,500,000</u>	<u>\$320</u>
233.23 <u>greater than \$1,275,000 and no more than \$1,500,000</u>	<u>\$300</u>
233.24 <u>greater than \$1,100,000 and no more than \$1,275,000</u>	<u>\$280</u>
233.25 <u>greater than \$950,000 and no more than \$1,100,000</u>	<u>\$260</u>
233.26 <u>greater than \$850,000 and no more than \$950,000</u>	<u>\$240</u>
233.27 <u>greater than \$750,000 and no more than \$850,000</u>	<u>\$220</u>
233.28 <u>greater than \$650,000 and no more than \$750,000</u>	<u>\$200</u>
233.29 <u>greater than \$550,000 and no more than \$650,000</u>	<u>\$180</u>
233.30 <u>greater than \$450,000 and no more than \$550,000</u>	<u>\$160</u>
233.31 <u>greater than \$350,000 and no more than \$450,000</u>	<u>\$140</u>
233.32 <u>greater than \$250,000 and no more than \$350,000</u>	<u>\$120</u>
233.33 <u>greater than \$100,000 and no more than \$250,000</u>	<u>\$100</u>
233.34 <u>greater than \$50,000 and no more than \$100,000</u>	<u>\$80</u>
233.35 <u>greater than \$25,000 and no more than \$50,000</u>	<u>\$60</u>
233.36 <u>no more than \$25,000</u>	<u>\$40</u>

234.1 (b) Fees and penalties collected under this section shall be deposited in the state
234.2 treasury and credited to the state government special revenue fund.

234.3 Subd. 9. **Study and report about client bill of rights.** The commissioner shall
234.4 consult with Aging Services of Minnesota, Care Providers of Minnesota, Minnesota Home
234.5 Care Association, Department of Human Services, the Ombudsman for Long-Term Care,
234.6 and other stakeholders to review how to streamline the client bill of rights requirements
234.7 in sections 144A.44, 144A.441, and 245D.04 for providers whose practices fit into one
234.8 or several of these practice areas, while assuring and maintaining the health and safety
234.9 of clients. The evaluation shall consider the federal client bill of rights requirements for
234.10 Medicare-certified home care providers. The evaluation must determine whether there
234.11 are duplications or conflicts of client rights, evaluate how to reduce the complexity of the
234.12 client bill of rights requirements for providers and consumers, determine which of the
234.13 rights must be included in a client bill of rights document, and evaluate whether there are
234.14 other ways to ensure that consumers know their rights. The commissioner shall report to
234.15 the chairs of the health and human services committees of the legislature no later than
234.16 February 15, 2015, along with any recommendations for legislative changes.

234.17 **EFFECTIVE DATE.** Minnesota Statutes, section 144A.484, subdivisions 2 to 8,
234.18 are effective July 1, 2015.

234.19 Sec. 4. Minnesota Statutes 2013 Supplement, section 145.4716, subdivision 2, is
234.20 amended to read:

234.21 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is
234.22 responsible for the following:

234.23 (1) developing and providing comprehensive training on sexual exploitation of
234.24 youth for social service professionals, medical professionals, public health workers, and
234.25 criminal justice professionals;

234.26 (2) collecting, organizing, maintaining, and disseminating information on sexual
234.27 exploitation and services across the state, including maintaining a list of resources on the
234.28 Department of Health Web site;

234.29 (3) monitoring and applying for federal funding for antitrafficking efforts that may
234.30 benefit victims in the state;

234.31 (4) managing grant programs established under sections 145.4716 to 145.4718;

234.32 (5) managing the request for proposals for grants for comprehensive services,
234.33 including trauma-informed, culturally specific services;

234.34 (6) identifying best practices in serving sexually exploited youth, as defined in
234.35 section 260C.007, subdivision 31;

235.1 ~~(6)~~ (7) providing oversight of and technical support to regional navigators pursuant
235.2 to section 145.4717;

235.3 ~~(7)~~ (8) conducting a comprehensive evaluation of the statewide program for safe
235.4 harbor of sexually exploited youth; and

235.5 ~~(8)~~ (9) developing a policy consistent with the requirements of chapter 13 for sharing
235.6 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,
235.7 among regional navigators and community-based advocates.

235.8 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.04, subdivision 21, is
235.9 amended to read:

235.10 Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for
235.11 Medicare and Medicaid Services determines that a provider is designated "high-risk," the
235.12 commissioner may withhold payment from providers within that category upon initial
235.13 enrollment for a 90-day period. The withholding for each provider must begin on the date
235.14 of the first submission of a claim.

235.15 (b) An enrolled provider that is also licensed by the commissioner under chapter
235.16 245A or that is licensed by the Department of Health under chapter 144A and has a
235.17 HCBS designation on the home care license must designate an individual as the entity's
235.18 compliance officer. The compliance officer must:

235.19 (1) develop policies and procedures to assure adherence to medical assistance laws
235.20 and regulations and to prevent inappropriate claims submissions;

235.21 (2) train the employees of the provider entity, and any agents or subcontractors of
235.22 the provider entity including billers, on the policies and procedures under clause (1);

235.23 (3) respond to allegations of improper conduct related to the provision or billing of
235.24 medical assistance services, and implement action to remediate any resulting problems;

235.25 (4) use evaluation techniques to monitor compliance with medical assistance laws
235.26 and regulations;

235.27 (5) promptly report to the commissioner any identified violations of medical
235.28 assistance laws or regulations; and

235.29 (6) within 60 days of discovery by the provider of a medical assistance
235.30 reimbursement overpayment, report the overpayment to the commissioner and make
235.31 arrangements with the commissioner for the commissioner's recovery of the overpayment.

235.32 The commissioner may require, as a condition of enrollment in medical assistance, that a
235.33 provider within a particular industry sector or category establish a compliance program that
235.34 contains the core elements established by the Centers for Medicare and Medicaid Services.

236.1 (c) The commissioner may revoke the enrollment of an ordering or rendering
236.2 provider for a period of not more than one year, if the provider fails to maintain and, upon
236.3 request from the commissioner, provide access to documentation relating to written orders
236.4 or requests for payment for durable medical equipment, certifications for home health
236.5 services, or referrals for other items or services written or ordered by such provider, when
236.6 the commissioner has identified a pattern of a lack of documentation. A pattern means a
236.7 failure to maintain documentation or provide access to documentation on more than one
236.8 occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a
236.9 provider under the provisions of section 256B.064.

236.10 (d) The commissioner shall terminate or deny the enrollment of any individual or
236.11 entity if the individual or entity has been terminated from participation in Medicare or
236.12 under the Medicaid program or Children's Health Insurance Program of any other state.

236.13 (e) As a condition of enrollment in medical assistance, the commissioner shall
236.14 require that a provider designated "moderate" or "high-risk" by the Centers for Medicare
236.15 and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
236.16 Services, its agents, or its designated contractors and the state agency, its agents, or its
236.17 designated contractors to conduct unannounced on-site inspections of any provider location.
236.18 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
236.19 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
236.20 and standards used to designate Medicare providers in Code of Federal Regulations, title
236.21 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
236.22 The commissioner's designations are not subject to administrative appeal.

236.23 (f) As a condition of enrollment in medical assistance, the commissioner shall
236.24 require that a high-risk provider, or a person with a direct or indirect ownership interest in
236.25 the provider of five percent or higher, consent to criminal background checks, including
236.26 fingerprinting, when required to do so under state law or by a determination by the
236.27 commissioner or the Centers for Medicare and Medicaid Services that a provider is
236.28 designated high-risk for fraud, waste, or abuse.

236.29 (g)(1) Upon initial enrollment, reenrollment, and revalidation, all durable medical
236.30 equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers operating in
236.31 Minnesota and receiving Medicaid funds must purchase a surety bond that is annually
236.32 renewed and designates the Minnesota Department of Human Services as the obligee, and
236.33 must be submitted in a form approved by the commissioner.

236.34 (2) At the time of initial enrollment or reenrollment, the provider agency must
236.35 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue
236.36 in the previous calendar year is up to and including \$300,000, the provider agency must

237.1 purchase a performance bond of \$50,000. If a revalidating provider's Medicaid revenue
237.2 in the previous calendar year is over \$300,000, the provider agency must purchase a
237.3 performance bond of \$100,000. The performance bond must allow for recovery of costs
237.4 and fees in pursuing a claim on the bond.

237.5 (h) The Department of Human Services may require a provider to purchase a
237.6 performance surety bond as a condition of initial enrollment, reenrollment, reinstatement,
237.7 or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the
237.8 department determines there is significant evidence of or potential for fraud and abuse by
237.9 the provider, or (3) the provider or category of providers is designated high-risk pursuant
237.10 to paragraph (a) and as per Code of Federal Regulations, title 42, section 455.450. The
237.11 performance bond must be in an amount of \$100,000 or ten percent of the provider's
237.12 payments from Medicaid during the immediately preceding 12 months, whichever is
237.13 greater. The performance bond must name the Department of Human Services as an
237.14 obligee and must allow for recovery of costs and fees in pursuing a claim on the bond.

237.15 **Sec. 6. LEGISLATIVE HEALTH CARE WORKFORCE COMMISSION.**

237.16 **Subdivision 1. Legislative oversight.** The Legislative Health Care Workforce
237.17 Commission is created to study and make recommendations to the legislature on how to
237.18 achieve the goal of strengthening the workforce in healthcare.

237.19 **Subd. 2. Membership.** The Legislative Health Care Workforce Commission
237.20 consists of five members of the senate appointed by the Subcommittee on Committees
237.21 of the Committee on Rules and Administration and five members of the house of
237.22 representatives appointed by the speaker of the house. The Legislative Health Care
237.23 Workforce Commission must include three members of the majority party and two
237.24 members of the minority party in each house.

237.25 **Subd. 3. Report to the legislature.** The Legislative Health Care Workforce
237.26 Commission must provide a report making recommendations to the legislature by
237.27 December 31, 2014. The report must:

237.28 (1) identify current and anticipated health care workforce shortages, by both
237.29 provider type and geography;

237.30 (2) evaluate the effectiveness of incentives currently available to develop, attract,
237.31 and retain a highly skilled health care workforce;

237.32 (3) study alternative incentives to develop, attract, and retain a highly skilled and
237.33 diverse health care workforce; and

237.34 (4) identify current causes and potential solutions to barriers related to the primary
237.35 care workforce, including, but not limited to:

- 238.1 (i) training and residency shortages;
238.2 (ii) disparities in income between primary care and other providers; and
238.3 (iii) negative perceptions of primary care among students.

238.4 Subd. 4. **Assistance to the commission.** The commissioners of health, human
238.5 services, commerce, and other state agencies shall provide assistance and technical
238.6 support to the commission at the request of the commission. The commission may
238.7 convene subcommittees to provide additional assistance and advice to the commission.

238.8 Subd. 5. **Expiration.** The Legislative Health Care Workforce Commission expires
238.9 on January 1, 2015.

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

238.11 Sec. 7. **GRANT PROGRAMS TO ADDRESS MINORITY HEALTH**
238.12 **DISPARITIES.**

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

238.15 (b) "Dementia" means a condition ascribed within the brain that leads to confusion,
238.16 lack of focus, and decreased memory.

238.17 (c) "Education activities" means providing materials related to health care topics
238.18 in ethnic-specific languages through materials including, but not limited to, Web sites,
238.19 brochures, flyers, and other similar vehicles.

238.20 (d) "Minority populations" means racial and ethnic groups including, but not limited
238.21 to, African-Americans, Native Americans, Hmong, Asians, and other similar groups.

238.22 (e) "Outreach" means the active pursuit of people within the minority groups
238.23 through specific and targeted activities to contact individuals who may not regularly
238.24 be contacted by health care professionals.

238.25 Subd. 2. **Grants; distribution.** The commissioner of health shall distribute grant
238.26 funds to grantees for the following purposes:

238.27 (1) dementia education and training to specific minority and under-represented
238.28 groups;

238.29 (2) a training conference related to immigrant and refugee mental health issues; and

238.30 (3) other programs, as prioritized by the commissioner, relating to health disparities
238.31 in minority populations, including, but not limited to, a Somali women-led prevention
238.32 health care agency located in Minnesota focused on minority women's health disparities.

238.33 Subd. 3. **Grants; administration.** Grant applicants shall submit applications
238.34 to the commissioner of health as directed by a request for proposals. Grants must be
238.35 competitively awarded and recipients of a grant under this section must prepare and

239.1 submit a quarterly progress report to the commissioner beginning three months after
 239.2 receipt of the grant. The commissioner shall provide technical assistance and program
 239.3 support as needed, including, but not limited to, assurance that minority individuals with
 239.4 dementia are effectively identified, mitigated, and evaluated by grantees.

239.5 Subd. 4. **Dementia education and training grant; eligible activities for dementia**
 239.6 **outreach.** (a) Within the limits of available appropriations, the commissioner shall make
 239.7 a grant to a nonprofit organization with expertise in providing outreach, education, and
 239.8 training on dementia, Alzheimer's, and other related disabilities within specific minority
 239.9 and under-represented groups.

239.10 (b) The grantee must conduct the following activities:

239.11 (1) providing and making available educational materials to the general public
 239.12 as well as specific minority populations;

239.13 (2) promoting awareness of dementia-related resources and educational materials;
 239.14 and

239.15 (3) promoting the use of materials within health care organizations.

239.16 Sec. 8. **FULL-TIME EMPLOYEE RESTRICTION.**

239.17 No more than one full-time employee may be hired by the Department of Health to
 239.18 administer the grants under Minnesota Statutes, section 144.9513.

239.19 **ARTICLE 25**

239.20 **HEALTH CARE**

239.21 Section 1. Minnesota Statutes 2012, section 256.01, is amended by adding a
 239.22 subdivision to read:

239.23 Subd. 38. **Contract to match recipient third-party liability information.** The
 239.24 commissioner may enter into a contract with a national organization to match recipient
 239.25 third-party liability information and provide coverage and insurance primacy information
 239.26 to the department at no charge to providers and the clearinghouses.

239.27 Sec. 2. Minnesota Statutes 2012, section 256.9685, subdivision 1, is amended to read:

239.28 Subdivision 1. **Authority.** (a) The commissioner shall establish procedures for
 239.29 determining medical assistance and general assistance medical care payment rates under
 239.30 a prospective payment system for inpatient hospital services in hospitals that qualify as
 239.31 vendors of medical assistance. The commissioner shall establish, by rule, procedures for
 239.32 implementing this section and sections 256.9686, 256.969, and 256.9695. Services must

240.1 meet the requirements of section 256B.04, subdivision 15, ~~or 256D.03, subdivision 7,~~
240.2 ~~paragraph (b)~~, to be eligible for payment.

240.3 (b) The commissioner may reduce the types of inpatient hospital admissions that
240.4 are required to be certified as medically necessary after notice in the State Register and a
240.5 30-day comment period.

240.6 Sec. 3. Minnesota Statutes 2012, section 256.9685, subdivision 1a, is amended to read:

240.7 Subd. 1a. **Administrative reconsideration.** Notwithstanding ~~sections~~ section
240.8 256B.04, subdivision 15, ~~and 256D.03, subdivision 7,~~ the commissioner shall establish
240.9 an administrative reconsideration process for appeals of inpatient hospital services
240.10 determined to be medically unnecessary. A physician or hospital may request a
240.11 reconsideration of the decision that inpatient hospital services are not medically necessary
240.12 by submitting a written request for review to the commissioner within 30 days after
240.13 receiving notice of the decision. The reconsideration process shall take place prior to the
240.14 procedures of subdivision 1b and shall be conducted by physicians that are independent
240.15 of the case under reconsideration. A majority decision by the physicians is necessary to
240.16 make a determination that the services were not medically necessary.

240.17 Sec. 4. Minnesota Statutes 2012, section 256.9686, subdivision 2, is amended to read:

240.18 Subd. 2. **Base year.** "Base year" means a hospital's fiscal year that is recognized
240.19 by the Medicare program or a hospital's fiscal year specified by the commissioner if a
240.20 hospital is not required to file information by the Medicare program from which cost and
240.21 statistical data are used to establish medical assistance ~~and general assistance medical~~
240.22 ~~care~~ payment rates.

240.23 Sec. 5. Minnesota Statutes 2012, section 256.969, subdivision 1, is amended to read:

240.24 Subdivision 1. **Hospital cost index.** (a) The hospital cost index shall be the change
240.25 in the Consumer Price Index-All Items (United States city average) (CPI-U) forecasted
240.26 by Data Resources, Inc. The commissioner shall use the indices as forecasted in the
240.27 third quarter of the calendar year prior to the rate year. The hospital cost index may be
240.28 used to adjust the base year operating payment rate through the rate year on an annually
240.29 compounded basis.

240.30 (b) ~~For fiscal years beginning on or after July 1, 1993, the commissioner of human~~
240.31 ~~services shall not provide automatic annual inflation adjustments for hospital payment~~
240.32 ~~rates under medical assistance, nor under general assistance medical care, except that~~
240.33 ~~the inflation adjustments under paragraph (a) for medical assistance, excluding general~~

241.1 ~~assistance medical care, shall apply through calendar year 2001. The index for calendar~~
 241.2 ~~year 2000 shall be reduced 2.5 percentage points to recover overprojections of the index~~
 241.3 ~~from 1994 to 1996. The commissioner of management and budget shall include as a~~
 241.4 ~~budget change request in each biennial detailed expenditure budget submitted to the~~
 241.5 ~~legislature under section 16A.11 annual adjustments in hospital payment rates under~~
 241.6 ~~medical assistance and general assistance medical care, based upon the hospital cost index.~~

241.7 Sec. 6. Minnesota Statutes 2012, section 256.969, subdivision 2, is amended to read:

241.8 Subd. 2. **Diagnostic categories.** The commissioner shall use to the extent possible
 241.9 existing diagnostic classification systems, including such as the system used by the
 241.10 Medicare program all patient refined diagnosis-related groups (APR-DRGs) or other
 241.11 similar classification programs to determine the relative values of inpatient services
 241.12 and case mix indices. The commissioner may combine diagnostic classifications into
 241.13 diagnostic categories and may establish separate categories and numbers of categories
 241.14 based on ~~program eligibility~~ or hospital peer group. Relative values shall be ~~recalculated~~
 241.15 recalibrated when the base year is changed. Relative value determinations shall include
 241.16 paid claims for admissions during each hospital's base year. The commissioner may
 241.17 ~~extend the time period forward to obtain sufficiently valid information to establish relative~~
 241.18 ~~values~~ supplement the diagnostic classification systems data with national averages.
 241.19 Relative value determinations shall not include ~~property cost data~~, Medicare crossover
 241.20 data, and data on admissions that are paid a per day transfer rate under subdivision 14. The
 241.21 computation of the base year cost per admission must include identified outlier cases and
 241.22 their weighted costs up to the point that they become outlier cases, but must exclude costs
 241.23 recognized in outlier payments beyond that point. The commissioner may recategorize the
 241.24 diagnostic classifications and ~~recalculate~~ recalibrate relative values and case mix indices
 241.25 to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce
 241.26 variances within the diagnostic categories after notice in the State Register and a 30-day
 241.27 comment period. ~~The commissioner shall recategorize the diagnostic classifications and~~
 241.28 ~~recalculate relative values and case mix indices based on the two-year schedule in effect~~
 241.29 ~~prior to January 1, 2013, reflected in subdivision 2b. The first recategorization shall occur~~
 241.30 ~~January 1, 2013, and shall occur every two years after. When rates are not rebased under~~
 241.31 ~~subdivision 2b, the commissioner may establish relative values and case mix indices based~~
 241.32 ~~on charge data and may update the base year to the most recent data available.~~

241.33 Sec. 7. Minnesota Statutes 2012, section 256.969, subdivision 2b, is amended to read:

242.1 Subd. 2b. **Operating Hospital payment rates.** (a) For discharges occurring on and
242.2 after September 1, 2014, hospital inpatient services for hospitals located in Minnesota
242.3 shall be paid according to the following:

242.4 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
242.5 methodology;

242.6 (2) long-term care hospitals as defined by Medicare shall be paid on a per diem
242.7 methodology under subdivision 25;

242.8 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
242.9 distinct parts as defined by Medicare shall be paid according to the methodology under
242.10 subdivision 12; and

242.11 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

242.12 ~~(b) In determining operating payment rates for admissions occurring on or after the~~
242.13 ~~rate year beginning January 1, 1991, and every two years after, or more frequently as~~
242.14 ~~determined by the commissioner, the commissioner shall obtain operating data from an~~
242.15 ~~updated base year and establish operating payment rates per admission for each hospital~~
242.16 ~~based on the cost-finding methods and allowable costs of the Medicare program in effect~~
242.17 ~~during the base year. Rates under the general assistance medical care, medical assistance,~~
242.18 ~~and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997,~~
242.19 ~~January 1, 2005, for the first 24 months of the rebased period beginning January 1, 2009.~~

242.20 ~~For the rebased period beginning January 1, 2011, through August 31, 2014, rates shall not~~
242.21 ~~be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1,~~
242.22 ~~2011, based on its most recent Medicare cost report ending on or before September 1, 2008,~~
242.23 ~~with the provisions under subdivisions 9 and 23, based on the rates in effect on December~~
242.24 ~~31, 2010. For subsequent rate setting periods after September 1, 2014, in which the base~~
242.25 ~~years are updated, a Minnesota long-term hospital's base year shall remain within the same~~
242.26 ~~period as other hospitals. Effective January 1, 2013, and after, rates shall not be rebased.~~

242.27 (c) Effective for discharges occurring on and after September 1, 2014, payment rates
242.28 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
242.29 area, except those hospitals paid under the methodologies under paragraph (a), clauses
242.30 (2) and (3), shall be rebased incorporating cost and payment methodologies in a manner
242.31 similar to Medicare. The base year for the rates effective September 1, 2014, shall be state
242.32 fiscal year 2012. The rebasing must be budget neutral, ensuring that the total aggregate
242.33 payments under the rebased system are equal to the total aggregate payments made for the
242.34 same number and types of services in the base year. Separate budget neutrality calculations
242.35 shall be determined for payments made to critical access hospitals and payments made to
242.36 hospitals paid under the DRG system. Any rate increases or decreases under subdivision

243.1 3a that applied to the hospitals being rebased during the base period shall be incorporated
243.2 into the budget neutrality calculation. Any rate increases or decreases that did not apply to
243.3 the base period shall not be considered in the budget neutrality calculation.

243.4 (d) For discharges occurring September 1, 2014, through and including June 30,
243.5 2016, the rebased rates shall include necessary adjustments to the projected rates that
243.6 result in no greater than a five percent increase or decrease from the base year payments
243.7 for any hospital. In addition to such adjustments, the commissioner may make adjustments
243.8 to rates and must consider the impact of changes on at least the following when evaluating
243.9 whether additional adjustments should be made:

243.10 (1) pediatric services;

243.11 (2) behavioral health services;

243.12 (3) trauma services as defined by the National Uniform Billing Committee;

243.13 (4) transplant services;

243.14 (5) obstetric services, newborn services, and behavioral health services provided
243.15 by hospitals outside the seven-county metropolitan area;

243.16 (6) outlier admissions;

243.17 (7) low volume providers; and

243.18 (8) services provided by small rural hospitals that are not critical access hospitals.

243.19 (e) Hospital payment rates established under paragraph (c) shall incorporate the
243.20 following:

243.21 (1) for hospitals paid under the DRG methodology, the base year operating payment
243.22 rate per admission is standardized by the case mix index and adjusted by the hospital cost
243.23 index, relative values, and disproportionate population adjustment. applicable Medicare
243.24 wage index and adjusted by the hospital's disproportionate population adjustment;

243.25 (2) for critical access hospitals, interim per diem payment rates shall be based on the
243.26 ratio of cost and charges reported on the base year Medicare cost report or reports and
243.27 applied to medical assistance utilization data. Final settlement payments for a state fiscal
243.28 year will be determined based on a review of the Medicaid cost report for the applicable
243.29 state fiscal year;

243.30 (3) the cost and charge data used to establish operating hospital payment rates shall
243.31 only reflect inpatient services covered by medical assistance and shall not include property
243.32 cost information and costs recognized in outlier payments; and

243.33 (4) in determining hospital payment rates for discharges occurring on or after the
243.34 rate year beginning January 1, 2011, through December 31, 2012, the hospital payment
243.35 rate per discharge must be based on the cost-finding methods and allowable costs of the
243.36 Medicare program in effect during the base year or years.

244.1 Sec. 8. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
244.2 to read:

244.3 Subd. 2d. **Budget neutrality factor.** For the rebased period effective September 1,
244.4 2014, when rebasing rates under subdivision 2b, paragraph (c), the commissioner must
244.5 apply a budget neutrality factor if applicable to all hospitals' rebased rates to ensure that
244.6 total DRG and critical access hospital payments to hospitals do not exceed total DRG and
244.7 critical access hospital payments that would have been made to hospitals for the same
244.8 number and types of services if the relative rates and weights had not been recalibrated
244.9 and cost-based payments for critical access hospitals had not been established. For the
244.10 purposes of this section, budget neutrality factor equals the percentage change from total
244.11 aggregate payments calculated under a new payment system to total aggregate payments
244.12 calculated under the old system for the same number and types of services.

244.13 Sec. 9. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
244.14 to read:

244.15 Subd. 2e. **Interim payments.** Notwithstanding subdivision 2b, for discharges
244.16 occurring on or after September 1, 2014, and no later than June 30, 2015, the commissioner
244.17 may implement an interim payment process to pay hospitals, including payments based on
244.18 each hospital's average payments per claim for state fiscal years 2011 and 2012. These
244.19 interim payments may be used to pay hospitals if the new payment system and rebasing
244.20 under subdivision 2b is not complete by September 1, 2014. Claims paid at interim
244.21 payment rates shall be reprocessed and paid at the rates established under the new system
244.22 upon implementation of the new system.

244.23 Sec. 10. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
244.24 to read:

244.25 Subd. 2f. **Report required.** (a) The commissioner shall annually report to the
244.26 legislature beginning March 1, 2015, and ending March 1, 2016, on the financial impacts
244.27 by hospital and policy ramifications, if any, resulting from payment methodology changes
244.28 implemented after August 31, 2014, and before December 31, 2015.

244.29 (b) The commissioner shall provide, at a minimum, the following information:

244.30 (1) case-mix adjusted calculations of net payment impacts for each hospital resulting
244.31 from the difference between the payments each hospital would have received under the
244.32 payment methodology for discharges before August 31, 2014, and the payments each
244.33 hospital has or is expected to receive for the same number and types of services under the
244.34 payment methodology implemented effective September 1, 2014;

245.1 (2) any adjustments authorized under subdivision 2b, paragraph (d), that were made
245.2 and the impacts of those adjustments; and
245.3 (3) recommendations for further refinement or improvement of the hospital inpatient
245.4 payment system or methodologies.

245.5 Sec. 11. Minnesota Statutes 2012, section 256.969, subdivision 3a, is amended to read:

245.6 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical
245.7 assistance program must not be submitted until the recipient is discharged. However,
245.8 the commissioner shall establish monthly interim payments for inpatient hospitals that
245.9 have individual patient lengths of stay over 30 days regardless of diagnostic category.
245.10 Except as provided in section 256.9693, medical assistance reimbursement for treatment
245.11 of mental illness shall be reimbursed based on diagnostic classifications. Individual
245.12 hospital payments established under this section and sections 256.9685, 256.9686, and
245.13 256.9695, in addition to third-party and recipient liability, for discharges occurring during
245.14 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered
245.15 inpatient services paid for the same period of time to the hospital. ~~This payment limitation~~
245.16 ~~shall be calculated separately for medical assistance and general assistance medical~~
245.17 ~~care services. The limitation on general assistance medical care shall be effective for~~
245.18 ~~admissions occurring on or after July 1, 1991.~~ Services that have rates established under
245.19 subdivision ~~11~~ or 12, must be limited separately from other services. After consulting with
245.20 the affected hospitals, the commissioner may consider related hospitals one entity and may
245.21 merge the payment rates while maintaining separate provider numbers. The operating and
245.22 property base rates per admission or per day shall be derived from the best Medicare and
245.23 claims data available when rates are established. The commissioner shall determine the
245.24 best Medicare and claims data, taking into consideration variables of recency of the data,
245.25 audit disposition, settlement status, and the ability to set rates in a timely manner. The
245.26 commissioner shall notify hospitals of payment rates ~~by December 1 of the year preceding~~
245.27 ~~the rate year~~ 30 days prior to implementation. The rate setting data must reflect the
245.28 admissions data used to establish relative values. ~~Base year changes from 1981 to the base~~
245.29 ~~year established for the rate year beginning January 1, 1991, and for subsequent rate years,~~
245.30 ~~shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase~~
245.31 ~~under subdivision 1.~~ The commissioner may adjust base year cost, relative value, and case
245.32 mix index data to exclude the costs of services that have been discontinued by the October
245.33 1 of the year preceding the rate year or that are paid separately from inpatient services.
245.34 Inpatient stays that encompass portions of two or more rate years shall have payments
245.35 established based on payment rates in effect at the time of admission unless the date of

246.1 admission preceded the rate year in effect by six months or more. In this case, operating
246.2 payment rates for services rendered during the rate year in effect and established based on
246.3 the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

246.4 (b) For fee-for-service admissions occurring on or after July 1, 2002, the total
246.5 payment, before third-party liability and spenddown, made to hospitals for inpatient
246.6 services is reduced by .5 percent from the current statutory rates.

246.7 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service
246.8 admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before
246.9 third-party liability and spenddown, is reduced five percent from the current statutory
246.10 rates. Mental health services within diagnosis related groups 424 to 432 or corresponding
246.11 APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph.

246.12 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for
246.13 fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for
246.14 inpatient services before third-party liability and spenddown, is reduced 6.0 percent from
246.15 the current statutory rates. Mental health services within diagnosis related groups 424 to
246.16 432 or corresponding APR-DRGs and facilities defined under subdivision 16 are excluded
246.17 from this paragraph. ~~Notwithstanding section 256.9686, subdivision 7, for purposes~~
246.18 ~~of this paragraph, medical assistance does not include general assistance medical care.~~
246.19 Payments made to managed care plans shall be reduced for services provided on or after
246.20 January 1, 2006, to reflect this reduction.

246.21 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment
246.22 for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009,
246.23 made to hospitals for inpatient services before third-party liability and spenddown,
246.24 is reduced 3.46 percent from the current statutory rates. Mental health services with
246.25 diagnosis related groups 424 to 432 or corresponding APR-DRGs and facilities defined
246.26 under subdivision 16 are excluded from this paragraph. Payments made to managed care
246.27 plans shall be reduced for services provided on or after January 1, 2009, through June
246.28 30, 2009, to reflect this reduction.

246.29 (f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment
246.30 for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011,
246.31 made to hospitals for inpatient services before third-party liability and spenddown, is
246.32 reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis
246.33 related groups 424 to 432 or corresponding APR-DRGs and facilities defined under
246.34 subdivision 16 are excluded from this paragraph. Payments made to managed care plans
246.35 shall be reduced for services provided on or after July 1, 2009, through June 30, 2011,
246.36 to reflect this reduction.

247.1 (g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment
247.2 for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for
247.3 inpatient services before third-party liability and spenddown, is reduced 1.79 percent from
247.4 the current statutory rates. Mental health services with diagnosis related groups 424 to 432
247.5 or corresponding APR-DRGs and facilities defined under subdivision 16 are excluded
247.6 from this paragraph. Payments made to managed care plans shall be reduced for services
247.7 provided on or after July 1, 2011, to reflect this reduction.

247.8 (h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total
247.9 payment for fee-for-service admissions occurring on or after July 1, 2009, made to
247.10 hospitals for inpatient services before third-party liability and spenddown, is reduced
247.11 one percent from the current statutory rates. Facilities defined under subdivision 16 are
247.12 excluded from this paragraph. Payments made to managed care plans shall be reduced for
247.13 services provided on or after October 1, 2009, to reflect this reduction.

247.14 (i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total
247.15 payment for fee-for-service admissions occurring on or after July 1, 2011, made to
247.16 hospitals for inpatient services before third-party liability and spenddown, is reduced
247.17 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are
247.18 excluded from this paragraph. Payments made to managed care plans shall be reduced for
247.19 services provided on or after January 1, 2011, to reflect this reduction.

247.20 (j) Effective for discharges on and after September 1, 2014, from hospitals paid
247.21 under subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this
247.22 subdivision shall be incorporated into the rebased rates established under subdivision 2b,
247.23 paragraph (c), and shall not be applied to each claim.

247.24 Sec. 12. Minnesota Statutes 2012, section 256.969, subdivision 3b, is amended to read:

247.25 Subd. 3b. **Nonpayment for hospital-acquired conditions and for certain**
247.26 **treatments.** (a) The commissioner must not make medical assistance payments to a
247.27 hospital for any costs of care that result from a condition ~~listed~~ identified in paragraph
247.28 (c), if the condition was hospital acquired.

247.29 (b) For purposes of this subdivision, a condition is hospital acquired if it is not
247.30 identified by the hospital as present on admission. For purposes of this subdivision,
247.31 medical assistance includes ~~general assistance medical care and MinnesotaCare.~~

247.32 (c) The prohibition in paragraph (a) applies to payment for each hospital-acquired
247.33 condition ~~listed~~ identified in this paragraph that is represented by an ICD-9-CM or
247.34 ICD-10-CM diagnosis code ~~and is designated as a complicating condition or a major~~

248.1 ~~complicating condition~~. The list of conditions shall be the hospital-acquired conditions
248.2 list defined by the Centers for Medicare and Medicaid Services on an annual basis.

248.3 (1) ~~foreign object retained after surgery (ICD-9-CM codes 998.4 or 998.7);~~
248.4 (2) ~~air embolism (ICD-9-CM code 999.1);~~
248.5 (3) ~~blood incompatibility (ICD-9-CM code 999.6);~~
248.6 (4) ~~pressure ulcers stage III or IV (ICD-9-CM codes 707.23 or 707.24);~~
248.7 (5) ~~falls and trauma, including fracture, dislocation, intracranial injury, crushing~~
248.8 ~~injury, burn, and electric shock (ICD-9-CM codes with these ranges on the complicating~~
248.9 ~~condition and major complicating condition list: 800-829; 830-839; 850-854; 925-929;~~
248.10 ~~940-949; and 991-994);~~

248.11 (6) ~~catheter-associated urinary tract infection (ICD-9-CM code 996.64);~~
248.12 (7) ~~vascular catheter-associated infection (ICD-9-CM code 999.31);~~
248.13 (8) ~~manifestations of poor glycemic control (ICD-9-CM codes 249.10; 249.11;~~
248.14 ~~249.20; 249.21; 250.10; 250.11; 250.12; 250.13; 250.20; 250.21; 250.22; 250.23; and~~
248.15 ~~251.0);~~

248.16 (9) ~~surgical site infection (ICD-9-CM codes 996.67 or 998.59) following certain~~
248.17 ~~orthopedic procedures (procedure codes 81.01; 81.02; 81.03; 81.04; 81.05; 81.06; 81.07;~~
248.18 ~~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~~
248.19 ~~81.85);~~

248.20 (10) ~~surgical site infection (ICD-9-CM code 998.59) following bariatric surgery~~
248.21 ~~(procedure codes 44.38; 44.39; or 44.95) for a principal diagnosis of morbid obesity~~
248.22 ~~(ICD-9-CM code 278.01);~~

248.23 (11) ~~surgical site infection, mediastinitis (ICD-9-CM code 519.2) following coronary~~
248.24 ~~artery bypass graft (procedure codes 36.10 to 36.19); and~~

248.25 (12) ~~deep vein thrombosis (ICD-9-CM codes 453.40 to 453.42) or pulmonary~~
248.26 ~~embolism (ICD-9-CM codes 415.11 or 415.19) following total knee replacement~~
248.27 ~~(procedure code 81.54) or hip replacement (procedure codes 00.85 to 00.87 or 81.51~~
248.28 ~~to 81.52).~~

248.29 (d) The prohibition in paragraph (a) applies to any additional payments that result
248.30 from a hospital-acquired condition ~~listed~~ identified in paragraph (c), including, but not
248.31 limited to, additional treatment or procedures, readmission to the facility after discharge,
248.32 increased length of stay, change to a higher diagnostic category, or transfer to another
248.33 hospital. In the event of a transfer to another hospital, the hospital where the condition
248.34 ~~listed~~ identified under paragraph (c) was acquired is responsible for any costs incurred at
248.35 the hospital to which the patient is transferred.

249.1 (e) A hospital shall not bill a recipient of services for any payment disallowed under
249.2 this subdivision.

249.3 Sec. 13. Minnesota Statutes 2012, section 256.969, subdivision 3c, is amended to read:

249.4 Subd. 3c. **Rateable reduction and readmissions reduction.** (a) The total payment
249.5 for fee for service admissions occurring on or after September 1, 2011, through June 30,
249.6 2015, made to hospitals for inpatient services before third-party liability and spenddown,
249.7 is reduced ten percent from the current statutory rates. Facilities defined under subdivision
249.8 16, long-term hospitals as determined under the Medicare program, children's hospitals
249.9 whose inpatients are predominantly under 18 years of age, and payments under managed
249.10 care are excluded from this paragraph.

249.11 (b) Effective for admissions occurring during calendar year 2010 and each year
249.12 after, the commissioner shall calculate a regional readmission rate for admissions to all
249.13 hospitals occurring within 30 days of a previous discharge. The commissioner may
249.14 adjust the readmission rate taking into account factors such as the medical relationship,
249.15 complicating conditions, and sequencing of treatment between the initial admission and
249.16 subsequent readmissions.

249.17 (c) Effective for payments to all hospitals on or after July 1, 2013, through June 30,
249.18 2015, the reduction in paragraph (a) is reduced one percentage point for every percentage
249.19 point reduction in the overall readmissions rate between the two previous calendar years
249.20 to a maximum of five percent.

249.21 (d) The payment reduction in paragraph (a) shall not apply to payments to a hospital
249.22 with at least 1,700 licensed beds on January 1, 2011, located in Hennepin County, for
249.23 admissions of children as defined in section 256B.055, subdivision 3a, occurring on or
249.24 after September 1, 2011, through August 31, 2013, but shall apply to payments for
249.25 admissions of children occurring on or after September 1, 2013, through June 30, 2015.

249.26 **EFFECTIVE DATE.** This section is effectively retroactively from September 1,
249.27 2011.

249.28 Sec. 14. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
249.29 to read:

249.30 Subd. 3d. **Rate increase.** The total payment for fee for service admissions occurring
249.31 on or after July 1, 2014, through December 31, 2014, made to hospitals for inpatient
249.32 services before third-party liability and spenddown, is increased by three percent from
249.33 the current statutory rates. Facilities defined under subdivision 16, long-term hospitals
249.34 as determined under the Medicare program, children's hospitals whose inpatients are

250.1 predominantly under 18 years of age, and payments under managed care are excluded
250.2 from this rate increase.

250.3 Sec. 15. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
250.4 to read:

250.5 Subd. 4b. **Medical assistance cost reports for services.** (a) A hospital that meets
250.6 one of the following criteria must annually file medical assistance cost reports within six
250.7 months of the end of the hospital's fiscal year:

250.8 (1) a hospital designated as a critical access hospital that receives medical assistance
250.9 payments; or

250.10 (2) a Minnesota hospital or out-of-state hospital located within a Minnesota local
250.11 trade area that receives a disproportionate population adjustment under subdivision 9.

250.12 For purposes of this subdivision, local trade area has the meaning given in subdivision 17.

250.13 (b) The Department of Human Services must suspend payments to any hospital that
250.14 fails to file a report required under this subdivision. Payments must remain suspended
250.15 until the report has been filed with and accepted by the Department of Human Services
250.16 inpatient rates unit.

250.17 Sec. 16. Minnesota Statutes 2012, section 256.969, subdivision 6a, is amended to read:

250.18 Subd. 6a. **Special considerations.** In determining the payment rates, the
250.19 commissioner shall consider whether the circumstances in subdivisions 7 8 to 14 exist.

250.20 Sec. 17. Minnesota Statutes 2012, section 256.969, subdivision 8, is amended to read:

250.21 Subd. 8. **Unusual length of stay experience.** (a) The commissioner shall establish
250.22 day outlier thresholds for each diagnostic category established under subdivision 2 at
250.23 two standard deviations beyond the mean length of stay. Payment for the days beyond
250.24 the outlier threshold shall be in addition to the operating and property payment rates per
250.25 admission established under subdivisions 2, and 2b, and 2e. Payment for outliers shall
250.26 be at 70 percent of the allowable operating cost, after adjustment by the case mix index,
250.27 hospital cost index, relative values and the disproportionate population adjustment. The
250.28 outlier threshold for neonatal and burn diagnostic categories shall be established at one
250.29 standard deviation beyond the mean length of stay, and payment shall be at 90 percent
250.30 of allowable operating cost calculated in the same manner as other outliers. A hospital
250.31 may choose an alternative to the 70 percent outlier payment that is at a minimum of 60
250.32 percent and a maximum of 80 percent if the commissioner is notified in writing of the
250.33 request by October 1 of the year preceding the rate year. The chosen percentage applies

251.1 to all diagnostic categories except burns and neonates. The percentage of allowable cost
251.2 that is unrecognized by the outlier payment shall be added back to the base year operating
251.3 payment rate per admission.

251.4 (b) Effective for transfers occurring on or after September 1, 2014, the commissioner
251.5 shall establish payment rates for acute transfers that are based on Medicare methodologies.

251.6 Sec. 18. Minnesota Statutes 2012, section 256.969, subdivision 8a, is amended to read:

251.7 Subd. 8a. **Short length of stay.** ~~Except as provided in subdivision 13, for~~
251.8 ~~admissions occurring on or after July 1, 1995, payment shall be determined as follows and~~
251.9 ~~shall be included in the base year for rate setting purposes:~~

251.10 ~~(1) for an admission that is categorized to a neonatal diagnostic related group~~
251.11 ~~in which the length of stay is less than 50 percent of the average length of stay for the~~
251.12 ~~category in the base year and the patient at admission is equal to or greater than the age of~~
251.13 ~~one, payments shall be established according to the methods of subdivision 14;~~

251.14 ~~(2) For an admission that is categorized to a diagnostic category that includes~~
251.15 ~~neonatal respiratory distress syndrome, the hospital must have a level II or level III~~
251.16 ~~nursery and the patient must receive treatment in that unit or payment will be made~~
251.17 ~~without regard to the syndrome condition.~~

251.18 Sec. 19. Minnesota Statutes 2012, section 256.969, is amended by adding a subdivision
251.19 to read:

251.20 Subd. 8c. **Hospital residents.** Payments for hospital residents shall be made
251.21 as follows:

251.22 (1) payments for the first 180 days of inpatient care shall be the DRG system
251.23 payment plus any appropriate outliers; and

251.24 (2) payment for all medically necessary patient care subsequent to 180 days shall
251.25 be reimbursed at a rate equal to 80 percent of the product of the statewide average
251.26 cost-to-charge ratio multiplied by the usual and customary charges.

251.27 Sec. 20. Minnesota Statutes 2012, section 256.969, subdivision 9, is amended to read:

251.28 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For
251.29 admissions occurring on or after October 1, 1992, through December 31, 1992, the
251.30 medical assistance disproportionate population adjustment shall comply with federal law
251.31 and shall be paid to a hospital, excluding regional treatment centers and facilities of the
251.32 federal Indian Health Service, with a medical assistance inpatient utilization rate in excess
251.33 of the arithmetic mean. The adjustment must be determined as follows:

252.1 (1) for a hospital with a medical assistance inpatient utilization rate above the
252.2 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the
252.3 federal Indian Health Service but less than or equal to one standard deviation above the
252.4 mean, the adjustment must be determined by multiplying the total of the operating and
252.5 property payment rates by the difference between the hospital's actual medical assistance
252.6 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional
252.7 treatment centers and facilities of the federal Indian Health Service; and

252.8 (2) for a hospital with a medical assistance inpatient utilization rate above one
252.9 standard deviation above the mean, the adjustment must be determined by multiplying
252.10 the adjustment that would be determined under clause (1) for that hospital by 1.1. If
252.11 federal matching funds are not available for all adjustments under this subdivision, the
252.12 commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for
252.13 federal match. ~~The commissioner may establish a separate disproportionate population~~
252.14 ~~operating payment rate adjustment under the general assistance medical care program.~~
252.15 ~~For purposes of this subdivision medical assistance does not include general assistance~~
252.16 ~~medical care.~~ The commissioner shall report annually on the number of hospitals likely to
252.17 receive the adjustment authorized by this paragraph. The commissioner shall specifically
252.18 report on the adjustments received by public hospitals and public hospital corporations
252.19 located in cities of the first class.

252.20 (b) For admissions occurring on or after July 1, 1993, the medical assistance
252.21 disproportionate population adjustment shall comply with federal law and shall be paid to
252.22 a hospital, excluding regional treatment centers and facilities of the federal Indian Health
252.23 Service, with a medical assistance inpatient utilization rate in excess of the arithmetic
252.24 mean. The adjustment must be determined as follows:

252.25 (1) for a hospital with a medical assistance inpatient utilization rate above the
252.26 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the
252.27 federal Indian Health Service but less than or equal to one standard deviation above the
252.28 mean, the adjustment must be determined by multiplying the total of the operating and
252.29 property payment rates by the difference between the hospital's actual medical assistance
252.30 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional
252.31 treatment centers and facilities of the federal Indian Health Service; and

252.32 (2) for a hospital with a medical assistance inpatient utilization rate above one
252.33 standard deviation above the mean, the adjustment must be determined by multiplying
252.34 the adjustment that would be determined under clause (1) for that hospital by 1.1. The
252.35 commissioner may establish a separate disproportionate population operating payment
252.36 rate adjustment under the general assistance medical care program. For purposes of this

253.1 subdivision, medical assistance does not include general assistance medical care. The
253.2 commissioner shall report annually on the number of hospitals likely to receive the
253.3 adjustment authorized by this paragraph. The commissioner shall specifically report on
253.4 the adjustments received by public hospitals and public hospital corporations located in
253.5 cities of the first class;

253.6 ~~(3) for a hospital that had medical assistance fee-for-service payment volume during~~
253.7 ~~calendar year 1991 in excess of 13 percent of total medical assistance fee-for-service~~
253.8 ~~payment volume, a medical assistance disproportionate population adjustment shall be~~
253.9 ~~paid in addition to any other disproportionate payment due under this subdivision as~~
253.10 ~~follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995.~~
253.11 ~~For a hospital that had medical assistance fee-for-service payment volume during calendar~~
253.12 ~~year 1991 in excess of eight percent of total medical assistance fee-for-service payment~~
253.13 ~~volume and was the primary hospital affiliated with the University of Minnesota, a~~
253.14 ~~medical assistance disproportionate population adjustment shall be paid in addition to any~~
253.15 ~~other disproportionate payment due under this subdivision as follows: \$505,000 due on~~
253.16 ~~the 15th of each month after noon, beginning July 15, 1995; and~~

253.17 ~~(4) effective August 1, 2005, the payments in paragraph (b), clause (3), shall be~~
253.18 ~~reduced to zero.~~

253.19 ~~(e) The commissioner shall adjust rates paid to a health maintenance organization~~
253.20 ~~under contract with the commissioner to reflect rate increases provided in paragraph (b),~~
253.21 ~~clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those~~
253.22 ~~rates to reflect payments provided in clause (3).~~

253.23 ~~(d) If federal matching funds are not available for all adjustments under paragraph~~
253.24 ~~(b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a~~
253.25 ~~pro rata basis so that all adjustments under paragraph (b) qualify for federal match.~~

253.26 ~~(e) For purposes of this subdivision, medical assistance does not include general~~
253.27 ~~assistance medical care.~~

253.28 ~~(f) For hospital services occurring on or after July 1, 2005, to June 30, 2007:~~

253.29 ~~(1) general assistance medical care expenditures for fee-for-service inpatient and~~
253.30 ~~outpatient hospital payments made by the department shall be considered Medicaid~~
253.31 ~~disproportionate share hospital payments, except as limited below:~~

253.32 ~~(i) only the portion of Minnesota's disproportionate share hospital allotment under~~
253.33 ~~section 1923(f) of the Social Security Act that is not spent on the disproportionate~~
253.34 ~~population adjustments in paragraph (b), clauses (1) and (2), may be used for general~~
253.35 ~~assistance medical care expenditures;~~

254.1 ~~(ii) only those general assistance medical care expenditures made to hospitals that~~
254.2 ~~qualify for disproportionate share payments under section 1923 of the Social Security Act~~
254.3 ~~and the Medicaid state plan may be considered disproportionate share hospital payments;~~

254.4 ~~(iii) only those general assistance medical care expenditures made to an individual~~
254.5 ~~hospital that would not cause the hospital to exceed its individual hospital limits under~~
254.6 ~~section 1923 of the Social Security Act may be considered; and~~

254.7 ~~(iv) general assistance medical care expenditures may be considered only to the~~
254.8 ~~extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act.~~

254.9 ~~All hospitals and prepaid health plans participating in general assistance medical care~~
254.10 ~~must provide any necessary expenditure, cost, and revenue information required by the~~
254.11 ~~commissioner as necessary for purposes of obtaining federal Medicaid matching funds for~~
254.12 ~~general assistance medical care expenditures; and~~

254.13 ~~(2) (c)~~ Certified public expenditures made by Hennepin County Medical Center shall
254.14 be considered Medicaid disproportionate share hospital payments. Hennepin County
254.15 and Hennepin County Medical Center shall report by June 15, 2007, on payments made
254.16 beginning July 1, 2005, or another date specified by the commissioner, that may qualify
254.17 for reimbursement under federal law. Based on these reports, the commissioner shall
254.18 apply for federal matching funds.

254.19 ~~(g) (d)~~ Upon federal approval of the related state plan amendment, paragraph ~~(f) (c)~~
254.20 is effective retroactively from July 1, 2005, or the earliest effective date approved by the
254.21 Centers for Medicare and Medicaid Services.

254.22 Sec. 21. Minnesota Statutes 2012, section 256.969, subdivision 10, is amended to read:

254.23 Subd. 10. **Separate billing by certified registered nurse anesthetists.** Hospitals
254.24 ~~may~~ must exclude certified registered nurse anesthetist costs from the operating payment
254.25 rate as allowed by section 256B.0625, subdivision 11. ~~To be eligible, a hospital must~~
254.26 ~~notify the commissioner in writing by October 1 of even-numbered years to exclude~~
254.27 ~~certified registered nurse anesthetist costs. The hospital must agree that all hospital~~
254.28 ~~claims for the cost and charges of certified registered nurse anesthetist services will not~~
254.29 ~~be included as part of the rates for inpatient services provided during the rate year. In~~
254.30 ~~this case, the operating payment rate shall be adjusted to exclude the cost of certified~~
254.31 ~~registered nurse anesthetist services.~~

254.32 ~~For admissions occurring on or after July 1, 1991, and until the expiration date of~~
254.33 ~~section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided~~
254.34 ~~on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when~~
254.35 ~~the hospital's base year did not include the cost of these services. To be eligible, a hospital~~

255.1 ~~must notify the commissioner in writing by July 1, 1991, of the request and must comply~~
255.2 ~~with all other requirements of this subdivision.~~

255.3 Sec. 22. Minnesota Statutes 2012, section 256.969, subdivision 12, is amended to read:

255.4 Subd. 12. **Rehabilitation distinct parts.** (a) Units of hospitals that are recognized
255.5 as rehabilitation distinct parts by the Medicare program shall have separate provider
255.6 numbers under the medical assistance program for rate establishment and billing
255.7 purposes only. These units shall also have operating ~~and property~~ payment rates and the
255.8 disproportionate population adjustment, if allowed by federal law, established separately
255.9 from other inpatient hospital services.

255.10 (b) The commissioner ~~may~~ shall establish separate relative values under subdivision
255.11 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program.

255.12 Effective for discharges on or after September 1, 2014, the commissioner, to the extent
255.13 possible, shall replicate the existing payment rate methodology under the new diagnostic
255.14 classification system. The result must be budget neutral, ensuring that the total aggregate
255.15 payments under the new system are equal to the total aggregate payments made for the
255.16 same number and types of services in the base year, state fiscal year 2012.

255.17 (c) For individual hospitals that did not have separate medical assistance
255.18 rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals
255.19 shall provide the information needed to separate rehabilitation distinct part cost and claims
255.20 data from other inpatient service data.

255.21 Sec. 23. Minnesota Statutes 2012, section 256.969, subdivision 14, is amended to read:

255.22 Subd. 14. **Transfers.** ~~Except as provided in subdivisions 11 and 13,~~ (a) Operating
255.23 and property payment rates for admissions that result in transfers and transfers shall be
255.24 established on a per day payment system. The per day payment rate shall be the sum of
255.25 the adjusted operating and property payment rates determined under this subdivision and
255.26 subdivisions 2, 2b, ~~2e~~, 3a, 4a, 5a, and 7 to 12, divided by the arithmetic mean length of
255.27 stay for the diagnostic category. Each admission that results in a transfer and each transfer
255.28 is considered a separate admission to each hospital, and the total of the admission and
255.29 transfer payments to each hospital must not exceed the total per admission payment that
255.30 would otherwise be made to each hospital under this subdivision and subdivisions 2, 2b,
255.31 ~~2e~~, 3a, 4a, 5a, and ~~7 to 13~~ 8 to 12.

255.32 (b) Effective for transfers occurring on and after September 1, 2014, the commissioner
255.33 shall establish payment rates for acute transfers that are based on Medicare methodologies.

256.1 Sec. 24. Minnesota Statutes 2012, section 256.969, subdivision 17, is amended to read:

256.2 Subd. 17. **Out-of-state hospitals in local trade areas.** Out-of-state hospitals that
256.3 are located within a Minnesota local trade area and that have more than 20 admissions in
256.4 the base year or years shall have rates established using the same procedures and methods
256.5 that apply to Minnesota hospitals. For this subdivision and subdivision 18, local trade area
256.6 means a county contiguous to Minnesota and located in a metropolitan statistical area as
256.7 determined by Medicare for October 1 prior to the most current rebased rate year. Hospitals
256.8 that are not required by law to file information in a format necessary to establish rates shall
256.9 have rates established based on the commissioner's estimates of the information. Relative
256.10 values of the diagnostic categories shall not be redetermined under this subdivision until
256.11 required by ~~rule~~ statute. Hospitals affected by this subdivision shall then be included in
256.12 determining relative values. However, hospitals that have rates established based upon
256.13 the commissioner's estimates of information shall not be included in determining relative
256.14 values. This subdivision is effective for hospital fiscal years beginning on or after July
256.15 1, 1988. A hospital shall provide the information necessary to establish rates under this
256.16 subdivision at least 90 days before the start of the hospital's fiscal year.

256.17 Sec. 25. Minnesota Statutes 2012, section 256.969, subdivision 18, is amended to read:

256.18 Subd. 18. **Out-of-state hospitals outside local trade areas.** Hospitals that are
256.19 not located within Minnesota or a Minnesota local trade area shall have ~~operating and~~
256.20 ~~property~~ inpatient hospital rates established at the average of statewide and local trade area
256.21 rates or, at the commissioner's discretion, at an amount negotiated by the commissioner.
256.22 Relative values shall not include data from hospitals that have rates established under this
256.23 subdivision. Payments, including third-party and recipient liability, established under this
256.24 subdivision may not exceed the charges on a claim specific basis for inpatient services that
256.25 are covered by medical assistance.

256.26 Sec. 26. Minnesota Statutes 2012, section 256.969, subdivision 25, is amended to read:

256.27 Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid a per
256.28 diem rate established by the commissioner.

256.29 (b) For admissions occurring on or after April 1, 1995, a long-term hospital as
256.30 designated by Medicare that does not have admissions in the base year shall have
256.31 inpatient rates established at the average of other hospitals with the same designation. For
256.32 subsequent rate-setting periods in which base years are updated, the hospital's base year
256.33 shall be the first Medicare cost report filed with the long-term hospital designation and
256.34 shall remain in effect until it falls within the same period as other hospitals.

257.1 Sec. 27. Minnesota Statutes 2012, section 256.969, subdivision 30, is amended to read:

257.2 Subd. 30. **Payment rates for births.** (a) For admissions occurring on or after
257.3 ~~October 1, 2009, September 1, 2014,~~ the total operating and property payment rate,
257.4 excluding disproportionate population adjustment, for the following diagnosis-related
257.5 groups, as they fall within the diagnostic APR-DRG categories: ~~(1) 371 cesarean section~~
257.6 ~~without complicating diagnosis; (2) 372 vaginal delivery with complicating diagnosis;~~
257.7 ~~and (3) 373 vaginal delivery without complicating diagnosis, 5401, 5402, 5403, and 5404~~
257.8 cesarean section, shall be no greater than \$3,528.

257.9 (b) The rates described in this subdivision do not include newborn care.

257.10 (c) Payments to managed care and county-based purchasing plans under section
257.11 256B.69, 256B.692, or 256L.12 shall be reduced for services provided on or after October
257.12 1, 2009, to reflect the adjustments in paragraph (a).

257.13 (d) Prior authorization shall not be required before reimbursement is paid for a
257.14 cesarean section delivery.

257.15 Sec. 28. Minnesota Statutes 2012, section 256B.04, is amended by adding a
257.16 subdivision to read:

257.17 Subd. 24. **Medicaid waiver requests and state plan amendments.** Prior to
257.18 submitting any Medicaid waiver request or Medicaid state plan amendment to the federal
257.19 government for approval, the commissioner shall publish the text of the waiver request or
257.20 state plan amendment, and a summary of and explanation of the need for the request, on
257.21 the agency's Web site and provide a 30-day public comment period. The commissioner
257.22 shall notify the public of the availability of this information through the agency's electronic
257.23 subscription service. The commissioner shall consider public comments when preparing
257.24 the final waiver request or state plan amendment that is to be submitted to the federal
257.25 government for approval. The commissioner shall also publish on the agency's Web site
257.26 notice of any federal decision related to the state request for approval, within 30 days of
257.27 the decision. This notice must describe any modifications to the state request that have
257.28 been agreed to by the commissioner as a condition of receiving federal approval.

257.29 Sec. 29. Minnesota Statutes 2013 Supplement, section 256B.056, subdivision 5c,
257.30 is amended to read:

257.31 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents
257.32 and caretaker relatives, pregnant women, infants, and children ages two through 20 is the
257.33 standard specified in subdivision 4, paragraph (b).

258.1 (b) The excess income standard for a person whose eligibility is based on blindness,
258.2 disability, or age of 65 or more years shall equal 75 percent of the federal poverty
258.3 guidelines. The excess income standard under this paragraph shall equal 80 percent of
258.4 the federal poverty guidelines, effective January 1, 2017.

258.5 Sec. 30. Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 17,
258.6 is amended to read:

258.7 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation
258.8 service" means motor vehicle transportation provided by a public or private person
258.9 that serves Minnesota health care program beneficiaries who do not require emergency
258.10 ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered
258.11 medical services. Nonemergency medical transportation service includes, but is not
258.12 limited to, special transportation service, defined in section 174.29, subdivision 1.

258.13 ~~(a)~~ (b) Medical assistance covers medical transportation costs incurred solely for
258.14 obtaining emergency medical care or transportation costs incurred by eligible persons in
258.15 obtaining emergency or nonemergency medical care when paid directly to an ambulance
258.16 company, common carrier, or other recognized providers of transportation services.

258.17 Medical transportation must be provided by:

258.18 (1) ~~an ambulance~~ nonemergency medical transportation providers who meet the
258.19 requirements of this subdivision;

258.20 (2) ambulances, as defined in section 144E.001, subdivision 2;

258.21 ~~(2) special transportation; or~~

258.22 (3) ~~common carrier including, but not limited to, bus, taxicab, other commercial~~
258.23 ~~carrier, or private automobile~~ taxicabs and public transit, as defined in section 174.22,
258.24 subdivision 7; or

258.25 (4) not-for-hire vehicles, including volunteer drivers.

258.26 ~~(b)~~ (c) Medical assistance covers ~~special transportation, as defined in Minnesota~~
258.27 ~~Rules, part 9505.0315, subpart 1, item F, if the recipient has a physical or mental~~
258.28 ~~impairment that would prohibit the recipient from safely accessing and using a bus,~~
258.29 ~~taxi, other commercial transportation, or private automobile.~~ nonemergency medical
258.30 transportation provided by nonemergency medical transportation providers enrolled in
258.31 the Minnesota health care programs. All nonemergency medical transportation providers
258.32 must comply with the operating standards for special transportation service as defined in
258.33 sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and in consultation with
258.34 the Minnesota Department of Transportation. All nonemergency medical transportation
258.35 providers shall bill for nonemergency medical transportation services in accordance with

259.1 Minnesota health care programs criteria. Publicly operated transit systems, volunteers,
259.2 and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

259.3 (d) The administrative agency of nonemergency medical transportation must:

259.4 (1) adhere to the policies defined by the commissioner in consultation with the
259.5 Nonemergency Medical Transportation Advisory Committee;

259.6 (2) pay nonemergency medical transportation providers for services provided to
259.7 Minnesota health care programs beneficiaries to obtain covered medical services;

259.8 (3) provide data monthly to the commissioner on appeals, complaints, no-shows,
259.9 canceled trips, and number of trips by mode; and

259.10 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single
259.11 administrative structure assessment tool that meets the technical requirements established
259.12 by the commissioner, reconciles trip information with claims being submitted by
259.13 providers, and ensures prompt payment for nonemergency medical transportation services.

259.14 (e) Until the commissioner implements the single administrative structure and
259.15 delivery system under subdivision 18e, clients shall obtain their level-of-service certificate
259.16 from the commissioner or an entity approved by the commissioner that does not dispatch
259.17 rides for clients using modes under paragraph (h), clauses (4), (5), (6), and (7).

259.18 (f) The commissioner may use an order by the recipient's attending physician
259.19 or a medical or mental health professional to certify that the recipient requires
259.20 special transportation services nonemergency medical transportation services. Special
259.21 Nonemergency medical transportation providers shall perform driver-assisted services for
259.22 eligible individuals, when appropriate. Driver-assisted service includes passenger pickup
259.23 at and return to the individual's residence or place of business, assistance with admittance of
259.24 the individual to the medical facility, and assistance in passenger securement or in securing
259.25 of wheelchairs or stretchers in the vehicle. Special Nonemergency medical transportation
259.26 providers must obtain written documentation from the health care service provider who
259.27 is serving the recipient being transported, identifying the time that the recipient arrived.
259.28 Special have trip logs, which include pickup and drop-off times, signed by the medical
259.29 provider or client attesting mileage traveled to obtain covered medical services, whichever
259.30 is deemed most appropriate. Nonemergency medical transportation providers may not bill
259.31 for separate base rates for the continuation of a trip beyond the original destination. Special
259.32 Nonemergency medical transportation providers must take recipients clients to the health
259.33 care provider, using the most direct route, and must not exceed 30 miles for a trip to a
259.34 primary care provider or 60 miles for a trip to a specialty care provider, unless the recipient
259.35 client receives authorization from the local agency. The minimum medical assistance
259.36 reimbursement rates for special transportation nonemergency medical services are:

- 260.1 (1)(i) \$17 for the base rate and \$1.35 per mile for ~~special transportation~~
260.2 nonemergency medical services to eligible persons who need a wheelchair-accessible van;
- 260.3 (ii) \$11.50 for the base rate and \$1.30 per mile for ~~special~~ nonemergency medical
260.4 transportation services to eligible persons who do not need a wheelchair-accessible van; and
- 260.5 (iii) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip,
260.6 for ~~special~~ nonemergency medical transportation services to eligible persons who need a
260.7 stretcher-accessible vehicle;
- 260.8 (2) clients requesting client mileage reimbursement must sign the trip log attesting
260.9 mileage traveled to obtain covered medical services.
- 260.10 (g) By July 1, 2015, the commissioner shall determine reimbursement for the
260.11 modes under this paragraph and paragraphs (h) and (i), using existing rates in paragraph
260.12 (f). The covered modes of nonemergency medical transportation include transportation
260.13 provided directly by clients or family members of clients with their own transportation,
260.14 volunteers using their own vehicles, taxicabs, and public transit, or provided to a client
260.15 who needs a stretcher-accessible vehicle, a lift/ramp equipped vehicle, a vehicle that is not
260.16 stretcher-accessible or lift/ramp equipped designed to transport seven or fewer persons,
260.17 and a protected vehicle that is not an ambulance or police car and has safety locks, a
260.18 video recorder, and a transparent thermoplastic partition between the passenger and the
260.19 vehicle driver.
- 260.20 (h) The administrative agency shall use the level of service process established
260.21 by the commissioner in consultation with the Nonemergency Medical Transportation
260.22 Advisory Committee to determine the client's most appropriate mode of transportation.
260.23 If public transit or a certified transportation provider is not available to provide the
260.24 appropriate service mode for the client, the client may receive a onetime service upgrade.
260.25 Clients can be found eligible for the most appropriate of the following modes:
- 260.26 (1) client reimbursement, which includes client mileage reimbursement provided
260.27 to clients who have their own transportation or family who provides transportation to
260.28 the client;
- 260.29 (2) volunteer transport, which includes transportation by volunteers using their
260.30 own vehicle;
- 260.31 (3) unassisted transport, which includes transportation provided to a client by a
260.32 taxicab or public transit. If a taxicab or publicly operated transit system is not available,
260.33 the client can receive transportation from another nonemergency medical transportation
260.34 provider;
- 260.35 (4) assisted transport, which includes transport provided to clients who require
260.36 assistance by a nonemergency medical transportation provider;

261.1 (5) lift-equipped/ramp transport, which includes transport provided to a client who
261.2 is dependent on a device and requires a nonemergency medical transportation provider
261.3 with a vehicle containing a lift or ramp;

261.4 (6) protected transport, which includes transport to a client who has received a
261.5 prescreening that has deemed other forms of transportation inappropriate and who requires
261.6 a provider certified as a protected transport provider; and

261.7 (7) stretcher transport, which includes transport for a client in a prone or supine
261.8 position and requires a nonemergency medical transportation provider with a vehicle that
261.9 can transport a client in a prone or supine position.

261.10 (i) By July 1, 2015, local agencies shall administer and reimburse for modes within
261.11 existing appropriations defined in paragraph (h), clauses (1) to (3). The commissioner
261.12 shall administer and reimburse for modes within existing appropriations defined in
261.13 paragraph (h), clauses (4) to (7). In accordance with subdivision 18e, by July 1, 2016, the
261.14 local agency shall be the single administrative agency and shall administer and reimburse
261.15 for modes defined in paragraph (h), clauses (1), (2), (3), (4), (5), (6), and (7).

261.16 (j) The commissioner shall:

261.17 (1) in consultation with the Nonemergency Medical Transportation Advisory
261.18 Committee, verify that the mode and use of nonemergency medical transportation is
261.19 appropriate;

261.20 (2) verify that the client is going to an approved medical appointment; and

261.21 (3) investigate all complaints and appeals.

261.22 (k) The administrative agency shall pay for the services provided in this subdivision
261.23 and seek reimbursement from the commissioner if appropriate. As vendors of medical care,
261.24 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
261.25 recovery actions in section 256B.064, and Minnesota Rules parts 9505.2160 to 9505.2245.

261.26 (l) The base rates for ~~special~~ nonemergency medical transportation services in areas
261.27 defined under RUCA to be super rural shall be equal to the reimbursement rate established
261.28 in paragraph (f), clause (1), plus 11.3 percent; and

261.29 (3) for ~~special~~ nonemergency medical transportation services in areas defined under
261.30 RUCA to be rural or super rural areas:

261.31 (i) for a trip equal to 17 miles or less, mileage reimbursement shall be equal to 125
261.32 percent of the respective mileage rate in paragraph (f), clause (1); and

261.33 (ii) for a trip between 18 and 50 miles, mileage reimbursement shall be equal to
261.34 112.5 percent of the respective mileage rate in paragraph (f), clause (1).

262.1 (e) (m) For purposes of reimbursement rates for ~~special~~ nonemergency medical
262.2 transportation services under paragraph (b), the zip code of the recipient's place of residence
262.3 shall determine whether the urban, rural, or super rural reimbursement rate applies.

262.4 (d) (n) For purposes of this subdivision, "rural urban commuting area" or "RUCA"
262.5 means a census-tract based classification system under which a geographical area is
262.6 determined to be urban, rural, or super rural.

262.7 (e) (o) Effective for services provided on or after September 1, 2011, nonemergency
262.8 transportation rates, including ~~special~~ nonemergency medical transportation, taxi, and
262.9 other commercial carriers, are reduced 4.5 percent. Payments made to managed care plans
262.10 and county-based purchasing plans must be reduced for services provided on or after
262.11 January 1, 2012, to reflect this reduction.

262.12 (p) Until July 1, 2016, people using assisted transportation will continue with
262.13 their current administrative agency. For people newly assessed as needing assisted
262.14 transportation, the local agency will continue to administer assisted transport when
262.15 assistance requires door-to-door, and the commissioner will administer assisted transport
262.16 when assistance requires door-through-door.

262.17 Sec. 31. Minnesota Statutes 2012, section 256B.0625, subdivision 18b, is amended to
262.18 read:

262.19 Subd. 18b. **Broker dispatching prohibition.** The commissioner shall not use a
262.20 broker or coordinator for any purpose related to nonemergency medical transportation
262.21 services under subdivision 18.

262.22 Sec. 32. Minnesota Statutes 2012, section 256B.0625, subdivision 18c, is amended to
262.23 read:

262.24 Subd. 18c. **Nonemergency Medical Transportation Advisory Committee.**

262.25 (a) The Nonemergency Medical Transportation Advisory Committee shall advise the
262.26 commissioner on the administration of nonemergency medical transportation covered
262.27 under medical assistance. The advisory committee shall meet at least quarterly the first
262.28 year following January 1, 2015, and at least biannually thereafter and may meet more
262.29 frequently as required by the commissioner. The advisory committee shall annually
262.30 elect a chair from among its members, who shall work with the commissioner or the
262.31 commissioner's designee to establish the agenda for each meeting. The commissioner, or
262.32 the commissioner's designee, shall attend all advisory committee meetings.

262.33 (b) The Nonemergency Medical Transportation Advisory Committee shall advise
262.34 and make recommendations to the commissioner on:

263.1 (1) ~~the development of, and periodic updates to, a~~ the nonemergency medical
 263.2 transportation policy manual for nonemergency medical transportation services;

263.3 ~~(2) policies and a funding source for reimbursing no-load miles;~~

263.4 ~~(3) policies to prevent waste, fraud, and abuse, and to improve the efficiency of the~~
 263.5 ~~nonemergency medical transportation system;~~

263.6 ~~(4) other issues identified in the 2011 evaluation report by the Office of the~~
 263.7 ~~Legislative Auditor on medical nonemergency transportation; and~~

263.8 ~~(5) (2) other aspects of the nonemergency medical transportation system, as~~
 263.9 ~~requested by the commissioner.; and~~

263.10 (3) other aspects of the nonemergency medical transportation system, as requested by:

263.11 (i) a committee member, who may request an item to be placed on the agenda for
 263.12 a future meeting. The request may be considered by the committee and voted upon.

263.13 If the motion carries, the meeting agenda item may be developed for presentation to
 263.14 the committee; and

263.15 (ii) a member of the public, who may approach the committee by letter or e-mail
 263.16 requesting that an item be placed on a future meeting agenda. The request may be
 263.17 considered by the committee and voted upon. If the motion carries, the agenda item may
 263.18 be developed for presentation to the committee.

263.19 (c) The Nonemergency Medical Transportation Advisory Committee shall
 263.20 coordinate its activities with the Minnesota Council on Transportation Access established
 263.21 under section 174.285. The chair of the advisory committee, or the chair's designee, shall
 263.22 attend all meetings of the Minnesota Council on Transportation Access.

263.23 (d) The Nonemergency Medical Transportation Advisory Committee shall expire
 263.24 December 1, ~~2014~~ 2019.

263.25 Sec. 33. Minnesota Statutes 2012, section 256B.0625, subdivision 18d, is amended to
 263.26 read:

263.27 Subd. 18d. **Advisory committee members.** (a) The Nonemergency Medical
 263.28 Transportation Advisory Committee consists of:

263.29 ~~(1) two voting members who represent counties, at least one of whom must represent~~
 263.30 ~~a county or counties other than Anoka, Carver, Chisago, Dakota, Hennepin, Isanti,~~
 263.31 ~~Ramsey, Scott, Sherburne, Washington, and Wright~~ four voting members who represent
 263.32 counties, utilizing the rural urban commuting area classification system. As defined in
 263.33 subdivision 17, these members shall be designated as follows:

263.34 (i) two counties within the 11-county metropolitan area;

263.35 (ii) one county representing the rural area of the state; and

264.1 (iii) one county representing the super rural area of the state.

264.2 The Association of Minnesota Counties shall appoint one county within the 11-county
 264.3 metropolitan area and one county representing the super rural area of the state. The
 264.4 Minnesota Inter-County Association shall appoint one county within the 11-county
 264.5 metropolitan area and one county representing the rural area of the state;

264.6 (2) ~~four~~ three voting members who represent medical assistance recipients, including
 264.7 persons with physical and developmental disabilities, persons with mental illness, seniors,
 264.8 children, and low-income individuals;

264.9 (3) four voting members who represent providers that deliver nonemergency medical
 264.10 transportation services to medical assistance enrollees;

264.11 (4) two voting members of the house of representatives, one from the majority
 264.12 party and one from the minority party, appointed by the speaker of the house, and two
 264.13 voting members from the senate, one from the majority party and one from the minority
 264.14 party, appointed by the Subcommittee on Committees of the Committee on Rules and
 264.15 Administration;

264.16 (5) one voting member who represents demonstration providers as defined in section
 264.17 256B.69, subdivision 2;

264.18 (6) one voting member who represents an organization that contracts with state or
 264.19 local governments to coordinate transportation services for medical assistance enrollees;
 264.20 **and**

264.21 (7) one voting member who represents the Minnesota State Council on Disability;

264.22 (8) the commissioner of transportation or the commissioner's designee, who shall
 264.23 serve as a voting member;

264.24 (9) one voting member appointed by the Minnesota Ambulance Association; and

264.25 (10) one voting member appointed by the Minnesota Hospital Association.

264.26 (b) Members of the advisory committee shall not be employed by the Department of
 264.27 Human Services. Members of the advisory committee shall receive no compensation.

264.28 Sec. 34. Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 18e,
 264.29 is amended to read:

264.30 Subd. 18e. **Single administrative structure and delivery system.** (a) The
 264.31 commissioner shall implement a single administrative structure and delivery system
 264.32 for nonemergency medical transportation, beginning the latter of the date the single
 264.33 administrative assessment tool required in this paragraph is available for use, as
 264.34 determined by the commissioner or by July 1, 2014 2016. ~~The single administrative~~
 264.35 ~~structure and delivery system must:~~

265.1 ~~(1) eliminate the distinction between access transportation services and special~~
265.2 ~~transportation services;~~

265.3 ~~(2) enable all medical assistance recipients to follow the same process to obtain~~
265.4 ~~nonemergency medical transportation, regardless of their level of need;~~

265.5 ~~(3) provide a single oversight framework for all providers of nonemergency medical~~
265.6 ~~transportation; and~~

265.7 ~~(4) provide flexibility in service delivery, recognizing that clients fall along a~~
265.8 ~~continuum of needs and resources.~~

265.9 ~~(b) The commissioner shall present to the legislature, by January 15, 2014,~~
265.10 ~~legislation necessary to implement the single administrative structure and delivery system~~
265.11 ~~for nonemergency medical transportation.~~

265.12 ~~(c) In developing the single administrative structure and delivery system and the draft~~
265.13 ~~legislation, the commissioner shall consult with the Nonemergency Medical Transportation~~
265.14 ~~Advisory Committee. In coordination with the Department of Transportation, the~~
265.15 ~~commissioner shall develop and authorize a Web-based single administrative structure~~
265.16 ~~and assessment tool, which must operate 24 hours a day, seven days a week, to facilitate~~
265.17 ~~the enrollee assessment process for nonemergency medical transportation services.~~

265.18 ~~The Web-based tool shall facilitate the transportation eligibility determination process~~
265.19 ~~initiated by clients and client advocates; shall include an accessible automated intake~~
265.20 ~~and assessment process and real-time identification of level of service eligibility; and~~
265.21 ~~shall authorize an appropriate and auditable mode of transportation authorization. The~~
265.22 ~~tool shall provide a single framework for reconciling trip information with claiming and~~
265.23 ~~collecting complaints regarding inappropriate level of need determinations, inappropriate~~
265.24 ~~transportation modes utilized, and interference with accessing nonemergency medical~~
265.25 ~~transportation. The Web-based single administrative structure shall operate on a trial~~
265.26 ~~basis for one year from implementation and, if approved by the commissioner, shall be~~
265.27 ~~permanent thereafter. The commissioner shall seek input from the Nonemergency Medical~~
265.28 ~~Transportation Advisory Committee to ensure the software is effective and user-friendly~~
265.29 ~~and make recommendations regarding funding of the single administrative system.~~

265.30 Sec. 35. Minnesota Statutes 2012, section 256B.0625, subdivision 18g, is amended to
265.31 read:

265.32 Subd. 18g. **Use of standardized measures.** ~~The commissioner, in consultation~~
265.33 ~~with the Nonemergency Medical Transportation Advisory Committee, shall establish~~
265.34 ~~performance measures to assess the cost-effectiveness and quality of nonemergency~~
265.35 ~~medical transportation. At a minimum, performance measures should include the number~~

266.1 ~~of unique participants served by type of transportation provider, number of trips provided~~
266.2 ~~by type of transportation provider, and cost per trip by type of transportation provider. The~~
266.3 ~~commissioner must also consider the measures identified in the January 2012 Department~~
266.4 ~~of Human Services report to the legislature on nonemergency medical transportation.~~

266.5 Beginning in calendar year ~~2013~~ 2015, the commissioner shall collect, audit, and analyze
266.6 performance data on nonemergency medical transportation annually and report this
266.7 information on the agency's Web site. The commissioner shall periodically supplement
266.8 this information with the results of consumer surveys of the quality of services, and shall
266.9 make these survey findings available to the public on the agency Web site.

266.10 Sec. 36. Minnesota Statutes 2012, section 256B.0625, is amended by adding a
266.11 subdivision to read:

266.12 Subd. 18h. **Managed care.** The following subdivisions do not apply to managed
266.13 care plans and county-based purchasing plans:

266.14 (1) subdivision 17, paragraphs (d) to (k);

266.15 (2) subdivision 18e; and

266.16 (3) subdivision 18g.

266.17 Sec. 37. Minnesota Statutes 2012, section 256B.0625, subdivision 30, is amended to
266.18 read:

266.19 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic
266.20 services, federally qualified health center services, nonprofit community health clinic
266.21 services, and public health clinic services. Rural health clinic services and federally
266.22 qualified health center services mean services defined in United States Code, title 42,
266.23 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified
266.24 health center services shall be made according to applicable federal law and regulation.

266.25 (b) A federally qualified health center that is beginning initial operation shall submit
266.26 an estimate of budgeted costs and visits for the initial reporting period in the form and
266.27 detail required by the commissioner. A federally qualified health center that is already in
266.28 operation shall submit an initial report using actual costs and visits for the initial reporting
266.29 period. Within 90 days of the end of its reporting period, a federally qualified health
266.30 center shall submit, in the form and detail required by the commissioner, a report of
266.31 its operations, including allowable costs actually incurred for the period and the actual
266.32 number of visits for services furnished during the period, and other information required
266.33 by the commissioner. Federally qualified health centers that file Medicare cost reports
266.34 shall provide the commissioner with a copy of the most recent Medicare cost report filed

267.1 with the Medicare program intermediary for the reporting year which support the costs
267.2 claimed on their cost report to the state.

267.3 (c) In order to continue cost-based payment under the medical assistance program
267.4 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic
267.5 must apply for designation as an essential community provider within six months of final
267.6 adoption of rules by the Department of Health according to section 62Q.19, subdivision
267.7 7. For those federally qualified health centers and rural health clinics that have applied
267.8 for essential community provider status within the six-month time prescribed, medical
267.9 assistance payments will continue to be made according to paragraphs (a) and (b) for the
267.10 first three years after application. For federally qualified health centers and rural health
267.11 clinics that either do not apply within the time specified above or who have had essential
267.12 community provider status for three years, medical assistance payments for health services
267.13 provided by these entities shall be according to the same rates and conditions applicable
267.14 to the same service provided by health care providers that are not federally qualified
267.15 health centers or rural health clinics.

267.16 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally
267.17 qualified health center or a rural health clinic to make application for an essential
267.18 community provider designation in order to have cost-based payments made according
267.19 to paragraphs (a) and (b) no longer apply.

267.20 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)
267.21 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

267.22 (f) Effective January 1, 2001, each federally qualified health center and rural health
267.23 clinic may elect to be paid either under the prospective payment system established
267.24 in United States Code, title 42, section 1396a(aa), or under an alternative payment
267.25 methodology consistent with the requirements of United States Code, title 42, section
267.26 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The
267.27 alternative payment methodology shall be 100 percent of cost as determined according to
267.28 Medicare cost principles.

267.29 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

267.30 (1) has nonprofit status as specified in chapter 317A;

267.31 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

267.32 (3) is established to provide health services to low-income population groups,

267.33 uninsured, high-risk and special needs populations, underserved and other special needs
267.34 populations;

267.35 (4) employs professional staff at least one-half of which are familiar with the
267.36 cultural background of their clients;

268.1 (5) charges for services on a sliding fee scale designed to provide assistance to
268.2 low-income clients based on current poverty income guidelines and family size; and

268.3 (6) does not restrict access or services because of a client's financial limitations or
268.4 public assistance status and provides no-cost care as needed.

268.5 (h) Effective for dates of service on and after January 1, 2015, all claims for payment
268.6 of clinic services provided by federally qualified health centers and rural health clinics
268.7 shall be submitted directly to the commissioner and paid by the commissioner. The
268.8 commissioner shall provide claims information received by the commissioner under
268.9 this paragraph for recipients enrolled in managed care to managed care organizations
268.10 on a regular basis.

268.11 (i) For clinic services provided prior to January 1, 2015, the commissioner shall
268.12 calculate and pay monthly the proposed managed care supplemental payments to clinics
268.13 and clinics shall conduct a timely review of the payment calculation data in order to
268.14 finalize all supplemental payments in accordance with federal law. Any issues arising
268.15 from a clinic's review must be reported to the commissioner by January 1, 2017. Upon
268.16 final agreement between the commissioner and a clinic on issues identified under this
268.17 subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no
268.18 supplemental payments for managed care claims for dates of service prior to January 1,
268.19 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to
268.20 resolve issues under this subdivision, the parties shall submit the dispute to the arbitration
268.21 process under section 14.57.

268.22 Sec. 38. Minnesota Statutes 2012, section 256B.0751, is amended by adding a
268.23 subdivision to read:

268.24 Subd. 10. **Health care homes advisory committee.** (a) The commissioners of
268.25 health and human services shall establish a health care homes advisory committee to
268.26 advise the commissioners on the ongoing statewide implementation of the health care
268.27 homes program authorized in this section.

268.28 (b) The commissioners shall establish an advisory committee that includes
268.29 representatives of the health care professions such as primary care providers; mental
268.30 health providers; nursing and care coordinators; certified health care home clinics with
268.31 statewide representation; health plan companies; state agencies; employers; academic
268.32 researchers; consumers; and organizations that work to improve health care quality in
268.33 Minnesota. At least 25 percent of the committee members must be consumers or patients
268.34 in health care homes. The commissioners, in making appointments to the committee, shall
268.35 ensure geographic representation of all regions of the state.

269.1 (c) The advisory committee shall advise the commissioners on ongoing
 269.2 implementation of the health care homes program, including, but not limited to, the
 269.3 following activities:

269.4 (1) implementation of certified health care homes across the state on performance
 269.5 management and implementation of benchmarking;

269.6 (2) implementation of modifications to the health care homes program based on
 269.7 results of the legislatively mandated health care home evaluation;

269.8 (3) statewide solutions for engagement of employers and commercial payers;

269.9 (4) potential modifications of the health care home rules or statutes;

269.10 (5) consumer engagement, including patient and family-centered care, patient
 269.11 activation in health care, and shared decision making;

269.12 (6) oversight for health care home subject matter task forces or workgroups; and

269.13 (7) other related issues as requested by the commissioners.

269.14 (d) The advisory committee shall have the ability to establish subcommittees on
 269.15 specific topics. The advisory committee is governed by section 15.059. Notwithstanding
 269.16 section 15.059, the advisory committee does not expire.

269.17 Sec. 39. Minnesota Statutes 2012, section 256B.199, is amended to read:

269.18 **256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.**

269.19 ~~(a) Effective July 1, 2007, The commissioner shall apply for federal matching~~
 269.20 ~~funds for the expenditures in paragraphs (b) and (c). Effective September 1, 2011, the~~
 269.21 ~~commissioner shall apply for matching funds for expenditures in paragraph (c).~~

269.22 (b) The commissioner shall apply for federal matching funds for certified public
 269.23 expenditures as follows:

269.24 (1) Hennepin County, Hennepin County Medical Center, Ramsey County, and
 269.25 ~~Regions Hospital, the University of Minnesota, and Fairview-University Medical Center~~
 269.26 shall report quarterly to the commissioner beginning June 1, 2007, payments made during
 269.27 the second previous quarter that may qualify for reimbursement under federal law;

269.28 (2) based on these reports, the commissioner shall apply for federal matching
 269.29 funds. ~~These funds are appropriated to the commissioner for the payments under section~~
 269.30 ~~256.969, subdivision 27; and~~

269.31 (3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform
 269.32 the nonstate entities listed in paragraph (a) of the amount of federal disproportionate share
 269.33 hospital payment money expected to be available in the current federal fiscal year.

269.34 ~~(c) The commissioner shall apply for federal matching funds for general assistance~~
 269.35 ~~medical care expenditures as follows:~~

270.1 ~~(1) for hospital services occurring on or after July 1, 2007, general assistance medical~~
270.2 ~~care expenditures for fee-for-service inpatient and outpatient hospital payments made by~~
270.3 ~~the department shall be used to apply for federal matching funds, except as limited below:~~

270.4 ~~(i) only those general assistance medical care expenditures made to an individual~~
270.5 ~~hospital that would not cause the hospital to exceed its individual hospital limits under~~
270.6 ~~section 1923 of the Social Security Act may be considered; and~~

270.7 ~~(ii) general assistance medical care expenditures may be considered only to the extent~~
270.8 ~~of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and~~

270.9 ~~(2) all hospitals must provide any necessary expenditure, cost, and revenue~~
270.10 ~~information required by the commissioner as necessary for purposes of obtaining federal~~
270.11 ~~Medicaid matching funds for general assistance medical care expenditures.~~

270.12 ~~(d) (c)~~ For the period from April 1, 2009, to September 30, 2010, the commissioner
270.13 shall apply for additional federal matching funds available as disproportionate share
270.14 hospital payments under the American Recovery and Reinvestment Act of 2009. These
270.15 funds shall be made available as the state share of payments under section 256.969,
270.16 ~~subdivision 28~~. The entities required to report certified public expenditures under
270.17 paragraph (b), clause (1), shall report additional certified public expenditures as necessary
270.18 under this paragraph.

270.19 ~~(e) (d)~~ For services provided on or after September 1, 2011, the commissioner shall
270.20 apply for additional federal matching funds available as disproportionate share hospital
270.21 payments under the MinnesotaCare program according to the requirements and conditions
270.22 of ~~paragraph (e)~~. A hospital may elect on an annual basis to not be a disproportionate
270.23 share hospital for purposes of this paragraph, if the hospital does not qualify for a payment
270.24 under section 256.969, subdivision 9, paragraph (b).

270.25 Sec. 40. Minnesota Statutes 2012, section 256B.35, subdivision 1, is amended to read:

270.26 Subdivision 1. **Personal needs allowance.** (a) Notwithstanding any law to the
270.27 contrary, welfare allowances for clothing and personal needs for individuals receiving
270.28 medical assistance while residing in any skilled nursing home, intermediate care facility,
270.29 or medical institution including recipients of Supplemental Security Income, in this state
270.30 shall not be less than \$45 per month from all sources. When benefit amounts for Social
270.31 Security or Supplemental Security Income recipients are increased pursuant to United
270.32 States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the
270.33 month in which the increase takes effect, increase by the same percentage to the nearest
270.34 whole dollar the clothing and personal needs allowance for individuals receiving medical
270.35 assistance while residing in any skilled nursing home, medical institution, or intermediate

271.1 care facility. The commissioner shall provide timely notice to local agencies, providers,
271.2 and recipients of increases under this provision.

271.3 (b) The personal needs allowance may be paid as part of the Minnesota supplemental
271.4 aid program, and payments to recipients of Minnesota supplemental aid may be made once
271.5 each three months covering liabilities that accrued during the preceding three months.

271.6 (c) The personal needs allowance shall be increased to include income garnished
271.7 for child support under a court order, up to a maximum of \$250 per month but only to
271.8 the extent that the amount garnished is not deducted as a monthly allowance for children
271.9 under section 256B.0575, paragraph (a), clause (5).

271.10 (d) Solely for the purpose of section 256B.0575, subdivision 1, paragraph (a), clause
271.11 (1), the personal needs allowance shall be increased to include income garnished for
271.12 spousal maintenance under a judgment and decree for dissolution of marriage, and any
271.13 administrative fees garnished for collection efforts.

271.14 Sec. 41. Minnesota Statutes 2013 Supplement, section 256B.69, subdivision 34,
271.15 is amended to read:

271.16 Subd. 34. **Supplemental recovery program.** The commissioner shall conduct a
271.17 supplemental recovery program for third-party liabilities, identified through coordination
271.18 of benefits, not recovered by managed care plans and county-based purchasing plans for
271.19 state public health programs. Any third-party liability identified through coordination
271.20 of benefits, and recovered by the commissioner more than ~~six~~ eight months after the
271.21 date a managed care plan or county-based purchasing plan ~~receives~~ adjudicates a health
271.22 care claim, shall be retained by the commissioner and deposited in the general fund.
271.23 The commissioner shall establish a mechanism, including a reconciliation process, for
271.24 managed care plans and county-based purchasing plans to coordinate third-party liability
271.25 collections efforts resulting from coordination of benefits under this subdivision with the
271.26 commissioner to ensure there is no duplication of efforts. The coordination mechanism
271.27 must be consistent with the reporting requirements in subdivision 9c. The commissioner
271.28 shall share accurate and timely third-party liability data with managed care organizations.

271.29 Sec. 42. Laws 2013, chapter 108, article 1, section 24, the effective date, is amended to
271.30 read:

271.31 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2014.

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

272.1 Sec. 43. **MEDICAL ASSISTANCE SPENDDOWN REQUIREMENTS.**

272.2 The commissioner of human services, in consultation with interested stakeholders,
272.3 shall review medical assistance spenddown requirements and processes, including those
272.4 used in other states, for individuals with disabilities and seniors age 65 years of age or
272.5 older. Based on this review, the commissioner shall recommend alternative medical
272.6 assistance spenddown payment requirements and processes that:

272.7 (1) are practical for current and potential medical assistance recipients, providers,
272.8 and the Department of Human Services;

272.9 (2) improve the medical assistance payment process for providers; and

272.10 (3) allow current and potential medical assistance recipients to obtain consistent
272.11 and affordable medical coverage.

272.12 The commissioner shall report these recommendations, along with the projected cost,
272.13 to the chairs and ranking minority members of the legislative committees and divisions
272.14 with jurisdiction over health and human services policy and finance by November 15, 2015.

272.15 Sec. 44. **PROHIBITION ON USE OF FUNDS.**

272.16 Subdivision 1. Use of funds. Funding for state-sponsored health programs shall not
272.17 be used for funding abortions, except to the extent necessary for continued participation
272.18 in a federal program. For purposes of this section, abortion has the meaning given in
272.19 Minnesota Statutes, section 144.343, subdivision 3.

272.20 Subd. 2. Severability. If any one or more provision, section, subdivision, sentence,
272.21 clause, phrase, or word of this section or the application of it to any person or circumstance
272.22 is found to be unconstitutional, it is declared to be severable and the balance of this section
272.23 shall remain effective notwithstanding such unconstitutionality. The legislature intends
272.24 that it would have passed this section, and each provision, section, subdivision, sentence,
272.25 clause, phrase, or word irrespective of the fact that any one provision, section, subdivision,
272.26 sentence, clause, phrase, or word is declared unconstitutional.

272.27 Sec. 45. **STUDY OF MINNESOTACARE FINANCIAL VIABILITY.**

272.28 The commissioner of human services shall study the financial viability of the
272.29 MinnesotaCare program. In conducting the study, the commissioner shall examine:
272.30 (1) projected funding and alternative funding sources; (2) the appropriate level of
272.31 MinnesotaCare covered services and cost-sharing; (3) projected and actual enrollment
272.32 in the program; and (4) other factors the commissioner determines to be relevant. The
272.33 commissioner shall present to the legislature, by January 1, 2015, recommendations for

273.1 any program and funding changes necessary to ensure that the MinnesotaCare program
273.2 remains financially viable and meets the health care needs of enrollees.

273.3 Sec. 46. **WAIVER APPLICATIONS FOR NONEMERGENCY MEDICAL**
273.4 **TRANSPORTATION SERVICE PROVIDERS.**

273.5 Subdivision 1. **Definitions.** For purposes of this section, the following definitions
273.6 apply:

273.7 (1) "new provider" is a nonemergency medical transportation service provider that
273.8 was not required to comply with special transportation service operating standards before
273.9 the effective date of this act; and

273.10 (2) "commissioner" is the commissioner of human services.

273.11 Subd. 2. **Application for and terms of variance.** A new provider may apply to the
273.12 commissioner, on a form supplied by the commissioner for this purpose, for a variance
273.13 from special transportation service operating standards. The commissioner may grant or
273.14 deny the variance application. Variances expire on the earlier of, February 1, 2016, or the
273.15 date that the commissioner of transportation begins certifying new providers under the
273.16 terms of this act and successor legislation.

273.17 Subd. 3. **Information concerning variances.** The commissioner shall periodically
273.18 transmit to the Department of Transportation the number of variance applications received
273.19 and the number granted.

273.20 Subd. 4. **Report by commissioner of transportation.** On or before February
273.21 1, 2015, the commissioner of transportation shall report to the chairs and ranking
273.22 minority members of the senate and house of representatives committees and divisions
273.23 with jurisdiction over transportation and human services concerning implementing this
273.24 act. The report must contain recommendations of the commissioner of transportation
273.25 concerning statutes, session laws, and rules that must be amended, repealed, enacted, or
273.26 adopted to implement the terms of this act. The recommendations must include, without
273.27 limitation, the amount of the fee that would be required to cover the costs of Department of
273.28 Transportation supervision of inspection and certification, as well as any needed statutory
273.29 rulemaking or other authority to be granted to the commissioner of transportation.

273.30 Sec. 47. **REPEALER.**

273.31 (a) Minnesota Statutes 2012, sections 256.969, subdivisions 2c, 8b, 9a, 9b, 11, 13,
273.32 20, 21, 22, 26, 27, and 28; and 256.9695, subdivisions 3 and 4, are repealed.

273.33 (b) Minnesota Statutes 2013 Supplement, section 256B.0625, subdivision 18f, is
273.34 repealed.

ARTICLE 26

CHILDREN AND FAMILY SERVICES AND NORTHSTAR
CARE FOR CHILDREN

274.1

274.2

274.3

274.4 Section 1. Minnesota Statutes 2012, section 119B.09, subdivision 9a, is amended to
274.5 read:

274.6 Subd. 9a. **Child care centers; assistance.** (a) For the purposes of this subdivision,
274.7 "qualifying child" means a child who satisfies both of the following:

274.8 (1) is not a child or dependent of an employee of the child care provider; and

274.9 (2) does not reside with an employee of the child care provider.

274.10 (b) Funds distributed under this chapter must not be paid for child care services
274.11 that are provided for a child by a child care provider who employs either the parent of
274.12 the child or a person who resides with the child, unless at all times at least 50 percent of
274.13 the children for whom the child care provider is providing care are qualifying children
274.14 under paragraph (a).

274.15 (c) If a child care provider satisfies the requirements for payment under paragraph
274.16 (b), but the percentage of qualifying children under paragraph (a) for whom the provider
274.17 is providing care falls below 50 percent, the provider shall have four weeks to raise the
274.18 percentage of qualifying children for whom the provider is providing care to at least 50
274.19 percent before payments to the provider are discontinued for child care services provided
274.20 for a child who is not a qualifying child.

274.21 (d) This subdivision is suspended effective the day following final enactment and is
274.22 reinstated effective July 1, 2016.

274.23 Sec. 2. Minnesota Statutes 2012, section 119B.09, is amended by adding a subdivision
274.24 to read:

274.25 Subd. 9b. **Evaluation; new Americans child care center model.** (a) The
274.26 commissioner of human services shall contract with an agency skilled in cross-cultural
274.27 competencies and program evaluation to analyze achievement of children, meaningful
274.28 employment of parents, and compliance with state goals for the child care assistance
274.29 program, federal requirements under the child care and development fund, and state
274.30 licensing laws and rules. The contract shall evaluate the following:

274.31 (1) the economic impact of enforcing section 119B.09, subdivision 9a;

274.32 (2) the cultural assets of the existing new Americans child care center models;

274.33 (3) the educational achievement record of children participating in the existing
274.34 new Americans child care center models;

275.1 (4) the employability, jobs, and job advancement opportunities created for parents
275.2 employed in the existing new Americans child care center models, including movement
275.3 into jobs outside of child care centers attended by their children;

275.4 (5) the professional development of parents as measured through training and
275.5 coaching approved through the Minnesota Center for Professional Development;

275.6 (6) the alignment of parental employment within a child care center with state and
275.7 federal law and regulation pertaining to the child care assistance program; and

275.8 (7) employee experience providing independent care to groups of children other
275.9 than their own.

275.10 (b) The commissioner shall report the findings of the evaluation and report to the
275.11 chairs and ranking minority members of the legislative committees with jurisdiction
275.12 over early childhood education and health and human services policy and finance by
275.13 January 15, 2016.

275.14 (c) \$200,000 is appropriated in fiscal year 2015 for the purposes specified in this
275.15 subdivision.

275.16 Sec. 3. Minnesota Statutes 2012, section 245A.03, subdivision 2c, is amended to read:

275.17 Subd. 2c. **School-age child care licensing moratorium.** A school-age program
275.18 whose sole purpose is to provide only services to school-age children during out-of-school
275.19 times is exempt from the human services licensing requirements in this chapter until
275.20 July 1, ~~2014~~ 2015. Nothing in this section prohibits an already licensed school-age-only
275.21 program from continuing its license or a school-age program from seeking licensure.

275.22 Sec. 4. Minnesota Statutes 2012, section 245C.05, subdivision 5, is amended to read:

275.23 Subd. 5. **Fingerprints.** (a) Except as provided in paragraph (c), for any background
275.24 study completed under this chapter, when the commissioner has reasonable cause to
275.25 believe that further pertinent information may exist on the subject of the background
275.26 study, the subject shall provide the commissioner with a set of classifiable fingerprints
275.27 obtained from an authorized agency.

275.28 (b) For purposes of requiring fingerprints, the commissioner has reasonable cause
275.29 when, but not limited to, the:

275.30 (1) information from the Bureau of Criminal Apprehension indicates that the subject
275.31 is a multistate offender;

275.32 (2) information from the Bureau of Criminal Apprehension indicates that multistate
275.33 offender status is undetermined; or

276.1 (3) commissioner has received a report from the subject or a third party indicating
276.2 that the subject has a criminal history in a jurisdiction other than Minnesota.

276.3 (c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for
276.4 background studies conducted by the commissioner for child foster care ~~or~~, adoptions, or a
276.5 transfer of permanent legal and physical custody of a child, the subject of the background
276.6 study, who is 18 years of age or older, shall provide the commissioner with a set of
276.7 classifiable fingerprints obtained from an authorized agency.

276.8 Sec. 5. Minnesota Statutes 2013 Supplement, section 245C.08, subdivision 1, is
276.9 amended to read:

276.10 Subdivision 1. **Background studies conducted by Department of Human**
276.11 **Services.** (a) For a background study conducted by the Department of Human Services,
276.12 the commissioner shall review:

276.13 (1) information related to names of substantiated perpetrators of maltreatment of
276.14 vulnerable adults that has been received by the commissioner as required under section
276.15 626.557, subdivision 9c, paragraph (j);

276.16 (2) the commissioner's records relating to the maltreatment of minors in licensed
276.17 programs, and from findings of maltreatment of minors as indicated through the social
276.18 service information system;

276.19 (3) information from juvenile courts as required in subdivision 4 for individuals
276.20 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

276.21 (4) information from the Bureau of Criminal Apprehension, including information
276.22 regarding a background study subject's registration in Minnesota as a predatory offender
276.23 under section 243.166;

276.24 (5) except as provided in clause (6), information from the national crime information
276.25 system when the commissioner has reasonable cause as defined under section 245C.05,
276.26 subdivision 5; and

276.27 (6) for a background study related to a child foster care application for licensure, a
276.28 transfer of permanent legal and physical custody of a child under sections 260C.503 to
276.29 260C.515, or adoptions, the commissioner shall also review:

276.30 (i) information from the child abuse and neglect registry for any state in which the
276.31 background study subject has resided for the past five years; and

276.32 (ii) information from national crime information databases, when the background
276.33 study subject is 18 years of age or older.

276.34 (b) Notwithstanding expungement by a court, the commissioner may consider
276.35 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner

277.1 received notice of the petition for expungement and the court order for expungement is
277.2 directed specifically to the commissioner.

277.3 (c) The commissioner shall also review criminal case information received according
277.4 to section 245C.04, subdivision 4a, from the Minnesota court information system that
277.5 relates to individuals who have already been studied under this chapter and who remain
277.6 affiliated with the agency that initiated the background study.

277.7 Sec. 6. Minnesota Statutes 2012, section 245C.33, subdivision 1, is amended to read:

277.8 Subdivision 1. **Background studies conducted by commissioner.** (a) Before
277.9 placement of a child for purposes of adoption, the commissioner shall conduct a
277.10 background study on individuals listed in ~~section~~ sections 259.41, subdivision 3, and
277.11 260C.611, for county agencies and private agencies licensed to place children for adoption.
277.12 When a prospective adoptive parent is seeking to adopt a child who is currently placed in
277.13 the prospective adoptive parent's home and is under the guardianship of the commissioner
277.14 according to section 260C.325, subdivision 1, paragraph (b), and the prospective adoptive
277.15 parent holds a child foster care license, a new background study is not required when:

277.16 (1) a background study was completed on persons required to be studied under section
277.17 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

277.18 (2) the background study included a review of the information in section 245C.08,
277.19 subdivisions 1, 3, and 4; and

277.20 (3) as a result of the background study, the individual was either not disqualified
277.21 or, if disqualified, the disqualification was set aside under section 245C.22, or a variance
277.22 was issued under section 245C.30.

277.23 (b) Before the kinship placement agreement is signed for the purpose of transferring
277.24 permanent legal and physical custody to a relative under sections 260C.503 to 260C.515,
277.25 the commissioner shall conduct a background study on each person age 13 or older living
277.26 in the home. When a prospective relative custodian has a child foster care license, a new
277.27 background study is not required when:

277.28 (1) a background study was completed on persons required to be studied under section
277.29 245C.03 in connection with the application for child foster care licensure after July 1, 2007;

277.30 (2) the background study included a review of the information in section 245C.08,
277.31 subdivisions 1, 3, and 4; and

277.32 (3) as a result of the background study, the individual was either not disqualified or,
277.33 if disqualified, the disqualification was set aside under section 245C.22, or a variance was
277.34 issued under section 245C.30. The commissioner and the county agency shall expedite any
277.35 request for a set aside or variance for a background study required under chapter 256N.

278.1 Sec. 7. Minnesota Statutes 2012, section 245C.33, subdivision 4, is amended to read:

278.2 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review
278.3 the following information regarding the background study subject:

278.4 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

278.5 (2) information from the child abuse and neglect registry for any state in which the
278.6 subject has resided for the past five years; and

278.7 (3) information from national crime information databases, when required under
278.8 section 245C.08.

278.9 (b) The commissioner shall provide any information collected under this subdivision
278.10 to the county or private agency that initiated the background study. The commissioner
278.11 shall also provide the agency:

278.12 (1) notice whether the information collected shows that the subject of the background
278.13 study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); and

278.14 (2) for background studies conducted under subdivision 1, paragraph (a), the date of
278.15 all adoption-related background studies completed on the subject by the commissioner
278.16 after June 30, 2007, and the name of the county or private agency that initiated the
278.17 adoption-related background study.

278.18 Sec. 8. Minnesota Statutes 2012, section 256J.49, subdivision 13, is amended to read:

278.19 Subd. 13. **Work activity.** (a) "Work activity" means any activity in a participant's
278.20 approved employment plan that leads to employment. For purposes of the MFIP program,
278.21 this includes activities that meet the definition of work activity under the participation
278.22 requirements of TANF. Work activity includes:

278.23 (1) unsubsidized employment, including work study and paid apprenticeships or
278.24 internships;

278.25 (2) subsidized private sector or public sector employment, including grant diversion
278.26 as specified in section 256J.69, on-the-job training as specified in section 256J.66, paid
278.27 work experience, and supported work when a wage subsidy is provided;

278.28 (3) unpaid work experience, including community service, volunteer work,
278.29 the community work experience program as specified in section 256J.67, unpaid
278.30 apprenticeships or internships, and supported work when a wage subsidy is not provided.

278.31 Unpaid work experience is only an option if the participant has been unable to obtain or
278.32 maintain paid employment in the competitive labor market, and no paid work experience

278.33 programs are available to the participant. Prior to placing a participant in unpaid work,

278.34 the county must inform the participant that the participant will be notified if a paid work

278.35 experience or supported work position becomes available. Unless a participant consents in

279.1 writing to participate in unpaid work experience, the participant's employment plan may
279.2 only include unpaid work experience if including the unpaid work experience in the plan
279.3 will meet the following criteria:

279.4 (i) the unpaid work experience will provide the participant specific skills or
279.5 experience that cannot be obtained through other work activity options where the
279.6 participant resides or is willing to reside; and

279.7 (ii) the skills or experience gained through the unpaid work experience will result
279.8 in higher wages for the participant than the participant could earn without the unpaid
279.9 work experience;

279.10 (4) job search including job readiness assistance, job clubs, job placement,
279.11 job-related counseling, and job retention services;

279.12 (5) job readiness education, including English as a second language (ESL) or
279.13 functional work literacy classes ~~as limited by the provisions of section 256J.531,~~
279.14 ~~subdivision 2,~~ general educational development (GED) or Minnesota adult diploma course
279.15 work, high school completion, and adult basic education ~~as limited by the provisions of~~
279.16 ~~section 256J.531, subdivision 1;~~

279.17 (6) job skills training directly related to employment, including postsecondary
279.18 education and training that can reasonably be expected to lead to employment, ~~as limited~~
279.19 ~~by the provisions of section 256J.53;~~

279.20 (7) providing child care services to a participant who is working in a community
279.21 service program;

279.22 (8) activities included in the employment plan that is developed under section
279.23 256J.521, subdivision 3; and

279.24 (9) preemployment activities including chemical and mental health assessments,
279.25 treatment, and services; learning disabilities services; child protective services; family
279.26 stabilization services; or other programs designed to enhance employability.

279.27 (b) "Work activity" does not include activities done for political purposes as defined
279.28 in section 211B.01, subdivision 6.

279.29 Sec. 9. Minnesota Statutes 2012, section 256J.53, subdivision 1, is amended to read:

279.30 Subdivision 1. **Length of program.** (a) In order for a postsecondary education
279.31 or training program to be an approved work activity as defined in section 256J.49,
279.32 subdivision 13, clause (6), it must be a program lasting ~~24 months~~ four years or less, and
279.33 the participant must meet the requirements of subdivisions 2, 3, and 5.

280.1 (b) Participants with a high school diploma, general educational development (GED)
 280.2 credential, or Minnesota adult diploma must be informed of the opportunity to participate
 280.3 in postsecondary education or training while in the Minnesota family investment program.

280.4 Sec. 10. Minnesota Statutes 2012, section 256J.53, subdivision 2, is amended to read:

280.5 Subd. 2. **Approval of postsecondary education or training.** ~~(a) In order for a~~
 280.6 ~~postsecondary education or training program to be an approved activity in an employment~~
 280.7 ~~plan, the plan must include additional work activities if the education and training~~
 280.8 ~~activities do not meet the minimum hours required to meet the federal work participation~~
 280.9 ~~rate under Code of Federal Regulations, title 45, sections 261.31 and 261.35.~~

280.10 (b) Participants seeking approval of a who are interested in participating in
 280.11 postsecondary education or training plan as part of their employment plan must provide
 280.12 documentation that discuss their education plans with their job counselor. Job counselors
 280.13 must work with participants to evaluate options by:

280.14 ~~(1) the employment goal can only be met with the additional education or training;~~

280.15 ~~(2) advising whether there are suitable employment opportunities that require the~~
 280.16 ~~specific education or training in the area in which the participant resides or is willing~~
 280.17 ~~to reside;~~

280.18 ~~(3) the education or training will result in significantly higher wages for the~~
 280.19 ~~participant than the participant could earn without the education or training;~~

280.20 ~~(4) (2) assisting the participant in exploring whether the participant can meet the~~
 280.21 ~~requirements for admission into the program; and~~

280.22 ~~(5) (3) there is a reasonable expectation that the participant will complete the training~~
 280.23 ~~program discussing the participant's strengths and challenges based on such factors as the~~
 280.24 ~~participant's MFIP assessment, previous education, training, and work history; current~~
 280.25 ~~motivation; and changes in previous circumstances.~~

280.26 (b) The requirements of this subdivision do not apply to participants who are in:

280.27 (1) a recognized career pathway program that leads to stackable credentials;

280.28 (2) a training program lasting 12 weeks or less; or

280.29 (3) the final year of a multi-year postsecondary education or training program.

280.30 Sec. 11. Minnesota Statutes 2012, section 256J.53, subdivision 5, is amended to read:

280.31 Subd. 5. **Requirements after postsecondary education or training.** Upon
 280.32 completion of an approved education or training program, a participant who does not meet
 280.33 the participation requirements in section 256J.55, subdivision 1, through unsubsidized
 280.34 employment must participate in job search. If, after six 12 weeks of job search, the

281.1 participant does not find a full-time job consistent with the employment goal, the
281.2 participant must accept any offer of full-time suitable employment, or meet with the job
281.3 counselor to revise the employment plan to include additional work activities necessary to
281.4 meet hourly requirements.

281.5 Sec. 12. Minnesota Statutes 2012, section 256J.531, is amended to read:

281.6 **256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.**

281.7 Subdivision 1. **Approval of adult basic education.** ~~With the exception of classes~~
281.8 ~~related to obtaining a general educational development credential (GED), a participant~~
281.9 ~~must have reading or mathematics proficiency below a ninth grade level in order for adult~~
281.10 ~~basic education classes to be an~~ A participant who lacks a high school diploma, general
281.11 educational development (GED) credential, or Minnesota adult diploma must be allowed
281.12 to pursue these credentials as an approved work activity, provided that the participant
281.13 is making satisfactory progress. Participants eligible to pursue a general educational
281.14 development (GED) credential or Minnesota adult diploma under this subdivision must
281.15 be informed of the opportunity to participate while in the Minnesota family investment
281.16 program. The employment plan must also specify that the participant fulfill no more than
281.17 one-half of the participation requirements in section 256J.55, subdivision 1, through
281.18 attending adult basic education or general educational development classes.

281.19 Subd. 2. **Approval of English as a second language.** In order for English as a
281.20 second language (ESL) classes to be an approved work activity in an employment plan, a
281.21 participant must be below a spoken language proficiency level of SPL6 or its equivalent,
281.22 as measured by a nationally recognized test. In approving ESL as a work activity, the job
281.23 counselor must give preference to enrollment in a functional work literacy program,
281.24 if one is available, over a regular ESL program. ~~A participant may not be approved~~
281.25 ~~for more than a combined total of 24 months of ESL classes while participating in the~~
281.26 ~~diversionary work program and the employment and training services component of~~
281.27 ~~MFIP. The employment plan must also specify that the participant fulfill no more than~~
281.28 ~~one-half of the participation requirements in section 256J.55, subdivision 1, through~~
281.29 ~~attending ESL classes. For participants enrolled in functional work literacy classes, no~~
281.30 ~~more than two-thirds of the participation requirements in section 256J.55, subdivision 1,~~
281.31 ~~may be met through attending functional work literacy classes.~~

281.32 Sec. 13. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 1, is
281.33 amended to read:

282.1 Subdivision 1. **General eligibility requirements.** (a) To be eligible for guardianship
282.2 assistance under this section, there must be a judicial determination under section
282.3 260C.515, subdivision 4, that a transfer of permanent legal and physical custody to a
282.4 relative is in the child's best interest. For a child under jurisdiction of a tribal court, a
282.5 judicial determination under a similar provision in tribal code indicating that a relative
282.6 will assume the duty and authority to provide care, control, and protection of a child who
282.7 is residing in foster care, and to make decisions regarding the child's education, health
282.8 care, and general welfare until adulthood, and that this is in the child's best interest is
282.9 considered equivalent. Additionally, a child must:

282.10 (1) have been removed from the child's home pursuant to a voluntary placement
282.11 agreement or court order;

282.12 (2)(i) have resided ~~in~~ with the prospective relative custodian who has been a
282.13 licensed child foster care parent for at least six consecutive months ~~in the home of the~~
282.14 ~~prospective relative custodian~~; or

282.15 (ii) have received from the commissioner an exemption from the requirement in item
282.16 (i) ~~from the court~~ that the prospective relative custodian has been a licensed child foster
282.17 parent for at least six consecutive months, based on a determination that:

282.18 (A) an expedited move to permanency is in the child's best interest;

282.19 (B) expedited permanency cannot be completed without provision of guardianship
282.20 assistance; ~~and~~

282.21 (C) the prospective relative custodian is uniquely qualified to meet the child's needs,₂
282.22 as defined in section 260C.212, subdivision 2, on a permanent basis;

282.23 (D) the child and prospective relative custodian meet the eligibility requirements
282.24 of this section; and

282.25 (E) efforts were made by the legally responsible agency to place the child with the
282.26 prospective relative custodian as a licensed child foster parent for six consecutive months
282.27 before permanency, or an explanation why these efforts were not in the child's best interests;

282.28 (3) meet the agency determinations regarding permanency requirements in
282.29 subdivision 2;

282.30 (4) meet the applicable citizenship and immigration requirements in subdivision 3;

282.31 (5) have been consulted regarding the proposed transfer of permanent legal and
282.32 physical custody to a relative, if the child is at least 14 years of age or is expected to attain
282.33 14 years of age prior to the transfer of permanent legal and physical custody; and

282.34 (6) have a written, binding agreement under section 256N.25 among the caregiver or
282.35 caregivers, the financially responsible agency, and the commissioner established prior to
282.36 transfer of permanent legal and physical custody.

283.1 (b) In addition to the requirements in paragraph (a), the child's prospective relative
283.2 custodian or custodians must meet the applicable background study requirements in
283.3 subdivision 4.

283.4 (c) To be eligible for title IV-E guardianship assistance, a child must also meet any
283.5 additional criteria in section 473(d) of the Social Security Act. The sibling of a child
283.6 who meets the criteria for title IV-E guardianship assistance in section 473(d) of the
283.7 Social Security Act is eligible for title IV-E guardianship assistance if the child and
283.8 sibling are placed with the same prospective relative custodian or custodians, and the
283.9 legally responsible agency, relatives, and commissioner agree on the appropriateness of
283.10 the arrangement for the sibling. A child who meets all eligibility criteria except those
283.11 specific to title IV-E guardianship assistance is entitled to guardianship assistance paid
283.12 through funds other than title IV-E.

283.13 Sec. 14. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 2, is
283.14 amended to read:

283.15 Subd. 2. **Agency determinations regarding permanency.** (a) To be eligible for
283.16 guardianship assistance, the legally responsible agency must complete the following
283.17 determinations regarding permanency for the child prior to the transfer of permanent
283.18 legal and physical custody:

283.19 (1) a determination that reunification and adoption are not appropriate permanency
283.20 options for the child; and

283.21 (2) a determination that the child demonstrates a strong attachment to the prospective
283.22 relative custodian and the prospective relative custodian has a strong commitment to
283.23 caring permanently for the child.

283.24 (b) The legally responsible agency shall document the determinations in paragraph
283.25 (a) and ~~the~~ eligibility requirements in this section that comply with United States Code,
283.26 title 42, sections 673(d) and 675(1)(F). These determinations must be documented in a
283.27 kinship placement agreement, which must be in the format prescribed by the commissioner
283.28 and must be signed by the prospective relative custodian and the legally responsible
283.29 agency. In the case of a Minnesota tribe, the determinations and eligibility requirements
283.30 in this section may be provided in an alternative format approved by the commissioner.
283.31 Supporting information for completing each determination must be documented in the
283.32 legally responsible agency's case file and ~~make them~~ available for review as requested
283.33 by the financially responsible agency and the commissioner during the guardianship
283.34 assistance eligibility determination process.

284.1 Sec. 15. Minnesota Statutes 2013 Supplement, section 256N.22, subdivision 4, is
284.2 amended to read:

284.3 Subd. 4. **Background study.** (a) A background study ~~under section 245C.33~~ must be
284.4 completed on each prospective relative custodian and any other adult residing in the home
284.5 of the prospective relative custodian. The background study must meet the requirements of
284.6 United States Code, title 42, section 671(a)(20). A study completed under section 245C.33
284.7 meets this requirement. A background study on the prospective relative custodian or adult
284.8 residing in the household previously completed under ~~section 245C.04~~ chapter 245C for the
284.9 purposes of child foster care licensure ~~may~~ under chapter 245A or licensure by a Minnesota
284.10 tribe, shall be used for the purposes of this section, provided that the background study is
284.11 ~~current~~ meets the requirements of this subdivision and the prospective relative custodian is
284.12 a licensed child foster parent at the time of the application for guardianship assistance.

284.13 (b) If the background study reveals:

284.14 (1) a felony conviction at any time for:

284.15 (i) child abuse or neglect;

284.16 (ii) spousal abuse;

284.17 (iii) a crime against a child, including child pornography; or

284.18 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not
284.19 including other physical assault or battery; or

284.20 (2) a felony conviction within the past five years for:

284.21 (i) physical assault;

284.22 (ii) battery; or

284.23 (iii) a drug-related offense;

284.24 the prospective relative custodian is prohibited from receiving guardianship assistance
284.25 on behalf of an otherwise eligible child.

284.26 Sec. 16. Minnesota Statutes 2013 Supplement, section 256N.23, subdivision 4, is
284.27 amended to read:

284.28 Subd. 4. **Background study.** (a) A background study ~~under section 259.41~~ must be
284.29 completed on each prospective adoptive parent: and all other adults residing in the home.
284.30 A background study must meet the requirements of United States Code, title 42, section
284.31 671(a)(20). A study completed under section 245C.33 meets this requirement. If the
284.32 prospective adoptive parent is a licensed child foster parent licensed under chapter 245A
284.33 or by a Minnesota tribe, the background study previously completed for the purposes of
284.34 child foster care licensure shall be used for the purpose of this section, provided that the
284.35 background study meets all other requirements of this subdivision and the prospective

285.1 adoptive parent is a licensed child foster parent at the time of the application for adoption
285.2 assistance.

285.3 (b) If the background study reveals:

285.4 (1) a felony conviction at any time for:

285.5 (i) child abuse or neglect;

285.6 (ii) spousal abuse;

285.7 (iii) a crime against a child, including child pornography; or

285.8 (iv) a crime involving violence, including rape, sexual assault, or homicide, but not
285.9 including other physical assault or battery; or

285.10 (2) a felony conviction within the past five years for:

285.11 (i) physical assault;

285.12 (ii) battery; or

285.13 (iii) a drug-related offense;

285.14 the adoptive parent is prohibited from receiving adoption assistance on behalf of an
285.15 otherwise eligible child.

285.16 Sec. 17. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 2, is
285.17 amended to read:

285.18 Subd. 2. **Negotiation of agreement.** (a) When a child is determined to be eligible
285.19 for guardianship assistance or adoption assistance, the financially responsible agency, or,
285.20 if there is no financially responsible agency, the agency designated by the commissioner,
285.21 must negotiate with the caregiver to develop an agreement under subdivision 1. If and when
285.22 the caregiver and agency reach concurrence as to the terms of the agreement, both parties
285.23 shall sign the agreement. The agency must submit the agreement, along with the eligibility
285.24 determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to
285.25 the commissioner for final review, approval, and signature according to subdivision 1.

285.26 (b) A monthly payment is provided as part of the adoption assistance or guardianship
285.27 assistance agreement to support the care of children unless the child is eligible for adoption
285.28 assistance and determined to be an at-risk child, in which case ~~the special at-risk monthly~~
285.29 ~~payment under section 256N.26, subdivision 7, must~~ no payment will be made unless and
285.30 until the caregiver obtains written documentation from a qualified expert that the potential
285.31 disability upon which eligibility for the agreement was based has manifested itself.

285.32 (1) The amount of the payment made on behalf of a child eligible for guardianship
285.33 assistance or adoption assistance is determined through agreement between the prospective
285.34 relative custodian or the adoptive parent and the financially responsible agency, or, if there
285.35 is no financially responsible agency, the agency designated by the commissioner, using

286.1 the assessment tool established by the commissioner in section 256N.24, subdivision 2,
286.2 and the associated benefit and payments outlined in section 256N.26. Except as provided
286.3 under section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes
286.4 the monthly benefit level for a child under foster care. The monthly payment under a
286.5 guardianship assistance agreement or adoption assistance agreement may be negotiated up
286.6 to the monthly benefit level under foster care. In no case may the amount of the payment
286.7 under a guardianship assistance agreement or adoption assistance agreement exceed the
286.8 foster care maintenance payment which would have been paid during the month if the
286.9 child with respect to whom the guardianship assistance or adoption assistance payment is
286.10 made had been in a foster family home in the state.

286.11 (2) The rate schedule for the agreement is determined based on the age of the
286.12 child on the date that the prospective adoptive parent or parents or relative custodian or
286.13 custodians sign the agreement.

286.14 (3) The income of the relative custodian or custodians or adoptive parent or parents
286.15 must not be taken into consideration when determining eligibility for guardianship
286.16 assistance or adoption assistance or the amount of the payments under section 256N.26.

286.17 (4) With the concurrence of the relative custodian or adoptive parent, the amount of
286.18 the payment may be adjusted periodically using the assessment tool established by the
286.19 commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under
286.20 subdivision 3 when there is a change in the child's needs or the family's circumstances.

286.21 ~~(5) The guardianship assistance or adoption assistance agreement of a child who is~~
286.22 ~~identified as at-risk receives the special at-risk monthly payment under section 256N.26,~~
286.23 ~~subdivision 7, unless and until the potential disability manifests itself, as documented by~~
286.24 ~~an appropriate professional, and the commissioner authorizes commencement of payment~~
286.25 ~~by modifying the agreement accordingly. A relative custodian or~~ An adoptive parent
286.26 of an at-risk child with a ~~guardianship assistance or an~~ adoption assistance agreement
286.27 may request a reassessment of the child under section 256N.24, subdivision 9 10, and
286.28 renegotiation of the ~~guardianship assistance or~~ adoption assistance agreement under
286.29 subdivision 3 to include a monthly payment, if the caregiver has written documentation
286.30 from a qualified expert that the potential disability upon which eligibility for the agreement
286.31 was based has manifested itself. Documentation of the disability must be limited to
286.32 evidence deemed appropriate by the commissioner.

286.33 (c) For guardianship assistance agreements:

286.34 (1) the initial amount of the monthly guardianship assistance payment must be
286.35 equivalent to the foster care rate in effect at the time that the agreement is signed less any
286.36 offsets under section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to

287.1 by the prospective relative custodian and specified in that agreement, unless ~~the child is~~
287.2 ~~identified as at-risk or~~ the guardianship assistance agreement is entered into when a child
287.3 is under the age of six; and

287.4 ~~(2) an at-risk child must be assigned level A as outlined in section 256N.26 and~~
287.5 ~~receive the special at-risk monthly payment under section 256N.26, subdivision 7, unless~~
287.6 ~~and until the potential disability manifests itself, as documented by a qualified expert, and~~
287.7 ~~the commissioner authorizes commencement of payment by modifying the agreement~~
287.8 ~~accordingly; and~~

287.9 ~~(3) (2)~~ the amount of the monthly payment for a guardianship assistance agreement
287.10 for a child, ~~other than an at-risk child,~~ who is under the age of six must be as specified in
287.11 section 256N.26, subdivision 5.

287.12 (d) For adoption assistance agreements:

287.13 (1) for a child in foster care with the prospective adoptive parent immediately prior
287.14 to adoptive placement, the initial amount of the monthly adoption assistance payment
287.15 must be equivalent to the foster care rate in effect at the time that the agreement is signed
287.16 less any offsets in section 256N.26, subdivision 11, or a lesser negotiated amount if agreed
287.17 to by the prospective adoptive parents and specified in that agreement, unless the child is
287.18 identified as at-risk or the adoption assistance agreement is entered into when a child is
287.19 under the age of six;

287.20 (2) for an at-risk child who must be assigned level A as outlined in section
287.21 256N.26 ~~and receive the special at-risk monthly payment under section 256N.26,~~
287.22 ~~subdivision 7, no payment will be made~~ unless and until the potential disability manifests
287.23 itself, as documented by an appropriate professional, and the commissioner authorizes
287.24 commencement of payment by modifying the agreement accordingly;

287.25 (3) the amount of the monthly payment for an adoption assistance agreement for
287.26 a child under the age of six, other than an at-risk child, must be as specified in section
287.27 256N.26, subdivision 5;

287.28 (4) for a child who is in the guardianship assistance program immediately prior
287.29 to adoptive placement, the initial amount of the adoption assistance payment must be
287.30 equivalent to the guardianship assistance payment in effect at the time that the adoption
287.31 assistance agreement is signed or a lesser amount if agreed to by the prospective adoptive
287.32 parent and specified in that agreement, unless the child is identified as an at-risk child; and

287.33 (5) for a child who is not in foster care placement or the guardianship assistance
287.34 program immediately prior to adoptive placement or negotiation of the adoption assistance
287.35 agreement, the initial amount of the adoption assistance agreement must be determined

288.1 using the assessment tool and process in this section and the corresponding payment
288.2 amount outlined in section 256N.26.

288.3 Sec. 18. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 3, is
288.4 amended to read:

288.5 Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive
288.6 parent of a child with a guardianship assistance or adoption assistance agreement may
288.7 request renegotiation of the agreement when there is a change in the needs of the child
288.8 or in the family's circumstances. When a relative custodian or adoptive parent requests
288.9 renegotiation of the agreement, a reassessment of the child must be completed consistent
288.10 with section 256N.24, subdivisions 9 and 10. If the reassessment indicates that the
288.11 child's level has changed, the financially responsible agency or, if there is no financially
288.12 responsible agency, the agency designated by the commissioner or the commissioner's
288.13 designee, and the caregiver must renegotiate the agreement to include a payment with
288.14 the level determined through the reassessment process. The agreement must not be
288.15 renegotiated unless the commissioner, the financially responsible agency, and the caregiver
288.16 mutually agree to the changes. The effective date of any renegotiated agreement must be
288.17 determined by the commissioner.

288.18 (b) ~~A relative custodian or~~ An adoptive parent of an at-risk child with a ~~guardianship~~
288.19 ~~assistance or an~~ adoption assistance agreement may request renegotiation of the agreement
288.20 to include a monthly payment ~~higher than the special at-risk monthly payment~~ under
288.21 section 256N.26, ~~subdivision 7,~~ if the caregiver has written documentation from a
288.22 qualified expert that the potential disability upon which eligibility for the agreement
288.23 was based has manifested itself. Documentation of the disability must be limited to
288.24 evidence deemed appropriate by the commissioner. Prior to renegotiating the agreement, a
288.25 reassessment of the child must be conducted as outlined in section 256N.24, subdivision
288.26 9. The reassessment must be used to renegotiate the agreement to include an appropriate
288.27 monthly payment. The agreement must not be renegotiated unless the commissioner, the
288.28 financially responsible agency, and the caregiver mutually agree to the changes. The
288.29 effective date of any renegotiated agreement must be determined by the commissioner.

288.30 (c) Renegotiation of a guardianship assistance or adoption assistance agreement is
288.31 required when one of the circumstances outlined in section 256N.26, subdivision 13,
288.32 occurs.

288.33 Sec. 19. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 1, is
288.34 amended to read:

289.1 Subdivision 1. **Benefits.** (a) There are three benefits under Northstar Care for
289.2 Children: medical assistance, basic payment, and supplemental difficulty of care payment.

289.3 (b) A child is eligible for medical assistance under subdivision 2.

289.4 (c) A child is eligible for the basic payment under subdivision 3, except for a child
289.5 assigned level A under section 256N.24, subdivision 1, because the child is determined to
289.6 be an at-risk child receiving ~~guardianship assistance~~ or adoption assistance.

289.7 (d) A child, including a foster child age 18 to 21, is eligible for an additional
289.8 supplemental difficulty of care payment under subdivision 4, as determined by the
289.9 assessment under section 256N.24.

289.10 (e) An eligible child entering guardianship assistance or adoption assistance under
289.11 the age of six receives a basic payment and supplemental difficulty of care payment as
289.12 specified in subdivision 5.

289.13 (f) A child transitioning in from a pre-Northstar Care for Children program under
289.14 section 256N.28, subdivision 7, shall receive basic and difficulty of care supplemental
289.15 payments according to those provisions.

289.16 Sec. 20. Minnesota Statutes 2013 Supplement, section 256N.27, subdivision 4, is
289.17 amended to read:

289.18 Subd. 4. **Nonfederal share.** (a) The commissioner shall establish a percentage share
289.19 of the maintenance payments, reduced by federal reimbursements under title IV-E of the
289.20 Social Security Act, to be paid by the state and to be paid by the financially responsible
289.21 agency.

289.22 (b) These state and local shares must initially be calculated based on the ratio of the
289.23 average appropriate expenditures made by the state and all financially responsible agencies
289.24 during calendar years 2011, 2012, 2013, and 2014. For purposes of this calculation,
289.25 appropriate expenditures for the financially responsible agencies must include basic and
289.26 difficulty of care payments for foster care reduced by federal reimbursements, but not
289.27 including any initial clothing allowance, administrative payments to child care agencies
289.28 specified in section 317A.907, child care, or other support or ancillary expenditures. For
289.29 purposes of this calculation, appropriate expenditures for the state shall include adoption
289.30 assistance and relative custody assistance, reduced by federal reimbursements.

289.31 (c) For each of the periods January 1, 2015, to June 30, 2016, and fiscal years 2017,
289.32 2018, and 2019, the commissioner shall adjust this initial percentage of state and local
289.33 shares to reflect the relative expenditure trends during calendar years 2011, 2012, 2013, and
289.34 2014, taking into account appropriations for Northstar Care for Children and the turnover
289.35 rates of the components. In making these adjustments, the commissioner's goal shall be to

290.1 make these state and local expenditures other than the appropriations for Northstar Care
290.2 for Children to be the same as they would have been had Northstar Care for Children not
290.3 been implemented, or if that is not possible, proportionally higher or lower, as appropriate.
290.4 Except for adjustments so that the costs of the phase-in are borne by the state, the state and
290.5 local share percentages for fiscal year 2019 must be used for all subsequent years.

290.6 Sec. 21. Minnesota Statutes 2012, section 257.85, subdivision 11, is amended to read:

290.7 Subd. 11. **Financial considerations.** (a) Payment of relative custody assistance
290.8 under a relative custody assistance agreement is subject to the availability of state funds
290.9 and payments may be reduced or suspended on order of the commissioner if insufficient
290.10 funds are available.

290.11 ~~(b) Upon receipt from a local agency of a claim for reimbursement, the commissioner~~
290.12 ~~shall reimburse the local agency in an amount equal to 100 percent of the relative custody~~
290.13 ~~assistance payments provided to relative custodians. The A local agency may not seek and~~
290.14 the commissioner shall not provide reimbursement for the administrative costs associated
290.15 with performing the duties described in subdivision 4.

290.16 (c) For the purposes of determining eligibility or payment amounts under MFIP,
290.17 relative custody assistance payments shall be excluded in determining the family's
290.18 available income.

290.19 (d) For expenditures made on or before December 31, 2014, upon receipt from a
290.20 local agency of a claim for reimbursement, the commissioner shall reimburse the local
290.21 agency in an amount equal to 100 percent of the relative custody assistance payments
290.22 provided to relative custodians.

290.23 (e) For expenditures made on or after January 1, 2015, upon receipt from a local
290.24 agency of a claim for reimbursement, the commissioner shall reimburse the local agency as
290.25 part of the Northstar Care for Children fiscal reconciliation process under section 256N.27.

290.26 Sec. 22. Minnesota Statutes 2012, section 260C.212, subdivision 1, is amended to read:

290.27 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan
290.28 shall be prepared within 30 days after any child is placed in foster care by court order or a
290.29 voluntary placement agreement between the responsible social services agency and the
290.30 child's parent pursuant to section 260C.227 or chapter 260D.

290.31 (b) An out-of-home placement plan means a written document which is prepared
290.32 by the responsible social services agency jointly with the parent or parents or guardian
290.33 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the
290.34 child is an Indian child, the child's foster parent or representative of the foster care facility,

291.1 and, where appropriate, the child. For a child in voluntary foster care for treatment under
291.2 chapter 260D, preparation of the out-of-home placement plan shall additionally include
291.3 the child's mental health treatment provider. As appropriate, the plan shall be:

291.4 (1) submitted to the court for approval under section 260C.178, subdivision 7;

291.5 (2) ordered by the court, either as presented or modified after hearing, under section
291.6 260C.178, subdivision 7, or 260C.201, subdivision 6; and

291.7 (3) signed by the parent or parents or guardian of the child, the child's guardian ad
291.8 litem, a representative of the child's tribe, the responsible social services agency, and, if
291.9 possible, the child.

291.10 (c) The out-of-home placement plan shall be explained to all persons involved in its
291.11 implementation, including the child who has signed the plan, and shall set forth:

291.12 (1) a description of the foster care home or facility selected, including how the
291.13 out-of-home placement plan is designed to achieve a safe placement for the child in the
291.14 least restrictive, most family-like, setting available which is in close proximity to the home
291.15 of the parent or parents or guardian of the child when the case plan goal is reunification,
291.16 and how the placement is consistent with the best interests and special needs of the child
291.17 according to the factors under subdivision 2, paragraph (b);

291.18 (2) the specific reasons for the placement of the child in foster care, and when
291.19 reunification is the plan, a description of the problems or conditions in the home of the
291.20 parent or parents which necessitated removal of the child from home and the changes the
291.21 parent or parents must make in order for the child to safely return home;

291.22 (3) a description of the services offered and provided to prevent removal of the child
291.23 from the home and to reunify the family including:

291.24 (i) the specific actions to be taken by the parent or parents of the child to eliminate
291.25 or correct the problems or conditions identified in clause (2), and the time period during
291.26 which the actions are to be taken; and

291.27 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made
291.28 to achieve a safe and stable home for the child including social and other supportive
291.29 services to be provided or offered to the parent or parents or guardian of the child, the
291.30 child, and the residential facility during the period the child is in the residential facility;

291.31 (4) a description of any services or resources that were requested by the child or the
291.32 child's parent, guardian, foster parent, or custodian since the date of the child's placement
291.33 in the residential facility, and whether those services or resources were provided and if
291.34 not, the basis for the denial of the services or resources;

291.35 (5) the visitation plan for the parent or parents or guardian, other relatives as defined
291.36 in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed

292.1 together in foster care, and whether visitation is consistent with the best interest of the
292.2 child, during the period the child is in foster care;

292.3 (6) when a child cannot return to or be in the care of either parent, documentation of
292.4 steps to finalize the permanency plan for the child, including:

292.5 (i) reasonable efforts to place the child for adoption or legal guardianship of the child
292.6 if the court has issued an order terminating the rights of both parents of the child or of the
292.7 only known, living parent of the child. At a minimum, the documentation must include

292.8 consideration of whether adoption is in the best interests of the child, child-specific
292.9 recruitment efforts such as relative search and the use of state, regional, and national
292.10 adoption exchanges to facilitate orderly and timely placements in and outside of the state.

292.11 A copy of this documentation shall be provided to the court in the review required under
292.12 section 260C.317, subdivision 3, paragraph (b); and

292.13 (ii) documentation necessary to support the requirements of the kinship placement
292.14 agreement under section 256N.22 when adoption is determined not to be in the child's
292.15 best interest;

292.16 (7) efforts to ensure the child's educational stability while in foster care, including:

292.17 (i) efforts to ensure that the child remains in the same school in which the child was
292.18 enrolled prior to placement or upon the child's move from one placement to another,
292.19 including efforts to work with the local education authorities to ensure the child's
292.20 educational stability; or

292.21 (ii) if it is not in the child's best interest to remain in the same school that the child
292.22 was enrolled in prior to placement or move from one placement to another, efforts to
292.23 ensure immediate and appropriate enrollment for the child in a new school;

292.24 (8) the educational records of the child including the most recent information
292.25 available regarding:

292.26 (i) the names and addresses of the child's educational providers;

292.27 (ii) the child's grade level performance;

292.28 (iii) the child's school record;

292.29 (iv) a statement about how the child's placement in foster care takes into account
292.30 proximity to the school in which the child is enrolled at the time of placement; and

292.31 (v) any other relevant educational information;

292.32 (9) the efforts by the local agency to ensure the oversight and continuity of health
292.33 care services for the foster child, including:

292.34 (i) the plan to schedule the child's initial health screens;

- 293.1 (ii) how the child's known medical problems and identified needs from the screens,
293.2 including any known communicable diseases, as defined in section 144.4172, subdivision
293.3 2, will be monitored and treated while the child is in foster care;
- 293.4 (iii) how the child's medical information will be updated and shared, including
293.5 the child's immunizations;
- 293.6 (iv) who is responsible to coordinate and respond to the child's health care needs,
293.7 including the role of the parent, the agency, and the foster parent;
- 293.8 (v) who is responsible for oversight of the child's prescription medications;
- 293.9 (vi) how physicians or other appropriate medical and nonmedical professionals
293.10 will be consulted and involved in assessing the health and well-being of the child and
293.11 determine the appropriate medical treatment for the child; and
- 293.12 (vii) the responsibility to ensure that the child has access to medical care through
293.13 either medical insurance or medical assistance;
- 293.14 (10) the health records of the child including information available regarding:
- 293.15 (i) the names and addresses of the child's health care and dental care providers;
- 293.16 (ii) a record of the child's immunizations;
- 293.17 (iii) the child's known medical problems, including any known communicable
293.18 diseases as defined in section 144.4172, subdivision 2;
- 293.19 (iv) the child's medications; and
- 293.20 (v) any other relevant health care information such as the child's eligibility for
293.21 medical insurance or medical assistance;
- 293.22 (11) an independent living plan for a child age 16 or older. The plan should include,
293.23 but not be limited to, the following objectives:
- 293.24 (i) educational, vocational, or employment planning;
- 293.25 (ii) health care planning and medical coverage;
- 293.26 (iii) transportation including, where appropriate, assisting the child in obtaining a
293.27 driver's license;
- 293.28 (iv) money management, including the responsibility of the agency to ensure that
293.29 the youth annually receives, at no cost to the youth, a consumer report as defined under
293.30 section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;
- 293.31 (v) planning for housing;
- 293.32 (vi) social and recreational skills; and
- 293.33 (vii) establishing and maintaining connections with the child's family and
293.34 community; and

294.1 (12) for a child in voluntary foster care for treatment under chapter 260D, diagnostic
294.2 and assessment information, specific services relating to meeting the mental health care
294.3 needs of the child, and treatment outcomes.

294.4 (d) The parent or parents or guardian and the child each shall have the right to legal
294.5 counsel in the preparation of the case plan and shall be informed of the right at the time
294.6 of placement of the child. The child shall also have the right to a guardian ad litem.
294.7 If unable to employ counsel from their own resources, the court shall appoint counsel
294.8 upon the request of the parent or parents or the child or the child's legal guardian. The
294.9 parent or parents may also receive assistance from any person or social services agency
294.10 in preparation of the case plan.

294.11 After the plan has been agreed upon by the parties involved or approved or ordered
294.12 by the court, the foster parents shall be fully informed of the provisions of the case plan
294.13 and shall be provided a copy of the plan.

294.14 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and
294.15 physical custodian, as appropriate, and the child, if appropriate, must be provided with
294.16 a current copy of the child's health and education record.

294.17 Sec. 23. Minnesota Statutes 2012, section 260C.515, subdivision 4, is amended to read:

294.18 Subd. 4. **Custody to relative.** The court may order permanent legal and physical
294.19 custody to a fit and willing relative in the best interests of the child according to the
294.20 following ~~conditions~~ requirements:

294.21 (1) an order for transfer of permanent legal and physical custody to a relative shall
294.22 only be made after the court has reviewed the suitability of the prospective legal and
294.23 physical custodian;

294.24 (2) in transferring permanent legal and physical custody to a relative, the juvenile
294.25 court shall follow the standards applicable under this chapter and chapter 260, and the
294.26 procedures in the Minnesota Rules of Juvenile Protection Procedure;

294.27 (3) a transfer of legal and physical custody includes responsibility for the protection,
294.28 education, care, and control of the child and decision making on behalf of the child;

294.29 (4) a permanent legal and physical custodian may not return a child to the permanent
294.30 care of a parent from whom the court removed custody without the court's approval and
294.31 without notice to the responsible social services agency;

294.32 (5) the social services agency may file a petition naming a fit and willing relative as
294.33 a proposed permanent legal and physical custodian. A petition for transfer of permanent
294.34 legal and physical custody to a relative who is not a parent shall be accompanied by a

295.1 kinship placement agreement under section 256N.22, subdivision 2, between the agency
295.2 and proposed permanent legal and physical custodian;

295.3 (6) another party to the permanency proceeding regarding the child may file a
295.4 petition to transfer permanent legal and physical custody to a relative, ~~but the~~. The petition
295.5 must include facts upon which the court can make the determination required under clause
295.6 (7) and must be filed not later than the date for the required admit-deny hearing under
295.7 section 260C.507; or if the agency's petition is filed under section 260C.503, subdivision
295.8 2, the petition must be filed not later than 30 days prior to the trial required under section
295.9 260C.509; and

295.10 (7) where a petition is for transfer of permanent legal and physical custody to a
295.11 relative who is not a parent, the court must find that:

295.12 (i) transfer of permanent legal and physical custody and receipt of Northstar kinship
295.13 assistance under chapter 256N, when requested and the child is eligible, is in the child's
295.14 best interests;

295.15 (ii) adoption is not in the child's best interests based on the determinations in the
295.16 kinship placement agreement required under section 256N.22, subdivision 2;

295.17 (iii) the agency made efforts to discuss adoption with the child's parent or parents,
295.18 or the agency did not make efforts to discuss adoption and the reasons why efforts were
295.19 not made; and

295.20 (iv) there are reasons to separate siblings during placement, if applicable;

295.21 (8) the court may defer finalization of an order transferring permanent legal and
295.22 physical custody to a relative when deferring finalization is necessary to determine
295.23 eligibility for Northstar kinship assistance under chapter 256N;

295.24 (9) the court may finalize a permanent transfer of physical and legal custody to a
295.25 relative regardless of eligibility for Northstar kinship assistance under chapter 256N; and

295.26 ~~(7)~~ (10) the juvenile court may maintain jurisdiction over the responsible social
295.27 services agency, the parents or guardian of the child, the child, and the permanent legal
295.28 and physical custodian for purposes of ensuring appropriate services are delivered to the
295.29 child and permanent legal custodian for the purpose of ensuring conditions ordered by the
295.30 court related to the care and custody of the child are met.

295.31 Sec. 24. Minnesota Statutes 2012, section 260C.611, is amended to read:

295.32 **260C.611 ADOPTION STUDY REQUIRED.**

295.33 (a) An adoption study under section 259.41 approving placement of the child in the
295.34 home of the prospective adoptive parent shall be completed before placing any child under
295.35 the guardianship of the commissioner in a home for adoption. If a prospective adoptive

296.1 parent has a current child foster care license under chapter 245A and is seeking to adopt
296.2 a foster child who is placed in the prospective adoptive parent's home and is under the
296.3 guardianship of the commissioner according to section 260C.325, subdivision 1, the child
296.4 foster care home study meets the requirements of this section for an approved adoption
296.5 home study if:

296.6 (1) the written home study on which the foster care license was based is completed
296.7 in the commissioner's designated format, consistent with the requirements in sections
296.8 260C.215, subdivision 4, clause (5); and 259.41, subdivision 2; and Minnesota Rules,
296.9 part 2960.3060, subpart 4;

296.10 (2) the background studies on each prospective adoptive parent and all required
296.11 household members were completed according to section 245C.33;

296.12 (3) the commissioner has not issued, within the last three years, a sanction on the
296.13 license under section 245A.07 or an order of a conditional license under section 245A.06;
296.14 and

296.15 (4) the legally responsible agency determines that the individual needs of the child
296.16 are being met by the prospective adoptive parent through an assessment under section
296.17 256N.24, subdivision 2, or a documented placement decision consistent with section
296.18 260C.212, subdivision 2.

296.19 (b) If a prospective adoptive parent has previously held a foster care license or
296.20 adoptive home study, any update necessary to the foster care license, or updated or new
296.21 adoptive home study, if not completed by the licensing authority responsible for the
296.22 previous license or home study, shall include collateral information from the previous
296.23 licensing or approving agency, if available.

296.24 Sec. 25. Laws 2013, chapter 108, article 3, section 48, is amended to read:

296.25 Sec. 48. **REPEALER.**

296.26 (a) Minnesota Statutes 2012, section 256J.24, subdivision 6, is repealed ~~January~~
296.27 July 1, 2015 2014.

296.28 (b) Minnesota Statutes 2012, section 609.093, is repealed effective the day following
296.29 final enactment.

296.30 **EFFECTIVE DATE.** This section is effective July 1, 2014.

296.31 Sec. 26. **PARENT AWARE QUALITY RATING AND IMPROVEMENT**
296.32 **SYSTEM ACCESSIBILITY REPORT.**

296.33 Subdivision 1. **Recommendations.** The commissioner of human services, in
296.34 consultation with representatives from the child care and early childhood advocacy

297.1 community, child care provider organizations, child care providers, organizations
297.2 administering Parent Aware, the Departments of Education and Health, counties,
297.3 and parents, shall make recommendations to the legislature on increasing statewide
297.4 accessibility for child care providers to the Parent Aware quality rating and improvement
297.5 system and for increasing access to Parent Aware-rated programs for families with
297.6 children. The recommendations must address the following factors impacting accessibility:

297.7 (1) availability of rated and nonrated programs by child care provider type, within
297.8 rural and underserved areas, and for different cultural and non-English-speaking groups;

297.9 (2) time and resources necessary for child care providers to participate in Parent
297.10 Aware at various rating levels, including cultural and linguistic considerations;

297.11 (3) federal child care development fund regulations; and

297.12 (4) other factors as determined by the commissioner.

297.13 Subd. 2. **Report.** By February 15, 2015, the commissioner of human services
297.14 shall report to the legislative committees with jurisdiction over the child care
297.15 assistance programs and the Parent Aware quality rating and improvement system with
297.16 recommendations to increase access for families and child care providers to Parent Aware,
297.17 including benchmarks for achieving the maximum participation in Parent Aware-rated
297.18 child care programs by families receiving child care assistance.

297.19 The recommendations may also include, but are not limited to, potential
297.20 modifications to Minnesota Statutes, sections 119B.09, subdivision 5; and 119B.125,
297.21 subdivision 1, if necessary, which may include a delayed effective date, different phase-in
297.22 process, or repealer.

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

297.24 Sec. 27. **DIRECTION TO COMMISSIONER.**

297.25 The commissioner of human services shall implement the repeal of the MFIP
297.26 family cap July 1, 2014. The commissioner shall make every effort to complete systems
297.27 modifications by that date. If systems modifications cannot be completed in time, the
297.28 commissioner shall implement a manual procedure to implement the change.

297.29 Sec. 28. **REVISOR'S INSTRUCTION.**

297.30 The revisor of statutes shall change the term "guardianship assistance" to "Northstar
297.31 kinship assistance" wherever it appears in Minnesota Statutes and Minnesota Rules to
297.32 refer to the program components related to Northstar Care for Children under Minnesota
297.33 Statutes, chapter 256N.

298.1 Sec. 29. **REPEALER.**

298.2 Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 7, is repealed.

298.3 **ARTICLE 27**

298.4 **COMMUNITY FIRST SERVICES AND SUPPORTS**

298.5 Section 1. Minnesota Statutes 2012, section 245C.03, is amended by adding a
298.6 subdivision to read:

298.7 Subd. 8. **Community first services and supports organizations.** The
298.8 commissioner shall conduct background studies on any individual required under section
298.9 256B.85 to have a background study completed under this chapter.

298.10 Sec. 2. Minnesota Statutes 2012, section 245C.04, is amended by adding a subdivision
298.11 to read:

298.12 Subd. 7. **Community first services and supports organizations.** (a) The
298.13 commissioner shall conduct a background study of an individual required to be studied
298.14 under section 245C.03, subdivision 8, at least upon application for initial enrollment
298.15 under section 256B.85.

298.16 (b) Before an individual described in section 245C.03, subdivision 8, begins a
298.17 position allowing direct contact with a person served by an organization required to initiate
298.18 a background study under section 256B.85, the organization must receive a notice from
298.19 the commissioner that the support worker is:

298.20 (1) not disqualified under section 245C.14; or

298.21 (2) disqualified, but the individual has received a set-aside of the disqualification
298.22 under section 245C.22.

298.23 Sec. 3. Minnesota Statutes 2012, section 245C.10, is amended by adding a subdivision
298.24 to read:

298.25 Subd. 10. **Community first services and supports organizations.** The
298.26 commissioner shall recover the cost of background studies initiated by an agency-provider
298.27 delivering services under section 256B.85, subdivision 11, or a financial management
298.28 services contractor providing service functions under section 256B.85, subdivision 13,
298.29 through a fee of no more than \$20 per study, charged to the organization responsible for
298.30 submitting the background study form. The fees collected under this subdivision are
298.31 appropriated to the commissioner for the purpose of conducting background studies.

299.1 Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 2, is
299.2 amended to read:

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

299.5 (b) "Activities of daily living" or "ADLs" means eating, toileting, grooming,
299.6 dressing, bathing, mobility, positioning, and transferring.

299.7 (c) "Agency-provider model" means a method of CFSS under which a qualified
299.8 agency provides services and supports through the agency's own employees and policies.
299.9 The agency must allow the participant to have a significant role in the selection and
299.10 dismissal of support workers of their choice for the delivery of their specific services
299.11 and supports.

299.12 (d) "Behavior" means a description of a need for services and supports used to
299.13 determine the home care rating and additional service units. The presence of Level I
299.14 behavior is used to determine the home care rating. "Level I behavior" means physical
299.15 aggression towards self or others or destruction of property that requires the immediate
299.16 response of another person. If qualified for a home care rating as described in subdivision
299.17 8, additional service units can be added as described in subdivision 8, paragraph (f), for
299.18 the following behaviors:

299.19 (1) Level I behavior;

299.20 (2) increased vulnerability due to cognitive deficits or socially inappropriate
299.21 behavior; or

299.22 (3) increased need for assistance for ~~recipients~~ participants who are verbally
299.23 aggressive or resistive to care so that time needed to perform activities of daily living is
299.24 increased.

299.25 (e) "Budget model" means a service delivery method of CFSS that allows the
299.26 use of a service budget and assistance from a vendor fiscal/employer agent financial
299.27 management services (FMS) contractor for a participant to directly employ support
299.28 workers and purchase supports and goods.

299.29 ~~(e)~~ (f) "Complex health-related needs" means an intervention listed in clauses (1)
299.30 to (8) that has been ordered by a physician, and is specified in a community support
299.31 plan, including:

299.32 (1) tube feedings requiring:

299.33 (i) a gastrojejunostomy tube; or

299.34 (ii) continuous tube feeding lasting longer than 12 hours per day;

299.35 (2) wounds described as:

299.36 (i) stage III or stage IV;

300.1 (ii) multiple wounds;

300.2 (iii) requiring sterile or clean dressing changes or a wound vac; or

300.3 (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require

300.4 specialized care;

300.5 (3) parenteral therapy described as:

300.6 (i) IV therapy more than two times per week lasting longer than four hours for

300.7 each treatment; or

300.8 (ii) total parenteral nutrition (TPN) daily;

300.9 (4) respiratory interventions, including:

300.10 (i) oxygen required more than eight hours per day;

300.11 (ii) respiratory vest more than one time per day;

300.12 (iii) bronchial drainage treatments more than two times per day;

300.13 (iv) sterile or clean suctioning more than six times per day;

300.14 (v) dependence on another to apply respiratory ventilation augmentation devices

300.15 such as BiPAP and CPAP; and

300.16 (vi) ventilator dependence under section 256B.0652;

300.17 (5) insertion and maintenance of catheter, including:

300.18 (i) sterile catheter changes more than one time per month;

300.19 (ii) clean intermittent catheterization, and including self-catheterization more than

300.20 six times per day; or

300.21 (iii) bladder irrigations;

300.22 (6) bowel program more than two times per week requiring more than 30 minutes to

300.23 perform each time;

300.24 (7) neurological intervention, including:

300.25 (i) seizures more than two times per week and requiring significant physical

300.26 assistance to maintain safety; or

300.27 (ii) swallowing disorders diagnosed by a physician and requiring specialized

300.28 assistance from another on a daily basis; and

300.29 (8) other congenital or acquired diseases creating a need for significantly increased

300.30 direct hands-on assistance and interventions in six to eight activities of daily living.

300.31 ~~(f)~~ (g) "Community first services and supports" or "CFSS" means the assistance and

300.32 supports program under this section needed for accomplishing activities of daily living,

300.33 instrumental activities of daily living, and health-related tasks through hands-on assistance

300.34 to accomplish the task or constant supervision and cueing to accomplish the task, or the

300.35 purchase of goods as defined in subdivision 7, ~~paragraph (a)~~, clause (3), that replace

300.36 the need for human assistance.

301.1 ~~(g)~~ (h) "Community first services and supports service delivery plan" or "service
 301.2 delivery plan" means a written ~~summary of~~ document detailing the services and supports
 301.3 chosen by the participant to meet assessed needs that is are within the approved CFSS
 301.4 service authorization amount. Services and supports are based on the community support
 301.5 plan identified in section 256B.0911 and coordinated services and support plan and budget
 301.6 identified in section 256B.0915, subdivision 6, if applicable, that is determined by the
 301.7 participant to meet the assessed needs, using a person-centered planning process.

301.8 (i) "Consultation services" means a Minnesota health care program enrolled provider
 301.9 organization that is under contract with the department and has the knowledge, skills,
 301.10 and ability to assist CFSS participants in using either the agency-provider model under
 301.11 subdivision 11 or the budget model under subdivision 13.

301.12 ~~(h)~~ (j) "Critical activities of daily living" means transferring, mobility, eating, and
 301.13 toileting.

301.14 ~~(i)~~ (k) "Dependency" in activities of daily living means a person requires hands-on
 301.15 assistance or constant supervision and cueing to accomplish one or more of the activities
 301.16 of daily living every day or on the days during the week that the activity is performed;
 301.17 however, a child may not be found to be dependent in an activity of daily living if,
 301.18 because of the child's age, an adult would either perform the activity for the child or assist
 301.19 the child with the activity and the assistance needed is the assistance appropriate for
 301.20 a typical child of the same age.

301.21 ~~(j)~~ (l) "Extended CFSS" means CFSS services and supports ~~under the~~
 301.22 ~~agency-provider model~~ included in a service plan through one of the home and
 301.23 community-based services waivers and as approved and authorized under sections
 301.24 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration,
 301.25 and frequency of the state plan CFSS services for participants.

301.26 ~~(k)~~ (m) "Financial management services contractor or vendor" or "FMS contractor"
 301.27 means a qualified organization having necessary to use the budget model under subdivision
 301.28 13 that has a written contract with the department to provide vendor fiscal/employer agent
 301.29 financial management services necessary to use the budget model under subdivision 13
 301.30 ~~that~~ (FMS). Services include but are not limited to: participant education and technical
 301.31 assistance; CFSS service delivery planning and budgeting; filing and payment of federal
 301.32 and state payroll taxes on behalf of the participant; initiating criminal background
 301.33 checks; billing, making payments, and for approved CFSS services with authorized
 301.34 funds; monitoring of spending expenditures; accounting for and disbursing CFSS funds;
 301.35 providing assistance in obtaining and filing for liability, workers' compensation, and
 301.36 unemployment coverage; and assisting participant instruction and technical assistance to

302.1 the participant in fulfilling employer-related requirements in accordance with Section
 302.2 3504 of the Internal Revenue Code and the ~~Internal Revenue Service Revenue Procedure~~
 302.3 ~~70-6~~ related regulations and interpretations, including Code of Federal Regulations, title
 302.4 26, section 31.3504-1.

302.5 ~~(l) "Budget model" means a service delivery method of CFSS that allows the use of~~
 302.6 ~~an individualized CFSS service delivery plan and service budget and provides assistance~~
 302.7 ~~from the financial management services contractor to facilitate participant employment of~~
 302.8 ~~support workers and the acquisition of supports and goods.~~

302.9 ~~(m)~~ (n) "Health-related procedures and tasks" means procedures and tasks related
 302.10 to the specific needs of an individual that can be ~~delegated~~ taught or assigned by a
 302.11 state-licensed healthcare or mental health professional and performed by a support worker.

302.12 ~~(n)~~ (o) "Instrumental activities of daily living" means activities related to
 302.13 living independently in the community, including but not limited to: meal planning,
 302.14 preparation, and cooking; shopping for food, clothing, or other essential items; laundry;
 302.15 housecleaning; assistance with medications; managing finances; communicating needs
 302.16 and preferences during activities; arranging supports; and assistance with traveling around
 302.17 and participating in the community.

302.18 ~~(o)~~ (p) "Legal representative" means parent of a minor, a court-appointed guardian,
 302.19 or another representative with legal authority to make decisions about services and
 302.20 supports for the participant. Other representatives with legal authority to make decisions
 302.21 include but are not limited to a health care agent or an attorney-in-fact authorized through
 302.22 a health care directive or power of attorney.

302.23 ~~(p)~~ (q) "Medication assistance" means providing verbal or visual reminders to take
 302.24 regularly scheduled medication, and includes any of the following supports listed in clauses
 302.25 (1) to (3) and other types of assistance, except that a support worker may not determine
 302.26 medication dose or time for medication or inject medications into veins, muscles, or skin:

302.27 (1) under the direction of the participant or the participant's representative, bringing
 302.28 medications to the participant including medications given through a nebulizer, opening a
 302.29 container of previously set-up medications, emptying the container into the participant's
 302.30 hand, opening and giving the medication in the original container to the participant, or
 302.31 bringing to the participant liquids or food to accompany the medication;

302.32 (2) organizing medications as directed by the participant or the participant's
 302.33 representative; and

302.34 (3) providing verbal or visual reminders to perform regularly scheduled medications.

302.35 ~~(q)~~ (r) "Participant's representative" means a parent, family member, advocate,
 302.36 or other adult authorized by the participant to serve as a representative in connection

303.1 with the provision of CFSS. This authorization must be in writing or by another method
 303.2 that clearly indicates the participant's free choice. The participant's representative must
 303.3 have no financial interest in the provision of any services included in the participant's
 303.4 service delivery plan and must be capable of providing the support necessary to assist
 303.5 the participant in the use of CFSS. If through the assessment process described in
 303.6 subdivision 5 a participant is determined to be in need of a participant's representative, one
 303.7 must be selected. If the participant is unable to assist in the selection of a participant's
 303.8 representative, the legal representative shall appoint one. Two persons may be designated
 303.9 as a participant's representative for reasons such as divided households and court-ordered
 303.10 custodies. Duties of a participant's representatives may include:

303.11 (1) being available while ~~care is~~ services are provided in a method agreed upon by
 303.12 the participant or the participant's legal representative and documented in the participant's
 303.13 CFSS service delivery plan;

303.14 (2) monitoring CFSS services to ensure the participant's CFSS service delivery
 303.15 plan is being followed; and

303.16 (3) reviewing and signing CFSS time sheets after services are provided to provide
 303.17 verification of the CFSS services.

303.18 ~~(s)~~ (s) "Person-centered planning process" means a process that is directed by the
 303.19 participant to plan for services and supports. The person-centered planning process must:

303.20 (1) include people chosen by the participant;

303.21 (2) provide necessary information and support to ensure that the participant directs
 303.22 the process to the maximum extent possible, and is enabled to make informed choices
 303.23 and decisions;

303.24 (3) be timely and occur at time and locations of convenience to the participant;

303.25 (4) reflect cultural considerations of the participant;

303.26 (5) include strategies for solving conflict or disagreement within the process,
 303.27 including clear conflict-of-interest guidelines for all planning;

303.28 (6) provide the participant choices of the services and supports they receive and the
 303.29 staff providing those services and supports;

303.30 (7) include a method for the participant to request updates to the plan; and

303.31 (8) record the alternative home and community-based settings that were considered
 303.32 by the participant.

303.33 ~~(s)~~ (t) "Shared services" means the provision of CFSS services by the same CFSS
 303.34 support worker to two or three participants who voluntarily enter into an agreement to
 303.35 receive services at the same time and in the same setting by the same ~~provider~~ employer.

304.1 ~~(t) "Support specialist" means a professional with the skills and ability to assist the~~
 304.2 ~~participant using either the agency-provider model under subdivision 11 or the flexible~~
 304.3 ~~spending model under subdivision 13, in services including but not limited to assistance~~
 304.4 ~~regarding:~~

304.5 ~~(1) the development, implementation, and evaluation of the CFSS service delivery~~
 304.6 ~~plan under subdivision 6;~~

304.7 ~~(2) recruitment, training, or supervision, including supervision of health-related tasks~~
 304.8 ~~or behavioral supports appropriately delegated or assigned by a health care professional,~~
 304.9 ~~and evaluation of support workers; and~~

304.10 ~~(3) facilitating the use of informal and community supports, goods, or resources.~~

304.11 (u) "Support worker" means an a qualified and trained employee of the agency
 304.12 provider agency-provider or of the participant employer under the budget model who
 304.13 has direct contact with the participant and provides services as specified within the
 304.14 participant's service delivery plan.

304.15 (v) "Wages and benefits" means the hourly wages and salaries, the employer's
 304.16 share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers'
 304.17 compensation, mileage reimbursement, health and dental insurance, life insurance,
 304.18 disability insurance, long-term care insurance, uniform allowance, contributions to
 304.19 employee retirement accounts, or other forms of employee compensation and benefits.

304.20 (w) "Worker training and development" means services for developing workers'
 304.21 skills as required by the participant's individual CFSS delivery plan that are arranged for
 304.22 or provided by the agency-provider or purchased by the participant employer. These
 304.23 services include training, education, direct observation and supervision, and evaluation
 304.24 and coaching of job skills and tasks, including supervision of health-related tasks or
 304.25 behavioral supports.

304.26 Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 3, is
 304.27 amended to read:

304.28 Subd. 3. **Eligibility.** (a) CFSS is available to a person who meets one of the
 304.29 following:

304.30 (1) is ~~a recipient~~ an enrollee of medical assistance as determined under section
 304.31 256B.055, 256B.056, or 256B.057, subdivisions 5 and 9;

304.32 (2) is a ~~recipient of~~ participant in the alternative care program under section
 304.33 256B.0913;

304.34 (3) is a ~~waiver recipient~~ participant as defined under section 256B.0915, 256B.092,
 304.35 256B.093, or 256B.49; or

305.1 (4) has medical services identified in a participant's individualized education
305.2 program and is eligible for services as determined in section 256B.0625, subdivision 26.

305.3 (b) In addition to meeting the eligibility criteria in paragraph (a), a person must also
305.4 meet all of the following:

305.5 (1) require assistance and be determined dependent in one activity of daily living or
305.6 Level I behavior based on assessment under section 256B.0911; and

305.7 (2) is not a ~~recipient of~~ participant under a family support grant under section 252.32; ;

305.8 ~~(3) lives in the person's own apartment or home including a family foster care setting~~
305.9 ~~licensed under chapter 245A, but not in corporate foster care under chapter 245A; or a~~
305.10 ~~noncertified boarding care home or a boarding and lodging establishment under chapter~~
305.11 ~~157.~~

305.12 Sec. 6. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 5, is
305.13 amended to read:

305.14 Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

305.15 (1) be conducted by a certified assessor according to the criteria established in
305.16 section 256B.0911, subdivision 3a;

305.17 (2) be conducted face-to-face, initially and at least annually thereafter, or when there
305.18 is a significant change in the participant's condition or a change in the need for services
305.19 and supports, or at the request of the participant when the participant experiences a change
305.20 in condition or needs a change in services or supports; and

305.21 (3) be completed using the format established by the commissioner.

305.22 ~~(b) A participant who is residing in a facility may be assessed and choose CFSS for~~
305.23 ~~the purpose of using CFSS to return to the community as described in subdivisions 3~~
305.24 ~~and 7, paragraph (a), clause (5).~~

305.25 ~~(e)~~ (b) The results of the assessment and any recommendations and authorizations
305.26 for CFSS must be determined and communicated in writing by the lead agency's certified
305.27 assessor as defined in section 256B.0911 to the participant and the agency-provider or
305.28 ~~financial management services provider~~ FMS contractor chosen by the participant within
305.29 40 calendar days and must include the participant's right to appeal under section 256.045,
305.30 subdivision 3.

305.31 ~~(d)~~ (c) The lead agency assessor may ~~request~~ authorize a temporary authorization
305.32 for CFSS services to be provided under the agency-provider model. Authorization for
305.33 a temporary level of CFSS services under the agency-provider model is limited to the
305.34 time specified by the commissioner, but shall not exceed 45 days. The level of services
305.35 authorized under this ~~provision~~ paragraph shall have no bearing on a future authorization.

306.1 Sec. 7. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 6, is
306.2 amended to read:

306.3 Subd. 6. **Community first services and support service delivery plan.** (a) The
306.4 CFSS service delivery plan must be developed, ~~implemented,~~ and evaluated through a
306.5 person-centered planning process by the participant, or the participant's representative
306.6 or legal representative who may be assisted by a ~~support specialist~~ consultation services
306.7 provider. The CFSS service delivery plan must reflect the services and supports that
306.8 are important to the participant and for the participant to meet the needs assessed
306.9 by the certified assessor and identified in the community support plan under section
306.10 256B.0911, subdivision 3, or the coordinated services and support plan identified in
306.11 section 256B.0915, subdivision 6, if applicable. The CFSS service delivery plan must be
306.12 reviewed by the participant, the consultation services provider, and the agency-provider
306.13 or ~~financial management services~~ FMS contractor prior to starting services and at least
306.14 annually upon reassessment, or when there is a significant change in the participant's
306.15 condition, or a change in the need for services and supports.

306.16 (b) The commissioner shall establish the format and criteria for the CFSS service
306.17 delivery plan.

306.18 (c) The CFSS service delivery plan must be person-centered and:

306.19 (1) specify the consultation services provider, agency-provider₂ or ~~financial~~
306.20 ~~management services~~ FMS contractor selected by the participant;

306.21 (2) reflect the setting in which the participant resides that is chosen by the participant;

306.22 (3) reflect the participant's strengths and preferences;

306.23 (4) include the means to address the clinical and support needs as identified through
306.24 an assessment of functional needs;

306.25 (5) include individually identified goals and desired outcomes;

306.26 (6) reflect the services and supports, paid and unpaid, that will assist the participant
306.27 to achieve identified goals, including the costs of the services and supports, and the
306.28 providers of those services and supports, including natural supports;

306.29 (7) identify the amount and frequency of face-to-face supports and amount and
306.30 frequency of remote supports and technology that will be used;

306.31 (8) identify risk factors and measures in place to minimize them, including
306.32 individualized backup plans;

306.33 (9) be understandable to the participant and the individuals providing support;

306.34 (10) identify the individual or entity responsible for monitoring the plan;

306.35 (11) be finalized and agreed to in writing by the participant and signed by all
306.36 individuals and providers responsible for its implementation;

307.1 (12) be distributed to the participant and other people involved in the plan; ~~and~~
 307.2 (13) prevent the provision of unnecessary or inappropriate care; ~~;~~
 307.3 (14) include a detailed budget for expenditures for budget model participants or
 307.4 participants under the agency-provider model if purchasing goods; and
 307.5 (15) include a plan for worker training and development detailing what service
 307.6 components will be used, when the service components will be used, how they will be
 307.7 provided, and how these service components relate to the participant's individual needs
 307.8 and CFSS support worker services.

307.9 (d) The total units of agency-provider services or the service budget allocation
 307.10 amount for the budget model include both annual totals and a monthly average amount
 307.11 that cover the number of months of the service authorization. The amount used each
 307.12 month may vary, but additional funds must not be provided above the annual service
 307.13 authorization amount unless a change in condition is assessed and authorized by the
 307.14 certified assessor and documented in the community support plan, coordinated services
 307.15 and supports plan, and CFSS service delivery plan.

307.16 (e) In assisting with the development or modification of the plan during the
 307.17 authorization time period, the consultation services provider shall:

307.18 (1) consult with the FMS contractor on the spending budget when applicable; and

307.19 (2) consult with the participant or participant's representative, agency-provider, and
 307.20 case manager/care coordinator.

307.21 (f) The service plan must be approved by the consultation services provider for
 307.22 participants without a case manager/care coordinator. A case manager/care coordinator
 307.23 must approve the plan for a waiver or alternative care program participant.

307.24 Sec. 8. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 7, is
 307.25 amended to read:

307.26 Subd. 7. **Community first services and supports; covered services.** Within the
 307.27 service unit authorization or service budget allocation amount, services and supports
 307.28 covered under CFSS include:

307.29 (1) assistance to accomplish activities of daily living (ADLs), instrumental activities
 307.30 of daily living (IADLs), and health-related procedures and tasks through hands-on
 307.31 assistance to accomplish the task or constant supervision and cueing to accomplish the task;

307.32 (2) assistance to acquire, maintain, or enhance the skills necessary for the participant
 307.33 to accomplish activities of daily living, instrumental activities of daily living, or
 307.34 health-related tasks;

308.1 (3) expenditures for items, services, supports, environmental modifications, or
 308.2 goods, including assistive technology. These expenditures must:

308.3 (i) relate to a need identified in a participant's CFSS service delivery plan;

308.4 (ii) increase independence or substitute for human assistance to the extent that
 308.5 expenditures would otherwise be made for human assistance for the participant's assessed
 308.6 needs;

308.7 (4) observation and redirection for behavior or symptoms where there is a need for
 308.8 assistance. An assessment of behaviors must meet the criteria in this clause. A ~~recipient~~
 308.9 participant qualifies as having a need for assistance due to behaviors if the ~~recipient's~~
 308.10 participant's behavior requires assistance at least four times per week and shows one or
 308.11 more of the following behaviors:

308.12 (i) physical aggression towards self or others, or destruction of property that requires
 308.13 the immediate response of another person;

308.14 (ii) increased vulnerability due to cognitive deficits or socially inappropriate
 308.15 behavior; or

308.16 (iii) increased need for assistance for ~~recipients~~ participants who are verbally
 308.17 aggressive or resistive to care so that time needed to perform activities of daily living is
 308.18 increased;

308.19 (5) back-up systems or mechanisms, such as the use of pagers or other electronic
 308.20 devices, to ensure continuity of the participant's services and supports;

308.21 ~~(6) transition costs, including:~~

308.22 ~~(i) deposits for rent and utilities;~~

308.23 ~~(ii) first month's rent and utilities;~~

308.24 ~~(iii) bedding;~~

308.25 ~~(iv) basic kitchen supplies;~~

308.26 ~~(v) other necessities, to the extent that these necessities are not otherwise covered~~
 308.27 ~~under any other funding that the participant is eligible to receive; and~~

308.28 ~~(vi) other required necessities for an individual to make the transition from a nursing~~
 308.29 ~~facility, institution for mental diseases, or intermediate care facility for persons with~~
 308.30 ~~developmental disabilities to a community-based home setting where the participant~~
 308.31 ~~resides; and~~

308.32 ~~(7) (6) services provided by a support specialist consultation services provider under~~
 308.33 ~~contract with the department and enrolled as a Minnesota health care program provider as~~
 308.34 ~~defined under subdivision 2 that are chosen by the participant. 17;~~

308.35 (7) services provided by an FMS contractor under contract with the department
 308.36 as defined under subdivision 13;

309.1 (8) CFSS services provided by a qualified support worker who is a parent, stepparent,
309.2 or legal guardian of a participant under age 18, or who is the participant's spouse. These
309.3 support workers shall not provide any medical assistance home and community-based
309.4 services in excess of 40 hours per seven-day period regardless of the number of parents,
309.5 combination of parents and spouses, or number of children who receive medical assistance
309.6 services; and

309.7 (9) worker training and development services as defined in subdivision 2, paragraph
309.8 (w), and described in subdivision 18a.

309.9 Sec. 9. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 8, is
309.10 amended to read:

309.11 **Subd. 8. Determination of CFSS service methodology.** (a) All community first
309.12 services and supports must be authorized by the commissioner or the commissioner's
309.13 designee before services begin, except for the assessments established in section
309.14 256B.0911. The authorization for CFSS must be completed as soon as possible following
309.15 an assessment but no later than 40 calendar days from the date of the assessment.

309.16 (b) The amount of CFSS authorized must be based on the ~~recipient's~~ participant's
309.17 home care rating described in paragraphs (d) and (e) and any additional service units for
309.18 which the ~~person~~ participant qualifies as described in paragraph (f).

309.19 (c) The home care rating shall be determined by the commissioner or the
309.20 commissioner's designee based on information submitted to the commissioner identifying
309.21 the following for a ~~recipient~~ participant:

309.22 (1) the total number of dependencies of activities of daily living as defined in
309.23 subdivision 2, paragraph (b);

309.24 (2) the presence of complex health-related needs as defined in subdivision 2,
309.25 paragraph (e); and

309.26 (3) the presence of Level I behavior as defined in subdivision 2, paragraph (d);
309.27 ~~clause (1).~~

309.28 (d) The methodology to determine the total service units for CFSS for each home
309.29 care rating is based on the median paid units per day for each home care rating from
309.30 fiscal year 2007 data for the PCA program.

309.31 (e) Each home care rating is designated by the letters P through Z and EN and has
309.32 the following base number of service units assigned:

309.33 (1) P home care rating requires Level I behavior or one to three dependencies in
309.34 ADLs and qualifies one for five service units;

310.1 (2) Q home care rating requires Level I behavior and one to three dependencies in
310.2 ADLs and qualifies one for six service units;

310.3 (3) R home care rating requires a complex health-related need and one to three
310.4 dependencies in ADLs and qualifies one for seven service units;

310.5 (4) S home care rating requires four to six dependencies in ADLs and qualifies
310.6 one for ten service units;

310.7 (5) T home care rating requires four to six dependencies in ADLs and Level I
310.8 behavior and qualifies one for 11 service units;

310.9 (6) U home care rating requires four to six dependencies in ADLs and a complex
310.10 health-related need and qualifies one for 14 service units;

310.11 (7) V home care rating requires seven to eight dependencies in ADLs and qualifies
310.12 one for 17 service units;

310.13 (8) W home care rating requires seven to eight dependencies in ADLs and Level I
310.14 behavior and qualifies one for 20 service units;

310.15 (9) Z home care rating requires seven to eight dependencies in ADLs and a complex
310.16 health-related need and qualifies one for 30 service units; and

310.17 (10) EN home care rating includes ventilator dependency as defined in section
310.18 256B.0651, subdivision 1, paragraph (g). ~~Recipients~~ Participants who meet the definition
310.19 of ventilator-dependent and the EN home care rating and utilize a combination of
310.20 CFSS and other home care services are limited to a total of 96 service units per day for
310.21 those services in combination. Additional units may be authorized when a ~~recipient's~~
310.22 participant's assessment indicates a need for two staff to perform activities. Additional
310.23 time is limited to 16 service units per day.

310.24 (f) Additional service units are provided through the assessment and identification of
310.25 the following:

310.26 (1) 30 additional minutes per day for a dependency in each critical activity of daily
310.27 living as defined in subdivision 2, paragraph ~~(h)~~ (j);

310.28 (2) 30 additional minutes per day for each complex health-related function as
310.29 defined in subdivision 2, paragraph ~~(e)~~ (f); and

310.30 (3) 30 additional minutes per day for each behavior issue as defined in subdivision 2,
310.31 paragraph (d).

310.32 (g) The service budget for budget model participants shall be based on:

310.33 (1) assessed units as determined by the home care rating; and

310.34 (2) an adjustment needed for administrative expenses.

311.1 Sec. 10. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 9, is
311.2 amended to read:

311.3 Subd. 9. **Noncovered services.** (a) Services or supports that are not eligible for
311.4 payment under this section include those that:

311.5 (1) are not authorized by the certified assessor or included in the written service
311.6 delivery plan;

311.7 (2) are provided prior to the authorization of services and the approval of the written
311.8 CFSS service delivery plan;

311.9 (3) are duplicative of other paid services in the written service delivery plan;

311.10 (4) supplant natural unpaid supports that appropriately meet a need in the service
311.11 plan, are provided voluntarily to the participant, and are selected by the participant in lieu
311.12 of other services and supports;

311.13 (5) are not effective means to meet the participant's needs; and

311.14 (6) are available through other funding sources, including, but not limited to, funding
311.15 through title IV-E of the Social Security Act.

311.16 (b) Additional services, goods, or supports that are not covered include:

311.17 (1) those that are not for the direct benefit of the participant, except that services for
311.18 caregivers such as training to improve the ability to provide CFSS are considered to directly
311.19 benefit the participant if chosen by the participant and approved in the support plan;

311.20 (2) any fees incurred by the participant, such as Minnesota health care programs fees
311.21 and co-pays, legal fees, or costs related to advocate agencies;

311.22 (3) insurance, except for insurance costs related to employee coverage;

311.23 (4) room and board costs for the participant ~~with the exception of allowable~~
311.24 ~~transition costs in subdivision 7, clause (6);~~

311.25 (5) services, supports, or goods that are not related to the assessed needs;

311.26 (6) special education and related services provided under the Individuals with
311.27 Disabilities Education Act and vocational rehabilitation services provided under the
311.28 Rehabilitation Act of 1973;

311.29 (7) assistive technology devices and assistive technology services other than those
311.30 for back-up systems or mechanisms to ensure continuity of service and supports listed in
311.31 subdivision 7;

311.32 (8) medical supplies and equipment covered under medical assistance;

311.33 (9) environmental modifications, except as specified in subdivision 7;

311.34 (10) expenses for travel, lodging, or meals related to training the participant, or the
311.35 participant's representative, or legal representative, ~~or paid or unpaid caregivers that~~
311.36 ~~exceed \$500 in a 12-month period;~~

- 312.1 (11) experimental treatments;
- 312.2 (12) any service or good covered by other medical assistance state plan services,
312.3 including prescription and over-the-counter medications, compounds, and solutions and
312.4 related fees, including premiums and co-payments;
- 312.5 (13) membership dues or costs, except when the service is necessary and appropriate
312.6 to treat a ~~physical~~ health condition or to improve or maintain the participant's ~~physical~~
312.7 health condition. The condition must be identified in the participant's CFSS plan and
312.8 monitored by a ~~physician enrolled in a Minnesota health care program~~ enrolled physician;
- 312.9 (14) vacation expenses other than the cost of direct services;
- 312.10 (15) vehicle maintenance or modifications not related to the disability, health
312.11 condition, or physical need; ~~and~~
- 312.12 (16) tickets and related costs to attend sporting or other recreational or entertainment
312.13 events;
- 312.14 (17) services provided and billed by a provider who is not an enrolled CFSS provider;
- 312.15 (18) CFSS provided by a participant's representative or paid legal guardian;
- 312.16 (19) services that are used solely as a child care or babysitting service;
- 312.17 (20) services that are the responsibility or in the daily rate of a residential or program
312.18 license holder under the terms of a service agreement and administrative rules;
- 312.19 (21) sterile procedures;
- 312.20 (22) giving of injections into veins, muscles, or skin;
- 312.21 (23) homemaker services that are not an integral part of the assessed CFSS service;
- 312.22 (24) home maintenance or chore services;
- 312.23 (25) home care services, including hospice services if elected by the participant,
312.24 covered by Medicare or any other insurance held by the participant;
- 312.25 (26) services to other members of the participant's household;
- 312.26 (27) services not specified as covered under medical assistance as CFSS;
- 312.27 (28) application of restraints or implementation of deprivation procedures;
- 312.28 (29) assessments by CFSS provider organizations or by independently enrolled
312.29 registered nurses;
- 312.30 (30) services provided in lieu of legally required staffing in a residential or child
312.31 care setting; and
- 312.32 (31) services provided by the residential or program license holder in a residence for
312.33 more than four persons.

312.34 Sec. 11. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 10,
312.35 is amended to read:

313.1 Subd. 10. **Provider Agency-provider and FMS contractor qualifications and,**
 313.2 **general requirements, and duties.** (a) Agency-providers delivering services under the
 313.3 agency-provider model under subdivision 11 or ~~financial management service (FMS)~~
 313.4 FMS contractors under subdivision 13 shall:

313.5 (1) enroll as a medical assistance Minnesota health care programs provider and meet
 313.6 all applicable provider standards and requirements;

313.7 ~~(2) comply with medical assistance provider enrollment requirements;~~
 313.8 ~~(3)~~ (2) demonstrate compliance with ~~law~~ federal and state laws and policies ~~of~~ for
 313.9 CFSS as determined by the commissioner;

313.10 ~~(4)~~ (3) comply with background study requirements under chapter 245C and
 313.11 maintain documentation of background study requests and results;

313.12 ~~(5)~~ (4) verify and maintain records of all services and expenditures by the participant,
 313.13 including hours worked by support workers ~~and support specialists~~;

313.14 ~~(6)~~ (5) not engage in any agency-initiated direct contact or marketing in person, by
 313.15 telephone, or other electronic means to potential participants, guardians, family members,
 313.16 or participants' representatives;

313.17 (6) directly provide services and not use a subcontractor or reporting agent;

313.18 (7) meet the financial requirements established by the commissioner for financial
 313.19 solvency;

313.20 (8) have never had a lead agency contract or provider agreement discontinued due to
 313.21 fraud, or have never had an owner, board member, or manager fail a state or FBI-based
 313.22 criminal background check while enrolled or seeking enrollment as a Minnesota health
 313.23 care programs provider;

313.24 (9) have established business practices that include written policies and procedures,
 313.25 internal controls, and a system that demonstrates the organization's ability to deliver
 313.26 quality CFSS; and

313.27 (10) have an office located in Minnesota.

313.28 (b) In conducting general duties, agency-providers and FMS contractors shall:

313.29 ~~(7)~~ (1) pay support workers ~~and support specialists~~ based upon actual hours of
 313.30 services provided;

313.31 (2) pay for worker training and development services based upon actual hours of
 313.32 services provided or the unit cost of the training session purchased;

313.33 ~~(8)~~ (3) withhold and pay all applicable federal and state payroll taxes;

313.34 ~~(9)~~ (4) make arrangements and pay unemployment insurance, taxes, workers'
 313.35 compensation, liability insurance, and other benefits, if any;

314.1 ~~(4)~~ (5) enter into a written agreement with the participant, participant's
314.2 representative, or legal representative that assigns roles and responsibilities to be
314.3 performed before services, supports, or goods are provided using a format established by
314.4 the commissioner;

314.5 ~~(11)~~ (6) report maltreatment as required under sections 626.556 and 626.557; ~~and~~

314.6 ~~(12)~~ (7) provide the participant with a copy of the service-related rights under
314.7 subdivision 20 at the start of services and supports; and

314.8 (8) comply with any data requests from the department consistent with the
314.9 Minnesota Government Data Practices Act under chapter 13.

314.10 Sec. 12. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 11,
314.11 is amended to read:

314.12 Subd. 11. **Agency-provider model.** (a) The agency-provider model ~~is limited to~~
314.13 ~~the~~ includes services provided by support workers and ~~support specialists~~ staff providing
314.14 worker training and development services who are employed by an agency-provider
314.15 that is licensed according to chapter 245A or meets other criteria established by the
314.16 commissioner, including required training.

314.17 (b) The agency-provider shall allow the participant to have a significant role in the
314.18 selection and dismissal of the support workers for the delivery of the services and supports
314.19 specified in the participant's service delivery plan.

314.20 (c) A participant may use authorized units of CFSS services as needed within a
314.21 service authorization that is not greater than 12 months. Using authorized units in a
314.22 flexible manner in either the agency-provider model or the budget model does not increase
314.23 the total amount of services and supports authorized for a participant or included in the
314.24 participant's service delivery plan.

314.25 (d) A participant may share CFSS services. Two or three CFSS participants may
314.26 share services at the same time provided by the same support worker.

314.27 (e) The agency-provider must use a minimum of 72.5 percent of the revenue
314.28 generated by the medical assistance payment for CFSS for support worker wages and
314.29 benefits. The agency-provider must document how this requirement is being met. The
314.30 revenue generated by the ~~support specialist~~ worker training and development services
314.31 and the reasonable costs associated with the support specialist worker training and
314.32 development services must not be used in making this calculation.

314.33 (f) The agency-provider model must be used by individuals who have been restricted
314.34 by the Minnesota restricted recipient program under Minnesota Rules, parts 9505.2160
314.35 to 9505.2245.

315.1 (g) Participants purchasing goods under this model, along with support worker
 315.2 services, must:

315.3 (1) specify the goods in the service delivery plan and detailed budget for
 315.4 expenditures that must be approved by the consultation services provider or the case
 315.5 manager/care coordinator; and

315.6 (2) use the FMS contractor for the billing and payment of such goods.

315.7 Sec. 13. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 12,
 315.8 is amended to read:

315.9 Subd. 12. **Requirements for enrollment of CFSS ~~provider agency~~-provider**
 315.10 **agencies.** (a) All CFSS ~~provider agencies~~ agency-providers must provide, at the time of
 315.11 enrollment, reenrollment, and revalidation as a CFSS ~~provider agency~~ agency-provider in
 315.12 a format determined by the commissioner, information and documentation that includes,
 315.13 but is not limited to, the following:

315.14 (1) the CFSS ~~provider agency's~~ agency-provider's current contact information
 315.15 including address, telephone number, and e-mail address;

315.16 (2) proof of surety bond coverage. Upon new enrollment, or if the ~~provider agency's~~
 315.17 agency-provider's Medicaid revenue in the previous calendar year is less than or equal
 315.18 to \$300,000, the ~~provider agency~~ agency-provider must purchase a performance bond of
 315.19 \$50,000. If the ~~provider agency's~~ agency-provider's Medicaid revenue in the previous
 315.20 calendar year is greater than \$300,000, the ~~provider agency~~ agency-provider must
 315.21 purchase a performance bond of \$100,000. The performance bond must be in a form
 315.22 approved by the commissioner, must be renewed annually, and must allow for recovery of
 315.23 costs and fees in pursuing a claim on the bond;

315.24 (3) proof of fidelity bond coverage in the amount of \$20,000;

315.25 (4) proof of workers' compensation insurance coverage;

315.26 (5) proof of liability insurance;

315.27 (6) a description of the CFSS ~~provider agency's~~ agency-provider's organization
 315.28 identifying the names of all owners, managing employees, staff, board of directors, and
 315.29 the affiliations of the directors; and owners, ~~or staff~~ to other service providers;

315.30 (7) a copy of the CFSS ~~provider agency's~~ agency-provider's written policies and
 315.31 procedures including: hiring of employees; training requirements; service delivery;
 315.32 and employee and consumer safety including process for notification and resolution
 315.33 of consumer grievances, identification and prevention of communicable diseases, and
 315.34 employee misconduct;

316.1 (8) copies of all other forms the CFSS ~~provider agency~~ agency-provider uses in the
316.2 course of daily business including, but not limited to:

316.3 (i) a copy of the CFSS ~~provider agency's~~ agency-provider's time sheet if the time
316.4 sheet varies from the standard time sheet for CFSS services approved by the commissioner,
316.5 and a letter requesting approval of the CFSS ~~provider agency's~~ agency-provider's
316.6 nonstandard time sheet; and

316.7 (ii) ~~the~~ a copy of the participant's individual CFSS provider agency's template for the
316.8 CFSS-care service delivery plan;

316.9 (9) a list of all training and classes that the CFSS ~~provider agency~~ agency-provider
316.10 requires of its staff providing CFSS services;

316.11 (10) documentation that the CFSS ~~provider agency~~ agency-provider and staff have
316.12 successfully completed all the training required by this section;

316.13 (11) documentation of the ~~agency's~~ agency-provider's marketing practices;

316.14 (12) disclosure of ownership, leasing, or management of all residential properties
316.15 that are used or could be used for providing home care services;

316.16 (13) documentation that the ~~agency~~ agency-provider will use at least the following
316.17 percentages of revenue generated from the medical assistance rate paid for CFSS services
316.18 for ~~employee personal care assistant~~ CFSS support worker wages and benefits: 72.5
316.19 percent of revenue from CFSS providers. The revenue generated by the ~~support specialist~~
316.20 worker training and development services and the reasonable costs associated with the
316.21 ~~support specialist~~ worker training and development services shall not be used in making
316.22 this calculation; and

316.23 (14) documentation that the ~~agency~~ agency-provider does not burden recipients'
316.24 participants' free exercise of their right to choose service providers by requiring ~~personal~~
316.25 ~~care assistants~~ CFSS support workers to sign an agreement not to work with any particular
316.26 CFSS ~~recipient~~ participant or for another CFSS ~~provider agency~~ agency-provider after
316.27 leaving the agency and that the agency is not taking action on any such agreements or
316.28 requirements regardless of the date signed.

316.29 (b) CFSS ~~provider agencies~~ agency-providers shall provide to the commissioner
316.30 the information specified in paragraph (a).

316.31 (c) All CFSS ~~provider agencies~~ agency-providers shall require all employees in
316.32 management and supervisory positions and owners of the agency who are active in the
316.33 day-to-day management and operations of the agency to complete mandatory training as
316.34 determined by the commissioner. Employees in management and supervisory positions
316.35 and owners who are active in the day-to-day operations of an agency who have completed
316.36 the required training as an employee with a CFSS ~~provider agency~~ agency-provider do

317.1 not need to repeat the required training if they are hired by another agency, if they have
 317.2 completed the training within the past three years. ~~CFSS provider-agency agency-provider~~
 317.3 ~~billing staff shall complete training about CFSS program financial management. Any new~~
 317.4 ~~owners or employees in management and supervisory positions involved in the day-to-day~~
 317.5 ~~operations are required to complete mandatory training as a requisite of working for the~~
 317.6 ~~agency. CFSS provider agencies certified for participation in Medicare as home health~~
 317.7 ~~agencies are exempt from the training required in this subdivision.~~

317.8 (d) The commissioner shall send annual review notifications to agency-providers 30
 317.9 days prior to renewal. The notification must:

317.10 (1) list the materials and information the agency-provider is required to submit;

317.11 (2) provide instructions on submitting information to the commissioner; and

317.12 (3) provide a due date by which the commissioner must receive the requested
 317.13 information.

317.14 Agency-providers shall submit the required documentation for annual review within
 317.15 30 days of notification from the commissioner. If no documentation is submitted, the
 317.16 agency-provider enrollment number must be terminated or suspended.

317.17 Sec. 14. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 13,
 317.18 is amended to read:

317.19 Subd. 13. **Budget model.** (a) Under the budget model participants ~~can~~ may exercise
 317.20 ~~more~~ responsibility and control over the services and supports described and budgeted
 317.21 within the CFSS service delivery plan. Participants must use services provided by an FMS
 317.22 contractor as defined in subdivision 2, paragraph (m). Under this model, participants may
 317.23 use their approved service budget allocation to:

317.24 (1) directly employ support workers, and pay wages, federal and state payroll taxes,
 317.25 and premiums for workers' compensation, liability, and health insurance coverage; and

317.26 (2) obtain supports and goods as defined in subdivision 7; and

317.27 (3) ~~choose a range of support assistance services from the financial management~~
 317.28 ~~services (FMS) contractor related to:~~

317.29 (i) ~~assistance in managing the budget to meet the service delivery plan needs,~~
 317.30 ~~consistent with federal and state laws and regulations;~~

317.31 (ii) ~~the employment, training, supervision, and evaluation of workers by the~~
 317.32 ~~participant;~~

317.33 (iii) ~~acquisition and payment for supports and goods; and~~

317.34 (iv) ~~evaluation of individual service outcomes as needed for the scope of the~~
 317.35 ~~participant's degree of control and responsibility.~~

318.1 (b) Participants who are unable to fulfill any of the functions listed in paragraph (a)
 318.2 may authorize a legal representative or participant's representative to do so on their behalf.

318.3 (c) The commissioner shall disenroll or exclude participants from the budget model
 318.4 and transfer them to the agency-provider model under the following circumstances that
 318.5 include but are not limited to:

318.6 (1) when a participant has been restricted by the Minnesota restricted recipient
 318.7 program, in which case the participant may be excluded for a specified time period under
 318.8 Minnesota Rules, parts 9505.2160 to 9505.2245;

318.9 (2) when a participant exits the budget model during the participant's service plan
 318.10 year. Upon transfer, the participant shall not access the budget model for the remainder of
 318.11 that service plan year; or

318.12 (3) when the department determines that the participant or participant's representative
 318.13 or legal representative cannot manage participant responsibilities under the budget model.

318.14 The commissioner must develop policies for determining if a participant is unable to
 318.15 manage responsibilities under the budget model.

318.16 (d) A participant may appeal in writing to the department under section 256.045,
 318.17 subdivision 3, to contest the department's decision under paragraph (c), clause (3), to
 318.18 disenroll or exclude the participant from the budget model.

318.19 ~~(e)~~ (e) The FMS contractor shall not provide CFSS services and supports under the
 318.20 agency-provider service model.

318.21 (f) The FMS contractor shall provide service functions as determined by the
 318.22 commissioner for budget model participants that include but are not limited to:

318.23 ~~(1) information and consultation about CFSS;~~

318.24 ~~(2) (1) assistance with the development of the detailed budget for expenditures~~
 318.25 ~~portion of the service delivery plan and budget model as requested by the consultation~~
 318.26 ~~services provider or participant;~~

318.27 ~~(3) (2) billing and making payments for budget model expenditures;~~

318.28 ~~(4) (3) assisting participants in fulfilling employer-related requirements according to~~

318.29 ~~Internal Revenue Service Revenue Procedure 70-6, section 3504, Agency Employer Tax~~

318.30 ~~Liability, regulation 137036-08 section 3504 of the Internal Revenue Code and related~~

318.31 ~~regulations and interpretations, including Code of Federal Regulations, title 26, section~~

318.32 ~~31.3504-1, which includes assistance with filing and paying payroll taxes, and obtaining~~

318.33 ~~worker compensation coverage;~~

318.34 ~~(5) (4) data recording and reporting of participant spending; and~~

318.35 ~~(6) (5) other duties established in the contract with the department, including with~~

318.36 ~~respect to providing assistance to the participant, participant's representative, or legal~~

319.1 representative in performing their employer responsibilities regarding support workers.

319.2 The support worker shall not be considered the employee of the ~~financial management~~
319.3 ~~services FMS contractor;~~ and

319.4 (6) billing, payment, and accounting of approved expenditures for goods for
319.5 agency-provider participants.

319.6 ~~(d) A participant who requests to purchase goods and supports along with support~~
319.7 ~~worker services under the agency-provider model must use the budget model with~~
319.8 ~~a service delivery plan that specifies the amount of services to be authorized to the~~
319.9 ~~agency-provider and the expenditures to be paid by the FMS contractor.~~

319.10 ~~(e)~~ (g) The FMS contractor shall:

319.11 (1) not limit or restrict the participant's choice of service or support providers or
319.12 service delivery models consistent with any applicable state and federal requirements;

319.13 (2) provide the participant, consultation services provider, and the ~~targeted~~ case
319.14 manager, if applicable, with a monthly written summary of the spending for services and
319.15 supports that were billed against the spending budget;

319.16 (3) be knowledgeable of state and federal employment regulations, including those
319.17 under the Fair Labor Standards Act of 1938, and comply with the requirements under ~~the~~
319.18 ~~Internal Revenue Service Revenue Procedure 70-6, Section 3504,~~ section 3504 of the
319.19 Internal Revenue Code and related regulations and interpretations, including Code of
319.20 Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability
319.21 for vendor or fiscal employer agent, and any requirements necessary to process employer
319.22 and employee deductions, provide appropriate and timely submission of employer tax
319.23 liabilities, and maintain documentation to support medical assistance claims;

319.24 (4) have current and adequate liability insurance and bonding and sufficient cash
319.25 flow as determined by the commissioner and have on staff or under contract a certified
319.26 public accountant or an individual with a baccalaureate degree in accounting;

319.27 (5) assume fiscal accountability for state funds designated for the program and be
319.28 held liable for any overpayments or violations of applicable statutes or rules, including
319.29 but not limited to the Minnesota False Claims Act; and

319.30 (6) maintain documentation of receipts, invoices, and bills to track all services and
319.31 supports expenditures for any goods purchased and maintain time records of support
319.32 workers. The documentation and time records must be maintained for a minimum of
319.33 five years from the claim date and be available for audit or review upon request by the
319.34 commissioner. Claims submitted by the FMS contractor to the commissioner for payment
319.35 must correspond with services, amounts, and time periods as authorized in the participant's

320.1 ~~spending service budget and service plan and must contain specific identifying information~~
 320.2 ~~as determined by the commissioner.~~

320.3 ~~(f)~~ (h) The commissioner of human services shall:

320.4 (1) establish rates and payment methodology for the FMS contractor;

320.5 (2) identify a process to ensure quality and performance standards for the FMS
 320.6 contractor and ensure statewide access to FMS contractors; and

320.7 (3) establish a uniform protocol for delivering and administering CFSS services
 320.8 to be used by eligible FMS contractors.

320.9 ~~(g) The commissioner of human services shall disenroll or exclude participants from~~
 320.10 ~~the budget model and transfer them to the agency-provider model under the following~~
 320.11 ~~circumstances that include but are not limited to:~~

320.12 ~~(1) when a participant has been restricted by the Minnesota restricted recipient~~
 320.13 ~~program, the participant may be excluded for a specified time period under Minnesota~~
 320.14 ~~Rules, parts 9505.2160 to 9505.2245;~~

320.15 ~~(2) when a participant exits the budget model during the participant's service plan~~
 320.16 ~~year. Upon transfer, the participant shall not access the budget model for the remainder of~~
 320.17 ~~that service plan year; or~~

320.18 ~~(3) when the department determines that the participant or participant's representative~~
 320.19 ~~or legal representative cannot manage participant responsibilities under the budget model.~~
 320.20 ~~The commissioner must develop policies for determining if a participant is unable to~~
 320.21 ~~manage responsibilities under a budget model.~~

320.22 ~~(h) A participant may appeal under section 256.045, subdivision 3, in writing to the~~
 320.23 ~~department to contest the department's decision under paragraph (c), clause (3), to remove~~
 320.24 ~~or exclude the participant from the budget model.~~

320.25 Sec. 15. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 15,
 320.26 is amended to read:

320.27 Subd. 15. **Documentation of support services provided.** (a) Support services
 320.28 provided to a participant by a support worker employed by either an agency-provider
 320.29 or the participant acting as the employer must be documented daily by each support
 320.30 worker, on a time sheet form approved by the commissioner. All documentation may be
 320.31 Web-based, electronic, or paper documentation. The completed form must be submitted
 320.32 on a monthly regular basis to the provider or the participant and the FMS contractor
 320.33 selected by the participant to provide assistance with meeting the participant's employer
 320.34 obligations and kept in the recipient's health participant's record.

321.1 (b) The activity documentation must correspond to the written service delivery plan
 321.2 and be reviewed by the agency-provider or the participant and the FMS contractor when
 321.3 the participant is ~~acting as~~ the employer of the support worker.

321.4 (c) The time sheet must be on a form approved by the commissioner documenting
 321.5 time the support worker provides services ~~in the home~~ to the participant. The following
 321.6 criteria must be included in the time sheet:

321.7 (1) full name of the support worker and individual provider number;

321.8 (2) ~~provider~~ agency-provider name and telephone numbers, if ~~an agency-provider is~~
 321.9 responsible for delivery services under the written service plan;

321.10 (3) full name of the participant;

321.11 (4) consecutive dates, including month, day, and year, and arrival and departure
 321.12 times with a.m. or p.m. notations;

321.13 (5) signatures of the participant or the participant's representative;

321.14 (6) personal signature of the support worker;

321.15 (7) any shared care provided, if applicable;

321.16 (8) a statement that it is a federal crime to provide false information on CFSS
 321.17 billings for medical assistance payments; and

321.18 (9) dates and location of ~~recipient~~ participant stays in a hospital, care facility, or
 321.19 incarceration.

321.20 Sec. 16. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 16,
 321.21 is amended to read:

321.22 Subd. 16. **Support workers requirements.** (a) Support workers shall:

321.23 (1) enroll with the department as a support worker after a background study under
 321.24 chapter 245C has been completed and the support worker has received a notice from the
 321.25 commissioner that:

321.26 (i) the support worker is not disqualified under section 245C.14; or

321.27 (ii) is disqualified, but the support worker has received a set-aside of the
 321.28 disqualification under section 245C.22;

321.29 (2) have the ability to effectively communicate with the participant or the
 321.30 participant's representative;

321.31 (3) have the skills and ability to provide the services and supports according to
 321.32 the ~~person's~~ participant's CFSS service delivery plan and respond appropriately to the
 321.33 participant's needs;

321.34 (4) not be a participant of CFSS, unless the support services provided by the support
 321.35 worker differ from those provided to the support worker;

322.1 (5) complete the basic standardized training as determined by the commissioner
322.2 before completing enrollment. The training must be available in languages other than
322.3 English and to those who need accommodations due to disabilities. Support worker
322.4 training must include successful completion of the following training components: basic
322.5 first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles
322.6 and responsibilities of support workers including information about basic body mechanics,
322.7 emergency preparedness, orientation to positive behavioral practices, orientation to
322.8 responding to a mental health crisis, fraud issues, time cards and documentation, and an
322.9 overview of person-centered planning and self-direction. Upon completion of the training
322.10 components, the support worker must pass the certification test to provide assistance
322.11 to participants;

322.12 (6) complete training and orientation on the participant's individual needs; and

322.13 (7) maintain the privacy and confidentiality of the participant, and not independently
322.14 determine the medication dose or time for medications for the participant.

322.15 (b) The commissioner may deny or terminate a support worker's provider enrollment
322.16 and provider number if the support worker:

322.17 (1) lacks the skills, knowledge, or ability to adequately or safely perform the
322.18 required work;

322.19 (2) fails to provide the authorized services required by the participant employer;

322.20 (3) has been intoxicated by alcohol or drugs while providing authorized services to
322.21 the participant or while in the participant's home;

322.22 (4) has manufactured or distributed drugs while providing authorized services to the
322.23 participant or while in the participant's home; or

322.24 (5) has been excluded as a provider by the commissioner of human services, or the
322.25 United States Department of Health and Human Services, Office of Inspector General,
322.26 from participation in Medicaid, Medicare, or any other federal health care program.

322.27 (c) A support worker may appeal in writing to the commissioner to contest the
322.28 decision to terminate the support worker's provider enrollment and provider number.

322.29 (d) A support worker must not provide or be paid for more than 275 hours of
322.30 CFSS per month, regardless of the number of participants the support worker serves or
322.31 the number of agency-providers or participant employers by which the support worker
322.32 is employed. The department shall not disallow the number of hours per day a support
322.33 worker works unless it violates other law.

322.34 Sec. 17. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
322.35 a subdivision to read:

323.1 Subd. 16a. **Exception to support worker requirements for continuity of services.**

323.2 The support worker for a participant may be allowed to enroll with a different CFSS
 323.3 agency-provider or FMS contractor upon initiation, rather than completion, of a new
 323.4 background study according to chapter 245C, if the following conditions are met:

323.5 (1) the commissioner determines that the support worker's change in enrollment or
 323.6 affiliation is needed to ensure continuity of services and protect the health and safety
 323.7 of the participant;

323.8 (2) the chosen agency-provider or FMS contractor has been continuously enrolled as
 323.9 a CFSS agency-provider or FMS contractor for at least two years or since the inception of
 323.10 the CFSS program, whichever is shorter;

323.11 (3) the participant served by the support worker chooses to transfer to the CFSS
 323.12 agency-provider or the FMS contractor to which the support worker is transferring;

323.13 (4) the support worker has been continuously enrolled with the former CFSS
 323.14 agency-provider or FMS contractor since the support worker's last background study
 323.15 was completed; and

323.16 (5) the support worker continues to meet requirements of subdivision 16, excluding
 323.17 paragraph (a), clause (1).

323.18 Sec. 18. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 17,
 323.19 is amended to read:

323.20 Subd. 17. ~~**Support specialist requirements and payments**~~ **Consultation services**
 323.21 **description and duties.** ~~The commissioner shall develop qualifications, scope of~~
 323.22 ~~functions, and payment rates and service limits for a support specialist that may provide~~
 323.23 ~~additional or specialized assistance necessary to plan, implement, arrange, augment, or~~
 323.24 ~~evaluate services and supports.~~

323.25 (a) Consultation services means providing assistance to the participant in making
 323.26 informed choices regarding CFSS services in general and self-directed tasks in particular
 323.27 and in developing a person-centered service delivery plan to achieve quality service
 323.28 outcomes.

323.29 (b) Consultation services is a required service that may include but is not limited to:

323.30 (1) an initial and annual orientation to CFSS information and policies, including
 323.31 selecting a service model;

323.32 (2) assistance with the development, implementation, management, and evaluation
 323.33 of the person-centered service delivery plan;

323.34 (3) consultation on recruiting, selecting, training, managing, directing, evaluating,
 323.35 and supervising support workers;

324.1 (4) reviewing the use of and access to informal and community supports, goods, or
324.2 resources;

324.3 (5) assistance with fulfilling responsibilities and requirements of CFSS including
324.4 modifying service delivery plans and changing service models; and

324.5 (6) assistance with accessing FMS contractors or agency-providers.

324.6 (c) Duties of a consultation services provider shall include but are not limited to:

324.7 (1) review and finalization of the CFSS service delivery plan by the consultation
324.8 services provider organization;

324.9 (2) distribution of copies of the final service delivery plan to the participant and
324.10 to the agency-provider or FMS contractor, case manager/care coordinator, and other
324.11 designated parties;

324.12 (3) an evaluation of services upon receiving information from an FMS contractor
324.13 indicating spending or participant employer concerns;

324.14 (4) a semiannual review of services if the participant does not have a case
324.15 manager/care coordinator and when the support worker is a paid parent of a minor
324.16 participant or the participant's spouse;

324.17 (5) collection and reporting of data as required by the department; and

324.18 (6) providing the participant with a copy of the service-related rights under
324.19 subdivision 20 at the start of consultation services.

324.20 Sec. 19. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
324.21 a subdivision to read:

324.22 Subd. 17a. **Consultation service provider qualifications and requirements.**

324.23 The commissioner shall develop the qualifications and requirements for providers of
324.24 consultation services under subdivision 17. These providers must satisfy at least the
324.25 following qualifications and requirements:

324.26 (1) are under contract with the department;

324.27 (2) are not the FMS contractor as defined in subdivision 2, paragraph (m), the CFSS
324.28 or HCBS waiver agency-provider or vendor to the participant, or a lead agency;

324.29 (3) meet the service standards as established by the commissioner;

324.30 (4) employ lead professional staff with a minimum of three years of experience
324.31 in providing support planning, support broker, or consultation services and consumer
324.32 education to participants using a self-directed program using FMS under medical
324.33 assistance;

324.34 (5) are knowledgeable about CFSS roles and responsibilities including those of the
324.35 certified assessor, FMS contractor, agency-provider, and case manager/care coordinator;

- 325.1 (6) comply with medical assistance provider requirements;
325.2 (7) understand the CFSS program and its policies;
325.3 (8) are knowledgeable about self-directed principles and the application of the
325.4 person-centered planning process;
325.5 (9) have general knowledge of the FMS contractor duties and participant
325.6 employment model, including all applicable federal, state, and local laws and regulations
325.7 regarding tax, labor, employment, and liability and workers' compensation coverage for
325.8 household workers; and
325.9 (10) have all employees, including lead professional staff, staff in management
325.10 and supervisory positions, and owners of the agency who are active in the day-to-day
325.11 management and operations of the agency, complete training as specified in the contract
325.12 with the department.

325.13 Sec. 20. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 18,
325.14 is amended to read:

325.15 Subd. 18. **Service unit and budget allocation requirements and limits.** (a) For the
325.16 agency-provider model, services will be authorized in units of service. The total service
325.17 unit amount must be established based upon the assessed need for CFSS services, and must
325.18 not exceed the maximum number of units available as determined under subdivision 8.

325.19 (b) For the budget model, the service budget allocation allowed for services and
325.20 supports is established by multiplying the number of units authorized under subdivision 8
325.21 by the payment rate established by the commissioner defined in subdivision 8, paragraph
325.22 (g).

325.23 Sec. 21. Minnesota Statutes 2013 Supplement, section 256B.85, is amended by adding
325.24 a subdivision to read:

325.25 Subd. 18a. **Worker training and development services.** (a) The commissioner
325.26 shall develop the scope of tasks and functions, service standards, and service limits for
325.27 worker training and development services.

325.28 (b) Worker training and development services are in addition to the participant's
325.29 assessed service units or service budget. Services provided according to this subdivision
325.30 must:

325.31 (1) help support workers obtain and expand the skills and knowledge necessary to
325.32 ensure competency in providing quality services as needed and defined in the participant's
325.33 service delivery plan;

326.1 (2) be provided or arranged for by the agency-provider under subdivision 11 or
 326.2 purchased by the participant employer under the budget model under subdivision 13; and
 326.3 (3) be described in the participant's CFSS service delivery plan and documented in
 326.4 the participant's file.

326.5 (c) Services covered under worker training and development shall include:

326.6 (1) support worker training on the participant's individual assessed needs, condition,
 326.7 or both, provided individually or in a group setting by a skilled and knowledgeable trainer
 326.8 beyond any training the participant or participant's representative provides;

326.9 (2) tuition for professional classes and workshops for the participant's support
 326.10 workers that relate to the participant's assessed needs, condition, or both;

326.11 (3) direct observation, monitoring, coaching, and documentation of support worker
 326.12 job skills and tasks, beyond any training the participant or participant's representative
 326.13 provides, including supervision of health-related tasks or behavioral supports that is
 326.14 conducted by an appropriate professional based on the participant's assessed needs. These
 326.15 services must be provided within 14 days of the start of services or the start of a new
 326.16 support worker and must be specified in the participant's service delivery plan; and

326.17 (4) reporting service and support concerns to the appropriate provider.

326.18 (d) Worker training and development services shall not include:

326.19 (1) general agency training, worker orientation, or training on CFSS self-directed
 326.20 models;

326.21 (2) payment for preparation or development time for the trainer or presenter;

326.22 (3) payment of the support worker's salary or compensation during the training;

326.23 (4) training or supervision provided by the participant, the participant's support
 326.24 worker, or the participant's informal supports, including the participant's representative; or

326.25 (5) services in excess of 96 units per annual service authorization, unless approved
 326.26 by the department.

326.27 Sec. 22. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 23,
 326.28 is amended to read:

326.29 Subd. 23. **Commissioner's access.** When the commissioner is investigating a
 326.30 possible overpayment of Medicaid funds, the commissioner must be given immediate
 326.31 access without prior notice to the ~~agency provider~~ agency-provider or FMS contractor's
 326.32 office during regular business hours and to documentation and records related to services
 326.33 provided and submission of claims for services provided. Denying the commissioner
 326.34 access to records is cause for immediate suspension of payment and terminating the agency
 326.35 provider's enrollment according to section 256B.064 or terminating the FMS contract.

327.1 Sec. 23. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 24,
327.2 is amended to read:

327.3 Subd. 24. **CFSS agency-providers; background studies.** CFSS agency-providers
327.4 enrolled to provide ~~personal care assistance~~ CFSS services under the medical assistance
327.5 program shall comply with the following:

327.6 (1) owners who have a five percent interest or more and all managing employees
327.7 are subject to a background study as provided in chapter 245C. This applies to currently
327.8 enrolled CFSS agency-providers and those agencies seeking enrollment as a CFSS
327.9 agency-provider. "Managing employee" has the same meaning as Code of Federal
327.10 Regulations, title 42, section 455. An organization is barred from enrollment if:

327.11 (i) the organization has not initiated background studies on owners managing
327.12 employees; or

327.13 (ii) the organization has initiated background studies on owners and managing
327.14 employees, but the commissioner has sent the organization a notice that an owner or
327.15 managing employee of the organization has been disqualified under section 245C.14, and
327.16 the owner or managing employee has not received a set-aside of the disqualification
327.17 under section 245C.22;

327.18 (2) a background study must be initiated and completed for all ~~support specialists~~
327.19 staff who will have direct contact with the participant to provide worker training and
327.20 development; and

327.21 (3) a background study must be initiated and completed for all support workers.

327.22 Sec. 24. Laws 2013, chapter 108, article 7, section 49, the effective date, is amended to
327.23 read:

327.24 **EFFECTIVE DATE.** This section is effective upon federal approval but no earlier
327.25 than April 1, 2014. The service will begin 90 days after federal approval ~~or April 1,~~
327.26 ~~2014, whichever is later.~~ The commissioner of human services shall notify the revisor of
327.27 statutes when this occurs.

327.28 **ARTICLE 28**

327.29 **CONTINUING CARE**

327.30 Section 1. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

327.31 Subd. 4. **Licensing data.** (a) As used in this subdivision:

327.32 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
327.33 welfare system pertaining to persons licensed or registered or who apply for licensure

328.1 or registration or who formerly were licensed or registered under the authority of the
328.2 commissioner of human services;

328.3 (2) "client" means a person who is receiving services from a licensee or from an
328.4 applicant for licensure; and

328.5 (3) "personal and personal financial data" are Social Security numbers, identity
328.6 of and letters of reference, insurance information, reports from the Bureau of Criminal
328.7 Apprehension, health examination reports, and social/home studies.

328.8 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants,
328.9 license holders, and former licensees are public: name, address, telephone number of
328.10 licensees, date of receipt of a completed application, dates of licensure, licensed capacity,
328.11 type of client preferred, variances granted, record of training and education in child care
328.12 and child development, type of dwelling, name and relationship of other family members,
328.13 previous license history, class of license, the existence and status of complaints, and the
328.14 number of serious injuries to or deaths of individuals in the licensed program as reported
328.15 to the commissioner of human services, the local social services agency, or any other
328.16 county welfare agency. For purposes of this clause, a serious injury is one that is treated
328.17 by a physician.

328.18 (ii) When a correction order, an order to forfeit a fine, an order of license suspension,
328.19 an order of temporary immediate suspension, an order of license revocation, an order
328.20 of license denial, or an order of conditional license has been issued, or a complaint is
328.21 resolved, the following data on current and former licensees and applicants are public: the
328.22 substance and investigative findings of the licensing or maltreatment complaint, licensing
328.23 violation, or substantiated maltreatment; the record of informal resolution of a licensing
328.24 violation; orders of hearing; findings of fact; conclusions of law; specifications of the final
328.25 correction order, fine, suspension, temporary immediate suspension, revocation, denial, or
328.26 conditional license contained in the record of licensing action; whether a fine has been
328.27 paid; and the status of any appeal of these actions.

328.28 (iii) When a license denial under section 245A.05 or a sanction under section
328.29 245A.07 is based on a determination that the license holder or applicant is responsible for
328.30 maltreatment under section 626.556 or 626.557, the identity of the applicant or license
328.31 holder as the individual responsible for maltreatment is public data at the time of the
328.32 issuance of the license denial or sanction.

328.33 (iv) When a license denial under section 245A.05 or a sanction under section
328.34 245A.07 is based on a determination that the license holder or applicant is disqualified
328.35 under chapter 245C, the identity of the license holder or applicant as the disqualified
328.36 individual and the reason for the disqualification are public data at the time of the

329.1 issuance of the licensing sanction or denial. If the applicant or license holder requests
329.2 reconsideration of the disqualification and the disqualification is affirmed, the reason for
329.3 the disqualification and the reason to not set aside the disqualification are public data.

329.4 (2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b,
329.5 when any person subject to disqualification under section 245C.14 in connection with a
329.6 license to provide family day care for children, child care center services, foster care for
329.7 children in the provider's home, or foster care or day care services for adults in the provider's
329.8 home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is
329.9 a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment
329.10 is public data. For purposes of this clause, a person is a substantiated perpetrator if the
329.11 maltreatment determination has been upheld under section 256.045; 626.556, subdivision
329.12 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely
329.13 exercised appeal rights under these sections, except as provided under clause (1).

329.14 (3) For applicants who withdraw their application prior to licensure or denial of a
329.15 license, the following data are public: the name of the applicant, the city and county in
329.16 which the applicant was seeking licensure, the dates of the commissioner's receipt of the
329.17 initial application and completed application, the type of license sought, and the date
329.18 of withdrawal of the application.

329.19 (4) For applicants who are denied a license, the following data are public: the name
329.20 and address of the applicant, the city and county in which the applicant was seeking
329.21 licensure, the dates of the commissioner's receipt of the initial application and completed
329.22 application, the type of license sought, the date of denial of the application, the nature of
329.23 the basis for the denial, the record of informal resolution of a denial, orders of hearings,
329.24 findings of fact, conclusions of law, specifications of the final order of denial, and the
329.25 status of any appeal of the denial.

329.26 (5) The following data on persons subject to disqualification under section 245C.14 in
329.27 connection with a license to provide family day care for children, child care center services,
329.28 foster care for children in the provider's home, or foster care or day care services for adults
329.29 in the provider's home, are public: the nature of any disqualification set aside under section
329.30 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the
329.31 nature of any disqualification for which a variance was granted under sections 245A.04,
329.32 subdivision 9; and 245C.30, and the reasons for granting any variance under section
329.33 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to
329.34 a background study under section 245C.03, subdivision 1, has successfully passed a
329.35 background study. If a licensing sanction under section 245A.07, or a license denial under
329.36 section 245A.05, is based on a determination that an individual subject to disqualification

330.1 under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction
330.2 or denial is public data. As specified in clause (1), item (iv), if the disqualified individual
330.3 is the license holder or applicant, the identity of the license holder or applicant and the
330.4 reason for the disqualification are public data; and, if the license holder or applicant
330.5 requested reconsideration of the disqualification and the disqualification is affirmed, the
330.6 reason for the disqualification and the reason to not set aside the disqualification are
330.7 public data. If the disqualified individual is an individual other than the license holder or
330.8 applicant, the identity of the disqualified individual shall remain private data.

330.9 (6) When maltreatment is substantiated under section 626.556 or 626.557 and the
330.10 victim and the substantiated perpetrator are affiliated with a program licensed under
330.11 chapter 245A, the commissioner of human services, local social services agency, or
330.12 county welfare agency may inform the license holder where the maltreatment occurred of
330.13 the identity of the substantiated perpetrator and the victim.

330.14 (7) Notwithstanding clause (1), for child foster care, only the name of the license
330.15 holder and the status of the license are public if the county attorney has requested that data
330.16 otherwise classified as public data under clause (1) be considered private data based on the
330.17 best interests of a child in placement in a licensed program.

330.18 (c) The following are private data on individuals under section 13.02, subdivision
330.19 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial
330.20 data on family day care program and family foster care program applicants and licensees
330.21 and their family members who provide services under the license.

330.22 (d) The following are private data on individuals: the identity of persons who have
330.23 made reports concerning licensees or applicants that appear in inactive investigative data,
330.24 and the records of clients or employees of the licensee or applicant for licensure whose
330.25 records are received by the licensing agency for purposes of review or in anticipation of a
330.26 contested matter. The names of reporters of complaints or alleged violations of licensing
330.27 standards under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged
330.28 maltreatment under sections 626.556 and 626.557, are confidential data and may be
330.29 disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

330.30 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under
330.31 this subdivision become public data if submitted to a court or administrative law judge as
330.32 part of a disciplinary proceeding in which there is a public hearing concerning a license
330.33 which has been suspended, immediately suspended, revoked, or denied.

330.34 (f) Data generated in the course of licensing investigations that relate to an alleged
330.35 violation of law are investigative data under subdivision 3.

331.1 (g) Data that are not public data collected, maintained, used, or disseminated under
331.2 this subdivision that relate to or are derived from a report as defined in section 626.556,
331.3 subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of
331.4 sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

331.5 (h) Upon request, not public data collected, maintained, used, or disseminated under
331.6 this subdivision that relate to or are derived from a report of substantiated maltreatment as
331.7 defined in section 626.556 or 626.557 may be exchanged with the Department of Health
331.8 for purposes of completing background studies pursuant to section 144.057 and with
331.9 the Department of Corrections for purposes of completing background studies pursuant
331.10 to section 241.021.

331.11 (i) Data on individuals collected according to licensing activities under chapters
331.12 245A and 245C, data on individuals collected by the commissioner of human services
331.13 according to investigations under chapters 245A, 245B, ~~and 245C~~, and 245D, and
331.14 sections 626.556 and 626.557 may be shared with the Department of Human Rights, the
331.15 Department of Health, the Department of Corrections, the ombudsman for mental health
331.16 and developmental disabilities, and the individual's professional regulatory board when
331.17 there is reason to believe that laws or standards under the jurisdiction of those agencies may
331.18 have been violated or the information may otherwise be relevant to the board's regulatory
331.19 jurisdiction. Background study data on an individual who is the subject of a background
331.20 study under chapter 245C for a licensed service for which the commissioner of human
331.21 services is the license holder may be shared with the commissioner and the commissioner's
331.22 delegate by the licensing division. Unless otherwise specified in this chapter, the identity
331.23 of a reporter of alleged maltreatment or licensing violations may not be disclosed.

331.24 (j) In addition to the notice of determinations required under section 626.556,
331.25 subdivision 10f, if the commissioner or the local social services agency has determined
331.26 that an individual is a substantiated perpetrator of maltreatment of a child based on sexual
331.27 abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social
331.28 services agency knows that the individual is a person responsible for a child's care in
331.29 another facility, the commissioner or local social services agency shall notify the head
331.30 of that facility of this determination. The notification must include an explanation of the
331.31 individual's available appeal rights and the status of any appeal. If a notice is given under
331.32 this paragraph, the government entity making the notification shall provide a copy of the
331.33 notice to the individual who is the subject of the notice.

331.34 (k) All not public data collected, maintained, used, or disseminated under this
331.35 subdivision and subdivision 3 may be exchanged between the Department of Human
331.36 Services, Licensing Division, and the Department of Corrections for purposes of

332.1 regulating services for which the Department of Human Services and the Department
332.2 of Corrections have regulatory authority.

332.3 Sec. 2. Minnesota Statutes 2012, section 144.0724, as amended by Laws 2014, chapter
332.4 147, section 1, is amended to read:

332.5 **144.0724 RESIDENT REIMBURSEMENT CLASSIFICATION.**

332.6 Subdivision 1. **Resident reimbursement case mix classifications.** The
332.7 commissioner of health shall establish resident reimbursement classifications based upon
332.8 the assessments of residents of nursing homes and boarding care homes conducted under
332.9 this section and according to section 256B.438.

332.10 Subd. 2. **Definitions.** For purposes of this section, the following terms have the
332.11 meanings given.

332.12 (a) "Assessment reference date" or "ARD" means the specific end point for
332.13 look-back periods in the MDS assessment process. This look-back period is also called
332.14 the observation or assessment period.

332.15 (b) "Case mix index" means the weighting factors assigned to the RUG-IV
332.16 classifications.

332.17 (c) "Index maximization" means classifying a resident who could be assigned to
332.18 more than one category, to the category with the highest case mix index.

332.19 (d) "Minimum data set" or "MDS" means a core set of screening, clinical assessment,
332.20 and functional status elements, that include common definitions and coding categories
332.21 specified by the Centers for Medicare and Medicaid Services and designated by the
332.22 Minnesota Department of Health.

332.23 (e) "Representative" means a person who is the resident's guardian or conservator,
332.24 the person authorized to pay the nursing home expenses of the resident, a representative of
332.25 the Office of Ombudsman for Long-Term Care whose assistance has been requested, or
332.26 any other individual designated by the resident.

332.27 (f) "Resource utilization groups" or "RUG" means the system for grouping a nursing
332.28 facility's residents according to their clinical and functional status identified in data
332.29 supplied by the facility's minimum data set.

332.30 (g) "Activities of daily living" means grooming, dressing, bathing, transferring,
332.31 mobility, positioning, eating, and toileting.

332.32 (h) "Nursing facility level of care determination" means the assessment process
332.33 that results in a determination of a resident's or prospective resident's need for nursing
332.34 facility level of care as established in subdivision 11 for purposes of medical assistance
332.35 payment of long-term care services for:

- 333.1 (1) nursing facility services under section 256B.434 or 256B.441;
333.2 (2) elderly waiver services under section 256B.0915;
333.3 (3) CADI and BI waiver services under section 256B.49; and
333.4 (4) state payment of alternative care services under section 256B.0913.

333.5 Subd. 3a. **Resident reimbursement classifications beginning January 1, 2012.**

333.6 (a) Beginning January 1, 2012, resident reimbursement classifications shall be based
333.7 on the minimum data set, version 3.0 assessment instrument, or its successor version
333.8 mandated by the Centers for Medicare and Medicaid Services that nursing facilities are
333.9 required to complete for all residents. The commissioner of health shall establish resident
333.10 classifications according to the RUG-IV, 48 group, resource utilization groups. Resident
333.11 classification must be established based on the individual items on the minimum data set,
333.12 which must be completed according to the Long Term Care Facility Resident Assessment
333.13 Instrument User's Manual Version 3.0 or its successor issued by the Centers for Medicare
333.14 and Medicaid Services.

333.15 (b) Each resident must be classified based on the information from the minimum
333.16 data set according to general categories as defined in the Case Mix Classification Manual
333.17 for Nursing Facilities issued by the Minnesota Department of Health.

333.18 Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and
333.19 electronically submit to the commissioner of health MDS assessments that conform with
333.20 the assessment schedule defined by Code of Federal Regulations, title 42, section 483.20,
333.21 and published by the United States Department of Health and Human Services, Centers for
333.22 Medicare and Medicaid Services, in the Long Term Care Assessment Instrument User's
333.23 Manual, version 3.0, and subsequent updates when issued by the Centers for Medicare
333.24 and Medicaid Services. The commissioner of health may substitute successor manuals or
333.25 question and answer documents published by the United States Department of Health and
333.26 Human Services, Centers for Medicare and Medicaid Services, to replace or supplement
333.27 the current version of the manual or document.

333.28 (b) The assessments used to determine a case mix classification for reimbursement
333.29 include the following:

333.30 (1) a new admission assessment;

333.31 (2) an annual assessment which must have an assessment reference date (ARD)
333.32 within 92 days of the previous assessment and within 366 days of the ARD of the previous
333.33 comprehensive assessment;

333.34 (3) a significant change in status assessment must be completed within 14 days of
333.35 the identification of a significant change;

334.1 (4) all quarterly assessments must have an assessment reference date (ARD) within
334.2 92 days of the ARD of the previous assessment;

334.3 (5) any significant correction to a prior comprehensive assessment, if the assessment
334.4 being corrected is the current one being used for RUG classification; and

334.5 (6) any significant correction to a prior quarterly assessment, if the assessment being
334.6 corrected is the current one being used for RUG classification.

334.7 (c) In addition to the assessments listed in paragraph (b), the assessments used to
334.8 determine nursing facility level of care include the following:

334.9 (1) preadmission screening completed under section 256B.0911, subdivision 4a,
334.10 by a county, tribe, or managed care organization under contract with the Department
334.11 of Human Services; and

334.12 (2) a face-to-face long-term care consultation assessment completed under section
334.13 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization
334.14 under contract with the Department of Human Services.

334.15 Subd. 5. **Short stays.** (a) A facility must submit to the commissioner of health an
334.16 admission assessment for all residents who stay in the facility 14 days or less.

334.17 (b) Notwithstanding the admission assessment requirements of paragraph (a), a
334.18 facility may elect to accept a short stay rate with a case mix index of 1.0 for all facility
334.19 residents who stay 14 days or less in lieu of submitting an admission assessment. Facilities
334.20 shall make this election annually.

334.21 (c) Nursing facilities must elect one of the options described in paragraphs (a) and
334.22 (b) by reporting to the commissioner of health, as prescribed by the commissioner. The
334.23 election is effective on July 1 each year.

334.24 Subd. 6. **Penalties for late or nonsubmission.** (a) A facility that fails to complete
334.25 or submit an assessment according to subdivisions 4 and 5 for a RUG-IV classification
334.26 within seven days of the time requirements listed in the Long-Term Care Facility Resident
334.27 Assessment Instrument User's Manual is subject to a reduced rate for that resident. The
334.28 reduced rate shall be the lowest rate for that facility. The reduced rate is effective on the
334.29 day of admission for new admission assessments, on the ARD for significant change in
334.30 status assessments, or on the day that the assessment was due for all other assessments and
334.31 continues in effect until the first day of the month following the date of submission and
334.32 acceptance of the resident's assessment.

334.33 (b) If loss of revenue due to penalties incurred by a facility for any period of 92 days
334.34 are equal to or greater than 1.0 percent of the total operating costs on the facility's most
334.35 recent annual statistical and cost report, a facility may apply to the commissioner of
334.36 human services for a reduction in the total penalty amount. The commissioner of human

335.1 services, in consultation with the commissioner of health, may, at the sole discretion of
335.2 the commissioner of human services, limit the penalty for residents covered by medical
335.3 assistance to 15 days.

335.4 **Subd. 7. Notice of resident reimbursement classification.** (a) The commissioner
335.5 of health shall provide to a nursing facility a notice for each resident of the reimbursement
335.6 classification established under subdivision 1. The notice must inform the resident of the
335.7 classification that was assigned, the opportunity to review the documentation supporting
335.8 the classification, the opportunity to obtain clarification from the commissioner, and the
335.9 opportunity to request a reconsideration of the classification and the address and telephone
335.10 number of the Office of Ombudsman for Long-Term Care. The commissioner must
335.11 transmit the notice of resident classification by electronic means to the nursing facility.
335.12 A nursing facility is responsible for the distribution of the notice to each resident, to the
335.13 person responsible for the payment of the resident's nursing home expenses, or to another
335.14 person designated by the resident. This notice must be distributed within three working
335.15 days after the facility's receipt of the electronic file of notice of case mix classifications
335.16 from the commissioner of health.

335.17 (b) If a facility submits a modification to the most recent assessment used to establish
335.18 a case mix classification conducted under subdivision 3 that results in a change in case
335.19 mix classification, the facility shall give written notice to the resident or the resident's
335.20 representative about the item that was modified and the reason for the modification. The
335.21 notice of modified assessment may be provided at the same time that the resident or
335.22 resident's representative is provided the resident's modified notice of classification.

335.23 **Subd. 8. Request for reconsideration of resident classifications.** (a) The resident,
335.24 or resident's representative, or the nursing facility or boarding care home may request that
335.25 the commissioner of health reconsider the assigned reimbursement classification. The
335.26 request for reconsideration must be submitted in writing to the commissioner within
335.27 30 days of the day the resident or the resident's representative receives the resident
335.28 classification notice. The request for reconsideration must include the name of the
335.29 resident, the name and address of the facility in which the resident resides, the reasons
335.30 for the reconsideration, and documentation supporting the request. The documentation
335.31 accompanying the reconsideration request is limited to a copy of the MDS that determined
335.32 the classification and other documents that would support or change the MDS findings.

335.33 (b) Upon request, the nursing facility must give the resident or the resident's
335.34 representative a copy of the assessment form and the other documentation that was given
335.35 to the commissioner of health to support the assessment findings. The nursing facility
335.36 shall also provide access to and a copy of other information from the resident's record that

336.1 has been requested by or on behalf of the resident to support a resident's reconsideration
336.2 request. A copy of any requested material must be provided within three working days of
336.3 receipt of a written request for the information. Notwithstanding any law to the contrary,
336.4 the facility may not charge a fee for providing copies of the requested documentation.
336.5 If a facility fails to provide the material within this time, it is subject to the issuance
336.6 of a correction order and penalty assessment under sections 144.653 and 144A.10.
336.7 Notwithstanding those sections, any correction order issued under this subdivision must
336.8 require that the nursing facility immediately comply with the request for information and
336.9 that as of the date of the issuance of the correction order, the facility shall forfeit to the
336.10 state a \$100 fine for the first day of noncompliance, and an increase in the \$100 fine by
336.11 \$50 increments for each day the noncompliance continues.

336.12 (c) In addition to the information required under paragraphs (a) and (b), a
336.13 reconsideration request from a nursing facility must contain the following information: (i)
336.14 the date the reimbursement classification notices were received by the facility; (ii) the date
336.15 the classification notices were distributed to the resident or the resident's representative;
336.16 and (iii) a copy of a notice sent to the resident or to the resident's representative. This
336.17 notice must inform the resident or the resident's representative that a reconsideration
336.18 of the resident's classification is being requested, the reason for the request, that the
336.19 resident's rate will change if the request is approved by the commissioner, the extent of the
336.20 change, that copies of the facility's request and supporting documentation are available
336.21 for review, and that the resident also has the right to request a reconsideration. If the
336.22 facility fails to provide the required information listed in item (iii) with the reconsideration
336.23 request, the commissioner may request that the facility provide the information within 14
336.24 calendar days. The reconsideration request must be denied if the information is then not
336.25 provided, and the facility may not make further reconsideration requests on that specific
336.26 reimbursement classification.

336.27 (d) Reconsideration by the commissioner must be made by individuals not
336.28 involved in reviewing the assessment, audit, or reconsideration that established the
336.29 disputed classification. The reconsideration must be based upon the assessment that
336.30 determined the classification and upon the information provided to the commissioner
336.31 under paragraphs (a) and (b). If necessary for evaluating the reconsideration request, the
336.32 commissioner may conduct on-site reviews. Within 15 working days of receiving the
336.33 request for reconsideration, the commissioner shall affirm or modify the original resident
336.34 classification. The original classification must be modified if the commissioner determines
336.35 that the assessment resulting in the classification did not accurately reflect characteristics
336.36 of the resident at the time of the assessment. The resident and the nursing facility or

337.1 boarding care home shall be notified within five working days after the decision is made.
337.2 A decision by the commissioner under this subdivision is the final administrative decision
337.3 of the agency for the party requesting reconsideration.

337.4 (e) The resident classification established by the commissioner shall be the
337.5 classification that applies to the resident while the request for reconsideration is pending.
337.6 If a request for reconsideration applies to an assessment used to determine nursing facility
337.7 level of care under subdivision 4, paragraph (c), the resident shall continue to be eligible
337.8 for nursing facility level of care while the request for reconsideration is pending.

337.9 (f) The commissioner may request additional documentation regarding a
337.10 reconsideration necessary to make an accurate reconsideration determination.

337.11 Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident
337.12 assessments performed under section 256B.438 through any of the following: desk
337.13 audits; on-site review of residents and their records; and interviews with staff, residents,
337.14 or residents' families. The commissioner shall reclassify a resident if the commissioner
337.15 determines that the resident was incorrectly classified.

337.16 (b) The commissioner is authorized to conduct on-site audits on an unannounced
337.17 basis.

337.18 (c) A facility must grant the commissioner access to examine the medical records
337.19 relating to the resident assessments selected for audit under this subdivision. The
337.20 commissioner may also observe and speak to facility staff and residents.

337.21 (d) The commissioner shall consider documentation under the time frames for
337.22 coding items on the minimum data set as set out in the Long-Term Care Facility Resident
337.23 Assessment Instrument User's Manual published by the Centers for Medicare and
337.24 Medicaid Services.

337.25 (e) The commissioner shall develop an audit selection procedure that includes the
337.26 following factors:

337.27 (1) Each facility shall be audited annually. If a facility has two successive audits in
337.28 which the percentage of change is five percent or less and the facility has not been the
337.29 subject of a special audit in the past 36 months, the facility may be audited biannually.
337.30 A stratified sample of 15 percent, with a minimum of ten assessments, of the most
337.31 current assessments shall be selected for audit. If more than 20 percent of the RUG-IV
337.32 classifications are changed as a result of the audit, the audit shall be expanded to a second
337.33 15 percent sample, with a minimum of ten assessments. If the total change between
337.34 the first and second samples is 35 percent or greater, the commissioner may expand the
337.35 audit to all of the remaining assessments.

338.1 (2) If a facility qualifies for an expanded audit, the commissioner may audit the
338.2 facility again within six months. If a facility has two expanded audits within a 24-month
338.3 period, that facility will be audited at least every six months for the next 18 months.

338.4 (3) The commissioner may conduct special audits if the commissioner determines
338.5 that circumstances exist that could alter or affect the validity of case mix classifications of
338.6 residents. These circumstances include, but are not limited to, the following:

338.7 (i) frequent changes in the administration or management of the facility;

338.8 (ii) an unusually high percentage of residents in a specific case mix classification;

338.9 (iii) a high frequency in the number of reconsideration requests received from

338.10 a facility;

338.11 (iv) frequent adjustments of case mix classifications as the result of reconsiderations
338.12 or audits;

338.13 (v) a criminal indictment alleging provider fraud;

338.14 (vi) other similar factors that relate to a facility's ability to conduct accurate

338.15 assessments;

338.16 (vii) an atypical pattern of scoring minimum data set items;

338.17 (viii) nonsubmission of assessments;

338.18 (ix) late submission of assessments; or

338.19 (x) a previous history of audit changes of 35 percent or greater.

338.20 (f) Within 15 working days of completing the audit process, the commissioner shall
338.21 make available electronically the results of the audit to the facility. If the results of the
338.22 audit reflect a change in the resident's case mix classification, a case mix classification
338.23 notice will be made available electronically to the facility, using the procedure in
338.24 subdivision 7, paragraph (a). The notice must contain the resident's classification and a
338.25 statement informing the resident, the resident's authorized representative, and the facility
338.26 of their right to review the commissioner's documents supporting the classification and to
338.27 request a reconsideration of the classification. This notice must also include the address
338.28 and telephone number of the Office of Ombudsman for Long-Term Care.

338.29 Subd. 10. **Transition.** After implementation of this section, reconsiderations
338.30 requested for classifications made under section 144.0722, subdivision 1, shall be
338.31 determined under section 144.0722, subdivision 3.

338.32 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance
338.33 payment of long-term care services, a recipient must be determined, using assessments
338.34 defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

338.35 (1) the person requires formal clinical monitoring at least once per day;

339.1 (2) the person needs the assistance of another person or constant supervision to begin
339.2 and complete at least four of the following activities of living: bathing, bed mobility,
339.3 dressing, eating, grooming, toileting, transferring, and walking;

339.4 (3) the person needs the assistance of another person or constant supervision to begin
339.5 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

339.6 (4) the person has significant difficulty with memory, using information, daily
339.7 decision making, or behavioral needs that require intervention;

339.8 (5) the person has had a qualifying nursing facility stay of at least 90 days;

339.9 (6) the person meets the nursing facility level of care criteria determined 90 days
339.10 after admission or on the first quarterly assessment after admission, whichever is later; or

339.11 (7) the person is determined to be at risk for nursing facility admission or
339.12 readmission through a face-to-face long-term care consultation assessment as specified
339.13 in section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care
339.14 organization under contract with the Department of Human Services. The person is
339.15 considered at risk under this clause if the person currently lives alone or will live alone
339.16 upon discharge or be homeless without the person's current housing type and also meets
339.17 one of the following criteria:

339.18 (i) the person has experienced a fall resulting in a fracture;

339.19 (ii) the person has been determined to be at risk of maltreatment or neglect,
339.20 including self-neglect; or

339.21 (iii) the person has a sensory impairment that substantially impacts functional ability
339.22 and maintenance of a community residence.

339.23 (b) The assessment used to establish medical assistance payment for nursing facility
339.24 services must be the most recent assessment performed under subdivision 4, paragraph
339.25 (b), that occurred no more than 90 calendar days before the effective date of medical
339.26 assistance eligibility for payment of long-term care services. In no case shall medical
339.27 assistance payment for long-term care services occur prior to the date of the determination
339.28 of nursing facility level of care.

339.29 (c) The assessment used to establish medical assistance payment for long-term care
339.30 services provided under sections 256B.0915 and 256B.49 and alternative care payment
339.31 for services provided under section 256B.0913 must be the most recent face-to-face
339.32 assessment performed under section 256B.0911, subdivision 3a, 3b, or 4d, that occurred
339.33 no more than 60 calendar days before the effective date of medical assistance eligibility
339.34 for payment of long-term care services.

339.35 Subd. 12. **Appeal of nursing facility level of care determination.** (a) A resident or
339.36 prospective resident whose level of care determination results in a denial of long-term care

340.1 services can appeal the determination as outlined in section 256B.0911, subdivision 3a,
340.2 paragraph (h), clause (9).

340.3 (b) The commissioner of human services shall ensure that notice of changes in
340.4 eligibility due to a nursing facility level of care determination is provided to each affected
340.5 recipient or the recipient's guardian at least 30 days before the effective date of the change.

340.6 The notice shall include the following information:

340.7 (1) how to obtain further information on the changes;

340.8 (2) how to receive assistance in obtaining other services;

340.9 (3) a list of community resources; and

340.10 (4) appeal rights.

340.11 A recipient who meets the criteria in section 256B.0922, subdivision 2, paragraph (a),
340.12 clauses (1) and (2), may request continued services pending appeal within the time period
340.13 allowed to request an appeal under section 256.045, subdivision 3, paragraph (h). This
340.14 paragraph is in effect for appeals filed between January 1, 2015, and December 31, 2016.

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

340.16 Sec. 3. Minnesota Statutes 2013 Supplement, section 245.8251, is amended to read:

340.17 **245.8251 POSITIVE SUPPORT STRATEGIES AND EMERGENCY**
340.18 **MANUAL RESTRAINT; LICENSED FACILITIES AND PROGRAMS.**

340.19 Subdivision 1. **Rules governing the use of positive support strategies and**
340.20 **restricting or prohibiting restrictive interventions.** The commissioner of human
340.21 services shall, ~~within 24 months of May 23, 2013~~ by August 31, 2015, adopt rules
340.22 governing the use of positive support strategies, ~~safety interventions, and~~ emergency use
340.23 of manual restraint, and restricting or prohibiting the use of restrictive interventions, in
340.24 all facilities and services licensed under chapter 245D-, and in all licensed facilities and
340.25 licensed services serving persons with a developmental disability or related condition.
340.26 For the purposes of this section, "developmental disability or related condition" has the
340.27 meaning given in Minnesota Rules, part 9525.0016, subpart 2, items A to E.

340.28 Subd. 2. **Data collection.** (a) The commissioner shall, with stakeholder input,
340.29 ~~develop~~ identify data ~~collection~~ elements specific to incidents of emergency use of
340.30 manual restraint and positive support transition plans for persons receiving services from
340.31 ~~providers governed~~ licensed facilities and licensed services under chapter 245D and in
340.32 licensed facilities and licensed services serving persons with a developmental disability
340.33 or related condition as defined in Minnesota Rules, part 9525.0016, subpart 2, effective
340.34 January 1, 2014. ~~Providers~~ Licensed facilities and licensed services shall report the data in

341.1 a format and at a frequency determined by the commissioner of human services. ~~Providers~~
 341.2 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental
 341.3 Health and Developmental Disabilities.

341.4 (b) Beginning July 1, 2013, providers licensed facilities and licensed services
 341.5 regulated under Minnesota Rules, parts 9525.2700 to 9525.2810, shall submit data
 341.6 regarding the use of all controlled procedures identified in Minnesota Rules, part
 341.7 9525.2740, in a format and at a frequency determined by the commissioner. ~~Providers~~
 341.8 ~~shall submit the data~~ to the commissioner and the Office of the Ombudsman for Mental
 341.9 Health and Developmental Disabilities.

341.10 Subd. 3. External program review committee. Rules adopted according to this
 341.11 section shall establish requirements for an external program review committee appointed
 341.12 by the commissioner to monitor implementation of the rules and make recommendations
 341.13 to the commissioner about any needed policy changes after adoption of the rules.

341.14 Subd. 4. Interim review panel. (a) The commissioner shall establish an interim
 341.15 review panel by August 15, 2014, for the purpose of reviewing requests for emergency
 341.16 use of procedures that have been part of an approved positive support transition plan
 341.17 when necessary to protect a person from imminent risk of serious injury as defined in
 341.18 section 245.91, subdivision 6, due to self-injurious behavior. The panel must make
 341.19 recommendations to the commissioner to approve or deny these requests based on criteria
 341.20 to be established by the interim review panel. The interim review panel shall operate until
 341.21 the external program review committee is established as required under subdivision 3.

341.22 (b) Members of the interim review panel shall be selected based on their expertise
 341.23 and knowledge related to the use of positive support strategies as alternatives to the use
 341.24 of restrictive interventions. The commissioner shall seek input and recommendations in
 341.25 establishing the interim review panel. Members of the interim review panel shall include
 341.26 the following representatives:

341.27 (1) an expert in positive supports;

341.28 (2) a mental health professional, as defined in section 245.462;

341.29 (3) a licensed health professional as defined in section 245D.02, subdivision 14; and

341.30 (4) a representative of the Department of Health.

341.31 Sec. 4. Minnesota Statutes 2013 Supplement, section 245A.03, subdivision 7, is
 341.32 amended to read:

341.33 **Subd. 7. Licensing moratorium.** (a) The commissioner shall not issue an initial
 341.34 license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340,
 341.35 or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under

342.1 this chapter for a physical location that will not be the primary residence of the license
342.2 holder for the entire period of licensure. If a license is issued during this moratorium, and
342.3 the license holder changes the license holder's primary residence away from the physical
342.4 location of the foster care license, the commissioner shall revoke the license according
342.5 to section 245A.07. The commissioner shall not issue an initial license for a community
342.6 residential setting licensed under chapter 245D. Exceptions to the moratorium include:

342.7 (1) foster care settings that are required to be registered under chapter 144D;

342.8 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or
342.9 community residential setting licenses replacing adult foster care licenses in existence on
342.10 December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

342.11 (3) new foster care licenses or community residential setting licenses determined to
342.12 be needed by the commissioner under paragraph (b) for the closure of a nursing facility,
342.13 ICF/DD, or regional treatment center; restructuring of state-operated services that limits
342.14 the capacity of state-operated facilities; or allowing movement to the community for
342.15 people who no longer require the level of care provided in state-operated facilities as
342.16 provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

342.17 (4) new foster care licenses or community residential setting licenses determined
342.18 to be needed by the commissioner under paragraph (b) for persons requiring hospital
342.19 level care; or

342.20 (5) new foster care licenses or community residential setting licenses determined to
342.21 be needed by the commissioner for the transition of people from personal care assistance
342.22 to the home and community-based services.

342.23 (b) The commissioner shall determine the need for newly licensed foster care
342.24 homes or community residential settings as defined under this subdivision. As part of the
342.25 determination, the commissioner shall consider the availability of foster care capacity in
342.26 the area in which the licensee seeks to operate, and the recommendation of the local
342.27 county board. The determination by the commissioner must be final. A determination of
342.28 need is not required for a change in ownership at the same address.

342.29 (c) When an adult resident served by the program moves out of a foster home
342.30 that is not the primary residence of the license holder according to section 256B.49,
342.31 subdivision 15, paragraph (f), or the adult community residential setting, the county
342.32 shall immediately inform the Department of Human Services Licensing Division. The
342.33 department shall decrease the statewide licensed capacity for adult foster care settings
342.34 where the physical location is not the primary residence of the license holder, or for adult
342.35 community residential settings, if the voluntary changes described in paragraph (e) are
342.36 not sufficient to meet the savings required by reductions in licensed bed capacity under

343.1 Laws 2011, First Special Session chapter 9, article 7, sections 1 and 40, paragraph (f),
343.2 and maintain statewide long-term care residential services capacity within budgetary
343.3 limits. Implementation of the statewide licensed capacity reduction shall begin on July
343.4 1, 2013. The commissioner shall delicense up to 128 beds by June 30, 2014, using the
343.5 needs determination process. Prior to any involuntary reduction of licensed capacity, the
343.6 commissioner shall consult with lead agencies and license holders to determine which
343.7 adult foster care settings where the physical location is not the primary residence of the
343.8 license holder, or community residential settings, are licensed for up to five beds but have
343.9 operated at less than full capacity for 12 or more months as of March 1, 2014. The settings
343.10 that meet these criteria shall be the first to be considered for any involuntary decrease
343.11 in statewide licensed capacity, up to a maximum of 35 beds. If more than 35 beds are
343.12 identified that meet these criteria, the commissioner shall prioritize the selection of those
343.13 beds to be closed based on the length of time the beds have been vacant. The longer a bed
343.14 has been vacant, the higher priority it must be given for closure. Under this paragraph,
343.15 the commissioner has the authority to reduce unused licensed capacity of a current foster
343.16 care program, or the community residential settings, to accomplish the consolidation or
343.17 closure of settings. Under this paragraph, the commissioner has the authority to manage
343.18 statewide capacity, including adjusting the capacity available to each county and adjusting
343.19 statewide available capacity, to meet the statewide needs identified through the process in
343.20 paragraph (e). A decreased licensed capacity according to this paragraph is not subject to
343.21 appeal under this chapter.

343.22 (d) Residential settings that would otherwise be subject to the decreased license
343.23 capacity established in paragraph (c) shall be exempt under the following circumstances:

343.24 (1) until August 1, 2013, the license holder's beds occupied by residents whose
343.25 primary diagnosis is mental illness and the license holder is:

343.26 (i) a provider of assertive community treatment (ACT) or adult rehabilitative mental
343.27 health services (ARMHS) as defined in section 256B.0623;

343.28 (ii) a mental health center certified under Minnesota Rules, parts 9520.0750 to
343.29 9520.0870;

343.30 (iii) a mental health clinic certified under Minnesota Rules, parts 9520.0750 to
343.31 9520.0870; or

343.32 (iv) a provider of intensive residential treatment services (IRTS) licensed under
343.33 Minnesota Rules, parts 9520.0500 to 9520.0670; or

343.34 (2) the license holder's beds occupied by residents whose primary diagnosis is
343.35 mental illness and the license holder is certified under the requirements in subdivision 6a
343.36 or section 245D.33.

344.1 (e) A resource need determination process, managed at the state level, using the
344.2 available reports required by section 144A.351, and other data and information shall
344.3 be used to determine where the reduced capacity required under paragraph (c) will be
344.4 implemented. The commissioner shall consult with the stakeholders described in section
344.5 144A.351, and employ a variety of methods to improve the state's capacity to meet
344.6 long-term care service needs within budgetary limits, including seeking proposals from
344.7 service providers or lead agencies to change service type, capacity, or location to improve
344.8 services, increase the independence of residents, and better meet needs identified by the
344.9 long-term care services reports and statewide data and information. By February 1, 2013,
344.10 and August 1, 2014, and each following year, the commissioner shall provide information
344.11 and data on the overall capacity of licensed long-term care services, actions taken under
344.12 this subdivision to manage statewide long-term care services and supports resources, and
344.13 any recommendations for change to the legislative committees with jurisdiction over
344.14 health and human services budget.

344.15 (f) At the time of application and reapplication for licensure, the applicant and the
344.16 license holder that are subject to the moratorium or an exclusion established in paragraph
344.17 (a) are required to inform the commissioner whether the physical location where the foster
344.18 care will be provided is or will be the primary residence of the license holder for the entire
344.19 period of licensure. If the primary residence of the applicant or license holder changes, the
344.20 applicant or license holder must notify the commissioner immediately. The commissioner
344.21 shall print on the foster care license certificate whether or not the physical location is the
344.22 primary residence of the license holder.

344.23 (g) License holders of foster care homes identified under paragraph (f) that are not
344.24 the primary residence of the license holder and that also provide services in the foster care
344.25 home that are covered by a federally approved home and community-based services
344.26 waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the
344.27 human services licensing division that the license holder provides or intends to provide
344.28 these waiver-funded services.

344.29 Sec. 5. Minnesota Statutes 2013 Supplement, section 245A.042, subdivision 3, is
344.30 amended to read:

344.31 Subd. 3. **Implementation.** (a) The commissioner shall implement the
344.32 responsibilities of this chapter according to the timelines in paragraphs (b) and (c)
344.33 only within the limits of available appropriations or other administrative cost recovery
344.34 methodology.

345.1 (b) The licensure of home and community-based services according to this section
345.2 shall be implemented January 1, 2014. License applications shall be received and
345.3 processed on a phased-in schedule as determined by the commissioner beginning July
345.4 1, 2013. Licenses will be issued thereafter upon the commissioner's determination that
345.5 the application is complete according to section 245A.04.

345.6 (c) Within the limits of available appropriations or other administrative cost recovery
345.7 methodology, implementation of compliance monitoring must be phased in after January
345.8 1, 2014.

345.9 (1) Applicants who do not currently hold a license issued under chapter 245B must
345.10 receive an initial compliance monitoring visit after 12 months of the effective date of the
345.11 initial license for the purpose of providing technical assistance on how to achieve and
345.12 maintain compliance with the applicable law or rules governing the provision of home and
345.13 community-based services under chapter 245D. If during the review the commissioner
345.14 finds that the license holder has failed to achieve compliance with an applicable law or
345.15 rule and this failure does not imminently endanger the health, safety, or rights of the
345.16 persons served by the program, the commissioner may issue a licensing review report with
345.17 recommendations for achieving and maintaining compliance.

345.18 (2) Applicants who do currently hold a license issued under this chapter must receive
345.19 a compliance monitoring visit after 24 months of the effective date of the initial license.

345.20 (d) Nothing in this subdivision shall be construed to limit the commissioner's
345.21 authority to suspend or revoke a license or issue a fine at any time under section 245A.07,
345.22 or issue correction orders and make a license conditional for failure to comply with
345.23 applicable laws or rules under section 245A.06, based on the nature, chronicity, or severity
345.24 of the violation of law or rule and the effect of the violation on the health, safety, or
345.25 rights of persons served by the program.

345.26 (e) License holders governed under chapter 245D must ensure compliance with the
345.27 following requirements within the stated timelines:

345.28 (1) service initiation and service planning requirements must be met at the next
345.29 annual meeting of the person's support team or by January 1, 2015, whichever is later,
345.30 for the following:

345.31 (i) provision of a written notice that identifies the service recipient rights and an
345.32 explanation of those rights as required under section 245D.04, subdivision 1;

345.33 (ii) service planning for basic support services as required under section 245D.07,
345.34 subdivision 2; and

345.35 (iii) service planning for intensive support services under section 245D.071,
345.36 subdivisions 3 and 4;

346.1 (2) staff orientation to program requirements as required under section 245D.09,
346.2 subdivision 4, for staff hired before January 1, 2014, must be met by January 1, 2015.
346.3 The license holder may otherwise provide documentation verifying these requirements
346.4 were met before January 1, 2014;

346.5 (3) development of policy and procedures as required under section 245D.11, must
346.6 be completed no later than August 31, 2014;

346.7 (4) written or electronic notice and copies of policies and procedures must be
346.8 provided to all persons or their legal representatives and case managers as required under
346.9 section 245D.10, subdivision 4, paragraphs (b) and (c), by September 15, 2014, or within
346.10 30 days of development of the required policies and procedures, whichever is earlier; and

346.11 (5) all employees must be informed of the revisions and training must be provided on
346.12 implementation of the revised policies and procedures as required under section 245D.10,
346.13 subdivision 4, paragraph (d), by September 15, 2014, or within 30 days of development of
346.14 the required policies and procedures, whichever is earlier.

346.15 Sec. 6. Minnesota Statutes 2013 Supplement, section 245A.16, subdivision 1, is
346.16 amended to read:

346.17 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and
346.18 private agencies that have been designated or licensed by the commissioner to perform
346.19 licensing functions and activities under section 245A.04 and background studies for family
346.20 child care under chapter 245C; to recommend denial of applicants under section 245A.05;
346.21 to issue correction orders, to issue variances, and recommend a conditional license under
346.22 section 245A.06, or to recommend suspending or revoking a license or issuing a fine under
346.23 section 245A.07, shall comply with rules and directives of the commissioner governing
346.24 those functions and with this section. The following variances are excluded from the
346.25 delegation of variance authority and may be issued only by the commissioner:

346.26 (1) dual licensure of family child care and child foster care, dual licensure of child
346.27 and adult foster care, and adult foster care and family child care;

346.28 (2) adult foster care maximum capacity;

346.29 (3) adult foster care minimum age requirement;

346.30 (4) child foster care maximum age requirement;

346.31 (5) variances regarding disqualified individuals except that county agencies may
346.32 issue variances under section 245C.30 regarding disqualified individuals when the county
346.33 is responsible for conducting a consolidated reconsideration according to sections 245C.25
346.34 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination
346.35 and a disqualification based on serious or recurring maltreatment;

347.1 (6) the required presence of a caregiver in the adult foster care residence during
347.2 normal sleeping hours; and

347.3 (7) variances for community residential setting licenses under chapter 245D.

347.4 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency
347.5 must not grant a license holder a variance to exceed the maximum allowable family child
347.6 care license capacity of 14 children.

347.7 (b) County agencies must report information about disqualification reconsiderations
347.8 under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances
347.9 granted under paragraph (a), clause (5), to the commissioner at least monthly in a format
347.10 prescribed by the commissioner.

347.11 (c) For family day care programs, the commissioner may authorize licensing reviews
347.12 every two years after a licensee has had at least one annual review.

347.13 (d) For family adult day services programs, the commissioner may authorize
347.14 licensing reviews every two years after a licensee has had at least one annual review.

347.15 (e) A license issued under this section may be issued for up to two years.

347.16 (f) During implementation of chapter 245D, the commissioner shall consider:

347.17 (1) the role of counties in quality assurance;

347.18 (2) the duties of county licensing staff; and

347.19 (3) the possible use of joint powers agreements, according to section 471.59, with
347.20 counties through which some licensing duties under chapter 245D may be delegated by
347.21 the commissioner to the counties.

347.22 Any consideration related to this paragraph must meet all of the requirements of the
347.23 corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

347.24 (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
347.25 successor provisions; and section 245D.061 or successor provisions, for family child
347.26 foster care programs providing out-of-home respite, as identified in section 245D.03,
347.27 subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority
347.28 to county and private agencies.

347.29 Sec. 7. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 3, is
347.30 amended to read:

347.31 Subd. 3. **Case manager.** "Case manager" means the individual designated
347.32 to provide waiver case management services, care coordination, or long-term care
347.33 consultation, as specified in sections 256B.0913, 256B.0915, 256B.092, and 256B.49,
347.34 or successor provisions. For purposes of this chapter, "case manager" includes case
347.35 management services as defined in Minnesota Rules, part 9520.0902, subpart 3.

348.1 Sec. 8. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 4b, is
348.2 amended to read:

348.3 Subd. 4b. **Coordinated service and support plan.** "Coordinated service and
348.4 support plan" has the meaning given in sections 256B.0913, subdivision 8; 256B.0915,
348.5 subdivision 6; 256B.092, subdivision 1b; and 256B.49, subdivision 15, or successor
348.6 provisions. For purposes of this chapter, "coordinated service and support plan" includes
348.7 the individual program plan or individual treatment plan as defined in Minnesota Rules,
348.8 part 9520.0510, subpart 12.

348.9 Sec. 9. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 8b, is
348.10 amended to read:

348.11 Subd. 8b. **Expanded support team.** "Expanded support team" means the members
348.12 of the support team defined in subdivision ~~46~~ 34 and a licensed health or mental health
348.13 professional or other licensed, certified, or qualified professionals or consultants working
348.14 with the person and included in the team at the request of the person or the person's legal
348.15 representative.

348.16 Sec. 10. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 11,
348.17 is amended to read:

348.18 Subd. 11. **Incident.** "Incident" means an occurrence which involves a person and
348.19 requires the program to make a response that is not a part of the program's ordinary
348.20 provision of services to that person, and includes:

348.21 (1) serious injury of a person as determined by section 245.91, subdivision 6;

348.22 (2) a person's death;

348.23 (3) any medical emergency, unexpected serious illness, or significant unexpected
348.24 change in an illness or medical condition of a person that requires the program to call
348.25 911, physician treatment, or hospitalization;

348.26 (4) any mental health crisis that requires the program to call 911 ~~or~~ a mental
348.27 health crisis intervention team, or a similar mental health response team or service when
348.28 available and appropriate;

348.29 (5) an act or situation involving a person that requires the program to call 911,
348.30 law enforcement, or the fire department;

348.31 (6) a person's unauthorized or unexplained absence from a program;

348.32 (7) conduct by a person receiving services against another person receiving services
348.33 that:

- 349.1 (i) is so severe, pervasive, or objectively offensive that it substantially interferes with
349.2 a person's opportunities to participate in or receive service or support;
- 349.3 (ii) places the person in actual and reasonable fear of harm;
- 349.4 (iii) places the person in actual and reasonable fear of damage to property of the
349.5 person; or
- 349.6 (iv) substantially disrupts the orderly operation of the program;
- 349.7 (8) any sexual activity between persons receiving services involving force or
349.8 coercion as defined under section 609.341, subdivisions 3 and 14;
- 349.9 (9) any emergency use of manual restraint as identified in section 245D.061 or
349.10 successor provisions; or
- 349.11 (10) a report of alleged or suspected child or vulnerable adult maltreatment under
349.12 section 626.556 or 626.557.

349.13 Sec. 11. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 15b,
349.14 is amended to read:

349.15 Subd. 15b. **Mechanical restraint.** (a) Except for devices worn by the person that
349.16 trigger electronic alarms to warn staff that a person is leaving a room or area, which
349.17 do not, in and of themselves, restrict freedom of movement, or the use of adaptive aids
349.18 or equipment or orthotic devices ordered by a health care professional used to treat or
349.19 manage a medical condition, "Mechanical restraint" means the use of devices, materials,
349.20 or equipment attached or adjacent to the person's body, or the use of practices that are
349.21 intended to restrict freedom of movement or normal access to one's body or body parts,
349.22 or limits a person's voluntary movement or holds a person immobile as an intervention
349.23 precipitated by a person's behavior. The term applies to the use of mechanical restraint
349.24 used to prevent injury with persons who engage in self-injurious behaviors, such as
349.25 head-banging, gouging, or other actions resulting in tissue damage that have caused or
349.26 could cause medical problems resulting from the self-injury.

349.27 (b) Mechanical restraint does not include the following:

349.28 (1) devices worn by the person that trigger electronic alarms to warn staff that a
349.29 person is leaving a room or area, which do not, in and of themselves, restrict freedom of
349.30 movement; or

349.31 (2) the use of adaptive aids or equipment or orthotic devices ordered by a health care
349.32 professional used to treat or manage a medical condition.

349.33 Sec. 12. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 29,
349.34 is amended to read:

350.1 Subd. 29. **Seclusion.** "Seclusion" means ~~the placement of a person alone in:~~ (1)
350.2 removing a person involuntarily to a room from which exit is prohibited by a staff person
350.3 or a mechanism such as a lock, a device, or an object positioned to hold the door closed
350.4 or otherwise prevent the person from leaving the room; or (2) otherwise involuntarily
350.5 removing or separating a person from an area, activity, situation, or social contact with
350.6 others and blocking or preventing the person's return.

350.7 Sec. 13. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34,
350.8 is amended to read:

350.9 Subd. 34. **Support team.** "Support team" means the service planning team
350.10 identified in section 256B.49, subdivision 15, ~~or~~ the interdisciplinary team identified in
350.11 Minnesota Rules, part 9525.0004, subpart 14; or the case management team as defined in
350.12 Minnesota Rules, part 9520.0902, subpart 6.

350.13 Sec. 14. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 34a,
350.14 is amended to read:

350.15 Subd. 34a. **Time out.** "Time out" means ~~removing a person involuntarily from an~~
350.16 ~~ongoing activity to a room, either locked or unlocked, or otherwise separating a person~~
350.17 ~~from others in a way that prevents social contact and prevents the person from leaving the~~
350.18 ~~situation if the person chooses~~ the involuntary removal of a person for a period of time to
350.19 a designated area from which the person is not prevented from leaving. For the purpose of
350.20 this chapter, "time out" does not mean voluntary removal or self-removal for the purpose
350.21 of calming, prevention of escalation, or de-escalation of behavior ~~for a period of up to 15~~
350.22 ~~minutes.~~ "Time out" ~~does not include a person voluntarily moving from an ongoing activity~~
350.23 ~~to an unlocked room or otherwise separating from a situation or social contact with others~~
350.24 ~~if the person chooses.~~ For the purposes of this definition, "voluntarily" means without
350.25 ~~being forced, compelled, or coerced;~~ nor does it mean taking a brief "break" or "rest" from
350.26 an activity for the purpose of providing the person an opportunity to regain self-control.

350.27 Sec. 15. Minnesota Statutes 2013 Supplement, section 245D.02, is amended by adding
350.28 a subdivision to read:

350.29 Subd. 35b. **Unlicensed staff.** "Unlicensed staff" means individuals not otherwise
350.30 licensed or certified by a governmental health board or agency.

350.31 Sec. 16. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 1, is
350.32 amended to read:

351.1 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of
351.2 home and community-based services to persons with disabilities and persons age 65 and
351.3 older pursuant to this chapter. The licensing standards in this chapter govern the provision
351.4 of basic support services and intensive support services.

351.5 (b) Basic support services provide the level of assistance, supervision, and care that
351.6 is necessary to ensure the health and safety of the person and do not include services that
351.7 are specifically directed toward the training, treatment, habilitation, or rehabilitation of
351.8 the person. Basic support services include:

351.9 (1) in-home and out-of-home respite care services as defined in section 245A.02,
351.10 subdivision 15, and under the brain injury, community alternative care, community
351.11 alternatives for disabled individuals, developmental disability, and elderly waiver plans,
351.12 excluding out-of-home respite care provided to children in a family child foster care home
351.13 licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care
351.14 license holder complies with the requirements under section 245D.06, subdivisions 5, 6,
351.15 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which
351.16 must be stipulated in the statement of intended use required under Minnesota Rules,
351.17 part 2960.3000, subpart 4;

351.18 (2) adult companion services as defined under the brain injury, community
351.19 alternatives for disabled individuals, and elderly waiver plans, excluding adult companion
351.20 services provided under the Corporation for National and Community Services Senior
351.21 Companion Program established under the Domestic Volunteer Service Act of 1973,
351.22 Public Law 98-288;

351.23 (3) personal support as defined under the developmental disability waiver plan;

351.24 (4) 24-hour emergency assistance, personal emergency response as defined under the
351.25 community alternatives for disabled individuals and developmental disability waiver plans;

351.26 (5) night supervision services as defined under the brain injury waiver plan; and

351.27 (6) homemaker services as defined under the community alternatives for disabled
351.28 individuals, brain injury, community alternative care, developmental disability, and elderly
351.29 waiver plans, excluding providers licensed by the Department of Health under chapter
351.30 144A and those providers providing cleaning services only.

351.31 (c) Intensive support services provide assistance, supervision, and care that is
351.32 necessary to ensure the health and safety of the person and services specifically directed
351.33 toward the training, habilitation, or rehabilitation of the person. Intensive support services
351.34 include:

351.35 (1) intervention services, including:

- 352.1 (i) behavioral support services as defined under the brain injury and community
 352.2 alternatives for disabled individuals waiver plans;
- 352.3 (ii) in-home or out-of-home crisis respite services as defined under the developmental
 352.4 disability waiver plan; and
- 352.5 (iii) specialist services as defined under the current developmental disability waiver
 352.6 plan;
- 352.7 (2) in-home support services, including:
- 352.8 (i) in-home family support and supported living services as defined under the
 352.9 developmental disability waiver plan;
- 352.10 (ii) independent living services training as defined under the brain injury and
 352.11 community alternatives for disabled individuals waiver plans; and
- 352.12 (iii) semi-independent living services;
- 352.13 (3) residential supports and services, including:
- 352.14 (i) supported living services as defined under the developmental disability waiver
 352.15 plan provided in a family or corporate child foster care residence, a family adult foster
 352.16 care residence, a community residential setting, or a supervised living facility;
- 352.17 (ii) foster care services as defined in the brain injury, community alternative care,
 352.18 and community alternatives for disabled individuals waiver plans provided in a family or
 352.19 corporate child foster care residence, a family adult foster care residence, or a community
 352.20 residential setting; and
- 352.21 (iii) residential services provided to more than four persons with developmental
 352.22 disabilities in a supervised living facility ~~that is certified by the Department of Health as~~
 352.23 ~~an ICF/DD~~, including ICFs/DD;
- 352.24 (4) day services, including:
- 352.25 (i) structured day services as defined under the brain injury waiver plan;
- 352.26 (ii) day training and habilitation services under sections 252.40 to 252.46, and as
 352.27 defined under the developmental disability waiver plan; and
- 352.28 (iii) prevocational services as defined under the brain injury and community
 352.29 alternatives for disabled individuals waiver plans; and
- 352.30 (5) supported employment as defined under the brain injury, developmental
 352.31 disability, and community alternatives for disabled individuals waiver plans.

352.32 Sec. 17. Minnesota Statutes 2013 Supplement, section 245D.03, is amended by adding
 352.33 a subdivision to read:

352.34 Subd. 1a. **Effect.** The home and community-based services standards establish
 352.35 health, safety, welfare, and rights protections for persons receiving services governed by

353.1 this chapter. The standards recognize the diversity of persons receiving these services and
353.2 require that these services are provided in a manner that meets each person's individual
353.3 needs and ensures continuity in service planning, care, and coordination between the
353.4 license holder and members of each person's support team or expanded support team.

353.5 Sec. 18. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 2, is
353.6 amended to read:

353.7 Subd. 2. **Relationship to other standards governing home and community-based**
353.8 **services.** (a) A license holder governed by this chapter is also subject to the licensure
353.9 requirements under chapter 245A.

353.10 (b) ~~A corporate or family child foster care site controlled by a license holder and~~
353.11 ~~providing services governed by this chapter is exempt from compliance with section~~
353.12 ~~245D.04. This exemption applies to foster care homes where at least one resident is~~
353.13 ~~receiving residential supports and services licensed according to this chapter. This chapter~~
353.14 ~~does not apply to corporate or family child foster care homes that do not provide services~~
353.15 ~~licensed under this chapter.~~

353.16 (c) A family adult foster care site controlled by a license holder and providing
353.17 services governed by this chapter is exempt from compliance with Minnesota Rules,
353.18 parts 9555.6185; 9555.6225, subpart 8; 9555.6245; 9555.6255; and 9555.6265. These
353.19 exemptions apply to family adult foster care homes where at least one resident is receiving
353.20 residential supports and services licensed according to this chapter. This chapter does
353.21 not apply to family adult foster care homes that do not provide services licensed under
353.22 this chapter.

353.23 (d) A license holder providing services licensed according to this chapter in a
353.24 supervised living facility is exempt from compliance with ~~sections~~ section 245D.04;
353.25 ~~245D.05, subdivision 2; and 245D.06, subdivision 2, clauses (1), (4), and (5).~~

353.26 (e) A license holder providing residential services to persons in an ICF/DD is exempt
353.27 from compliance with sections 245D.04; 245D.05, subdivision 1b; 245D.06, subdivision
353.28 2, clauses (4) and (5); 245D.071, subdivisions 4 and 5; 245D.081, subdivision 2; 245D.09,
353.29 subdivision 7; 245D.095, subdivision 2; and 245D.11, subdivision 3.

353.30 (f) A license holder providing homemaker services licensed according to this chapter
353.31 and registered according to chapter 144A is exempt from compliance with section 245D.04.

353.32 (g) Nothing in this chapter prohibits a license holder from concurrently serving
353.33 persons without disabilities or people who are or are not age 65 and older, provided this
353.34 chapter's standards are met as well as other relevant standards.

354.1 (h) The documentation required under sections 245D.07 and 245D.071 must meet
354.2 the individual program plan requirements identified in section 256B.092 or successor
354.3 provisions.

354.4 Sec. 19. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 3, is
354.5 amended to read:

354.6 Subd. 3. **Variance.** If the conditions in section 245A.04, subdivision 9, are met,
354.7 the commissioner may grant a variance to any of the requirements in this chapter, except
354.8 sections 245D.04; 245D.06, subdivision 4, paragraph (b), and subdivision 6, or successor
354.9 provisions; and ~~245D.061, subdivision 3, or~~ provisions governing data practices and
354.10 information rights of persons.

354.11 Sec. 20. Minnesota Statutes 2013 Supplement, section 245D.04, subdivision 3, is
354.12 amended to read:

354.13 Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include
354.14 the right to:

354.15 (1) have personal, financial, service, health, and medical information kept private,
354.16 and be advised of disclosure of this information by the license holder;

354.17 (2) access records and recorded information about the person in accordance with
354.18 applicable state and federal law, regulation, or rule;

354.19 (3) be free from maltreatment;

354.20 (4) be free from restraint, time out, ~~or~~ seclusion, restrictive intervention, or other
354.21 prohibited procedure identified in section 245D.06, subdivision 5, or successor provisions,

354.22 except for: (i) emergency use of manual restraint to protect the person from imminent
354.23 danger to self or others according to the requirements in section ~~245D.06~~; 245D.061 or

354.24 successor provisions; or (ii) the use of safety interventions as part of a positive support
354.25 transition plan under section 245D.06, subdivision 8, or successor provisions;

354.26 (5) receive services in a clean and safe environment when the license holder is the
354.27 owner, lessor, or tenant of the service site;

354.28 (6) be treated with courtesy and respect and receive respectful treatment of the
354.29 person's property;

354.30 (7) reasonable observance of cultural and ethnic practice and religion;

354.31 (8) be free from bias and harassment regarding race, gender, age, disability,
354.32 spirituality, and sexual orientation;

355.1 (9) be informed of and use the license holder's grievance policy and procedures,
355.2 including knowing how to contact persons responsible for addressing problems and to
355.3 appeal under section 256.045;

355.4 (10) know the name, telephone number, and the Web site, e-mail, and street
355.5 addresses of protection and advocacy services, including the appropriate state-appointed
355.6 ombudsman, and a brief description of how to file a complaint with these offices;

355.7 (11) assert these rights personally, or have them asserted by the person's family,
355.8 authorized representative, or legal representative, without retaliation;

355.9 (12) give or withhold written informed consent to participate in any research or
355.10 experimental treatment;

355.11 (13) associate with other persons of the person's choice;

355.12 (14) personal privacy; and

355.13 (15) engage in chosen activities.

355.14 (b) For a person residing in a residential site licensed according to chapter 245A,
355.15 or where the license holder is the owner, lessor, or tenant of the residential service site,
355.16 protection-related rights also include the right to:

355.17 (1) have daily, private access to and use of a non-coin-operated telephone for local
355.18 calls and long-distance calls made collect or paid for by the person;

355.19 (2) receive and send, without interference, uncensored, unopened mail or electronic
355.20 correspondence or communication;

355.21 (3) have use of and free access to common areas in the residence; and

355.22 (4) privacy for visits with the person's spouse, next of kin, legal counsel, religious
355.23 advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including
355.24 privacy in the person's bedroom.

355.25 (c) Restriction of a person's rights under ~~subdivision 2, clause (10), or paragraph (a),~~
355.26 clauses (13) to (15), or paragraph (b) is allowed only if determined necessary to ensure
355.27 the health, safety, and well-being of the person. Any restriction of those rights must be
355.28 documented in the person's coordinated service and support plan or coordinated service
355.29 and support plan addendum. The restriction must be implemented in the least restrictive
355.30 alternative manner necessary to protect the person and provide support to reduce or
355.31 eliminate the need for the restriction in the most integrated setting and inclusive manner.
355.32 The documentation must include the following information:

355.33 (1) the justification for the restriction based on an assessment of the person's
355.34 vulnerability related to exercising the right without restriction;

355.35 (2) the objective measures set as conditions for ending the restriction;

356.1 (3) a schedule for reviewing the need for the restriction based on the conditions
356.2 for ending the restriction to occur semiannually from the date of initial approval, at a
356.3 minimum, or more frequently if requested by the person, the person's legal representative,
356.4 if any, and case manager; and

356.5 (4) signed and dated approval for the restriction from the person, or the person's
356.6 legal representative, if any. A restriction may be implemented only when the required
356.7 approval has been obtained. Approval may be withdrawn at any time. If approval is
356.8 withdrawn, the right must be immediately and fully restored.

356.9 Sec. 21. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1, is
356.10 amended to read:

356.11 Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting
356.12 health service needs assigned in the coordinated service and support plan or the
356.13 coordinated service and support plan addendum, consistent with the person's health needs.
356.14 The license holder is responsible for promptly notifying the person's legal representative,
356.15 if any, and the case manager of changes in a person's physical and mental health needs
356.16 affecting health service needs assigned to the license holder in the coordinated service and
356.17 support plan or the coordinated service and support plan addendum, when discovered by
356.18 the license holder, unless the license holder has reason to know the change has already
356.19 been reported. The license holder must document when the notice is provided.

356.20 (b) If responsibility for meeting the person's health service needs has been assigned
356.21 to the license holder in the coordinated service and support plan or the coordinated service
356.22 and support plan addendum, the license holder must maintain documentation on how the
356.23 person's health needs will be met, including a description of the procedures the license
356.24 holder will follow in order to:

356.25 (1) provide medication setup, assistance, or ~~medication~~ administration according
356.26 to this chapter. Unlicensed staff responsible for medication setup or medication
356.27 administration under this section must complete training according to section 245D.09,
356.28 subdivision 4a, paragraph (d);

356.29 (2) monitor health conditions according to written instructions from a licensed
356.30 health professional;

356.31 (3) assist with or coordinate medical, dental, and other health service appointments; or

356.32 (4) use medical equipment, devices, or adaptive aides or technology safely and
356.33 correctly according to written instructions from a licensed health professional.

357.1 Sec. 22. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1a,
357.2 is amended to read:

357.3 Subd. 1a. **Medication setup.** (a) For the purposes of this subdivision, "medication
357.4 setup" means the arranging of medications according to instructions from the pharmacy,
357.5 the prescriber, or a licensed nurse, for later administration when the license holder
357.6 is assigned responsibility for medication assistance or medication administration in
357.7 the coordinated service and support plan or the coordinated service and support plan
357.8 addendum. A prescription label or the prescriber's written or electronically recorded order
357.9 for the prescription is sufficient to constitute written instructions from the prescriber.

357.10 (b) If responsibility for medication setup is assigned to the license holder in
357.11 the coordinated service and support plan or the coordinated service and support plan
357.12 addendum, or if the license holder provides it as part of medication assistance or
357.13 medication administration, the license holder must document in the person's medication
357.14 administration record: dates of setup, name of medication, quantity of dose, times to be
357.15 administered, and route of administration at time of setup; and, when the person will be
357.16 away from home, to whom the medications were given.

357.17 Sec. 23. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1b,
357.18 is amended to read:

357.19 Subd. 1b. **Medication assistance.** (a) For purposes of this subdivision, "medication
357.20 assistance" means any of the following:

357.21 (1) bringing to the person and opening a container of previously set up medications,
357.22 emptying the container into the person's hand, or opening and giving the medications in
357.23 the original container to the person under the direction of the person;

357.24 (2) bringing to the person liquids or food to accompany the medication; or

357.25 (3) providing reminders to take regularly scheduled medication or perform regularly
357.26 scheduled treatments and exercises.

357.27 (b) If responsibility for medication assistance is assigned to the license holder
357.28 in the coordinated service and support plan or the coordinated service and support
357.29 plan addendum, the license holder must ensure that the requirements of subdivision 2,
357.30 paragraph (b), have been met when staff provides medication assistance to enable is
357.31 provided in a manner that enables a person to self-administer medication or treatment
357.32 when the person is capable of directing the person's own care, or when the person's legal
357.33 representative is present and able to direct care for the person. For the purposes of this
357.34 subdivision, "medication assistance" means any of the following:

358.1 ~~(1) bringing to the person and opening a container of previously set up medications,~~
358.2 ~~emptying the container into the person's hand, or opening and giving the medications in~~
358.3 ~~the original container to the person;~~

358.4 ~~(2) bringing to the person liquids or food to accompany the medication; or~~

358.5 ~~(3) providing reminders to take regularly scheduled medication or perform regularly~~
358.6 ~~scheduled treatments and exercises.~~

358.7 Sec. 24. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 2, is
358.8 amended to read:

358.9 Subd. 2. **Medication administration.** ~~(a) If responsibility for medication~~
358.10 ~~administration is assigned to the license holder in the coordinated service and support~~
358.11 ~~plan or the coordinated service and support plan addendum, the license holder must~~
358.12 ~~implement the following medication administration procedures to ensure a person takes~~
358.13 ~~medications and treatments as prescribed~~ For purposes of this subdivision, "medication
358.14 administration" means:

358.15 (1) checking the person's medication record;

358.16 (2) preparing the medication as necessary;

358.17 (3) administering the medication or treatment to the person;

358.18 (4) documenting the administration of the medication or treatment or the reason for
358.19 not administering the medication or treatment; and

358.20 (5) reporting to the prescriber or a nurse any concerns about the medication or
358.21 treatment, including side effects, effectiveness, or a pattern of the person refusing to
358.22 take the medication or treatment as prescribed. Adverse reactions must be immediately
358.23 reported to the prescriber or a nurse.

358.24 (b)(1) If responsibility for medication administration is assigned to the license holder
358.25 in the coordinated service and support plan or the coordinated service and support plan
358.26 addendum, the license holder must implement medication administration procedures
358.27 to ensure a person takes medications and treatments as prescribed. The license holder
358.28 must ensure that the requirements in clauses ~~(2) to (4)~~ and (3) have been met before
358.29 administering medication or treatment.

358.30 (2) The license holder must obtain written authorization from the person or the
358.31 person's legal representative to administer medication or treatment and must obtain
358.32 reauthorization annually as needed. This authorization shall remain in effect unless it is
358.33 withdrawn in writing and may be withdrawn at any time. If the person or the person's
358.34 legal representative refuses to authorize the license holder to administer medication, the

359.1 medication must not be administered. The refusal to authorize medication administration
359.2 must be reported to the prescriber as expeditiously as possible.

359.3 ~~(3) The staff person responsible for administering the medication or treatment must~~
359.4 ~~complete medication administration training according to section 245D.09, subdivision~~
359.5 ~~4a, paragraphs (a) and (c), and, as applicable to the person, paragraph (d).~~

359.6 ~~(4)~~ (3) For a license holder providing intensive support services, the medication or
359.7 treatment must be administered according to the license holder's medication administration
359.8 policy and procedures as required under section 245D.11, subdivision 2, clause (3).

359.9 (c) The license holder must ensure the following information is documented in the
359.10 person's medication administration record:

359.11 (1) the information on the current prescription label or the prescriber's current
359.12 written or electronically recorded order or prescription that includes the person's name,
359.13 description of the medication or treatment to be provided, and the frequency and other
359.14 information needed to safely and correctly administer the medication or treatment to
359.15 ensure effectiveness;

359.16 (2) information on any risks or other side effects that are reasonable to expect, and
359.17 any contraindications to its use. This information must be readily available to all staff
359.18 administering the medication;

359.19 (3) the possible consequences if the medication or treatment is not taken or
359.20 administered as directed;

359.21 (4) instruction on when and to whom to report the following:

359.22 (i) if a dose of medication is not administered or treatment is not performed as
359.23 prescribed, whether by error by the staff or the person or by refusal by the person; and

359.24 (ii) the occurrence of possible adverse reactions to the medication or treatment;

359.25 (5) notation of any occurrence of a dose of medication not being administered or
359.26 treatment not performed as prescribed, whether by error by the staff or the person or by
359.27 refusal by the person, or of adverse reactions, and when and to whom the report was
359.28 made; and

359.29 (6) notation of when a medication or treatment is started, administered, changed, or
359.30 discontinued.

359.31 Sec. 25. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 4, is
359.32 amended to read:

359.33 Subd. 4. **Reviewing and reporting medication and treatment issues.** (a) When
359.34 assigned responsibility for medication administration, the license holder must ensure
359.35 that the information maintained in the medication administration record is current and

360.1 is regularly reviewed to identify medication administration errors. At a minimum, the
360.2 review must be conducted every three months, or more frequently as directed in the
360.3 coordinated service and support plan or coordinated service and support plan addendum
360.4 or as requested by the person or the person's legal representative. Based on the review,
360.5 the license holder must develop and implement a plan to correct patterns of medication
360.6 administration errors when identified.

360.7 (b) If assigned responsibility for medication assistance or medication administration,
360.8 the license holder must report the following to the person's legal representative and case
360.9 manager as they occur or as otherwise directed in the coordinated service and support plan
360.10 or the coordinated service and support plan addendum:

360.11 (1) any reports ~~made to the person's physician or prescriber~~ required under
360.12 subdivision 2, paragraph (c), clause (4);

360.13 (2) a person's refusal or failure to take or receive medication or treatment as
360.14 prescribed; or

360.15 (3) concerns about a person's self-administration of medication or treatment.

360.16 Sec. 26. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 5, is
360.17 amended to read:

360.18 Subd. 5. **Injectable medications.** Injectable medications may be administered
360.19 according to a prescriber's order and written instructions when one of the following
360.20 conditions has been met:

360.21 (1) a registered nurse or licensed practical nurse will administer the ~~subcutaneous or~~
360.22 ~~intramuscular~~ injection;

360.23 (2) a supervising registered nurse with a physician's order has delegated the
360.24 administration of ~~subcutaneous~~ injectable medication to an unlicensed staff member
360.25 and has provided the necessary training; or

360.26 (3) there is an agreement signed by the license holder, the prescriber, and the
360.27 person or the person's legal representative specifying what ~~subcutaneous~~ injections may
360.28 be given, when, how, and that the prescriber must retain responsibility for the license
360.29 holder's giving the injections. A copy of the agreement must be placed in the person's
360.30 service recipient record.

360.31 Only licensed health professionals are allowed to administer psychotropic
360.32 medications by injection.

360.33 Sec. 27. Minnesota Statutes 2013 Supplement, section 245D.051, is amended to read:

360.34 **245D.051 PSYCHOTROPIC MEDICATION USE AND MONITORING.**

361.1 Subdivision 1. **Conditions for psychotropic medication administration.** (a)

361.2 When a person is prescribed a psychotropic medication and the license holder is assigned
361.3 responsibility for administration of the medication in the person's coordinated service
361.4 and support plan or the coordinated service and support plan addendum, the license
361.5 holder must ensure that the requirements in ~~paragraphs (b) to (d)~~ and section 245D.05,
361.6 subdivision 2, are met.

361.7 ~~(b) Use of the medication must be included in the person's coordinated service and~~
361.8 ~~support plan or in the coordinated service and support plan addendum and based on a~~
361.9 ~~prescriber's current written or electronically recorded prescription.~~

361.10 ~~(e)~~ (b) The license holder must develop, implement, and maintain the following
361.11 documentation in the person's coordinated service and support plan addendum according
361.12 to the requirements in sections 245D.07 and 245D.071:

361.13 (1) a description of the target symptoms that the psychotropic medication is to
361.14 alleviate; and

361.15 (2) documentation methods the license holder will use to monitor and measure
361.16 changes in the target symptoms that are to be alleviated by the psychotropic medication if
361.17 required by the prescriber. The license holder must collect and report on medication and
361.18 symptom-related data as instructed by the prescriber. The license holder must provide
361.19 the monitoring data to the expanded support team for review every three months, or as
361.20 otherwise requested by the person or the person's legal representative.

361.21 For the purposes of this section, "target symptom" refers to any perceptible
361.22 diagnostic criteria for a person's diagnosed mental disorder, as defined by the Diagnostic
361.23 and Statistical Manual of Mental Disorders Fourth Edition Text Revision (DSM-IV-TR) or
361.24 successive editions, that has been identified for alleviation.

361.25 Subd. 2. **Refusal to authorize psychotropic medication.** If the person or the
361.26 person's legal representative refuses to authorize the administration of a psychotropic
361.27 medication as ordered by the prescriber, the license holder must ~~follow the requirement in~~
361.28 ~~section 245D.05, subdivision 2, paragraph (b), clause (2):~~ not administer the medication.
361.29 The refusal to authorize medication administration must be reported to the prescriber as
361.30 expediently as possible. After reporting the refusal to the prescriber, the license holder
361.31 must follow any directives or orders given by the prescriber. ~~A court order must be~~
361.32 ~~obtained to override the refusal.~~ A refusal may not be overridden without a court order.
361.33 Refusal to authorize administration of a specific psychotropic medication is not grounds
361.34 for service termination and does not constitute an emergency. A decision to terminate
361.35 services must be reached in compliance with section 245D.10, subdivision 3.

362.1 Sec. 28. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 1, is
362.2 amended to read:

362.3 Subdivision 1. **Incident response and reporting.** (a) The license holder must
362.4 respond to incidents under section 245D.02, subdivision 11, that occur while providing
362.5 services to protect the health and safety of and minimize risk of harm to the person.

362.6 (b) The license holder must maintain information about and report incidents to the
362.7 person's legal representative or designated emergency contact and case manager within
362.8 24 hours of an incident occurring while services are being provided, within 24 hours of
362.9 discovery or receipt of information that an incident occurred, unless the license holder
362.10 has reason to know that the incident has already been reported, or as otherwise directed
362.11 in a person's coordinated service and support plan or coordinated service and support
362.12 plan addendum. An incident of suspected or alleged maltreatment must be reported as
362.13 required under paragraph (d), and an incident of serious injury or death must be reported
362.14 as required under paragraph (e).

362.15 (c) When the incident involves more than one person, the license holder must not
362.16 disclose personally identifiable information about any other person when making the report
362.17 to each person and case manager unless the license holder has the consent of the person.

362.18 (d) Within 24 hours of reporting maltreatment as required under section 626.556
362.19 or 626.557, the license holder must inform the case manager of the report unless there is
362.20 reason to believe that the case manager is involved in the suspected maltreatment. The
362.21 license holder must disclose the nature of the activity or occurrence reported and the
362.22 agency that received the report.

362.23 (e) The license holder must report the death or serious injury of the person as
362.24 required in paragraph (b) and to the Department of Human Services Licensing Division,
362.25 and the Office of Ombudsman for Mental Health and Developmental Disabilities as
362.26 required under section 245.94, subdivision 2a, within 24 hours of the death, or receipt of
362.27 information that the death occurred, unless the license holder has reason to know that the
362.28 death has already been reported.

362.29 (f) When a death or serious injury occurs in a facility certified as an intermediate
362.30 care facility for persons with developmental disabilities, the death or serious injury must
362.31 be reported to the Department of Health, Office of Health Facility Complaints, and the
362.32 Office of Ombudsman for Mental Health and Developmental Disabilities, as required
362.33 under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to
362.34 know that the death has already been reported.

362.35 (g) The license holder must conduct an internal review of incident reports of deaths
362.36 and serious injuries that occurred while services were being provided and that were not

363.1 reported by the program as alleged or suspected maltreatment, for identification of incident
363.2 patterns, and implementation of corrective action as necessary to reduce occurrences.

363.3 The review must include an evaluation of whether related policies and procedures were
363.4 followed, whether the policies and procedures were adequate, whether there is a need for
363.5 additional staff training, whether the reported event is similar to past events with the
363.6 persons or the services involved, and whether there is a need for corrective action by the
363.7 license holder to protect the health and safety of persons receiving services. Based on
363.8 the results of this review, the license holder must develop, document, and implement a
363.9 corrective action plan designed to correct current lapses and prevent future lapses in
363.10 performance by staff or the license holder, if any.

363.11 (h) The license holder must verbally report the emergency use of manual restraint
363.12 of a person as required in paragraph (b) within 24 hours of the occurrence. The license
363.13 holder must ensure the written report and internal review of all incident reports of the
363.14 emergency use of manual restraints are completed according to the requirements in section
363.15 245D.061 or successor provisions.

363.16 Sec. 29. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 2, is
363.17 amended to read:

363.18 Subd. 2. **Environment and safety.** The license holder must:

363.19 (1) ensure the following when the license holder is the owner, lessor, or tenant
363.20 of the service site:

363.21 (i) the service site is a safe and hazard-free environment;

363.22 (ii) that toxic substances or dangerous items are inaccessible to persons served by
363.23 the program only to protect the safety of a person receiving services when a known safety
363.24 threat exists and not as a substitute for staff supervision or interactions with a person who
363.25 is receiving services. If toxic substances or dangerous items are made inaccessible, the
363.26 license holder must document an assessment of the physical plant, its environment, and its
363.27 population identifying the risk factors which require toxic substances or dangerous items
363.28 to be inaccessible and a statement of specific measures to be taken to minimize the safety
363.29 risk to persons receiving services and to restore accessibility to all persons receiving
363.30 services at the service site;

363.31 (iii) doors are locked from the inside to prevent a person from exiting only when
363.32 necessary to protect the safety of a person receiving services and not as a substitute for
363.33 staff supervision or interactions with the person. If doors are locked from the inside, the
363.34 license holder must document an assessment of the physical plant, the environment and
363.35 the population served, identifying the risk factors which require the use of locked doors,

364.1 and a statement of specific measures to be taken to minimize the safety risk to persons
364.2 receiving services at the service site; and

364.3 (iv) a staff person is available at the service site who is trained in basic first aid and,
364.4 when required in a person's coordinated service and support plan or coordinated service
364.5 and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are
364.6 present and staff are required to be at the site to provide direct support service. The CPR
364.7 training must include in-person instruction, hands-on practice, and an observed skills
364.8 assessment under the direct supervision of a CPR instructor;

364.9 (2) maintain equipment, vehicles, supplies, and materials owned or leased by the
364.10 license holder in good condition when used to provide services;

364.11 (3) follow procedures to ensure safe transportation, handling, and transfers of the
364.12 person and any equipment used by the person, when the license holder is responsible for
364.13 transportation of a person or a person's equipment;

364.14 (4) be prepared for emergencies and follow emergency response procedures to
364.15 ensure the person's safety in an emergency; and

364.16 (5) follow universal precautions and sanitary practices, including hand washing, for
364.17 infection prevention and control, and to prevent communicable diseases.

364.18 Sec. 30. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 4, is
364.19 amended to read:

364.20 Subd. 4. **Funds and property; legal representative restrictions.** (a) Whenever the
364.21 license holder assists a person with the safekeeping of funds or other property according
364.22 to section 245A.04, subdivision 13, the license holder must obtain written authorization
364.23 to do so from the person or the person's legal representative and the case manager.
364.24 Authorization must be obtained within five working days of service initiation and renewed
364.25 annually thereafter. At the time initial authorization is obtained, the license holder must
364.26 survey, document, and implement the preferences of the person or the person's legal
364.27 representative and the case manager for frequency of receiving a statement that itemizes
364.28 receipts and disbursements of funds or other property. The license holder must document
364.29 changes to these preferences when they are requested.

364.30 (b) A license holder or staff person may not accept powers-of-attorney from a person
364.31 receiving services from the license holder for any purpose. This does not apply to license
364.32 holders that are Minnesota counties or other units of government or to staff persons
364.33 employed by license holders who were acting as attorney-in-fact for specific individuals
364.34 prior to implementation of this chapter. The license holder must maintain documentation
364.35 of the power-of-attorney in the service recipient record.

365.1 (c) A license holder or staff person is restricted from accepting an appointment
365.2 as a guardian as follows:

365.3 (1) under section 524.5-309 of the Uniform Probate Code, any individual or agency
365.4 that provides residence, custodial care, medical care, employment training, or other care
365.5 or services for which the individual or agency receives a fee may not be appointed as
365.6 guardian unless related to the respondent by blood, marriage, or adoption; and

365.7 (2) under section 245A.03, subdivision 2, paragraph (a), clause (1), a related
365.8 individual as defined under section 245A.02, subdivision 13, is excluded from licensure.
365.9 Services provided by a license holder to a person under the license holder's guardianship
365.10 are not licensed services.

365.11 (e) (d) Upon the transfer or death of a person, any funds or other property of the
365.12 person must be surrendered to the person or the person's legal representative, or given to
365.13 the executor or administrator of the estate in exchange for an itemized receipt.

365.14 Sec. 31. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 6, is
365.15 amended to read:

365.16 Subd. 6. **Restricted procedures.** (a) The following procedures are allowed when
365.17 the procedures are implemented in compliance with the standards governing their use as
365.18 identified in clauses (1) to (3). Allowed but restricted procedures include:

365.19 (1) permitted actions and procedures subject to the requirements in subdivision 7;

365.20 (2) procedures identified in a positive support transition plan subject to the
365.21 requirements in subdivision 8; or

365.22 (3) emergency use of manual restraint subject to the requirements in section
365.23 245D.061.

365.24 For purposes of this chapter, this section supersedes the requirements identified in
365.25 Minnesota Rules, part 9525.2740.

365.26 (b) A restricted procedure identified in paragraph (a) must not:

365.27 (1) be implemented with a child in a manner that constitutes sexual abuse, neglect,
365.28 physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

365.29 (2) be implemented with an adult in a manner that constitutes abuse or neglect as
365.30 defined in section 626.5572, subdivision 2 or 17;

365.31 (3) be implemented in a manner that violates a person's rights identified in section
365.32 245D.04;

365.33 (4) restrict a person's normal access to a nutritious diet, drinking water, adequate
365.34 ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping

366.1 conditions, necessary clothing, or any protection required by state licensing standards or
 366.2 federal regulations governing the program;

366.3 (5) deny the person visitation or ordinary contact with legal counsel, a legal
 366.4 representative, or next of kin;

366.5 (6) be used for the convenience of staff, as punishment, as a substitute for adequate
 366.6 staffing, or as a consequence if the person refuses to participate in the treatment or services
 366.7 provided by the program;

366.8 (7) use prone restraint. For purposes of this section, "prone restraint" means use
 366.9 of manual restraint that places a person in a face-down position. Prone restraint does
 366.10 not include brief physical holding of a person who, during an emergency use of manual
 366.11 restraint, rolls into a prone position, if the person is restored to a standing, sitting, or
 366.12 side-lying position as quickly as possible;

366.13 (8) apply back or chest pressure while a person is in a prone position as identified in
 366.14 clause (7), supine position, or side-lying position; or

366.15 (9) be implemented in a manner that is contraindicated for any of the person's known
 366.16 medical or psychological limitations.

366.17 Sec. 32. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 7, is
 366.18 amended to read:

366.19 Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques
 366.20 and intervention procedures as identified in paragraphs (b) and (c) is permitted when used
 366.21 on an intermittent or continuous basis. When used on a continuous basis, it must be
 366.22 addressed in a person's coordinated service and support plan addendum as identified in
 366.23 sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this
 366.24 subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

366.25 (b) Physical contact or instructional techniques must use the least restrictive
 366.26 alternative possible to meet the needs of the person and may be used:

366.27 (1) to calm or comfort a person by holding that person with no resistance from
 366.28 that person;

366.29 (2) to protect a person known to be at risk ~~of~~ of injury due to frequent falls as a result
 366.30 of a medical condition;

366.31 (3) to facilitate the person's completion of a task or response when the person does
 366.32 not resist or the person's resistance is minimal in intensity and duration; ~~or~~

366.33 (4) to ~~briefly~~ block or redirect a person's limbs or body without holding the person or
 366.34 limiting the person's movement to interrupt the person's behavior that may result in injury
 366.35 to self or others: with less than 60 seconds of physical contact by staff; or

367.1 (5) to redirect a person's behavior when the behavior does not pose a serious threat
367.2 to the person or others and the behavior is effectively redirected with less than 60 seconds
367.3 of physical contact by staff.

367.4 (c) Restraint may be used as an intervention procedure to:

367.5 (1) allow a licensed health care professional to safely conduct a medical examination
367.6 or to provide medical treatment ordered by a licensed health care professional to a person
367.7 necessary to promote healing or recovery from an acute, meaning short-term, medical
367.8 condition;

367.9 (2) assist in the safe evacuation or redirection of a person in the event of an
367.10 emergency and the person is at imminent risk of harm; or

367.11 ~~Any use of manual restraint as allowed in this paragraph must comply with the restrictions~~
367.12 ~~identified in section 245D.061, subdivision 3; or~~

367.13 (3) position a person with physical disabilities in a manner specified in the person's
367.14 coordinated service and support plan addendum.

367.15 Any use of manual restraint as allowed in this paragraph must comply with the restrictions
367.16 identified in subdivision 6, paragraph (b).

367.17 (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment
367.18 ordered by a licensed health professional to treat a diagnosed medical condition do not in
367.19 and of themselves constitute the use of mechanical restraint.

367.20 (e) Use of an auxiliary device to ensure a person does not unfasten a seat belt when
367.21 being transported in a vehicle in accordance with seat belt use requirements in section
367.22 169.686 does not constitute the use of mechanical restraint.

367.23 Sec. 33. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 8, is
367.24 amended to read:

367.25 Subd. 8. **Positive support transition plan.** (a) License holders must develop
367.26 a positive support transition plan on the forms and in the manner prescribed by the
367.27 commissioner for a person who requires intervention in order to maintain safety when
367.28 it is known that the person's behavior poses an immediate risk of physical harm to self
367.29 or others. The positive support transition plan forms and instructions will supersede the
367.30 requirements in Minnesota Rules, parts 9525.2750; 9525.2760; and 9525.2780. The
367.31 positive support transition plan must phase out any existing plans for the emergency
367.32 or programmatic use of ~~aversive or deprivation procedures~~ restrictive interventions
367.33 prohibited under this chapter within the following timelines:

368.1 (1) for persons receiving services from the license holder before January 1, 2014,
368.2 the plan must be developed and implemented by February 1, 2014, and phased out no
368.3 later than December 31, 2014; and

368.4 (2) for persons admitted to the program on or after January 1, 2014, the plan must be
368.5 developed and implemented within 30 calendar days of service initiation and phased out
368.6 no later than 11 months from the date of plan implementation.

368.7 (b) The commissioner has limited authority to grant approval for the emergency use
368.8 of procedures identified in subdivision 6 that had been part of an approved positive support
368.9 transition plan when a person is at imminent risk of serious injury as defined in section
368.10 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

368.11 (1) the person's expanded support team approves the emergency use of the
368.12 procedures; and

368.13 (2) the interim review panel established in section 245.8251, subdivision 4,
368.14 recommends commissioner approval of the emergency use of the procedures.

368.15 (c) Written requests for the emergency use of the procedures must be developed
368.16 and submitted to the commissioner by the designated coordinator with input from the
368.17 person's expanded support team in accordance with the requirements set by the interim
368.18 review panel, in addition to the following:

368.19 (1) a copy of the person's current positive support transition plan and copies of
368.20 each positive support transition plan review containing data on the progress of the plan
368.21 from the previous year;

368.22 (2) documentation of a good faith effort to eliminate the use of the procedures that
368.23 had been part of an approved positive support transition plan;

368.24 (3) justification for the continued use of the procedures that identifies the imminent
368.25 risk of serious injury due to the person's self-injurious behavior if the procedures were
368.26 eliminated;

368.27 (4) documentation of the clinicians consulted in creating and maintaining the
368.28 positive support transition plan; and

368.29 (5) documentation of the expanded support team's approval and the recommendation
368.30 from the interim panel required under paragraph (b).

368.31 (d) A copy of the written request, supporting documentation, and the commissioner's
368.32 final determination on the request must be maintained in the person's service recipient
368.33 record.

368.34 Sec. 34. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 3,
368.35 is amended to read:

369.1 Subd. 3. **Assessment and initial service planning.** (a) Within 15 days of service
369.2 initiation the license holder must complete a preliminary coordinated service and support
369.3 plan addendum based on the coordinated service and support plan.

369.4 ~~(b) Within 45 days of service initiation the license holder must meet with the person,~~
369.5 ~~the person's legal representative, the case manager, and other members of the support team~~
369.6 ~~or expanded support team to assess and determine the following based on the person's~~
369.7 ~~coordinated service and support plan and the requirements in subdivision 4 and section~~
369.8 ~~245D.07, subdivision 1a:~~

369.9 ~~(1) the scope of the services to be provided to support the person's daily needs~~
369.10 ~~and activities;~~

369.11 ~~(2) the person's desired outcomes and the supports necessary to accomplish the~~
369.12 ~~person's desired outcomes;~~

369.13 ~~(3) the person's preferences for how services and supports are provided;~~

369.14 ~~(4) whether the current service setting is the most integrated setting available and~~
369.15 ~~appropriate for the person; and~~

369.16 ~~(5) how services must be coordinated across other providers licensed under this~~
369.17 ~~chapter serving the same person to ensure continuity of care for the person.~~

369.18 ~~(c) Within the scope of services, the license holder must, at a minimum, assess~~
369.19 ~~the following areas:~~

369.20 ~~(1) the person's ability to self-manage health and medical needs to maintain or~~
369.21 ~~improve physical, mental, and emotional well-being, including, when applicable, allergies,~~
369.22 ~~seizures, choking, special dietary needs, chronic medical conditions, self-administration~~
369.23 ~~of medication or treatment orders, preventative screening, and medical and dental~~
369.24 ~~appointments;~~

369.25 ~~(2) the person's ability to self-manage personal safety to avoid injury or accident in~~
369.26 ~~the service setting, including, when applicable, risk of falling, mobility, regulating water~~
369.27 ~~temperature, community survival skills, water safety skills, and sensory disabilities; and~~

369.28 ~~(3) the person's ability to self-manage symptoms or behavior that may otherwise~~
369.29 ~~result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to~~
369.30 ~~(7), suspension or termination of services by the license holder, or other symptoms~~
369.31 ~~or behaviors that may jeopardize the health and safety of the person or others. The~~
369.32 ~~assessments must produce information about the person that is descriptive of the person's~~
369.33 ~~overall strengths, functional skills and abilities, and behaviors or symptoms.~~

369.34 (b) Within the scope of services, the license holder must, at a minimum, complete
369.35 assessments in the following areas before the 45-day planning meeting:

370.1 (1) the person's ability to self-manage health and medical needs to maintain or
370.2 improve physical, mental, and emotional well-being, including, when applicable, allergies,
370.3 seizures, choking, special dietary needs, chronic medical conditions, self-administration
370.4 of medication or treatment orders, preventative screening, and medical and dental
370.5 appointments;

370.6 (2) the person's ability to self-manage personal safety to avoid injury or accident in
370.7 the service setting, including, when applicable, risk of falling, mobility, regulating water
370.8 temperature, community survival skills, water safety skills, and sensory disabilities; and

370.9 (3) the person's ability to self-manage symptoms or behavior that may otherwise
370.10 result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7),
370.11 suspension or termination of services by the license holder, or other symptoms or
370.12 behaviors that may jeopardize the health and safety of the person or others.

370.13 Assessments must produce information about the person that describes the person's overall
370.14 strengths, functional skills and abilities, and behaviors or symptoms. Assessments must
370.15 be based on the person's status within the last 12 months at the time of service initiation.
370.16 Assessments based on older information must be documented and justified. Assessments
370.17 must be conducted annually at a minimum or within 30 days of a written request from the
370.18 person or the person's legal representative or case manager. The results must be reviewed
370.19 by the support team or expanded support team as part of a service plan review.

370.20 (c) Within 45 days of service initiation, the license holder must meet with the
370.21 person, the person's legal representative, the case manager, and other members of the
370.22 support team or expanded support team to determine the following based on information
370.23 obtained from the assessments identified in paragraph (b), the person's identified needs
370.24 in the coordinated service and support plan, and the requirements in subdivision 4 and
370.25 section 245D.07, subdivision 1a:

370.26 (1) the scope of the services to be provided to support the person's daily needs
370.27 and activities;

370.28 (2) the person's desired outcomes and the supports necessary to accomplish the
370.29 person's desired outcomes;

370.30 (3) the person's preferences for how services and supports are provided;

370.31 (4) whether the current service setting is the most integrated setting available and
370.32 appropriate for the person; and

370.33 (5) how services must be coordinated across other providers licensed under this
370.34 chapter serving the person and members of the support team or expanded support team to
370.35 ensure continuity of care and coordination of services for the person.

371.1 Sec. 35. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 4,
371.2 is amended to read:

371.3 Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the
371.4 45-day planning meeting, the license holder must develop ~~and document~~ a service plan that
371.5 documents the service outcomes and supports based on the assessments completed under
371.6 subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and
371.7 supports must be included in the coordinated service and support plan addendum.

371.8 (b) The license holder must document the supports and methods to be implemented
371.9 to support the ~~accomplishment of person and accomplish~~ outcomes related to acquiring,
371.10 retaining, or improving skills and physical, mental, and emotional health and well-being.
371.11 The documentation must include:

371.12 (1) the methods or actions that will be used to support the person and to accomplish
371.13 the service outcomes, including information about:

371.14 (i) any changes or modifications to the physical and social environments necessary
371.15 when the service supports are provided;

371.16 (ii) any equipment and materials required; and

371.17 (iii) techniques that are consistent with the person's communication mode and
371.18 learning style;

371.19 (2) the measurable and observable criteria for identifying when the desired outcome
371.20 has been achieved and how data will be collected;

371.21 (3) the projected starting date for implementing the supports and methods and
371.22 the date by which progress towards accomplishing the outcomes will be reviewed and
371.23 evaluated; and

371.24 (4) the names of the staff or position responsible for implementing the supports
371.25 and methods.

371.26 (c) Within 20 working days of the 45-day meeting, the license holder must obtain
371.27 dated signatures from the person or the person's legal representative and case manager
371.28 to document completion and approval of the assessment and coordinated service and
371.29 support plan addendum.

371.30 Sec. 36. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 5,
371.31 is amended to read:

371.32 Subd. 5. ~~Progress reviews~~ **Service plan review and evaluation.** (a) The license
371.33 holder must give the person or the person's legal representative and case manager an
371.34 opportunity to participate in the ongoing review and development of the service plan
371.35 and the methods used to support the person and accomplish outcomes identified in

372.1 subdivisions 3 and 4. The license holder, in coordination with the person's support team
372.2 or expanded support team, must meet with the person, the person's legal representative,
372.3 and the case manager, and participate in progress service plan review meetings following
372.4 stated timelines established in the person's coordinated service and support plan or
372.5 coordinated service and support plan addendum or within 30 days of a written request
372.6 by the person, the person's legal representative, or the case manager, at a minimum of
372.7 once per year. The purpose of the service plan review is to determine whether changes
372.8 are needed to the service plan based on the assessment information, the license holder's
372.9 evaluation of progress towards accomplishing outcomes, or other information provided by
372.10 the support team or expanded support team.

372.11 (b) The license holder must summarize the person's status and progress toward
372.12 achieving the identified outcomes and make recommendations and identify the rationale
372.13 for changing, continuing, or discontinuing implementation of supports and methods
372.14 identified in subdivision 4 in a written report sent to the person or the person's legal
372.15 representative and case manager five working days prior to the review meeting, unless
372.16 the person, the person's legal representative, or the case manager requests to receive the
372.17 report at the time of the meeting.

372.18 (c) Within ten working days of the progress review meeting, the license holder
372.19 must obtain dated signatures from the person or the person's legal representative and
372.20 the case manager to document approval of any changes to the coordinated service and
372.21 support plan addendum.

372.22 Sec. 37. Minnesota Statutes 2013 Supplement, section 245D.081, subdivision 2,
372.23 is amended to read:

372.24 Subd. 2. **Coordination and evaluation of individual service delivery.** (a) Delivery
372.25 and evaluation of services provided by the license holder must be coordinated by a
372.26 designated staff person. The designated coordinator must provide supervision, support,
372.27 and evaluation of activities that include:

372.28 (1) oversight of the license holder's responsibilities assigned in the person's
372.29 coordinated service and support plan and the coordinated service and support plan
372.30 addendum;

372.31 (2) taking the action necessary to facilitate the accomplishment of the outcomes
372.32 according to the requirements in section 245D.07;

372.33 (3) instruction and assistance to direct support staff implementing the coordinated
372.34 service and support plan and the service outcomes, including direct observation of service
372.35 delivery sufficient to assess staff competency; and

373.1 (4) evaluation of the effectiveness of service delivery, methodologies, and progress on
373.2 the person's outcomes based on the measurable and observable criteria for identifying when
373.3 the desired outcome has been achieved according to the requirements in section 245D.07.

373.4 (b) The license holder must ensure that the designated coordinator is competent to
373.5 perform the required duties identified in paragraph (a) through education ~~and~~ training
373.6 ~~in human services and disability-related fields, and work experience in providing direct~~
373.7 ~~care services and supports to persons with disabilities~~ relevant to the needs of the general
373.8 population of persons served by the license holder and the individual persons for whom
373.9 the designated coordinator is responsible. The designated coordinator must have the
373.10 skills and ability necessary to develop effective plans and to design and use data systems
373.11 to measure effectiveness of services and supports. The license holder must verify and
373.12 document competence according to the requirements in section 245D.09, subdivision 3.
373.13 The designated coordinator must minimally have:

373.14 (1) a baccalaureate degree in a field related to human services, and one year of
373.15 full-time work experience providing direct care services to persons with disabilities or
373.16 persons age 65 and older;

373.17 (2) an associate degree in a field related to human services, and two years of
373.18 full-time work experience providing direct care services to persons with disabilities or
373.19 persons age 65 and older;

373.20 (3) a diploma in a field related to human services from an accredited postsecondary
373.21 institution and three years of full-time work experience providing direct care services to
373.22 persons with disabilities or persons age 65 and older; or

373.23 (4) a minimum of 50 hours of education and training related to human services
373.24 and disabilities; and

373.25 (5) four years of full-time work experience providing direct care services to persons
373.26 with disabilities or persons age 65 and older under the supervision of a staff person who
373.27 meets the qualifications identified in clauses (1) to (3).

373.28 Sec. 38. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 3, is
373.29 amended to read:

373.30 Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing
373.31 direct support, or staff who have responsibilities related to supervising or managing the
373.32 provision of direct support service, are competent as demonstrated through skills and
373.33 knowledge training, experience, and education to meet the person's needs and additional
373.34 requirements as written in the coordinated service and support plan or coordinated
373.35 service and support plan addendum, or when otherwise required by the case manager or

374.1 the federal waiver plan. The license holder must verify and maintain evidence of staff
374.2 competency, including documentation of:

374.3 (1) education and experience qualifications relevant to the job responsibilities
374.4 assigned to the staff and to the needs of the general population of persons served by the
374.5 program, including a valid degree and transcript, or a current license, registration, or
374.6 certification, when a degree or licensure, registration, or certification is required by this
374.7 chapter or in the coordinated service and support plan or coordinated service and support
374.8 plan addendum;

374.9 (2) demonstrated competency in the orientation and training areas required under
374.10 this chapter, and when applicable, completion of continuing education required to
374.11 maintain professional licensure, registration, or certification requirements. Competency in
374.12 these areas is determined by the license holder through knowledge testing ~~and~~ or observed
374.13 skill assessment conducted by the trainer or instructor; and

374.14 (3) except for a license holder who is the sole direct support staff, periodic
374.15 performance evaluations completed by the license holder of the direct support staff
374.16 person's ability to perform the job functions based on direct observation.

374.17 (b) Staff under 18 years of age may not perform overnight duties or administer
374.18 medication.

374.19 Sec. 39. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4a,
374.20 is amended to read:

374.21 Subd. 4a. **Orientation to individual service recipient needs.** (a) Before having
374.22 unsupervised direct contact with a person served by the program, or for whom the staff
374.23 person has not previously provided direct support, or any time the plans or procedures
374.24 identified in paragraphs (b) to ~~(f)~~ (g) are revised, the staff person must review and receive
374.25 instruction on the requirements in paragraphs (b) to ~~(f)~~ (g) as they relate to the staff
374.26 person's job functions for that person.

374.27 (b) Training and competency evaluations must include the following:

374.28 (1) appropriate and safe techniques in personal hygiene and grooming, including
374.29 hair care; bathing; care of teeth, gums, and oral prosthetic devices; and other activities of
374.30 daily living (ADLs) as defined under section 256B.0659, subdivision 1;

374.31 (2) an understanding of what constitutes a healthy diet according to data from the
374.32 Centers for Disease Control and Prevention and the skills necessary to prepare that diet;

374.33 (3) skills necessary to provide appropriate support in instrumental activities of daily
374.34 living (IADLs) as defined under section 256B.0659, subdivision 1; and

374.35 (4) demonstrated competence in providing first aid.

375.1 (c) The staff person must review and receive instruction on the person's coordinated
375.2 service and support plan or coordinated service and support plan addendum as it relates
375.3 to the responsibilities assigned to the license holder, and when applicable, the person's
375.4 individual abuse prevention plan, to achieve and demonstrate an understanding of the
375.5 person as a unique individual, and how to implement those plans.

375.6 (d) The staff person must review and receive instruction on medication setup,
375.7 assistance, or administration procedures established for the person when ~~medication~~
375.8 ~~administration~~ is assigned to the license holder according to section 245D.05, subdivision
375.9 1, paragraph (b). Unlicensed staff may ~~administer medications~~ perform medication setup
375.10 or medication administration only after successful completion of a medication setup or
375.11 medication administration training, from a training curriculum developed by a registered
375.12 nurse, ~~clinical nurse specialist in psychiatric and mental health nursing, certified nurse~~
375.13 ~~practitioner, physician's assistant, or physician~~ or appropriate licensed health professional.
375.14 The training curriculum must incorporate an observed skill assessment conducted by the
375.15 trainer to ensure unlicensed staff demonstrate the ability to safely and correctly follow
375.16 medication procedures.

375.17 Medication administration must be taught by a registered nurse, clinical nurse
375.18 specialist, certified nurse practitioner, physician's assistant, or physician if, at the time of
375.19 service initiation or any time thereafter, the person has or develops a health care condition
375.20 that affects the service options available to the person because the condition requires:

- 375.21 (1) specialized or intensive medical or nursing supervision; and
375.22 (2) nonmedical service providers to adapt their services to accommodate the health
375.23 and safety needs of the person.

375.24 (e) The staff person must review and receive instruction on the safe and correct
375.25 operation of medical equipment used by the person to sustain life, including but not
375.26 limited to ventilators, feeding tubes, or endotracheal tubes. The training must be provided
375.27 by a licensed health care professional or a manufacturer's representative and incorporate
375.28 an observed skill assessment to ensure staff demonstrate the ability to safely and correctly
375.29 operate the equipment according to the treatment orders and the manufacturer's instructions.

375.30 (f) The staff person must review and receive instruction on what constitutes use of
375.31 restraints, time out, and seclusion, including chemical restraint, and staff responsibilities
375.32 related to the prohibitions of their use according to the requirements in section 245D.06,
375.33 subdivision 5 or successor provisions, why such procedures are not effective for reducing
375.34 or eliminating symptoms or undesired behavior and why they are not safe, and the safe
375.35 and correct use of manual restraint on an emergency basis according to the requirements
375.36 in section 245D.061 or successor provisions.

376.1 (g) The staff person must review and receive instruction on mental health crisis
 376.2 response, de-escalation techniques, and suicide intervention when providing direct support
 376.3 to a person with a serious mental illness.

376.4 ~~(g)~~ (h) In the event of an emergency service initiation, the license holder must ensure
 376.5 the training required in this subdivision occurs within 72 hours of the direct support staff
 376.6 person first having unsupervised contact with the person receiving services. The license
 376.7 holder must document the reason for the unplanned or emergency service initiation and
 376.8 maintain the documentation in the person's service recipient record.

376.9 ~~(h)~~ (i) License holders who provide direct support services themselves must
 376.10 complete the orientation required in subdivision 4, clauses (3) to (7).

376.11 Sec. 40. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 2,
 376.12 is amended to read:

376.13 Subd. 2. **Behavior professional qualifications.** A behavior professional providing
 376.14 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),
 376.15 clause (1), item (i), as defined in the brain injury and community alternatives for disabled
 376.16 individuals waiver plans or successor plans, must have competencies in the following
 376.17 areas related to as required under the brain injury and community alternatives for disabled
 376.18 individuals waiver plans or successor plans:

- 376.19 (1) ethical considerations;
- 376.20 (2) functional assessment;
- 376.21 (3) functional analysis;
- 376.22 (4) measurement of behavior and interpretation of data;
- 376.23 (5) selecting intervention outcomes and strategies;
- 376.24 (6) behavior reduction and elimination strategies that promote least restrictive
 376.25 approved alternatives;
- 376.26 (7) data collection;
- 376.27 (8) staff and caregiver training;
- 376.28 (9) support plan monitoring;
- 376.29 (10) co-occurring mental disorders or neurocognitive disorder;
- 376.30 (11) demonstrated expertise with populations being served; and
- 376.31 (12) must be a:

376.32 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the
 376.33 Board of Psychology competencies in the above identified areas;

376.34 (ii) clinical social worker licensed as an independent clinical social worker under
 376.35 chapter 148D, or a person with a master's degree in social work from an accredited college

377.1 or university, with at least 4,000 hours of post-master's supervised experience in the
377.2 delivery of clinical services in the areas identified in clauses (1) to (11);

377.3 (iii) physician licensed under chapter 147 and certified by the American Board
377.4 of Psychiatry and Neurology or eligible for board certification in psychiatry with
377.5 competencies in the areas identified in clauses (1) to (11);

377.6 (iv) licensed professional clinical counselor licensed under sections 148B.29 to
377.7 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery
377.8 of clinical services who has demonstrated competencies in the areas identified in clauses
377.9 (1) to (11);

377.10 (v) person with a master's degree from an accredited college or university in one
377.11 of the behavioral sciences or related fields, with at least 4,000 hours of post-master's
377.12 supervised experience in the delivery of clinical services with demonstrated competencies
377.13 in the areas identified in clauses (1) to (11); or

377.14 (vi) registered nurse who is licensed under sections 148.171 to 148.285, and who is
377.15 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and
377.16 mental health nursing by a national nurse certification organization, or who has a master's
377.17 degree in nursing or one of the behavioral sciences or related fields from an accredited
377.18 college or university or its equivalent, with at least 4,000 hours of post-master's supervised
377.19 experience in the delivery of clinical services.

377.20 Sec. 41. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 3,
377.21 is amended to read:

377.22 Subd. 3. **Behavior analyst qualifications.** (a) A behavior analyst providing
377.23 behavioral support services as identified in section 245D.03, subdivision 1, paragraph
377.24 (c), clause (1), item (i), as defined in the brain injury and community alternatives for
377.25 disabled individuals waiver plans or successor plans, must have competencies in the
377.26 following areas as required under the brain injury and community alternatives for disabled
377.27 individuals waiver plans or successor plans:

377.28 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services
377.29 discipline; or

377.30 (2) meet the qualifications of a mental health practitioner as defined in section
377.31 245.462, subdivision 17.

377.32 (b) In addition, a behavior analyst must:

377.33 (1) have four years of supervised experience working with individuals who exhibit
377.34 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder;

378.1 (2) have received ten hours of instruction in functional assessment and functional
378.2 analysis;

378.3 (3) have received 20 hours of instruction in the understanding of the function of
378.4 behavior;

378.5 (4) have received ten hours of instruction on design of positive practices behavior
378.6 support strategies;

378.7 (5) have received 20 hours of instruction on the use of behavior reduction approved
378.8 strategies used only in combination with behavior positive practices strategies;

378.9 (6) be determined by a behavior professional to have the training and prerequisite
378.10 skills required to provide positive practice strategies as well as behavior reduction
378.11 approved and permitted intervention to the person who receives behavioral support; and

378.12 (7) be under the direct supervision of a behavior professional.

378.13 Sec. 42. Minnesota Statutes 2013 Supplement, section 245D.091, subdivision 4,
378.14 is amended to read:

378.15 Subd. 4. **Behavior specialist qualifications.** (a) A behavior specialist providing
378.16 behavioral support services as identified in section 245D.03, subdivision 1, paragraph (c),
378.17 clause (1), item (i), as defined in the brain injury and community alternatives for disabled
378.18 individuals waiver plans or successor plans, must meet the following qualifications have
378.19 competencies in the following areas as required under the brain injury and community
378.20 alternatives for disabled individuals waiver plans or successor plans:

378.21 (1) have an associate's degree in a social services discipline; or

378.22 (2) have two years of supervised experience working with individuals who exhibit
378.23 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

378.24 (b) In addition, a behavior specialist must:

378.25 (1) have received a minimum of four hours of training in functional assessment;

378.26 (2) have received 20 hours of instruction in the understanding of the function of
378.27 behavior;

378.28 (3) have received ten hours of instruction on design of positive practices behavioral
378.29 support strategies;

378.30 (4) be determined by a behavior professional to have the training and prerequisite
378.31 skills required to provide positive practices strategies as well as behavior reduction
378.32 approved intervention to the person who receives behavioral support; and

378.33 (5) be under the direct supervision of a behavior professional.

379.1 Sec. 43. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 3, is
379.2 amended to read:

379.3 Subd. 3. **Service suspension and service termination.** (a) The license holder must
379.4 establish policies and procedures for temporary service suspension and service termination
379.5 that promote continuity of care and service coordination with the person and the case
379.6 manager and with other licensed caregivers, if any, who also provide support to the person.

379.7 (b) The policy must include the following requirements:

379.8 (1) the license holder must notify the person or the person's legal representative and
379.9 case manager in writing of the intended termination or temporary service suspension, and
379.10 the person's right to seek a temporary order staying the termination of service according to
379.11 the procedures in section 256.045, subdivision 4a, or 6, paragraph (c);

379.12 (2) notice of the proposed termination of services, including those situations that
379.13 began with a temporary service suspension, must be given at least 60 days before the
379.14 proposed termination is to become effective when a license holder is providing intensive
379.15 supports and services identified in section 245D.03, subdivision 1, paragraph (c), and 30
379.16 days prior to termination for all other services licensed under this chapter. This notice
379.17 may be given in conjunction with a notice of temporary service suspension;

379.18 (3) notice of temporary service suspension must be given on the first day of the
379.19 service suspension;

379.20 ~~(3)~~ (4) the license holder must provide information requested by the person or case
379.21 manager when services are temporarily suspended or upon notice of termination;

379.22 ~~(4)~~ (5) prior to giving notice of service termination or temporary service suspension,
379.23 the license holder must document actions taken to minimize or eliminate the need for
379.24 service suspension or termination;

379.25 ~~(5)~~ (6) during the temporary service suspension or service termination notice period,
379.26 the license holder ~~will~~ must work with the ~~appropriate county agency support team or~~
379.27 expanded support team to develop reasonable alternatives to protect the person and others;

379.28 ~~(6)~~ (7) the license holder must maintain information about the service suspension or
379.29 termination, including the written termination notice, in the service recipient record; and

379.30 ~~(7)~~ (8) the license holder must restrict temporary service suspension to situations in
379.31 which the person's conduct poses an imminent risk of physical harm to self or others and
379.32 less restrictive or positive support strategies would not achieve and maintain safety.

379.33 Sec. 44. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 4, is
379.34 amended to read:

380.1 Subd. 4. **Availability of current written policies and procedures.** (a) The license
380.2 holder must review and update, as needed, the written policies and procedures required
380.3 under this chapter.

380.4 (b) (1) The license holder must inform the person and case manager of the policies
380.5 and procedures affecting a person's rights under section 245D.04, and provide copies of
380.6 those policies and procedures, within five working days of service initiation.

380.7 (2) If a license holder only provides basic services and supports, this includes the:

380.8 (i) grievance policy and procedure required under subdivision 2; and

380.9 (ii) service suspension and termination policy and procedure required under
380.10 subdivision 3.

380.11 (3) For all other license holders this includes the:

380.12 (i) policies and procedures in clause (2);

380.13 (ii) emergency use of manual restraints policy and procedure required under section
380.14 245D.061, subdivision 10, or successor provisions; and

380.15 (iii) data privacy requirements under section 245D.11, subdivision 3.

380.16 (c) The license holder must provide a written notice to all persons or their legal
380.17 representatives and case managers at least 30 days before implementing any procedural
380.18 revisions to policies affecting a person's service-related or protection-related rights under
380.19 section 245D.04 and maltreatment reporting policies and procedures. The notice must
380.20 explain the revision that was made and include a copy of the revised policy and procedure.
380.21 The license holder must document the reasonable cause for not providing the notice at
380.22 least 30 days before implementing the revisions.

380.23 (d) Before implementing revisions to required policies and procedures, the license
380.24 holder must inform all employees of the revisions and provide training on implementation
380.25 of the revised policies and procedures.

380.26 (e) The license holder must annually notify all persons, or their legal representatives,
380.27 and case managers of any procedural revisions to policies required under this chapter,
380.28 other than those in paragraph (c). Upon request, the license holder must provide the
380.29 person, or the person's legal representative, and case manager with copies of the revised
380.30 policies and procedures.

380.31 Sec. 45. Minnesota Statutes 2013 Supplement, section 245D.11, subdivision 2, is
380.32 amended to read:

380.33 Subd. 2. **Health and safety.** The license holder must establish policies and
380.34 procedures that promote health and safety by ensuring:

381.1 (1) use of universal precautions and sanitary practices in compliance with section
381.2 245D.06, subdivision 2, clause (5);

381.3 (2) if the license holder operates a residential program, health service coordination
381.4 and care according to the requirements in section 245D.05, subdivision 1;

381.5 (3) safe medication assistance and administration according to the requirements
381.6 in sections 245D.05, subdivisions 1a, 2, and 5, and 245D.051, that are established in
381.7 consultation with a registered nurse, nurse practitioner, physician's assistant, or medical
381.8 doctor and require completion of medication administration training according to the
381.9 requirements in section 245D.09, subdivision 4a, paragraph (d). Medication assistance
381.10 and administration includes, but is not limited to:

381.11 (i) providing medication-related services for a person;

381.12 (ii) medication setup;

381.13 (iii) medication administration;

381.14 (iv) medication storage and security;

381.15 (v) medication documentation and charting;

381.16 (vi) verification and monitoring of effectiveness of systems to ensure safe medication
381.17 handling and administration;

381.18 (vii) coordination of medication refills;

381.19 (viii) handling changes to prescriptions and implementation of those changes;

381.20 (ix) communicating with the pharmacy; and

381.21 (x) coordination and communication with prescriber;

381.22 (4) safe transportation, when the license holder is responsible for transportation of
381.23 persons, with provisions for handling emergency situations according to the requirements
381.24 in section 245D.06, subdivision 2, clauses (2) to (4);

381.25 (5) a plan for ensuring the safety of persons served by the program in emergencies as
381.26 defined in section 245D.02, subdivision 8, and procedures for staff to report emergencies
381.27 to the license holder. A license holder with a community residential setting or a day service
381.28 facility license must ensure the policy and procedures comply with the requirements in
381.29 section 245D.22, subdivision 4;

381.30 (6) a plan for responding to all incidents as defined in section 245D.02, subdivision
381.31 11; and reporting all incidents required to be reported according to section 245D.06,
381.32 subdivision 1. The plan must:

381.33 (i) provide the contact information of a source of emergency medical care and
381.34 transportation; and

381.35 (ii) require staff to first call 911 when the staff believes a medical emergency may
381.36 be life threatening, or to call the mental health crisis intervention team or similar mental

382.1 health response team or service when such a team is available and appropriate when the
382.2 person is experiencing a mental health crisis; and

382.3 (7) a procedure for the review of incidents and emergencies to identify trends or
382.4 patterns, and corrective action if needed. The license holder must establish and maintain
382.5 a record-keeping system for the incident and emergency reports. Each incident and
382.6 emergency report file must contain a written summary of the incident. The license holder
382.7 must conduct a review of incident reports for identification of incident patterns, and
382.8 implementation of corrective action as necessary to reduce occurrences. Each incident
382.9 report must include:

382.10 (i) the name of the person or persons involved in the incident. It is not necessary
382.11 to identify all persons affected by or involved in an emergency unless the emergency
382.12 resulted in an incident;

382.13 (ii) the date, time, and location of the incident or emergency;

382.14 (iii) a description of the incident or emergency;

382.15 (iv) a description of the response to the incident or emergency and whether a person's
382.16 coordinated service and support plan addendum or program policies and procedures were
382.17 implemented as applicable;

382.18 (v) the name of the staff person or persons who responded to the incident or
382.19 emergency; and

382.20 (vi) the determination of whether corrective action is necessary based on the results
382.21 of the review.

382.22 Sec. 46. Minnesota Statutes 2012, section 252.27, is amended by adding a subdivision
382.23 to read:

382.24 Subd. 2d. **Fees limited.** Effective January 1, 2015, to December 31, 2015, the fee
382.25 a parent is required to contribute to the cost of services under medical assistance for an
382.26 individual child shall not exceed the maximum insurance premium charged in Minnesota
382.27 under the federal Patient Protection and Affordable Care Act, Public Law 111-148, as
382.28 amended, for a child-only policy for a child with the same amount of income, plus a \$500
382.29 annual deductible, or the current parent fee under subdivision 2a, whichever is less.

382.30 Sec. 47. Minnesota Statutes 2012, section 252.451, subdivision 2, is amended to read:

382.31 Subd. 2. **Vendor participation and reimbursement.** Notwithstanding requirements
382.32 in ~~chapter~~ chapters 245A and 245D, and sections 252.28, 252.40 to 252.46, and 256B.501,
382.33 vendors of day training and habilitation services may enter into written agreements with

383.1 qualified businesses to provide additional training and supervision needed by individuals
383.2 to maintain their employment.

383.3 Sec. 48. Minnesota Statutes 2012, section 256.9752, subdivision 2, is amended to read:

383.4 Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies
383.5 on aging the state and federal funds which are received for the senior nutrition programs
383.6 of congregate dining and home-delivered meals in a manner consistent with federal
383.7 requirements.

383.8 Sec. 49. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 4,
383.9 is amended to read:

383.10 Subd. 4. **Diagnosis.** (a) A diagnosis must:

383.11 (1) be based upon current DSM criteria including direct observations of the child
383.12 and reports from parents or primary caregivers; and

383.13 (2) be completed by ~~both~~ either (i) a licensed physician or advanced practice
383.14 registered nurse ~~and~~ or (ii) a mental health professional.

383.15 (b) Additional diagnostic assessment information may be considered including from
383.16 special education evaluations and licensed school personnel, and from professionals
383.17 licensed in the fields of medicine, speech and language, psychology, occupational therapy,
383.18 and physical therapy.

383.19 ~~(c) If the commissioner determines there are access problems or delays in diagnosis~~
383.20 ~~for a geographic area due to the lack of qualified professionals, the commissioner shall~~
383.21 ~~waive the requirement in paragraph (a), clause (2), for two professionals and allow a~~
383.22 ~~diagnosis to be made by one professional for that geographic area. This exception must be~~
383.23 ~~limited to a specific period of time until, with stakeholder input as described in subdivision~~
383.24 ~~8, there is a determination of an adequate number of professionals available to require two~~
383.25 ~~professionals for each diagnosis.~~

383.26 Sec. 50. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 11,
383.27 is amended to read:

383.28 Subd. 11. **Federal approval of the autism benefit.** (a) The provisions of
383.29 ~~subdivision 9~~ this section shall apply to state plan services under title XIX of the Social
383.30 Security Act when federal approval is granted under a 1915(i) waiver or other authority
383.31 which allows children eligible for medical assistance through the TEFRA option under
383.32 section 256B.055, subdivision 12, to qualify and includes children eligible for medical
383.33 assistance in families over 150 percent of the federal poverty guidelines.

384.1 (b) The commissioner may decide to use the federal authority for a Medicaid state
384.2 plan amendment under early and periodic screening, diagnosis, and treatment (EPSDT),
384.3 United States Code, title 42, section 1396D(R)(5), or other Medicaid provision for any
384.4 aspect or type of treatment covered in this section if new federal guidance is helpful
384.5 in achieving one or more of the purposes of this section in a cost-effective manner.
384.6 Any treatment services submitted for federal approval under EPSDT shall include
384.7 appropriate medical criteria to qualify for the service and cover children through age 20
384.8 notwithstanding subdivision 2, paragraph (c).

384.9 Sec. 51. Minnesota Statutes 2012, section 256B.431, is amended by adding a
384.10 subdivision to read:

384.11 Subd. 46. **Rate increase for facilities in Mille Lacs, Isanti, and Kanabec Counties.**

384.12 (a) Effective July 1, 2015, the operating payment rates of nursing facilities in Mille Lacs,
384.13 Isanti, and Kanabec Counties that are reimbursed under this section, section 256B.434, or
384.14 section 256B.441, shall be increased to be equal, for a resource utilization group rate with
384.15 a weight of 1.00, to the geographic group III median rate for the same resource utilization
384.16 group weight. The calculations under this subdivision shall be added to the rates before
384.17 any other operating payment rate adjustments effective on July 1, 2015, are computed.
384.18 The percentage of the operating payment rates to be case-mix adjusted shall be equal to
384.19 the percentage that is case-mix adjusted in the June 30, 2015, operating payment rates.

384.20 (b) Seventy-five percent of the money resulting from the rate adjustment under
384.21 paragraph (a) must be used for increases in compensation-related costs for employees
384.22 directly employed by the nursing facility on or after the effective date of the rate
384.23 adjustment, except:

384.24 (1) the administrator;

384.25 (2) persons employed in the central office of a corporation that has an ownership
384.26 interest in the nursing facility or exercises control over the nursing facility; and

384.27 (3) persons paid by the nursing facility under a management contract.

384.28 (c) The commissioner shall allow as compensation-related costs all costs for:

384.29 (1) wage and salary increases effective after May 25, 2015;

384.30 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
384.31 unemployment taxes, and workers' compensation;

384.32 (3) the employer's share of health and dental insurance, life insurance, disability
384.33 insurance, long-term care insurance, uniform allowance, and pensions; and

384.34 (4) other benefits provided and workforce needs, including the recruiting and
384.35 training of employees, subject to the approval of the commissioner.

385.1 (d) The portion of the rate adjustment under paragraph (a) that is not subject to the
385.2 requirements of paragraph (b) shall be provided to nursing facilities effective July 1, 2015.
385.3 Nursing facilities may apply for the portion of the rate adjustment under paragraph (a)
385.4 that is subject to the requirements of paragraph (b). The application must be submitted
385.5 to the commissioner within six months of the effective date of the rate adjustment, and
385.6 the nursing facility must provide additional information required by the commissioner
385.7 within nine months of the effective date of the rate adjustment. The commissioner must
385.8 respond to all applications within three weeks of receipt. The commissioner may waive
385.9 the deadlines in the paragraph under extraordinary circumstances, to be determined at the
385.10 sole discretion of the commissioner. The application must contain:

385.11 (1) an estimate of the amounts of money that must be used as specified in paragraph
385.12 (b);

385.13 (2) a detailed distribution plan specifying the allowable compensation-related
385.14 increases the nursing facility will implement to use the funds available in clause (1);

385.15 (3) a description of how the nursing facility will notify eligible employees of
385.16 the contents of the approved application, which must provide for giving each eligible
385.17 employee a copy of the approved application, excluding the information required in clause
385.18 (1), or posting a copy of the approved application, excluding the information required in
385.19 clause (1), for a period of at least six weeks in an area of the nursing facility to which all
385.20 eligible employees have access; and

385.21 (4) instructions for employees who believe they have not received the
385.22 compensation-related increases specified in clause (2), as approved by the commissioner,
385.23 and which must include a mailing address, an e-mail address, and the telephone number
385.24 that may be used by the employee to contact the commissioner or the commissioner's
385.25 representative.

385.26 (e) The commissioner shall ensure that cost increases in distribution plans under
385.27 paragraph (d), clause (2), that may be included in approved applications comply with the
385.28 following requirements:

385.29 (1) a portion of the costs resulting from tenure-related wage or salary increases
385.30 may be considered to be allowable wage increases, according to formulas that the
385.31 commissioner shall provide, where employee retention is above the average statewide
385.32 rate of retention of direct-care employees;

385.33 (2) the annualized amount of increases in costs for the employer's share of health
385.34 and dental insurance, life insurance, disability insurance, and workers' compensation
385.35 shall be allowable compensation-related increases if they are effective on or after April
385.36 1, 2015, and prior to April 1, 2016; and

386.1 (3) for nursing facilities in which employees are represented by an exclusive
386.2 bargaining representative, the commissioner shall approve the application only upon
386.3 receipt of a letter of acceptance of the distribution plan, in regard to members of the
386.4 bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2015.
386.5 Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of
386.6 this provision as having been met in regard to the members of the bargaining unit.

386.7 (f) The commissioner shall review applications received under paragraph (d) and
386.8 shall provide the portion of the rate adjustment under paragraph (b) if the requirements
386.9 of this subdivision have been met. The rate adjustment shall be effective July 1, 2015.
386.10 Notwithstanding paragraph (a), if the approved application distributes less money than is
386.11 available, the amount of the rate adjustment shall be reduced so that the amount of money
386.12 made available is equal to the amount to be distributed.

386.13 (g) The increase in this subdivision shall be applied as a percentage to operating
386.14 payment rates in effect on June 30, 2015. For each facility the commissioner shall
386.15 determine the operating payment rate, not including any rate components resulting from
386.16 equitable cost-sharing for publicly owned nursing facility program participation under
386.17 section 256B.441, subdivision 55a, or performance-based incentive payment program
386.18 participation under section 256B.434, subdivision 4, paragraph (d), for a resource
386.19 utilization group class with a weight of 1.00 in effect on June 30, 2015.

386.20 Sec. 52. Minnesota Statutes 2012, section 256B.434, is amended by adding a
386.21 subdivision to read:

386.22 Subd. 19c. **Nursing facility rate adjustments beginning July 1, 2015.** (a)
386.23 Beginning July 1, 2015, the commissioner shall make available to each nursing facility
386.24 reimbursed under this section a 5 percent operating payment rate increase, in accordance
386.25 with paragraphs (b) to (g).

386.26 (b) Seventy-five percent of the money resulting from the rate adjustment under
386.27 paragraph (a) must be used for increases in compensation-related costs for employees
386.28 directly employed by the nursing facility on or after the effective date of the rate
386.29 adjustment, except:

386.30 (1) the administrator;

386.31 (2) persons employed in the central office of a corporation that has an ownership
386.32 interest in the nursing facility or exercises control over the nursing facility; and

386.33 (3) persons paid by the nursing facility under a management contract.

386.34 (c) The commissioner shall allow as compensation-related costs all costs for:

386.35 (1) wage and salary increases effective after May 25, 2015;

387.1 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
387.2 unemployment taxes, and workers' compensation;

387.3 (3) the employer's share of health and dental insurance, life insurance, disability
387.4 insurance, long-term care insurance, uniform allowance, and pensions; and

387.5 (4) other benefits provided and workforce needs, including the recruiting and
387.6 training of employees, subject to the approval of the commissioner.

387.7 (d) The portion of the rate adjustment under paragraph (a) that is not subject to the
387.8 requirements of paragraph (b) shall be provided to nursing facilities effective July 1, 2015.
387.9 Nursing facilities may apply for the portion of the rate adjustment under paragraph (a)
387.10 that is subject to the requirements in paragraph (b). The application must be submitted
387.11 to the commissioner within six months of the effective date of the rate adjustment, and
387.12 the nursing facility must provide additional information required by the commissioner
387.13 within nine months of the effective date of the rate adjustment. The commissioner must
387.14 respond to all applications within three weeks of receipt. The commissioner may waive
387.15 the deadlines in this paragraph under extraordinary circumstances, to be determined at the
387.16 sole discretion of the commissioner. The application must contain:

387.17 (1) an estimate of the amounts of money that must be used as specified in paragraph
387.18 (b);

387.19 (2) a detailed distribution plan specifying the allowable compensation-related
387.20 increases the nursing facility will implement to use the funds available in clause (1);

387.21 (3) a description of how the nursing facility will notify eligible employees of
387.22 the contents of the approved application, which must provide for giving each eligible
387.23 employee a copy of the approved application, excluding the information required in clause
387.24 (1), or posting a copy of the approved application, excluding the information required in
387.25 clause (1), for a period of at least six weeks in an area of the nursing facility to which all
387.26 eligible employees have access; and

387.27 (4) instructions for employees who believe they have not received the
387.28 compensation-related increases specified in clause (2), as approved by the commissioner,
387.29 and which must include a mailing address, e-mail address, and the telephone number
387.30 that may be used by the employee to contact the commissioner or the commissioner's
387.31 representative.

387.32 (e) The commissioner shall ensure that cost increases in distribution plans under
387.33 paragraph (d), clause (2), that may be included in approved applications, comply with the
387.34 following requirements:

387.35 (1) a portion of the costs resulting from tenure-related wage or salary increases
387.36 may be considered to be allowable wage increases, according to formulas that the

388.1 commissioner shall provide, where employee retention is above the average statewide
388.2 rate of retention of direct-care employees;

388.3 (2) the annualized amount of increases in costs for the employer's share of health
388.4 and dental insurance, life insurance, disability insurance, and workers' compensation
388.5 shall be allowable compensation-related increases if they are effective on or after April
388.6 1, 2015, and prior to April 1, 2016; and

388.7 (3) for nursing facilities in which employees are represented by an exclusive
388.8 bargaining representative, the commissioner shall approve the application only upon
388.9 receipt of a letter of acceptance of the distribution plan, in regard to members of the
388.10 bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2015.

388.11 Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of
388.12 this provision as having been met in regard to the members of the bargaining unit.

388.13 (f) The commissioner shall review applications received under paragraph (d) and
388.14 shall provide the portion of the rate adjustment under paragraph (b) if the requirements
388.15 of this statute have been met. The rate adjustment shall be effective October 1, 2015.

388.16 Notwithstanding paragraph (a), if the approved application distributes less money than is
388.17 available, the amount of the rate adjustment shall be reduced so that the amount of money
388.18 made available is equal to the amount to be distributed.

388.19 (g) The increase in this subdivision shall be applied as a percentage to operating
388.20 payment rates in effect on June 30, 2015. For each facility, the commissioner shall
388.21 determine the operating payment rate, not including any rate components resulting from
388.22 equitable cost-sharing for publicly owned nursing facility program participation under
388.23 section 256B.441, subdivision 55a, critical access nursing facility program participation
388.24 under section 256B.441, subdivision 63, or performance-based incentive payment
388.25 program participation under subdivision 4, paragraph (d), for a RUG class with a weight
388.26 of 1.00 in effect on June 30, 2015.

388.27 Sec. 53. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 1,
388.28 is amended to read:

388.29 Subdivision 1. **Development and implementation of quality profiles.** (a) The
388.30 commissioner of human services, in cooperation with the commissioner of health, shall
388.31 develop and implement quality profiles for nursing facilities and, beginning not later than
388.32 July 1, 2014, for home and community-based services providers, except when the quality
388.33 profile system would duplicate requirements under section 256B.5011, 256B.5012, or
388.34 256B.5013. For purposes of this section, home and community-based services providers
388.35 are defined as providers of home and community-based services under sections 256B.0625,

389.1 subdivisions 6a, 7, and 19a; 256B.0913₂; 256B.0915₂; 256B.092₂, and; 256B.49₂; and
 389.2 256B.85, and intermediate care facilities for persons with developmental disabilities
 389.3 providers under section 256B.5013. To the extent possible, quality profiles must be
 389.4 developed for providers of services to older adults and people with disabilities, regardless
 389.5 of payor source, for the purposes of providing information to consumers. The quality
 389.6 profiles must be developed using existing data sets maintained by the commissioners of
 389.7 health and human services to the extent possible. The profiles must incorporate or be
 389.8 coordinated with information on quality maintained by area agencies on aging, long-term
 389.9 care trade associations, the ombudsman offices, counties, tribes, health plans, and other
 389.10 entities and the long-term care database maintained under section 256.975, subdivision 7.
 389.11 The profiles must be designed to provide information on quality to:

- 389.12 (1) consumers and their families to facilitate informed choices of service providers;
 389.13 (2) providers to enable them to measure the results of their quality improvement
 389.14 efforts and compare quality achievements with other service providers; and
 389.15 (3) public and private purchasers of long-term care services to enable them to
 389.16 purchase high-quality care.

389.17 (b) The profiles must be developed in consultation with the long-term care task
 389.18 force, area agencies on aging, and representatives of consumers, providers, and labor
 389.19 unions. Within the limits of available appropriations, the commissioners may employ
 389.20 consultants to assist with this project.

389.21 **EFFECTIVE DATE.** This section is effective retroactively from February 1, 2014.

389.22 Sec. 54. Minnesota Statutes 2013 Supplement, section 256B.439, subdivision 7,
 389.23 is amended to read:

389.24 Subd. 7. **Calculation of home and community-based services quality add-on.**
 389.25 Effective On July 1, 2015, the commissioner shall determine the quality add-on rate
 389.26 change and adjust payment rates for participating all home and community-based services
 389.27 providers for services rendered on or after that date. The adjustment to a provider payment
 389.28 rate determined under this subdivision shall become part of the ongoing rate paid to that
 389.29 provider. The payment rate for the quality add-on shall be a variable amount based on
 389.30 each provider's quality score as determined in subdivisions 1 and 2a. All home and
 389.31 community-based services providers shall receive a minimum rate increase under this
 389.32 subdivision. In addition to a minimum rate increase, a home and community-based
 389.33 services provider shall receive a quality add-on payment. The commissioner shall limit
 389.34 the types of home and community-based services providers that may receive the quality
 389.35 add-on ~~and~~ based on availability of quality measures and outcome data. The commissioner

390.1 shall limit the amount of the minimum rate increase and quality add-on payments to
390.2 ~~operate the quality add-on within funds appropriated for this purpose and based on the~~
390.3 ~~availability of the quality measures~~ the equivalent of a one percent rate increase for all
390.4 home and community-based services providers.

390.5 Sec. 55. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 53,
390.6 is amended to read:

390.7 Subd. 53. **Calculation of payment rate for external fixed costs.** The commissioner
390.8 shall calculate a payment rate for external fixed costs.

390.9 (a) For a facility licensed as a nursing home, the portion related to section 256.9657
390.10 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care
390.11 home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the
390.12 result of its number of nursing home beds divided by its total number of licensed beds.

390.13 (b) The portion related to the licensure fee under section 144.122, paragraph (d),
390.14 shall be the amount of the fee divided by actual resident days.

390.15 (c) The portion related to scholarships shall be determined under section 256B.431,
390.16 subdivision 36.

390.17 (d) Until September 30, 2013, the portion related to long-term care consultation shall
390.18 be determined according to section 256B.0911, subdivision 6.

390.19 (e) The portion related to development and education of resident and family advisory
390.20 councils under section 144A.33 shall be \$5 divided by 365.

390.21 (f) The portion related to planned closure rate adjustments shall be as determined
390.22 under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.
390.23 Planned closure rate adjustments that take effect before October 1, 2014, shall no longer
390.24 be included in the payment rate for external fixed costs beginning October 1, 2016.
390.25 Planned closure rate adjustments that take effect on or after October 1, 2014, shall no
390.26 longer be included in the payment rate for external fixed costs beginning on October 1 of
390.27 the first year not less than two years after their effective date.

390.28 (g) The portions related to property insurance, real estate taxes, special assessments,
390.29 and payments made in lieu of real estate taxes directly identified or allocated to the nursing
390.30 facility shall be the actual amounts divided by actual resident days.

390.31 (h) The portion related to the Public Employees Retirement Association shall be
390.32 actual costs divided by resident days.

390.33 (i) The single bed room incentives shall be as determined under section 256B.431,
390.34 subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall
390.35 no longer be included in the payment rate for external fixed costs beginning October 1,

391.1 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no
391.2 longer be included in the payment rate for external fixed costs beginning on October 1 of
391.3 the first year not less than two years after their effective date.

391.4 (j) The portion related to the rate adjustment shall be as provided in subdivision 64.

391.5 (k) The payment rate for external fixed costs shall be the sum of the amounts in
391.6 paragraphs (a) to (i) (j).

391.7 Sec. 56. Minnesota Statutes 2012, section 256B.441, is amended by adding a
391.8 subdivision to read:

391.9 Subd. 64. **Rate adjustment for compensation-related costs.** (a) Total payment
391.10 rates of all nursing facilities that are reimbursed under this section or section 256B.434
391.11 shall be increased effective October 1, 2014, to address compensation costs for nursing
391.12 facility employees paid less than \$14.00 per hour.

391.13 (b) Based on the application in paragraph (d), the commissioner shall calculate
391.14 the annualized compensation costs by adding the totals of clauses (1), (2), and (3). The
391.15 result must be divided by the resident days from the most recently available cost report to
391.16 determine a per diem amount, which must be included in the external fixed cost portion of
391.17 the total payment rate under subdivision 53:

391.18 (1) the sum of the difference between \$9.50 and any hourly wage rate of less than
391.19 \$9.50, multiplied by the number of compensated hours at that wage rate;

391.20 (2) the sum of items (i) to (viii):

391.21 (i) for all compensated hours from \$8.00 to \$8.49 per hour, the number of
391.22 compensated hours is multiplied by \$0.13;

391.23 (ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of
391.24 compensated hours is multiplied by \$0.25;

391.25 (iii) for all compensated hours from \$9.00 to \$9.49 per hour, the number of
391.26 compensated hours is multiplied by \$0.38;

391.27 (iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of
391.28 compensated hours is multiplied by \$0.50;

391.29 (v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of
391.30 compensated hours is multiplied by \$0.40;

391.31 (vi) for all compensated hours from \$11.00 to \$11.49 per hour, the number of
391.32 compensated hours is multiplied by \$0.30;

391.33 (vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of
391.34 compensated hours is multiplied by \$0.20; and

392.1 (viii) for all compensated hours from \$12.00 to \$13.00 per hour, the number of
392.2 compensated hours is multiplied by \$0.10; and

392.3 (3) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal
392.4 unemployment taxes, workers' compensation, pensions, and contributions to employee
392.5 retirement accounts attributable to the amounts in clauses (1) and (2).

392.6 (c) For the rate year beginning October 1, 2014, nursing facilities that receive
392.7 approval of the application in paragraph (d) must receive a rate adjustment according to
392.8 paragraph (b). The rate adjustment must be used to pay compensation costs for nursing
392.9 facility employees paid less than \$14.00 per hour. The rate adjustment must continue to
392.10 be included in the total payment rate in subsequent years.

392.11 (d) To receive a rate adjustment, nursing facilities must submit an application to the
392.12 commissioner in a form and manner determined by the commissioner. The application
392.13 shall include data for a period beginning with the first pay period after January 1, 2014,
392.14 including at least three months of employee compensated hours by wage rate, and a
392.15 spending plan that describes how the funds from the rate adjustment will be allocated
392.16 for compensation to employees paid less than \$14.00 per hour. The application must
392.17 be submitted by December 31, 2014. The commissioner may request any additional
392.18 information needed to determine the rate adjustment within three weeks of receiving
392.19 a complete application. The nursing facility must provide any additional information
392.20 requested by the commissioner by March 31, 2015. The commissioner may waive the
392.21 deadlines in this subdivision under extraordinary circumstances.

392.22 (e) For nursing facilities in which employees are represented by an exclusive
392.23 bargaining representative, the commissioner shall approve the application submitted under
392.24 this subdivision only upon receipt of a letter of acceptance of the spending plan in regard
392.25 to members of the bargaining unit, signed by the exclusive bargaining agent and dated
392.26 after May 31, 2014. Upon receipt of the letter of acceptance, the commissioner shall
392.27 deem all requirements of this subdivision as having been met in regard to the members of
392.28 the bargaining unit.

392.29 Sec. 57. Minnesota Statutes 2013 Supplement, section 256B.4912, subdivision 1,
392.30 is amended to read:

392.31 Subdivision 1. **Provider qualifications.** (a) For the home and community-based
392.32 waivers providing services to seniors and individuals with disabilities under sections
392.33 256B.0913, 256B.0915, 256B.092, and 256B.49, the commissioner shall establish:

392.34 (1) agreements with enrolled waiver service providers to ensure providers meet
392.35 Minnesota health care program requirements;

393.1 (2) regular reviews of provider qualifications, and including requests of proof of
393.2 documentation; and

393.3 (3) processes to gather the necessary information to determine provider qualifications.

393.4 (b) Beginning July 1, 2012, staff that provide direct contact, as defined in section
393.5 245C.02, subdivision 11, for services specified in the federally approved waiver plans
393.6 must meet the requirements of chapter 245C prior to providing waiver services and as
393.7 part of ongoing enrollment. Upon federal approval, this requirement must also apply to
393.8 consumer-directed community supports.

393.9 (c) Beginning January 1, 2014, service owners and managerial officials overseeing
393.10 the management or policies of services that provide direct contact as specified in the
393.11 federally approved waiver plans must meet the requirements of chapter 245C prior to
393.12 reenrollment or revalidation or, for new providers, prior to initial enrollment if they have
393.13 not already done so as a part of service licensure requirements.

393.14 Sec. 58. Minnesota Statutes 2013 Supplement, section 256B.492, is amended to read:

393.15 **256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE**
393.16 **WITH DISABILITIES.**

393.17 Subdivision 1. Home and community-based waivers. (a) Individuals receiving
393.18 services under a home and community-based waiver under section 256B.092 or 256B.49
393.19 may receive services in the following settings:

393.20 (1) an individual's own home or family home;

393.21 (2) a licensed adult foster care or child foster care setting of up to five people; and

393.22 (3) community living settings as defined in section 256B.49, subdivision 23, where
393.23 individuals with disabilities who are receiving services under a home and community-based
393.24 waiver may reside in all of the units in a building of four or fewer units, and no more than
393.25 the greater of four or 25 percent of the units in a multifamily building of more than four
393.26 units, unless required by the Housing Opportunities for Persons with AIDS Program.

393.27 (b) The settings in paragraph (a) must not:

393.28 (1) be located in a building that is a publicly or privately operated facility that
393.29 provides institutional treatment or custodial care;

393.30 (2) be located in a building on the grounds of or adjacent to a public or private
393.31 institution;

393.32 (3) be a housing complex designed expressly around an individual's diagnosis or
393.33 disability, unless required by the Housing Opportunities for Persons with AIDS Program;

393.34 (4) be segregated based on a disability, either physically or because of setting
393.35 characteristics, from the larger community; and

394.1 (5) have the qualities of an institution which include, but are not limited to:
394.2 regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions
394.3 agreed to and documented in the person's individual service plan shall not result in a
394.4 residence having the qualities of an institution as long as the restrictions for the person are
394.5 not imposed upon others in the same residence and are the least restrictive alternative,
394.6 imposed for the shortest possible time to meet the person's needs.

394.7 (c) The provisions of paragraphs (a) and (b) do not apply to any setting in which
394.8 individuals with disabilities receive services under a home and community-based waiver
394.9 as of July 1, 2012, and the setting does not meet the criteria of this section.

394.10 (d) Notwithstanding paragraph (c), a program in Hennepin County established as
394.11 part of a Hennepin County demonstration project is qualified for the exception allowed
394.12 under paragraph (c).

394.13 (e) The commissioner shall submit an amendment to the waiver plan no later than
394.14 December 31, 2012.

394.15 **Subd. 2. Exceptions for home and community-based waiver housing programs.**

394.16 (a) Beginning no later than January 2015, based on the consultation with interested
394.17 stakeholders as specified in subdivision 4, the commissioner shall accept and process
394.18 applications for exceptions to subdivision 1 based on the criteria in this subdivision. The
394.19 commissioner may grant exceptions for up to 200 units in which individuals may reside
394.20 beginning July 1, 2016. Beginning July 1, 2017, the commissioner may grant additional
394.21 exceptions beyond the 200 unit limit in this paragraph.

394.22 (b) An owner, operator, or developer of a community living setting may apply to
394.23 the commissioner for an exception from the requirements in subdivision 1, paragraph
394.24 (a), clause (3), and paragraph (b), clause (3). An exception may be granted when the
394.25 community living setting requesting the exception submits to the commissioner an
394.26 application providing the information requested in paragraph (c). The exception must
394.27 require that housing costs be separated from service costs and allow the client to choose
394.28 the vendor who provides personal services under the client's waiver.

394.29 (c) A community living setting application for an exception must include the
394.30 following:

394.31 (1) an affirmation that the community living setting materially meets all the
394.32 requirements for home and community-based settings in subdivision 1, paragraph (b),
394.33 other than clause (3);

394.34 (2) an explanation of the scope and necessity of the exception, including
394.35 documentation of the characteristics of the population to be served and the demand for the
394.36 number of units the community living setting anticipates will be occupied by individuals

395.1 receiving services under a home and community-based waiver in the proposed community
395.2 living setting;

395.3 (3) an explanation of how the community living setting supports all individuals with
395.4 disabilities receiving services under a home and community-based waiver in choosing
395.5 the community living setting from among other options, the availability of those other
395.6 options in the community for the specific population the program proposes to serve, the
395.7 proposed rents, the services and service costs, if any, provided by the community living
395.8 setting, and the cost-effectiveness of the proposed model; and

395.9 (4) a quality assurance plan affirming that the community living setting requesting
395.10 the exception:

395.11 (i) supports or develops scattered-site alternatives to the community living setting
395.12 for which the exception is requested;

395.13 (ii) supports the transition of individuals receiving services under a home and
395.14 community-based waiver to the most integrated setting appropriate to the individual's
395.15 needs;

395.16 (iii) has a history of meeting recognized quality standards for the population it serves
395.17 or is targeting, or that it will meet recognized quality standards;

395.18 (iv) provides and facilitates for tenants receiving services under a home and
395.19 community-based waiver unlimited access to the community, including opportunities to
395.20 interact with nonstaff people without disabilities, appropriate to the individual's needs;

395.21 (v) supports a safe and healthy environment for all individuals living in the
395.22 community living setting;

395.23 (vi) provides information on which entities will inspect the setting and the frequency
395.24 of the inspections; and

395.25 (vii) affirms that the community living setting will annually collect information
395.26 related to tenant satisfaction and that the information is available to current and
395.27 prospective tenants and families.

395.28 (d) In assessing whether to grant or deny the community living setting's exception
395.29 request, the commissioner shall:

395.30 (1) evaluate all of the assertions in the application, verify the assertions are accurate,
395.31 and ensure that the application is complete;

395.32 (2) consult with all divisions in the Department of Human Services relevant to the
395.33 specific populations being served by the community living setting, the Minnesota Housing
395.34 Finance Agency, and the Department of Health;

396.1 (3) within 30 days of receiving the application notify the city, county, and local press
396.2 of a 30-day public comment period to consider community input on the application,
396.3 including input from tenants, potential tenants, and other interested stakeholders;

396.4 (4) deny an application in which:

396.5 (i) the community living setting fails to fully comply with the application
396.6 requirements in paragraph (c);

396.7 (ii) the community living setting fails to comply with all applicable federal
396.8 regulations regarding Medicaid-funded home and community-based services under the
396.9 Code of Federal Regulations, title 42, parts 430, 431, 435, 436, 440, 441, and 447;

396.10 (iii) the community living setting fails to materially comply with any Minnesota
396.11 law or regulation applicable to individuals with disabilities receiving home and
396.12 community-based services under medical assistance;

396.13 (iv) the community living setting is not consistent with relevant parts of the
396.14 Olmstead plan that are applicable to housing for individuals with disabilities who are
396.15 receiving home and community-based services under medical assistance;

396.16 (v) the following factors adversely impact the quality of life and integration for
396.17 residents:

396.18 (A) the total number of units in a building or the number of units to be occupied by
396.19 persons receiving services under a home and community-based waiver; or

396.20 (B) the geographic concentration of disability-purposed housing; and

396.21 (vi) the number of approved or pending exceptions applications adversely impact
396.22 the balance between persons with disabilities receiving home and community-based
396.23 waivers in disability-purposed housing, and housing that contains units with and without
396.24 persons with disabilities;

396.25 (5) take into account the community input raised during the public comment period;

396.26 (6) within 60 days of receiving the application, issue an approval, conditional
396.27 approval, or denial of the exception; and

396.28 (7) accept and process applications from community living settings throughout the
396.29 calendar year.

396.30 If conditional approval is granted under this section, the commissioner must specify the
396.31 reasons for the conditional approval of the exception, and allow the community living
396.32 setting 30 days to amend the application, and issue a renewed decision within 15 days of
396.33 receiving the amended application. If the commissioner denies an exception under this
396.34 section, the commissioner must specify the reasons for denying the exception.

396.35 (e) After a community living setting's exception is approved, any material change
396.36 in the population to be served or the services to be offered must be submitted to the

397.1 commissioner who must decide if the changes are consistent with the basis on which the
397.2 exception was granted, or if another exception request needs to be submitted.

397.3 (f) If an exception is approved and later revoked, no tenant must be displaced as a
397.4 result of this revocation until a relocation plan is implemented that provides an acceptable
397.5 alternative community living setting.

397.6 (g) No community living setting that meets the requirements under subdivision 1 is
397.7 required to apply for an exception described in this subdivision.

397.8 Subd. 3. **Exception process expiration.** Beginning January 1, 2019, the
397.9 commissioner shall not accept or process applications for exceptions under subdivision 2.
397.10 Community living settings granted an exception under subdivision 2, prior to January 1,
397.11 2019, may retain their exception status under the provisions in subdivision 2.

397.12 Subd. 4. **Public input on exception process.** The commissioner shall consult
397.13 with interested stakeholders to develop a plan for implementing the exceptions process
397.14 described in Minnesota Statutes, section 256B.492, subdivision 2. The implementation
397.15 plan for the applications must be based on the criteria in Minnesota Statutes, section
397.16 256B.492, subdivision 2, including defining key terms related to the quality and
397.17 integration measures, as well as the grounds for denying or approving an application and
397.18 any other information necessary to manage the exceptions process. The commissioner
397.19 shall consult with representatives from each relevant division of the Department of Human
397.20 Services, The Coalition for Choice in Housing, NAMI, The Arc Minnesota, Mental Health
397.21 Association of Minnesota, Minnesota Disability Law Center, Minnesota State Council on
397.22 Disability, The Office of Ombudsman for Mental Health and Developmental Disabilities,
397.23 and other provider organizations, counties, disability advocates, and individuals with
397.24 disabilities or family members of an individual with disabilities.

397.25 Subd. 5. **Legislative update.** By January 15, 2015, the commissioner shall provide
397.26 an update to the chairs and ranking minority members of the legislative committees with
397.27 jurisdiction over the finalized exceptions process.

397.28 Sec. 59. Minnesota Statutes 2012, section 256B.5012, is amended by adding a
397.29 subdivision to read:

397.30 Subd. 16. **ICF/DD rate increases effective July 1, 2014.** (a) For each facility
397.31 reimbursed under this section, for the rate period beginning July 1, 2014, the commissioner
397.32 shall increase operating payments equal to five percent of the operating payment rates in
397.33 effect on July 1, 2014. For each facility, the commissioner shall apply the rate increase
397.34 based on occupied beds, using the percentage specified in this subdivision multiplied by

398.1 the total payment rate, including the variable rate but excluding the property-related
398.2 payment rate in effect on the preceding date.

398.3 (b) To receive the rate increase under paragraph (a), each facility reimbursed under
398.4 this section must submit to the commissioner documentation that identifies a quality
398.5 improvement project the facility will implement by June 30, 2015. Documentation must
398.6 be provided in a format specified by the commissioner. Projects must:

398.7 (1) improve the quality of life of intermediate care facility residents in a meaningful
398.8 way;

398.9 (2) improve the quality of services in a measurable way; or

398.10 (3) deliver good quality service more efficiently while using the savings to enhance
398.11 services for the participants served.

398.12 (c) For a facility that fails to submit the documentation described in paragraph (b)
398.13 by a date or in a format specified by the commissioner, the commissioner shall reduce
398.14 the facility's rate by one percent effective January 1, 2015.

398.15 (d) Facilities that receive a rate increase under this subdivision shall use 75 percent
398.16 of the rate increase to increase compensation-related costs for employees directly
398.17 employed by the facility on or after the effective date of the rate adjustments, except:

398.18 (1) persons employed in the central office of a corporation or entity that has an
398.19 ownership interest in the facility or exercises control over the facility; and

398.20 (2) persons paid by the facility under a management contract.

398.21 This requirement is subject to audit by the commissioner.

398.22 (e) Compensation-related costs include:

398.23 (1) wages and salaries;

398.24 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
398.25 unemployment taxes, workers' compensation, and mileage reimbursement;

398.26 (3) the employer's share of health and dental insurance, life insurance, disability
398.27 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
398.28 employee retirement accounts; and

398.29 (4) other benefits provided and workforce needs, including the recruiting and
398.30 training of employees as specified in the distribution plan required under paragraph (f).

398.31 (f) A facility that receives a rate adjustment under paragraph (a) that is subject to
398.32 paragraphs (d) and (e) shall prepare and produce for the commissioner, upon request, a
398.33 plan that specifies the amount of money the provider expects to receive that is subject to
398.34 the requirements of paragraphs (d) and (e), as well as how that money will be distributed
398.35 to increase compensation for employees. The commissioner may recover funds from a
398.36 facility that fails to comply with this requirement.

399.1 (g) Within six months after the effective date of the rate adjustment, the facility shall
399.2 post the distribution plan required under paragraph (f) for a period of at least six weeks in
399.3 an area of the facility's operation to which all eligible employees have access, and shall
399.4 provide instructions for employees who believe they have not received the wage and other
399.5 compensation-related increases specified in the distribution plan. These instructions must
399.6 include a mailing address, e-mail address, and telephone number that an employee may
399.7 use to contact the commissioner or the commissioner's representative. Facilities shall
399.8 make assurances to the commissioner of compliance with this subdivision using forms
399.9 prescribed by the commissioner.

399.10 (h) For public employees, the increase for wages and benefits for certain staff is
399.11 available and pay rates must be increased only to the extent that the increases comply with
399.12 laws governing public employees' collective bargaining. Money received by a provider for
399.13 pay increases for public employees under this subdivision may be used only for increases
399.14 implemented within one month of the effective date of the rate increase and must not be
399.15 used for increases implemented prior to that date.

399.16 (i) For a provider that has employees that are represented by an exclusive bargaining
399.17 representative, the provider shall obtain a letter of acceptance of the distribution plan, in
399.18 regard to the members of the bargaining unit, signed by the exclusive bargaining agent.
399.19 Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the
399.20 requirements of this subdivision in regard to the members of the bargaining unit. The
399.21 provider shall produce the letter of acceptance for the commissioner upon request.

399.22 Sec. 60. Laws 2013, chapter 108, article 7, section 14, the effective date, is amended to
399.23 read:

399.24 **EFFECTIVE DATE.** Subdivisions 1 to 7 and 9, are effective upon federal approval
399.25 consistent with subdivision 11, but no earlier than ~~March~~ July 1, 2014. Subdivisions
399.26 8, 10, and 11 are effective July 1, 2013.

399.27 Sec. 61. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**
399.28 **1, 2014.**

399.29 (a) The commissioner of human services shall increase reimbursement rates, grants,
399.30 allocations, individual limits, and rate limits, as applicable, by five percent for the rate
399.31 period beginning July 1, 2014, for services rendered on or after that date. County or tribal
399.32 contracts for services specified in this section must be amended to pass through these rate
399.33 increases within 60 days of the effective date.

399.34 (b) The rate changes described in this section must be provided to:

- 400.1 (1) home and community-based waiver services for persons with developmental
400.2 disabilities, including consumer-directed community supports, under Minnesota Statutes,
400.3 section 256B.092;
- 400.4 (2) waiver services under community alternatives for disabled individuals, including
400.5 consumer-directed community supports, under Minnesota Statutes, section 256B.49;
- 400.6 (3) community alternative care waiver services, including consumer-directed
400.7 community supports, under Minnesota Statutes, section 256B.49;
- 400.8 (4) brain injury waiver services, including consumer-directed community supports,
400.9 under Minnesota Statutes, section 256B.49;
- 400.10 (5) home and community-based waiver services for the elderly under Minnesota
400.11 Statutes, section 256B.0915;
- 400.12 (6) nursing services and home health services under Minnesota Statutes, section
400.13 256B.0625, subdivision 6a;
- 400.14 (7) personal care services and qualified professional supervision of personal care
400.15 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;
- 400.16 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,
400.17 subdivision 7;
- 400.18 (9) community first services and supports under Minnesota Statutes, section 256B.85;
- 400.19 (10) essential community supports under Minnesota Statutes, section 256B.0922;
- 400.20 (11) day training and habilitation services for adults with developmental disabilities
400.21 or related conditions under Minnesota Statutes, sections 252.41 to 252.46, including the
400.22 additional cost to counties for rate adjustments to day training and habilitation services
400.23 provided as a social service;
- 400.24 (12) alternative care services under Minnesota Statutes, section 256B.0913;
- 400.25 (13) living skills training programs for persons with intractable epilepsy who need
400.26 assistance in the transition to independent living under Laws 1988, chapter 689;
- 400.27 (14) consumer support grants under Minnesota Statutes, section 256.476;
- 400.28 (15) semi-independent living services under Minnesota Statutes, section 252.275;
- 400.29 (16) family support grants under Minnesota Statutes, section 252.32;
- 400.30 (17) housing access grants under Minnesota Statutes, section 256B.0658;
- 400.31 (18) self-advocacy grants under Laws 2009, chapter 101;
- 400.32 (19) technology grants under Laws 2009, chapter 79;
- 400.33 (20) aging grants under Minnesota Statutes, sections 256.975 to 256.977 and
400.34 256B.0917;

401.1 (21) deaf and hard-of-hearing grants, including community support services for deaf
401.2 and hard-of-hearing adults with mental illness who use or wish to use sign language as their
401.3 primary means of communication under Minnesota Statutes, section 256.01, subdivision 2;

401.4 (22) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233,
401.5 256C.25, and 256C.261;

401.6 (23) Disability Linkage Line grants under Minnesota Statutes, section 256.01,
401.7 subdivision 24;

401.8 (24) transition initiative grants under Minnesota Statutes, section 256.478;

401.9 (25) employment support grants under Minnesota Statutes, section 256B.021,
401.10 subdivision 6; and

401.11 (26) grants provided to people who are eligible for the Housing Opportunities for
401.12 Persons with AIDS program under Minnesota Statutes, section 256B.492.

401.13 (c) A managed care plan receiving state payments for the services in paragraph (b)
401.14 must include the increases in paragraph (a) in payments to providers. To implement the
401.15 rate increase in this section, capitation rates paid by the commissioner to managed care
401.16 organizations under Minnesota Statutes, section 256B.69, shall reflect a five percent
401.17 increase for the specified services for the period beginning July 1, 2014.

401.18 (d) Counties shall increase the budget for each recipient of consumer-directed
401.19 community supports by the amounts in paragraph (a) on the effective dates in paragraph (a).

401.20 (e) To implement this section, the commissioner shall increase service rates in the
401.21 disability waiver payment system authorized in Minnesota Statutes, sections 256B.4913
401.22 and 256B.4914.

401.23 (f) To receive the rate increase described in this section, providers under paragraphs
401.24 (a) and (b) must submit to the commissioner documentation that identifies a quality
401.25 improvement project that the provider will implement by June 30, 2015. Documentation
401.26 must be provided in a format specified by the commissioner. Projects must:

401.27 (1) improve the quality of life of home and community-based services recipients in
401.28 a meaningful way;

401.29 (2) improve the quality of services in a measurable way; or

401.30 (3) deliver good quality service more efficiently while using the savings to enhance
401.31 services for the participants served.

401.32 Providers listed in paragraph (b), clauses (7), (9), (10), and (13) to (26), are not subject
401.33 to this requirement.

401.34 (g) For a provider that fails to submit documentation described in paragraph (f) by
401.35 a date or in a format specified by the commissioner, the commissioner shall reduce the
401.36 provider's rate by one percent effective January 1, 2015.

402.1 (h) Providers that receive a rate increase under this subdivision shall use 75 percent
402.2 of the rate increase to increase compensation-related costs for employees directly
402.3 employed by the facility on or after the effective date of the rate adjustments, except:

402.4 (1) persons employed in the central office of a corporation or entity that has an
402.5 ownership interest in the facility or exercises control over the facility; and

402.6 (2) persons paid by the facility under a management contract.

402.7 This requirement is subject to audit by the commissioner.

402.8 (i) Compensation-related costs include:

402.9 (1) wages and salaries;

402.10 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
402.11 unemployment taxes, workers' compensation, and mileage reimbursement;

402.12 (3) the employer's share of health and dental insurance, life insurance, disability
402.13 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
402.14 employee retirement accounts; and

402.15 (4) other benefits provided and workforce needs, including the recruiting and
402.16 training of employees as specified in the distribution plan required under paragraph (l).

402.17 (j) For public employees, the increase for wages and benefits for certain staff is
402.18 available and pay rates must be increased only to the extent that the increases comply with
402.19 laws governing public employees' collective bargaining. Money received by a provider
402.20 for pay increases for public employees under this section may be used only for increases
402.21 implemented within one month of the effective date of the rate increase and must not be
402.22 used for increases implemented prior to that date.

402.23 (k) For a provider that has employees that are represented by an exclusive bargaining
402.24 representative, the provider shall obtain a letter of acceptance of the distribution plan, in
402.25 regard to the members of the bargaining unit, signed by the exclusive bargaining agent.
402.26 Upon receipt of the letter of acceptance, the provider shall be deemed to have met all the
402.27 requirements of this section in regard to the members of the bargaining unit. The provider
402.28 shall produce the letter of acceptance for the commissioner upon request.

402.29 (l) A provider that receives a rate adjustment under paragraph (b) that is subject to
402.30 paragraphs (h) and (i) shall prepare and produce for the commissioner, upon request, a
402.31 plan that specifies the amount of money the provider expects to receive that is subject to
402.32 the requirements of paragraphs (h) and (i), as well as how that money will be distributed
402.33 to increase compensation for employees. The commissioner may recover funds from a
402.34 facility that fails to comply with this requirement.

402.35 (m) Within six months after the effective date of the rate adjustment, the provider
402.36 shall post the distribution plan required under paragraph (l) for a period of at least six

403.1 weeks in an area of the provider's operation to which all eligible employees have access,
 403.2 and shall provide instructions for employees who believe they have not received the
 403.3 wage and other compensation-related increases specified in the distribution plan. These
 403.4 instructions must include a mailing address, e-mail address, and telephone number that
 403.5 an employee may use to contact the commissioner or the commissioner's representative.
 403.6 Providers shall make assurances to the commissioner of compliance with this section
 403.7 using forms prescribed by the commissioner.

403.8 Sec. 62. **DIRECTION TO COMMISSIONER; MA AUTISM EARLY**
 403.9 **INTENSIVE INTERVENTION BENEFIT DELAY.**

403.10 Any savings attributable to the delay in the effective date of the MA autism early
 403.11 intensive intervention benefit under Minnesota Statutes, section 256B.0949, shall be
 403.12 available to the commissioner of human services in fiscal years 2015 and 2016 for the
 403.13 parental fee limitation under Minnesota Statutes, section 252.27, subdivision 2d.

403.14 Sec. 63. **REVISOR'S INSTRUCTION.**

403.15 (a) In each section of Minnesota Statutes or part of Minnesota Rules referred to
 403.16 in column A, the revisor of statutes shall delete the word or phrase in column B and
 403.17 insert the phrase in column C. The revisor shall also make related grammatical changes
 403.18 and changes in headnotes.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
403.19		<u>persons with developmental</u>
403.20		<u>disabilities</u>
403.21	<u>defective persons</u>	<u>persons with developmental</u>
403.22		<u>disabilities</u>
403.23	<u>defective persons</u>	<u>persons with developmental</u>
403.24		<u>disabilities</u>
403.25	<u>defective persons</u>	<u>persons with developmental</u>
403.26		<u>disabilities</u>
403.27	<u>persons not defective</u>	<u>persons without</u>
403.28		<u>developmental disabilities</u>
403.29	<u>defective person</u>	<u>person with developmental</u>
403.30		<u>disabilities</u>
403.31	<u>defective persons</u>	<u>persons with developmental</u>
403.32		<u>disabilities</u>
403.33	<u>defective</u>	<u>person with developmental</u>
403.34		<u>disabilities</u>
403.35	<u>defective</u>	<u>children with developmental</u>
403.36		<u>disabilities and</u>
403.37	<u>defective</u>	<u>children with developmental</u>
403.38	<u>retardation</u>	<u>disabilities and</u>
		<u>developmental disability</u>

404.1 (b) The revisor of statutes shall change the term "health and safety" to "health and
404.2 welfare" in the following statutes: Minnesota Statutes, sections 245D.03, 245D.061,
404.3 245D.071, 245D.10, 245D.11, 245D.31, 256B.0915, and 256B.092.

404.4 **ARTICLE 29**

404.5 **UNBORN CHILD PROTECTION**

404.6 Section 1. **SHORT TITLE.**

404.7 This article may be cited as the "Pain-Capable Unborn Child Protection Act."

404.8 Sec. 2. **[8.40] LITIGATION DEFENSE FUND.**

404.9 (a) There is created in the special revenue fund an account entitled the Pain-Capable
404.10 Unborn Child Protection Act litigation account for the purpose of providing funds to pay
404.11 for any costs and expenses incurred by the state attorney general in relation to actions
404.12 surrounding defense of sections 145.4141 to 145.4147.

404.13 (b) The account shall be maintained by the commissioner of management and budget.

404.14 (c) The litigation account shall consist of:

404.15 (1) appropriations made to the account by the legislature; and

404.16 (2) any donations, gifts, or grants made to the account by private citizens or entities.

404.17 (d) The litigation account shall retain the interest income derived from the money
404.18 credited to the account.

404.19 (e) Any funds in the litigation account are appropriated to the attorney general for
404.20 the purposes described in paragraph (a).

404.21 Sec. 3. Minnesota Statutes 2012, section 145.4131, subdivision 1, is amended to read:

404.22 Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall
404.23 prepare a reporting form for use by physicians or facilities performing abortions. A copy
404.24 of this section shall be attached to the form. A physician or facility performing an abortion
404.25 shall obtain a form from the commissioner.

404.26 (b) The form shall require the following information:

404.27 (1) the number of abortions performed by the physician in the previous calendar
404.28 year, reported by month;

404.29 (2) the method used for each abortion;

404.30 (3) the approximate gestational age expressed in one of the following increments:

404.31 (i) less than nine weeks;

404.32 (ii) nine to ten weeks;

404.33 (iii) 11 to 12 weeks;

- 405.1 (iv) 13 to 15 weeks;
- 405.2 (v) 16 to 20 weeks;
- 405.3 (vi) 21 to 24 weeks;
- 405.4 (vii) 25 to 30 weeks;
- 405.5 (viii) 31 to 36 weeks; or
- 405.6 (ix) 37 weeks to term;
- 405.7 (4) the age of the woman at the time the abortion was performed;
- 405.8 (5) the specific reason for the abortion, including, but not limited to, the following:
- 405.9 (i) the pregnancy was a result of rape;
- 405.10 (ii) the pregnancy was a result of incest;
- 405.11 (iii) economic reasons;
- 405.12 (iv) the woman does not want children at this time;
- 405.13 (v) the woman's emotional health is at stake;
- 405.14 (vi) the woman's physical health is at stake;
- 405.15 (vii) the woman will suffer substantial and irreversible impairment of a major bodily
- 405.16 function if the pregnancy continues;
- 405.17 (viii) the pregnancy resulted in fetal anomalies; or
- 405.18 (ix) unknown or the woman refused to answer;
- 405.19 (6) the number of prior induced abortions;
- 405.20 (7) the number of prior spontaneous abortions;
- 405.21 (8) whether the abortion was paid for by:
- 405.22 (i) private coverage;
- 405.23 (ii) public assistance health coverage; or
- 405.24 (iii) self-pay;
- 405.25 (9) whether coverage was under:
- 405.26 (i) a fee-for-service plan;
- 405.27 (ii) a capitated private plan; or
- 405.28 (iii) other;
- 405.29 (10) complications, if any, for each abortion and for the aftermath of each abortion.
- 405.30 Space for a description of any complications shall be available on the form; ~~and~~
- 405.31 (11) the medical specialty of the physician performing the abortion;₂
- 405.32 (12) whether a determination of probable postfertilization age was made and the
- 405.33 probable postfertilization age determined:
- 405.34 (i) the method used to make such a determination; or
- 405.35 (ii) if a determination was not made prior to performing an abortion, the basis of
- 405.36 the determination that a medical emergency existed; and

406.1 (13) for abortions performed after a determination of postfertilization age of 20 or
406.2 more weeks, the basis of the determination that the pregnant woman had a condition that
406.3 so complicated her medical condition as to necessitate the abortion of her pregnancy to
406.4 avert her death or to avert serious risk of substantial and irreversible physical impairment
406.5 of a major bodily function, not including psychological or emotional conditions.

406.6 Sec. 4. **[145.4141] DEFINITIONS.**

406.7 Subdivision 1. **Scope.** For purposes of sections 145.4141 to 145.4147, the following
406.8 terms have the meanings given them.

406.9 Subd. 2. **Abortion.** "Abortion" means the use or prescription of any instrument,
406.10 medicine, drug, or any other substance or device to terminate the pregnancy of a woman
406.11 known to be pregnant, with an intention other than to increase the probability of a live
406.12 birth; to preserve the life or health of the child after live birth; or to remove a dead unborn
406.13 child who died as the result of natural causes in utero, accidental trauma, or a criminal
406.14 assault on the pregnant woman or her unborn child; and which causes the premature
406.15 termination of the pregnancy.

406.16 Subd. 3. **Attempt to perform or induce an abortion.** "Attempt to perform or
406.17 induce an abortion" means an act, or an omission of a statutorily required act, that, under
406.18 the circumstances as the actor believes them to be, constitutes a substantial step in a
406.19 course of conduct planned to culminate in the performance or induction of an abortion in
406.20 this state in violation of sections 145.4141 to 145.4147.

406.21 Subd. 4. **Fertilization.** "Fertilization" means the fusion of a human spermatozoon
406.22 with a human ovum.

406.23 Subd. 5. **Medical emergency.** "Medical emergency" means a condition that,
406.24 in reasonable medical judgment, so complicates the medical condition of the pregnant
406.25 woman that it necessitates the immediate abortion of her pregnancy without first
406.26 determining postfertilization age to avert her death or for which the delay necessary to
406.27 determine postfertilization age will create serious risk of substantial and irreversible
406.28 physical impairment of a major bodily function, not including psychological or emotional
406.29 conditions. No condition shall be deemed a medical emergency if based on a claim or
406.30 diagnosis that the woman will engage in conduct which she intends to result in her death
406.31 or in substantial and irreversible physical impairment of a major bodily function.

406.32 Subd. 6. **Physician.** "Physician" means any person licensed to practice medicine
406.33 and surgery or osteopathic medicine and surgery in this state.

406.34 Subd. 7. **Postfertilization age.** "Postfertilization age" means the age of the unborn
406.35 child as calculated from the fusion of a human spermatozoon with a human ovum.

407.1 Subd. 8. Probable postfertilization age of the unborn child. "Probable
407.2 postfertilization age of the unborn child" means what, in reasonable medical judgment,
407.3 will with reasonable probability be the postfertilization age of the unborn child at the time
407.4 the abortion is planned to be performed or induced.

407.5 Subd. 9. Reasonable medical judgment. "Reasonable medical judgment" means a
407.6 medical judgment that would be made by a reasonably prudent physician knowledgeable
407.7 about the case and the treatment possibilities with respect to the medical conditions
407.8 involved.

407.9 Subd. 10. Unborn child or fetus. "Unborn child" or "fetus" means an individual
407.10 organism of the species homo sapiens from fertilization until live birth.

407.11 Subd. 11. Woman. "Woman" means a female human being whether or not she
407.12 has reached the age of majority.

407.13 Sec. 5. [145.4142] LEGISLATIVE FINDINGS.

407.14 (a) The legislature makes the following findings.

407.15 (b) Pain receptors (nociceptors) are present throughout an unborn child's entire body
407.16 and nerves link these receptors to the brain's thalamus and subcortical plate by 20 weeks.

407.17 (c) By eight weeks after fertilization, an unborn child reacts to touch. After 20
407.18 weeks an unborn child reacts to stimuli that would be recognized as painful if applied to
407.19 an adult human, for example by recoiling.

407.20 (d) In the unborn child, application of such painful stimuli is associated with
407.21 significant increases in stress hormones known as the stress response.

407.22 (e) Subjection to such painful stimuli is associated with long-term harmful
407.23 neurodevelopmental effects, such as altered pain sensitivity and, possibly, emotional,
407.24 behavioral, and learning disabilities later in life.

407.25 (f) For the purposes of surgery on an unborn child, fetal anesthesia is routinely
407.26 administered and is associated with a decrease in stress hormones compared to the level
407.27 when painful stimuli is applied without anesthesia.

407.28 (g) The position, asserted by some medical experts, that an unborn child is incapable
407.29 of experiencing pain until a point later in pregnancy than 20 weeks after fertilization
407.30 predominately rests on the assumption that the ability to experience pain depends on the
407.31 cerebral cortex and requires nerve connections between the thalamus and the cortex.
407.32 However, recent medical research and analysis, especially since 2007, provides strong
407.33 evidence for the conclusion that a functioning cortex is not necessary to experience pain.

407.34 (h) Substantial evidence indicates that children born missing the bulk of the cerebral
407.35 cortex, those with hydranencephaly, nevertheless experience pain.

408.1 (i) In adults, stimulation or ablation of the cerebral cortex does not alter pain
408.2 perception, while stimulation or ablation of the thalamus does.

408.3 (j) Substantial evidence indicates that structures used for pain processing in early
408.4 development differ from those of adults, using different neural elements available at
408.5 specific times during development, such as the subcortical plate, to fulfill the role of
408.6 pain processing.

408.7 (k) The position asserted by some medical experts, that the unborn child remains in a
408.8 coma-like sleep state that precludes the unborn child experiencing pain is inconsistent with
408.9 the documented reaction of unborn children to painful stimuli and with the experience of
408.10 fetal surgeons who have found it necessary to sedate the unborn child with anesthesia to
408.11 prevent the unborn child from thrashing about in reaction to invasive surgery.

408.12 (l) Consequently, there is substantial medical evidence that an unborn child is
408.13 capable of experiencing pain by 20 weeks after fertilization.

408.14 (m) It is the purpose of the state to assert a compelling state interest in protecting the
408.15 lives of unborn children from the stage at which substantial medical evidence indicates
408.16 that they are capable of feeling pain.

408.17 **Sec. 6. [145.4143] DETERMINATION OF POSTFERTILIZATION AGE.**

408.18 Subdivision 1. **Determination of postfertilization age.** Except in the case of a
408.19 medical emergency, no abortion shall be performed or induced or be attempted to be
408.20 performed or induced unless the physician performing or inducing it has first made a
408.21 determination of the probable postfertilization age of the unborn child or relied upon
408.22 such a determination made by another physician. In making such a determination, the
408.23 physician shall make those inquiries of the woman and perform or cause to be performed
408.24 those medical examinations and tests that a reasonably prudent physician, knowledgeable
408.25 about the case and the medical conditions involved, would consider necessary to perform
408.26 in making an accurate diagnosis with respect to postfertilization age.

408.27 Subd. 2. **Unprofessional conduct.** Failure by any physician to conform to any
408.28 requirement of this section constitutes unprofessional conduct under section 147.091,
408.29 subdivision 1, paragraph (k).

408.30 **Sec. 7. [145.4144] ABORTION OF UNBORN CHILD OF 20 OR MORE WEEKS**
408.31 **POSTFERTILIZATION AGE PROHIBITED; CAPABLE OF FEELING PAIN.**

408.32 Subdivision 1. **Abortion prohibition; exemption.** No person shall perform or
408.33 induce or attempt to perform or induce an abortion upon a woman when it has been
408.34 determined, by the physician performing or inducing or attempting to perform or induce

409.1 the abortion, or by another physician upon whose determination that physician relies,
409.2 that the probable postfertilization age of the woman's unborn child is 20 or more weeks
409.3 unless, in reasonable medical judgment, she has a condition which so complicates her
409.4 medical condition as to necessitate the abortion of her pregnancy to avert her death or to
409.5 avert serious risk of substantial and irreversible physical impairment of a major bodily
409.6 function, not including psychological or emotional conditions. No such condition shall
409.7 be deemed to exist if it is based on a claim or diagnosis that the woman will engage in
409.8 conduct which she intends to result in her death or in substantial and irreversible physical
409.9 impairment of a major bodily function.

409.10 Subd. 2. **When abortion not prohibited.** When an abortion upon a woman whose
409.11 unborn child has been determined to have a probable postfertilization age of 20 or more
409.12 weeks is not prohibited by this section, the physician shall terminate the pregnancy in
409.13 the manner which, in reasonable medical judgment, provides the best opportunity for
409.14 the unborn child to survive unless, in reasonable medical judgment, termination of the
409.15 pregnancy in that manner would pose a greater risk either of the death of the pregnant
409.16 woman or of the substantial and irreversible physical impairment of a major bodily
409.17 function, not including psychological or emotional conditions, of the woman than would
409.18 other available methods. No such greater risk shall be deemed to exist if it is based on a
409.19 claim or diagnosis that the woman will engage in conduct which she intends to result in
409.20 her death or in substantial and irreversible physical impairment of a major bodily function.

409.21 Sec. 8. **[145.4145] ENFORCEMENT.**

409.22 Subdivision 1. **Criminal penalties.** A person who intentionally or recklessly
409.23 performs or induces or attempts to perform or induce an abortion in violation of sections
409.24 145.4141 to 145.4147 shall be guilty of a felony. No penalty may be assessed against the
409.25 woman upon whom the abortion is performed or induced or attempted to be performed or
409.26 induced.

409.27 Subd. 2. **Civil remedies.** (a) A woman upon whom an abortion has been performed
409.28 or induced in violation of sections 145.4141 to 145.4147, or the father of the unborn
409.29 child who was the subject of such an abortion, may maintain an action against the person
409.30 who performed or induced the abortion in intentional or reckless violation of sections
409.31 145.4141 to 145.4147 for damages. A woman upon whom an abortion has been attempted
409.32 in violation of sections 145.4141 to 145.4147 may maintain an action against the person
409.33 who attempted to perform or induce the abortion in an intentional or reckless violation of
409.34 sections 145.4141 to 145.4147 for damages.

410.1 (b) A cause of action for injunctive relief against a person who has intentionally
410.2 violated sections 145.4141 to 145.4147 may be maintained by the woman upon whom an
410.3 abortion was performed or induced or attempted to be performed or induced in violation of
410.4 sections 145.4141 to 145.4147; by a person who is the father of the unborn child subject
410.5 to an abortion, parent, sibling, or guardian of, or a current or former licensed health
410.6 care provider of, the woman upon whom an abortion has been performed or induced or
410.7 attempted to be performed or induced in violation of sections 145.4141 to 145.4147; by a
410.8 county attorney with appropriate jurisdiction; or by the attorney general. The injunction
410.9 shall prevent the abortion provider from performing or inducing or attempting to perform
410.10 or induce further abortions in this state in violation of sections 145.4141 to 145.4147.

410.11 (c) If judgment is rendered in favor of the plaintiff in an action described in this
410.12 section, the court shall also render judgment for reasonable attorney fees in favor of
410.13 the plaintiff against the defendant.

410.14 (d) If judgment is rendered in favor of the defendant and the court finds that the
410.15 plaintiff's suit was frivolous and brought in bad faith, the court shall also render judgment
410.16 for reasonable attorney fees in favor of the defendant against the plaintiff.

410.17 (e) No damages or attorney fees may be assessed against the woman upon whom
410.18 an abortion was performed or induced or attempted to be performed or induced except
410.19 according to paragraph (d).

410.20 **Sec. 9. [145.4146] PROTECTION OF PRIVACY IN COURT PROCEEDINGS.**

410.21 In every civil or criminal proceeding or action brought under the Pain-Capable
410.22 Unborn Child Protection Act, the court shall rule on whether the anonymity of a woman
410.23 upon whom an abortion has been performed or induced or attempted to be performed
410.24 or induced shall be preserved from public disclosure if she does not give her consent
410.25 to such disclosure. The court, upon motion or sua sponte, shall make such a ruling
410.26 and, upon determining that her anonymity should be preserved, shall issue orders to the
410.27 parties, witnesses, and counsel and shall direct the sealing of the record and exclusion of
410.28 individuals from courtrooms or hearing rooms to the extent necessary to safeguard her
410.29 identity from public disclosure. Each such order shall be accompanied by specific written
410.30 findings explaining why the anonymity of the woman should be preserved from public
410.31 disclosure, why the order is essential to that end, how the order is narrowly tailored to
410.32 serve that interest, and why no reasonable, less restrictive alternative exists. In the absence
410.33 of written consent of the woman upon whom an abortion has been performed or induced
410.34 or attempted to be performed or induced, anyone, other than a public official, who brings
410.35 an action under section 145.4145, subdivision 2, shall do so under a pseudonym. This

411.1 section may not be construed to conceal the identity of the plaintiff or of witnesses from
411.2 the defendant or from attorneys for the defendant.

411.3 Sec. 10. **[145.4147] SEVERABILITY.**

411.4 If any one or more provisions, sections, subsections, sentences, clauses, phrases,
411.5 or words of sections 145.4141 to 145.4146, or the application thereof to any person or
411.6 circumstance is found to be unconstitutional, the same is hereby declared to be severable
411.7 and the balance of sections 145.4141 to 145.4146 shall remain effective notwithstanding
411.8 such unconstitutionality. The legislature hereby declares that it would have passed
411.9 sections 145.4141 to 145.4146, and each provision, section, subsection, sentence, clause,
411.10 phrase, or word thereof, irrespective of the fact that any one or more provisions, sections,
411.11 subsections, sentences, clauses, phrases, or words of sections 145.4141 to 145.4146, or the
411.12 application of sections 145.4141 to 145.4146, would be declared unconstitutional.

411.13 **ARTICLE 30**

411.14 **MISCELLANEOUS**

411.15 Section 1. Minnesota Statutes 2013 Supplement, section 16A.724, subdivision 2,
411.16 is amended to read:

411.17 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available
411.18 resources in the health care access fund exceed expenditures in that fund, effective for
411.19 the biennium beginning July 1, 2007, the commissioner of management and budget shall
411.20 transfer the excess funds from the health care access fund to the general fund on June 30
411.21 of each year, provided that the amount transferred in any fiscal biennium shall not exceed
411.22 \$96,000,000. The purpose of this transfer is to meet the rate increase required under Laws
411.23 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

411.24 (b) For ~~fiscal years 2006 to 2011~~ year 2018 and thereafter, MinnesotaCare shall be a
411.25 forecasted program, and, if necessary, the commissioner shall reduce these transfers from
411.26 the health care access fund to the general fund to meet annual MinnesotaCare expenditures
411.27 or, if necessary, transfer sufficient funds from the general fund to the health care access
411.28 fund to meet annual MinnesotaCare expenditures.

411.29 (c) Notwithstanding section 295.581, to the extent available resources in the health
411.30 care access fund exceed expenditures in that fund after the transfer required in paragraph
411.31 (a), effective for the biennium beginning July 1, 2013, the commissioner of management
411.32 and budget shall transfer \$1,000,000 each fiscal year from the health access fund to
411.33 the medical education and research costs fund established under section 62J.692, for
411.34 distribution under section 62J.692, subdivision 4, paragraph (c).

412.1 Sec. 2. Minnesota Statutes 2012, section 254B.12, is amended to read:

412.2 **254B.12 RATE METHODOLOGY.**

412.3 Subdivision 1. CCDTF rate methodology established. The commissioner shall
412.4 establish a new rate methodology for the consolidated chemical dependency treatment
412.5 fund. The new methodology must replace county-negotiated rates with a uniform
412.6 statewide methodology that must include a graduated reimbursement scale based on the
412.7 patients' level of acuity and complexity. At least biennially, the commissioner shall review
412.8 the financial information provided by vendors to determine the need for rate adjustments.

412.9 Subd. 2. Payment methodology for highly specialized vendors. (a)
412.10 Notwithstanding subdivision 1, the commissioner shall seek federal authority to develop
412.11 a separate payment methodology for chemical dependency treatment services provided
412.12 under the consolidated chemical dependency treatment fund for persons who have been
412.13 civily committed to the commissioner, present the most complex and difficult care needs,
412.14 and are a potential threat to the community. This payment methodology is effective
412.15 for services provided on or after October 1, 2015, or on or after the receipt of federal
412.16 approval, whichever is later.

412.17 (b) Before implementing an approved payment methodology under paragraph
412.18 (a), the commissioner must also receive any necessary legislative approval of required
412.19 changes to state law or funding.

412.20 Sec. 3. Minnesota Statutes 2012, section 256I.04, subdivision 2b, is amended to read:

412.21 Subd. 2b. Group residential housing agreements. (a) Agreements between county
412.22 agencies and providers of group residential housing must be in writing and must specify
412.23 the name and address under which the establishment subject to the agreement does
412.24 business and under which the establishment, or service provider, if different from the
412.25 group residential housing establishment, is licensed by the Department of Health or the
412.26 Department of Human Services; the specific license or registration from the Department
412.27 of Health or the Department of Human Services held by the provider and the number
412.28 of beds subject to that license; the address of the location or locations at which group
412.29 residential housing is provided under this agreement; the per diem and monthly rates that
412.30 are to be paid from group residential housing funds for each eligible resident at each
412.31 location; the number of beds at each location which are subject to the group residential
412.32 housing agreement; whether the license holder is a not-for-profit corporation under section
412.33 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to
412.34 the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

413.1 Group residential housing agreements may be terminated with or without cause by either
413.2 the county or the provider with two calendar months prior notice.

413.3 (b) The commissioner may enter directly into an agreement with a provider serving
413.4 veterans who meet the eligibility criteria of this section and reside in a setting according to
413.5 subdivision 2a, located in Stearns County. Responsibility for monitoring and oversight of
413.6 this setting shall remain with Stearns County. This agreement may be terminated with
413.7 or without cause by either the commissioner or the provider with two calendar months
413.8 prior notice. This agreement shall be subject to the requirements of county agreements
413.9 and negotiated rates in subdivisions 1, paragraphs (a) and (b), and 2, and sections 256I.05,
413.10 subdivisions 1 and 1c, and 256I.06, subdivision 7.

413.11 **EFFECTIVE DATE.** This section is effective July 1, 2015.

413.12 Sec. 4. Minnesota Statutes 2012, section 256I.05, subdivision 2, is amended to read:

413.13 Subd. 2. **Monthly rates; exemptions.** ~~The maximum group residential housing rate~~
413.14 ~~does not apply~~ This subdivision applies to a residence that on August 1, 1984, was licensed
413.15 by the commissioner of health only as a boarding care home, certified by the commissioner
413.16 of health as an intermediate care facility, and licensed by the commissioner of human
413.17 services under Minnesota Rules, parts 9520.0500 to 9520.0690. Notwithstanding the
413.18 provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision
413.19 shall be determined under section 256B.431, or under section 256B.434 if the facility is
413.20 accepted by the commissioner for participation in the alternative payment demonstration
413.21 project. The rate paid to this facility shall also include adjustments to the group residential
413.22 housing rate according to subdivision 1, and any adjustments applicable to supplemental
413.23 service rates statewide.

413.24 Sec. 5. **CIVIL COMMITMENT TRAINING PROGRAM.**

413.25 The commissioner of human services shall develop an online training program for
413.26 interested individuals and personnel, specifically county and hospital staff and mental
413.27 health providers, to understand, clarify, and interpret the Civil Commitment Act under
413.28 Minnesota Statutes, chapter 253B, as it pertains to persons with mental illnesses. The
413.29 training must be developed in collaboration with the ombudsman for mental health
413.30 and developmental disabilities, Minnesota County Attorneys Association, National
413.31 Alliance on Mental Illness of Minnesota, Mental Health Consumer/Survivor Network
413.32 of Minnesota, State Advisory Council on Mental Health, Mental Health Association,
413.33 Minnesota Psychiatric Society, Hennepin Commitment Defense Panel, Minnesota
413.34 Disability Law Center, Minnesota Association of Community Mental Health Programs,

414.1 Minnesota Hospital Association, and Minnesota Board of Public Defense. The purpose of
414.2 the training is to promote better clarity and interpretation of the civil commitment laws.

414.3 **Sec. 6. DIRECTION TO COMMISSIONER; REPORT ON PROGRAM**

414.4 **WAITING LISTS.**

414.5 In preparing background materials for the 2016-2017 biennium, the commissioner
414.6 of human services shall prepare a listing of all of the waiting lists for services that the
414.7 department oversees and directs. The listing shall identify the number of persons on those
414.8 waiting lists as of October 1, 2014, an estimate of the cost of serving them based on
414.9 current average costs, and an estimate of the number of jobs that would be created given
414.10 current average levels of staffing if the waiting list were eliminated. The commissioner
414.11 is encouraged to engage postsecondary students in the assembly, analysis, and reporting
414.12 of this information. The information shall be provided to the governor, the chairs and
414.13 ranking minority members of the legislative committees with jurisdiction over health and
414.14 human services policy and finance, and the Legislative Reference Library in electronic
414.15 form by December 1, 2014.

414.16 **Sec. 7. MENTALLY ILL OFFENDERS ARRESTED OR SUBJECT TO**
414.17 **ARREST; WORKING GROUP.**

414.18 **Subdivision 1. Working group established; study and draft legislation required.**

414.19 The commissioner of human services may convene a working group to address issues
414.20 related to offenders with mental illness who are arrested or subject to arrest. The working
414.21 group shall consider the special needs of these offenders and determine how best to
414.22 provide for these needs. Specifically, the group shall consider the efficacy of a facility
414.23 that would serve as a central point for accepting, assessing, and addressing the needs of
414.24 offenders with mental illness brought in by law enforcement as an alternative to arrest or
414.25 following arrest. The facility would consolidate and coordinate existing resources as well
414.26 as offer new resources that would provide a continuum of care addressing the immediate,
414.27 short-term, and long-term needs of these offenders. The facility would do the following for
414.28 these offenders: perform timely, credible, and useful mental health assessments; identify
414.29 community placement opportunities; coordinate community care; make recommendations
414.30 concerning pretrial release when appropriate; and, in some cases, provide direct services
414.31 to offenders at the facility or in nearby jails. The working group shall establish criteria
414.32 to determine which offenders may be admitted to the facility. The facility would be
414.33 located in the metropolitan region and serve the needs of nearby counties. The facility
414.34 would represent a partnership between the state, local units of government, and the private

415.1 sector. In addition, the working group may consider how similar facilities could function
415.2 in outstate areas. When studying this issue, the working group shall examine what other
415.3 states have done in this area to determine what programs have been successful and use
415.4 those programs as models in developing the program in Minnesota. The working group
415.5 may also study and make recommendations on other ways to improve the process for
415.6 addressing and assisting these offenders. The commissioner shall enter into an agreement
415.7 with NAMI Minnesota to carry out the work of the working group.

415.8 Subd. 2. **Membership.** The commissioner shall ensure that the working group
415.9 has expertise and a broad range of interests represented, including, but not limited to:
415.10 prosecutors; law enforcement, including jail staff; correctional officials; probation
415.11 officials; criminal defense attorneys; judges; county and city officials; mental health
415.12 advocates; mental health professionals; and hospital and health care officials.

415.13 Subd. 3. **Administrative issues.** (a) The commissioner shall convene the first
415.14 meeting of the working group by September 1, 2014. NAMI Minnesota shall provide
415.15 meeting space and administrative support to the working group. The working group shall
415.16 select a chair from among its members.

415.17 (b) The commissioner may solicit in-kind support from work group member
415.18 agencies to accomplish its assigned duties.

415.19 Subd. 4. **Report required.** By January 1, 2015, the working group shall submit a
415.20 report to the chairs and ranking minority members of the senate and house of representatives
415.21 committees and divisions having jurisdiction over human services and public safety. The
415.22 report must summarize the working group's activities and include its recommendations
415.23 and draft legislation. The recommendations must be specific and include estimates of the
415.24 costs involved in implementing the recommendations, including the funding sources that
415.25 might be used to pay for it. The working group shall explore potential funding sources
415.26 at the federal, local, and private levels, and provide this information in the report. In
415.27 addition, the report must include draft legislation to implement the recommendations.

415.28 Sec. 8. **RECOMMENDATIONS; DRAFT LEGISLATION; IMPLEMENTATION**
415.29 **PLAN; UNIFORM PUBLIC ASSISTANCE PROGRAM ELIGIBILITY.**

415.30 The commissioner of human services, in consultation with counties, tribes, and
415.31 program participants, shall prepare draft legislation to implement uniform public
415.32 assistance program eligibility and verification for the following programs: general
415.33 assistance under Minnesota Statutes, chapter 256D; Minnesota supplemental aid under
415.34 Minnesota Statutes, chapter 256D; group residential housing under Minnesota Statutes,
415.35 chapter 256I; and the Minnesota family investment program under Minnesota Statutes,

417.1	<u>The appropriation modifications for</u>		
417.2	<u>each purpose are shown in the following</u>		
417.3	<u>subdivisions.</u>		
417.4	<u>Subd. 2. Central Office Operations</u>		
417.5	<u>(a) Operations</u>	<u>-0-</u>	<u>63,000</u>
417.6	<u>Base adjustment.</u> <u>The general fund base is</u>		
417.7	<u>decreased by \$6,000 in fiscal years 2016 and</u>		
417.8	<u>2017.</u>		
417.9	<u>(b) Children and Families</u>	<u>-0-</u>	<u>200,000</u>
417.10	<u>(c) Health Care</u>	<u>-0-</u>	<u>113,000</u>
417.11	<u>Base adjustment.</u> <u>The general fund base is</u>		
417.12	<u>increased by \$108,000 in fiscal years 2016</u>		
417.13	<u>and 2017.</u>		
417.14	<u>(d) Continuing Care</u>	<u>-0-</u>	<u>1,084,000</u>
417.15	<u>Base adjustment.</u> <u>The general fund base is</u>		
417.16	<u>increased by \$156,000 in fiscal year 2016</u>		
417.17	<u>and \$19,000 in fiscal year 2017.</u>		
417.18	<u>(e) Chemical and Mental Health</u>	<u>-0-</u>	<u>115,000</u>
417.19	<u>Subd. 3. Forecasted Programs</u>		
417.20	<u>(a) MFIP/DWP</u>		
417.21	<u>Appropriations by Fund</u>		
417.22	<u>General</u>	<u>-0-</u>	<u>122,000</u>
417.23	<u>Federal TANF</u>	<u>-0-</u>	<u>1,995,000</u>
417.24	<u>(b) Group Residential Housing</u>	<u>-0-</u>	<u>681,000</u>
417.25	<u>(c) Medical Assistance</u>	<u>(1,058,000)</u>	<u>80,827,000</u>
417.26	<u>(d) Alternative Care</u>	<u>-0-</u>	<u>965,000</u>
417.27	<u>Subd. 4. Grant Programs</u>		
417.28	<u>(a) Children's Services Grants</u>	<u>-0-</u>	<u>(3,000)</u>
417.29	<u>Base adjustment.</u> <u>The general fund base is</u>		
417.30	<u>increased by \$9,000 in fiscal year 2017.</u>		
417.31	<u>(b) Child and Economic Support Grants</u>	<u>-0-</u>	<u>1,669,000</u>

418.1	<u>Safe harbor.</u> \$569,000 in fiscal year 2015		
418.2	<u>from the general fund is for housing and</u>		
418.3	<u>supportive services for sexually exploited</u>		
418.4	<u>youth.</u>		
418.5	<u>Homeless youth.</u> \$1,100,000 in fiscal year		
418.6	<u>2015 is for purposes of Minnesota Statutes,</u>		
418.7	<u>section 256K.45.</u>		
418.8	<u>(c) Aging and Adult Services Grants</u>	<u>(15,000)</u>	<u>1,541,000</u>
418.9	<u>Senior nutrition.</u> \$579,000 in fiscal year		
418.10	<u>2015 from the general fund is for congregate</u>		
418.11	<u>dining services under Minnesota Statutes,</u>		
418.12	<u>section 256.9752.</u>		
418.13	<u>Base adjustment.</u> The general fund base is		
418.14	<u>decreased by \$429,000 in fiscal year 2016</u>		
418.15	<u>and \$419,000 in fiscal year 2017.</u>		
418.16	<u>(d) Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>81,000</u>
418.17	<u>Base adjustment.</u> The general fund base is		
418.18	<u>increased by \$6,000 in fiscal years 2016 and</u>		
418.19	<u>2017.</u>		
418.20	<u>(e) Disabilities Grants</u>	<u>-0-</u>	<u>1,267,000</u>
418.21	<u>Base adjustment.</u> The general fund base is		
418.22	<u>increased by \$224,000 in fiscal year 2016</u>		
418.23	<u>and \$233,000 in fiscal year 2017.</u>		
418.24	<u>Subd. 5. State-Operated Services</u>		
418.25	<u>(a) SOS Mental Health</u>	<u>-0-</u>	<u>881,000</u>
418.26	<u>Civil commitments.</u> \$35,000 in fiscal year		
418.27	<u>2015 is for developing an online training</u>		
418.28	<u>program to help interested parties understand</u>		
418.29	<u>the civil commitment process.</u>		
418.30	<u>Base adjustment.</u> The general fund base is		
418.31	<u>increased by \$213,000 in fiscal years 2016</u>		
418.32	<u>and 2017.</u>		
418.33	<u>(b) SOS Enterprise Services</u>	<u>-0-</u>	<u>-0-</u>

420.1 surveillance of emerging toxicology and
420.2 poison issues; and (4) to cooperate with local
420.3 public health officials on outreach efforts.

420.4 **Minority health disparity grants. \$100,000**
420.5 in fiscal year 2014 and \$475,000 in fiscal
420.6 year 2015 are for the commissioner of health
420.7 to begin implementing recommendations of
420.8 the health equity report under Laws 2013,
420.9 chapter 108, article 12, section 102. This
420.10 funding is onetime and shall not become part
420.11 of base funding. Funds must be distributed
420.12 as follows:

420.13 (1) \$100,000 in fiscal year 2014 and
420.14 \$100,000 in fiscal year 2015 are for dementia
420.15 outreach education and training grants
420.16 targeting minority communities under article
420.17 23, section 7;

420.18 (2) \$75,000 in fiscal year 2015 is for planning
420.19 and conducting a training conference on
420.20 immigrant and refugee mental health issues.
420.21 The conference shall include an emphasis
420.22 on mental health concerns in the Somali
420.23 community. Conference planning shall
420.24 include input from the Somali community
420.25 and other stakeholders. This is a onetime
420.26 appropriation;

420.27 (3) up to \$150,000 in fiscal year 2015 is
420.28 for additional grants, including but not
420.29 limited to a grant to a Somali women-led
420.30 health care agency. Grantees must use
420.31 community-based, participatory research to
420.32 address health inequities and provide services
420.33 through culturally specific, minority-centered
420.34 programs; and

421.1 (4) remaining funds shall be used for
 421.2 redesigning agency grant making to advance
 421.3 health equity, ensuring that health equity and
 421.4 the analysis of structural inequities become
 421.5 integral aspects of all agency divisions and
 421.6 programs, and awarding additional grants to
 421.7 address health equity issues.

421.8 **Safe harbor.** \$569,000 in fiscal year
 421.9 2015 from the general fund is for grants
 421.10 for comprehensive services, including
 421.11 trauma-informed, culturally specific
 421.12 services, for sexually exploited youth. The
 421.13 commissioner shall use no more than 6.67
 421.14 percent of these funds for administration of
 421.15 the grants.

421.16 **Ambulance services in underserved areas.**
 421.17 \$100,000 in fiscal year 2015 from the general
 421.18 fund is for a grant to the Leech Lake Band
 421.19 of Ojibwe ambulance service for equipment
 421.20 upgrades necessary to meet the qualifications
 421.21 for licensure as an advanced life support
 421.22 ambulance service under Minnesota Statutes,
 421.23 chapter 144E. This is a onetime appropriation.

421.24 **Base level adjustment.** The general fund
 421.25 base for fiscal year 2016 is \$47,619,000.
 421.26 The general fund base for fiscal year 2017
 421.27 is \$47,669,000.

421.28 **Subd. 3. Policy Quality and Compliance**

421.29	<u>Appropriations by Fund</u>		
421.30	<u>General</u>	<u>-0-</u>	<u>75,000</u>
421.31	<u>State Government</u>		
421.32	<u>Special Revenue</u>	<u>-0-</u>	<u>143,000</u>
421.33	<u>Health Care Access</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>

421.34 **Legislative health care workforce**
 421.35 **commission.** \$75,000 in fiscal year 2015 is

422.1 for the health care workforce commission
422.2 in article 24, section 6. This is a onetime
422.3 appropriation.

422.4 **Spoken language health care interpreters.**
422.5 \$81,000 in fiscal year 2015 from the state
422.6 government special revenue fund is to
422.7 develop a proposal to promote health equity
422.8 and quality health outcomes through changes
422.9 to laws governing spoken language health
422.10 care interpreters. The commissioner shall
422.11 consult with spoken language health care
422.12 interpreters, organizations that employ
422.13 these interpreters, organizations that pay for
422.14 interpreter services, health care providers
422.15 who use interpreters, clients who use
422.16 interpreters, and community organizations
422.17 servicing non-English speaking populations.

422.18 The commissioner shall draft legislation
422.19 and submit a report that documents the
422.20 process followed and the rationale for
422.21 the recommendations to the committees
422.22 with jurisdiction over health and human
422.23 services by January 15, 2015. In drafting the
422.24 legislation and report, the commissioner must
422.25 consider input received from individuals and
422.26 organizations consulted and must address
422.27 issues related to:

422.28 (1) qualifications for spoken language health
422.29 care interpreters that assure quality service to
422.30 health care providers and their patients;

422.31 (2) methods to support the education and
422.32 skills development of spoken language health
422.33 care interpreters serving Minnesotans;

422.34 (3) the role of an advisory council in
422.35 maintaining a quality system for spoken

423.1 language health care interpreting in
 423.2 Minnesota;
 423.3 (4) management of complaints regarding
 423.4 spoken language health care interpreters,
 423.5 including investigation and enforcement
 423.6 actions;
 423.7 (5) an appropriate structure for oversight of
 423.8 spoken language health care interpreters,
 423.9 including administrative and technology
 423.10 requirements; and
 423.11 (6) other issues that address qualifications,
 423.12 quality, access, and affordability of spoken
 423.13 language interpreter services.
 423.14 This is a onetime appropriation.

423.15 **Base level adjustment.** The state
 423.16 government special revenue fund base
 423.17 for fiscal years 2016 and 2017 shall be
 423.18 \$16,529,000.

423.19 **Subd. 4. Health Protection**

423.20	<u>Appropriations by Fund</u>		
423.21	<u>General</u>	<u>0</u>	<u>100,000</u>
423.22	<u>State Government</u>		
423.23	<u>Special Revenue</u>	<u>817,000</u>	<u>648,000</u>

423.24 **Healthy housing.** \$100,000 in fiscal year
 423.25 2015 from the general fund is for education
 423.26 and training grants under Minnesota Statutes,
 423.27 section 144.9513, subdivision 3, and is added
 423.28 to the base.

423.29 **Subd. 5. Administrative Support Services** 975,000 16,000

423.30	<u>Appropriations by Fund</u>		
423.31	<u>General</u>	<u>975,000</u>	<u>-0-</u>
423.32	<u>State Government</u>		
423.33	<u>Special Revenue</u>	<u>-0-</u>	<u>16,000</u>

423.34 **Lawsuit settlement.** In fiscal year 2014,
 423.35 \$975,000 from the general fund is a onetime

424.1 appropriation for the cost of settling the
 424.2 lawsuit Bearder v. State.

424.3 **Sec. 4. OMBUDSMAN FOR MENTAL**
 424.4 **HEALTH AND DEVELOPMENTAL**
 424.5 **DISABILITIES**

\$ 100,000 \$ 100,000

424.6 Sec. 5. Laws 2013, chapter 1, section 6, as amended by Laws 2013, chapter 108,
 424.7 article 6, section 32, is amended to read:

424.8 **Sec. 6. TRANSFER.**

424.9 (a) The commissioner of management and budget shall transfer from the health care
 424.10 access fund to the general fund up to \$21,319,000 in fiscal year 2014; up to \$42,314,000
 424.11 in fiscal year 2015; up to \$56,147,000 in fiscal year 2016; and up to \$64,683,000 in fiscal
 424.12 year 2017.

424.13 (b) The commissioner of human services shall determine the difference between the
 424.14 actual or forecasted cost to the medical assistance program of adding 19- and 20-year-olds
 424.15 and parents and relative caretaker populations with income between 100 and 138 percent of
 424.16 the federal poverty guidelines and the cost of adding those populations that was estimated
 424.17 during the 2013 legislative session based on the data from the February 2013 forecast.

424.18 (c) For each fiscal year from 2014 to 2017, the commissioner of human services shall
 424.19 certify and report to the commissioner of management and budget the actual or forecasted
 424.20 estimated cost difference of adding 19- and 20-year-olds and parents and relative caretaker
 424.21 populations with income between 100 and 138 percent of the federal poverty guidelines,
 424.22 as determined under paragraph (b), to the commissioner of management and budget at
 424.23 least four weeks prior to the release of a forecast under Minnesota Statutes, section
 424.24 16A.103, of each fiscal year.

424.25 (d) ~~No later than three weeks before the release of the forecast~~ For fiscal years 2014 to
 424.26 2017, forecasts under Minnesota Statutes, section 16A.103, prepared by the commissioner
 424.27 of management and budget shall ~~reduce the~~ include actual or estimated adjustments to
 424.28 health care access fund ~~transfer transfers~~ in paragraph (a), ~~by the cumulative differences in~~
 424.29 ~~costs reported by the commissioner of human services under~~ according to paragraph (e)
 424.30 (e). If, for any fiscal year, the amount of the cumulative cost differences determined under
 424.31 paragraph (b) is positive, no change is made to the appropriation. If, for any fiscal year,
 424.32 the amount of the cumulative cost differences determined under paragraph (b) is less than
 424.33 the amount of the original appropriation, the appropriation for that year must be zero.

424.34 (e) For each fiscal year from 2014 to 2017, the commissioner of management and
 424.35 budget must adjust the transfer amounts in paragraph (a) by the cumulative difference in

425.1 costs reported by the commissioner of human services under paragraph (c). If, for any
 425.2 fiscal year, the amount of the cumulative difference in costs reported under paragraph (c)
 425.3 is positive, no adjustment shall be made.

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

425.5 Sec. 6. Laws 2013, chapter 108, article 14, section 2, subdivision 5, is amended to read:

425.6 Subd. 5. **Forecasted Programs**

425.7 The amounts that may be spent from this
 425.8 appropriation for each purpose are as follows:

425.9 **(a) MFIP/DWP**

425.10	Appropriations by Fund		
425.11	General	72,583,000	76,927,000
425.12	Federal TANF	80,342,000	76,851,000

425.13 **(b) MFIP Child Care Assistance** 61,701,000 69,294,000

425.14 **(c) General Assistance** 54,787,000 56,068,000

425.15 **General Assistance Standard.** The
 425.16 commissioner shall set the monthly standard
 425.17 of assistance for general assistance units
 425.18 consisting of an adult recipient who is
 425.19 childless and unmarried or living apart
 425.20 from parents or a legal guardian at \$203.
 425.21 The commissioner may reduce this amount
 425.22 according to Laws 1997, chapter 85, article
 425.23 3, section 54.

425.24 **Emergency General Assistance.** The
 425.25 amount appropriated for emergency general
 425.26 assistance funds is limited to no more
 425.27 than \$6,729,812 in fiscal year 2014 and
 425.28 \$6,729,812 in fiscal year 2015. Funds
 425.29 to counties shall be allocated by the
 425.30 commissioner using the allocation method in
 425.31 Minnesota Statutes, section 256D.06.

425.32 **(d) MN Supplemental Assistance** 38,646,000 39,821,000

426.1	(e) Group Residential Housing	141,138,000	150,988,000
426.2	(f) MinnesotaCare	297,707,000	247,284,000

426.3 This appropriation is from the health care
426.4 access fund.

426.5 **(g) Medical Assistance**

426.6	Appropriations by Fund		
426.7	General	4,443,768,000	4,431,612,000
426.8	Health Care Access	179,550,000	226,081,000

426.9 **Base Adjustment.** The health care access
426.10 fund base is \$221,035,000 in fiscal year 2016
426.11 and \$221,035,000 in fiscal year 2017.

426.12 **Spending to be apportioned.** The
426.13 commissioner shall apportion expenditures
426.14 under this paragraph consistent with the
426.15 requirements of section 12.

426.16 **Support Services for Deaf and**
426.17 **Hard-of-Hearing.** \$121,000 in fiscal
426.18 year 2014 and \$141,000 in fiscal year 2015;
426.19 and \$10,000 in fiscal year 2014 and \$13,000
426.20 in fiscal year 2015 are from the health care
426.21 access fund for the hospital reimbursement
426.22 increase in Minnesota Statutes, section
426.23 256.969, subdivision 29, paragraph (b).

426.24 **Disproportionate Share Payments.**
426.25 Effective for services provided on or after
426.26 July 1, 2011, through June 30, 2015, the
426.27 commissioner of human services shall
426.28 deposit, in the health care access fund,
426.29 additional federal matching funds received
426.30 under Minnesota Statutes, section 256B.199,
426.31 paragraph (e), as disproportionate share
426.32 hospital payments for inpatient hospital
426.33 services provided under MinnesotaCare to
426.34 lawfully present noncitizens who are not

427.1 eligible for MinnesotaCare with federal
 427.2 financial participation due to immigration
 427.3 status. The amount deposited shall not exceed
 427.4 \$2,200,000 for the time period specified.

427.5 **Funding for Services Provided to EMA**
 427.6 **Recipients.** \$2,200,000 in fiscal year 2014 is
 427.7 from the health care access fund to provide
 427.8 services to emergency medical assistance
 427.9 recipients under Minnesota Statutes, section
 427.10 256B.06, subdivision 4, paragraph (l). This
 427.11 is a onetime appropriation and is available in
 427.12 either year of the biennium.

427.13 (h) Alternative Care	50,776,000	54,922,000
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427.14 **Alternative Care Transfer.** Any money
 427.15 allocated to the alternative care program that
 427.16 is not spent for the purposes indicated does
 427.17 not cancel but shall be transferred to the
 427.18 medical assistance account.

427.19 (i) CD Treatment Fund	81,440,000	74,875,000
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427.20 **Balance Transfer.** The commissioner must
 427.21 transfer \$18,188,000 from the consolidated
 427.22 chemical dependency treatment fund to the
 427.23 general fund by September 30, 2013.

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

427.25 Sec. 7. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by
 427.26 Laws 2013, chapter 144, section 25, is amended to read:

427.27 Subd. 6. **Grant Programs**

427.28 The amounts that may be spent from this
 427.29 appropriation for each purpose are as follows:

427.30 **(a) Support Services Grants**

428.1	Appropriations by Fund		
428.2	General	8,915,000	13,333,000
428.3	Federal TANF	94,611,000	94,611,000

428.4 **Paid Work Experience.** \$2,168,000
 428.5 each year in fiscal years 2015 and 2016
 428.6 is from the general fund for paid work
 428.7 experience for long-term MFIP recipients.
 428.8 Paid work includes full and partial wage
 428.9 subsidies and other related services such as
 428.10 job development, marketing, preworksite
 428.11 training, job coaching, and postplacement
 428.12 services. These are onetime appropriations.
 428.13 Unexpended funds for fiscal year 2015 do not
 428.14 cancel, but are available to the commissioner
 428.15 for this purpose in fiscal year 2016.

428.16 **Work Study Funding for MFIP**
 428.17 **Participants.** \$250,000 each year in fiscal
 428.18 years 2015 and 2016 is from the general fund
 428.19 to pilot work study jobs for MFIP recipients
 428.20 in approved postsecondary education
 428.21 programs. This is a onetime appropriation.
 428.22 Unexpended funds for fiscal year 2015 do
 428.23 not cancel, but are available for this purpose
 428.24 in fiscal year 2016.

428.25 **Local Strategies to Reduce Disparities.**
 428.26 \$2,000,000 each year in fiscal years 2015
 428.27 and 2016 is from the general fund for
 428.28 local projects that focus on services for
 428.29 subgroups within the MFIP caseload
 428.30 who are experiencing poor employment
 428.31 outcomes. These are onetime appropriations.
 428.32 Unexpended funds for fiscal year 2015 do not
 428.33 cancel, but are available to the commissioner
 428.34 for this purpose in fiscal year 2016.

429.1 **Home Visiting Collaborations for MFIP**
 429.2 **Teen Parents.** \$200,000 per year in fiscal
 429.3 years 2014 and 2015 is from the general fund
 429.4 and \$200,000 in fiscal year 2016 is from the
 429.5 federal TANF fund for technical assistance
 429.6 and training to support local collaborations
 429.7 that provide home visiting services for
 429.8 MFIP teen parents. The general fund
 429.9 appropriation is onetime. The federal TANF
 429.10 fund appropriation is added to the base.

429.11 **Performance Bonus Funds for Counties.**
 429.12 The TANF fund base is increased by
 429.13 \$1,500,000 each year in fiscal years 2016
 429.14 and 2017. The commissioner must allocate
 429.15 this amount each year to counties that exceed
 429.16 their expected range of performance on the
 429.17 annualized three-year self-support index
 429.18 as defined in Minnesota Statutes, section
 429.19 256J.751, subdivision 2, clause (6). This is a
 429.20 permanent base adjustment. Notwithstanding
 429.21 any contrary provisions in this article, this
 429.22 provision expires June 30, 2016.

429.23 **Base Adjustment.** The general fund base is
 429.24 decreased by \$200,000 in fiscal year 2016
 429.25 and \$4,618,000 in fiscal year 2017. The
 429.26 TANF fund base is increased by \$1,700,000
 429.27 in fiscal years 2016 and 2017.

429.28	(b) Basic Sliding Fee Child Care Assistance		
429.29	Grants	36,836,000	42,318,000

429.30 **Base Adjustment.** The general fund base is
 429.31 increased by \$3,778,000 in fiscal year 2016
 429.32 and by \$3,849,000 in fiscal year 2017.

429.33	(c) Child Care Development Grants	1,612,000	1,737,000
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429.34	(d) Child Support Enforcement Grants	50,000	50,000
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430.1 **Federal Child Support Demonstration**

430.2 **Grants.** Federal administrative
 430.3 reimbursement resulting from the federal
 430.4 child support grant expenditures authorized
 430.5 under United States Code, title 42, section
 430.6 1315, is appropriated to the commissioner
 430.7 for this activity.

430.8 **(e) Children's Services Grants**

430.9	Appropriations by Fund		
430.10	General	49,760,000	52,961,000
430.11	Federal TANF	140,000	140,000

430.12 **Adoption Assistance and Relative Custody**

430.13 **Assistance.** ~~\$37,453,000~~ \$36,456,000
 430.14 in fiscal year 2014 and ~~\$37,453,000~~
 430.15 \$36,855,000 in fiscal year 2015 is for the
 430.16 adoption assistance and relative custody
 430.17 assistance programs. The commissioner
 430.18 shall determine with the commissioner of
 430.19 Minnesota Management and Budget the
 430.20 appropriation for Northstar Care for Children
 430.21 effective January 1, 2015. The commissioner
 430.22 may transfer appropriations for adoption
 430.23 assistance, relative custody assistance, and
 430.24 Northstar Care for Children between fiscal
 430.25 years and among programs to adjust for
 430.26 transfers across the programs.

430.27 **Title IV-E Adoption Assistance.** Additional
 430.28 federal reimbursements to the state as a result
 430.29 of the Fostering Connections to Success
 430.30 and Increasing Adoptions Act's expanded
 430.31 eligibility for Title IV-E adoption assistance
 430.32 are appropriated for postadoption services,
 430.33 including a parent-to-parent support network.

430.34 **Privatized Adoption Grants.** Federal
 430.35 reimbursement for privatized adoption grant

431.1 and foster care recruitment grant expenditures
 431.2 is appropriated to the commissioner for
 431.3 adoption grants and foster care and adoption
 431.4 administrative purposes.

431.5 **Adoption Assistance Incentive Grants.**

431.6 Federal funds available during fiscal years
 431.7 2014 and 2015 for adoption incentive grants
 431.8 are appropriated for postadoption services,
 431.9 including a parent-to-parent support network.

431.10 **Base Adjustment.** The general fund base is
 431.11 increased by \$5,913,000 in fiscal year 2016
 431.12 and by \$10,297,000 in fiscal year 2017.

431.13 (f) Child and Community Service Grants	53,301,000	53,301,000
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431.14 (g) Child and Economic Support Grants	21,047,000	20,848,000
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431.15 **Minnesota Food Assistance Program.**

431.16 Unexpended funds for the Minnesota food
 431.17 assistance program for fiscal year 2014 do
 431.18 not cancel but are available for this purpose
 431.19 in fiscal year 2015.

431.20 **Transitional Housing.** \$250,000 each year
 431.21 is for the transitional housing programs under
 431.22 Minnesota Statutes, section 256E.33.

431.23 **Emergency Services.** \$250,000 each year
 431.24 is for emergency services grants under
 431.25 Minnesota Statutes, section 256E.36.

431.26 **Family Assets for Independence.** \$250,000
 431.27 each year is for the Family Assets for
 431.28 Independence Minnesota program. This
 431.29 appropriation is available in either year of the
 431.30 biennium and may be transferred between
 431.31 fiscal years.

431.32 **Food Shelf Programs.** \$375,000 in fiscal
 431.33 year 2014 and \$375,000 in fiscal year
 431.34 2015 are for food shelf programs under

432.1 Minnesota Statutes, section 256E.34. If the
 432.2 appropriation for either year is insufficient,
 432.3 the appropriation for the other year is
 432.4 available for it. Notwithstanding Minnesota
 432.5 Statutes, section 256E.34, subdivision 4, no
 432.6 portion of this appropriation may be used
 432.7 by Hunger Solutions for its administrative
 432.8 expenses, including but not limited to rent
 432.9 and salaries.

432.10 **Homeless Youth Act.** \$2,000,000 in fiscal
 432.11 year 2014 and \$2,000,000 in fiscal year 2015
 432.12 is for purposes of Minnesota Statutes, section
 432.13 256K.45.

432.14 **Safe Harbor Shelter and Housing.**
 432.15 \$500,000 in fiscal year 2014 and \$500,000 in
 432.16 fiscal year 2015 is for a safe harbor shelter
 432.17 and housing fund for housing and supportive
 432.18 services for youth who are sexually exploited.

432.19 **High-risk adults.** \$200,000 in fiscal
 432.20 year 2014 is for a grant to the nonprofit
 432.21 organization selected to administer the
 432.22 demonstration project for high-risk adults
 432.23 under Laws 2007, chapter 54, article 1,
 432.24 section 19, in order to complete the project.
 432.25 This is a onetime appropriation.

432.26 **(h) Health Care Grants**

432.27	Appropriations by Fund		
432.28	General	190,000	190,000
432.29	Health Care Access	190,000	190,000

432.30 **Emergency Medical Assistance Referral**
 432.31 **and Assistance Grants.** (a) The
 432.32 commissioner of human services shall
 432.33 award grants to nonprofit programs that
 432.34 provide immigration legal services based
 432.35 on indigency to provide legal services for

433.1 immigration assistance to individuals with
 433.2 emergency medical conditions or complex
 433.3 and chronic health conditions who are not
 433.4 currently eligible for medical assistance
 433.5 or other public health care programs, but
 433.6 who may meet eligibility requirements with
 433.7 immigration assistance.

433.8 (b) The grantees, in collaboration with
 433.9 hospitals and safety net providers, shall
 433.10 provide referral assistance to connect
 433.11 individuals identified in paragraph (a) with
 433.12 alternative resources and services to assist in
 433.13 meeting their health care needs. \$100,000
 433.14 is appropriated in fiscal year 2014 and
 433.15 \$100,000 in fiscal year 2015. This is a
 433.16 onetime appropriation.

433.17 **Base Adjustment.** The general fund is
 433.18 decreased by \$100,000 in fiscal year 2016
 433.19 and \$100,000 in fiscal year 2017.

433.20 (i) Aging and Adult Services Grants	14,827,000	15,010,000
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433.21 **Base Adjustment.** The general fund is
 433.22 increased by \$1,150,000 in fiscal year 2016
 433.23 and \$1,151,000 in fiscal year 2017.

433.24 **Community Service Development**
 433.25 **Grants and Community Services Grants.**
 433.26 Community service development grants and
 433.27 community services grants are reduced by
 433.28 \$1,150,000 each year. This is a onetime
 433.29 reduction.

433.30 (j) Deaf and Hard-of-Hearing Grants	1,771,000	1,785,000
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433.31 (k) Disabilities Grants	18,605,000	18,823,000
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433.32 **Advocating Change Together.** \$310,000 in
 433.33 fiscal year 2014 is for a grant to Advocating
 433.34 Change Together (ACT) to maintain and

434.1 promote services for persons with intellectual
 434.2 and developmental disabilities throughout
 434.3 the state. This appropriation is onetime. Of
 434.4 this appropriation:
 434.5 (1) \$120,000 is for direct costs associated
 434.6 with the delivery and evaluation of
 434.7 peer-to-peer training programs administered
 434.8 throughout the state, focusing on education,
 434.9 employment, housing, transportation, and
 434.10 voting;
 434.11 (2) \$100,000 is for delivery of statewide
 434.12 conferences focusing on leadership and
 434.13 skill development within the disability
 434.14 community; and
 434.15 (3) \$90,000 is for administrative and general
 434.16 operating costs associated with managing
 434.17 or maintaining facilities, program delivery,
 434.18 staff, and technology.

434.19 **Base Adjustment.** The general fund base
 434.20 is increased by \$535,000 in fiscal year 2016
 434.21 and by \$709,000 in fiscal year 2017.

434.22 **(l) Adult Mental Health Grants**

434.23	Appropriations by Fund		
434.24	General	71,199,000	69,530,000
434.25	Health Care Access	750,000	750,000
434.26	Lottery Prize	1,733,000	1,733,000

434.27 **Compulsive Gambling Treatment.** Of the
 434.28 general fund appropriation, \$602,000 in
 434.29 fiscal year 2014 and \$747,000 in fiscal year
 434.30 2015 are for compulsive gambling treatment
 434.31 under Minnesota Statutes, section 297E.02,
 434.32 subdivision 3, paragraph (c).

434.33 **Problem Gambling.** \$225,000 in fiscal year
 434.34 2014 and \$225,000 in fiscal year 2015 is
 434.35 appropriated from the lottery prize fund for a

435.1 grant to the state affiliate recognized by the
 435.2 National Council on Problem Gambling. The
 435.3 affiliate must provide services to increase
 435.4 public awareness of problem gambling,
 435.5 education and training for individuals and
 435.6 organizations providing effective treatment
 435.7 services to problem gamblers and their
 435.8 families, and research relating to problem
 435.9 gambling.

435.10 **Funding Usage.** Up to 75 percent of a fiscal
 435.11 year's appropriations for adult mental health
 435.12 grants may be used to fund allocations in that
 435.13 portion of the fiscal year ending December
 435.14 31.

435.15 **Base Adjustment.** The general fund base is
 435.16 decreased by \$4,427,000 in fiscal years 2016
 435.17 and 2017.

435.18 **Mental Health Pilot Project.** \$230,000
 435.19 each year is for a grant to the Zumbro
 435.20 Valley Mental Health Center. The grant
 435.21 shall be used to implement a pilot project
 435.22 to test an integrated behavioral health care
 435.23 coordination model. The grant recipient must
 435.24 report measurable outcomes and savings
 435.25 to the commissioner of human services
 435.26 by January 15, 2016. This is a onetime
 435.27 appropriation.

435.28 ~~**High-risk adults.** \$200,000 in fiscal~~
 435.29 ~~year 2014 is for a grant to the nonprofit~~
 435.30 ~~organization selected to administer the~~
 435.31 ~~demonstration project for high-risk adults~~
 435.32 ~~under Laws 2007, chapter 54, article 1,~~
 435.33 ~~section 19, in order to complete the project.~~

435.34 ~~This is a onetime appropriation.~~

435.35 (m) Child Mental Health Grants	18,246,000	20,636,000
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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 (n) CD Treatment Support Grants	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. 8. Laws 2013, chapter 108, article 14, section 3, subdivision 1, is amended to read:

437.33		169,326,000		165,531,000
437.34	Subdivision 1. Total Appropriation	\$	<u>169,026,000</u>	\$ <u>165,231,000</u>

438.1	Appropriations by Fund		
438.2		2014	2015
438.3	General	79,476,000	74,256,000
438.4	State Government		
438.5	Special Revenue	48,094,000	50,119,000
438.6	Health Care Access	29,743,000	29,143,000
438.7	Federal TANF	11,713,000	11,713,000
438.8	Special Revenue	300,000	300,000

438.9 The amounts that may be spent for each
 438.10 purpose are specified in the following
 438.11 subdivisions.

438.12 Sec. 9. Laws 2013, chapter 108, article 14, section 3, subdivision 4, is amended to read:

438.13 Subd. 4. **Health Protection**

438.14	Appropriations by Fund		
438.15	General	9,201,000	9,201,000
438.16	State Government		
438.17	Special Revenue	32,633,000	32,636,000
438.18	Special Revenue	300,000	300,000

438.19 **Infectious Disease Laboratory.** Of the
 438.20 general fund appropriation, \$200,000 in
 438.21 fiscal year 2014 and \$200,000 in fiscal year
 438.22 2015 are to monitor infectious disease trends
 438.23 and investigate infectious disease outbreaks.

438.24 **Surveillance for Elevated Blood Lead**

438.25 **Levels.** Of the general fund appropriation,
 438.26 \$100,000 in fiscal year 2014 and \$100,000
 438.27 in fiscal year 2015 are for the blood lead
 438.28 surveillance system under Minnesota
 438.29 Statutes, section 144.9502.

438.30 **Base Level Adjustment.** The state
 438.31 government special revenue base is increased
 438.32 by \$6,000 in fiscal year 2016 and by \$13,000
 438.33 in fiscal year 2017.

438.34 Sec. 10. Laws 2013, chapter 108, article 14, section 4, subdivision 8, is amended to read:

439.1	Subd. 8. Board of Nursing Home		
439.2	Administrators	3,742,000	2,252,000
439.3	Administrative Services Unit - Operating		
439.4	Costs. Of this appropriation, \$676,000		
439.5	in fiscal year 2014 and \$626,000 in		
439.6	fiscal year 2015 are for operating costs		
439.7	of the administrative services unit. The		
439.8	administrative services unit may receive		
439.9	and expend reimbursements for services		
439.10	performed by other agencies.		
439.11	Administrative Services Unit - Volunteer		
439.12	Health Care Provider Program. Of this		
439.13	appropriation, \$150,000 in fiscal year 2014		
439.14	and \$150,000 in fiscal year 2015 are to pay		
439.15	for medical professional liability coverage		
439.16	required under Minnesota Statutes, section		
439.17	214.40.		
439.18	Administrative Services Unit - Contested		
439.19	Cases and Other Legal Proceedings. Of		
439.20	this appropriation, \$200,000 in fiscal year		
439.21	2014 and \$200,000 in fiscal year 2015 are		
439.22	for costs of contested case hearings and other		
439.23	unanticipated costs of legal proceedings		
439.24	involving health-related boards funded		
439.25	under this section. Upon certification of a		
439.26	health-related board to the administrative		
439.27	services unit that the costs will be incurred		
439.28	and that there is insufficient money available		
439.29	to pay for the costs out of money currently		
439.30	available to that board, the administrative		
439.31	services unit is authorized to transfer money		
439.32	from this appropriation to the board for		
439.33	payment of those costs with the approval		
439.34	of the commissioner of management and		

440.1 budget. This appropriation does not cancel
440.2 and is available until expended.

440.3 This appropriation includes \$44,000 in
440.4 fiscal year 2014 for rulemaking. This is
440.5 a onetime appropriation. \$1,441,000 in
440.6 fiscal year 2014 and \$420,000 in fiscal year
440.7 2015 are for the development of a shared
440.8 disciplinary, regulatory, licensing, and
440.9 information management system. \$391,000
440.10 in fiscal year 2014 is a onetime appropriation
440.11 for retirement costs in the health-related
440.12 boards. This funding may be transferred to
440.13 the health boards incurring retirement costs.
440.14 These funds are available either year of the
440.15 biennium.

440.16 This appropriation includes \$16,000 in fiscal
440.17 years 2014 and 2015 for evening security,
440.18 \$2,000 in fiscal years 2014 and 2015 for a
440.19 state vehicle lease, and \$18,000 in fiscal
440.20 years 2014 and 2015 for shared office space
440.21 and administrative support. \$205,000 in
440.22 fiscal year 2014 and \$221,000 in fiscal year
440.23 2015 are for shared information technology
440.24 services, equipment, and maintenance.

440.25 The remaining balance of the state
440.26 government special revenue fund
440.27 appropriation in Laws 2011, First Special
440.28 Session chapter 9, article 10, section 8,
440.29 subdivision 8, for Board of Nursing Home
440.30 Administrators rulemaking, estimated to
440.31 be \$44,000, is canceled, and the remaining
440.32 balance of the state government special
440.33 revenue fund appropriation in Laws 2011,
440.34 First Special Session chapter 9, article 10,
440.35 section 8, subdivision 8, for electronic

441.1 licensing system adaptors, estimated to be
441.2 \$761,000, and for the development and
441.3 implementation of a disciplinary, regulatory,
441.4 licensing, and information management
441.5 system, estimated to be \$1,100,000, are
441.6 canceled. This paragraph is effective the day
441.7 following final enactment.

441.8 **Base Adjustment.** The base is decreased by
441.9 \$370,000 in fiscal years 2016 and 2017.

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

441.11 Sec. 11. Laws 2013, chapter 108, article 14, section 12, is amended to read:

441.12 Sec. 12. **APPROPRIATION ADJUSTMENTS.**

441.13 (a) The general fund appropriation in section 2, subdivision 5, paragraph (g),
441.14 includes up to \$53,391,000 in fiscal year 2014; \$216,637,000 in fiscal year 2015;
441.15 \$261,660,000 in fiscal year 2016; and \$279,984,000 in fiscal year 2017, for medical
441.16 assistance eligibility and administration changes related to:

441.17 (1) eligibility for children age two to 18 with income up to 275 percent of the federal
441.18 poverty guidelines;

441.19 (2) eligibility for pregnant women with income up to 275 percent of the federal
441.20 poverty guidelines;

441.21 (3) Affordable Care Act enrollment and renewal processes, including elimination
441.22 of six-month renewals, ex parte eligibility reviews, preprinted renewal forms, changes
441.23 in verification requirements, and other changes in the eligibility determination and
441.24 enrollment and renewal process;

441.25 (4) automatic eligibility for children who turn 18 in foster care until they reach age 26;

441.26 (5) eligibility related to spousal impoverishment provisions for waiver recipients; and

441.27 (6) presumptive eligibility determinations by hospitals.

441.28 (b) the commissioner of human services shall determine the difference between the
441.29 actual or ~~foreeasted~~ estimated costs to the medical assistance program attributable to
441.30 the program changes in paragraph (a), clauses (1) to (6), and the costs of paragraph (a),
441.31 clauses (1) to (6), that were estimated during the 2013 legislative session based on data
441.32 from the 2013 February forecast. ~~The costs in this paragraph must be calculated between~~
441.33 ~~January 1, 2014, and June 30, 2017.~~

442.1 (c) For each fiscal year from 2014 to 2017, the commissioner of human services
 442.2 shall certify the actual or ~~foreeasted~~ estimated cost differences to the medical assistance
 442.3 program determined under paragraph (b), and report the difference in costs to the
 442.4 commissioner of management and budget at least four weeks prior to a forecast under
 442.5 Minnesota Statutes, section 16A.103. ~~No later than three weeks before the release of~~
 442.6 ~~the foreeas~~ For fiscal years 2014 to 2017, forecasts under Minnesota Statutes, section
 442.7 16A.103, prepared by the commissioner of management and budget shall reduee include
 442.8 actual or estimated adjustments to the health care access fund appropriation in section
 442.9 2, subdivision 5, paragraph (g), by the eumulative difference in costs determined in
 442.10 according to paragraph (b) (d). ~~If for any fiscal year, the amount of the eumulative cost~~
 442.11 ~~differences determined under paragraph (b) is positive, no adjustment shall be made to the~~
 442.12 ~~health care access fund appropriation. If for any fiscal year, the amount of the eumulative~~
 442.13 ~~cost differences determined under paragraph (b) is less than the original appropriation, the~~
 442.14 ~~appropriation for that fiscal year is zero.~~

442.15 (d) For each fiscal year from 2014 to 2017, the commissioner of management and
 442.16 budget must adjust the health care access fund appropriation by the cumulative difference
 442.17 in costs reported by the commissioner of human services under paragraph (b). If, for any
 442.18 fiscal year, the amount of the cumulative difference in costs determined under paragraph
 442.19 (b) is positive, no adjustment shall be made to the health care access fund appropriation.

442.20 (e) This section expires on January 1, 2018.

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

442.22 Sec. 12. **EXPIRATION OF UNCODIFIED LANGUAGE.**

442.23 All uncodified language in this article expires on June 30, 2015, unless a different
 442.24 expiration date is specified.

442.25 **ARTICLE 32**

442.26 **HUMAN SERVICES FORECAST ADJUSTMENT**

442.27 Section 1. **HUMAN SERVICES APPROPRIATION.**

442.28 The sums shown in the columns marked "Appropriations" are added to or, if shown
 442.29 in parentheses, are subtracted from the appropriations in Laws 2013, chapter 108, article
 442.30 14, from the general fund or any fund named to the Department of Human Services for
 442.31 the purposes specified in this article, to be available for the fiscal year indicated for each
 442.32 purpose. The figures "2014" and "2015" used in this article mean that the appropriations
 442.33 listed under them are available for the fiscal years ending June 30, 2014, or June 30, 2015,

443.1 respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015.
 443.2 "The biennium" is fiscal years 2014 and 2015.

443.3 **APPROPRIATIONS**
 443.4 **Available for the Year**
 443.5 **Ending June 30**
 443.6 **2014 2015**

443.7 **Sec. 2. COMMISSIONER OF HUMAN**
 443.8 **SERVICES**

443.9 **Subdivision 1. Total Appropriation** \$ **(196,927)** \$ **64,288**

443.10 **Appropriations by Fund**

443.11 **General Fund** **(153,497)** **(25,282)**
 443.12 **Health Care Access**
 443.13 **Fund** **(36,533)** **91,294**
 443.14 **Federal TANF** **(6,897)** **(1,724)**

443.15 **Subd. 2. Forecasted Programs**

443.16 **(a) MFIP/DWP**

443.17 **Appropriations by Fund**

443.18 **General Fund** **3,571** **173**
 443.19 **Federal TANF** **(6,475)** **(1,298)**

443.20 **(b) MFIP Child Care Assistance** **(684)** **11,114**

443.21 **(c) General Assistance** **(2,569)** **(1,940)**

443.22 **(d) Minnesota Supplemental Aid** **(690)** **(614)**

443.23 **(e) Group Residential Housing** **250** **(1,740)**

443.24 **(f) MinnesotaCare** **(34,838)** **96,340**

443.25 These appropriations are from the health care
 443.26 access fund.

443.27 **(g) Medical Assistance**

443.28 **Appropriations by Fund**

443.29 **General Fund** **(149,494)** **(27,075)**
 443.30 **Health Care Access**
 443.31 **Fund** **(1,695)** **(5,046)**

443.32 **(h) Alternative Care Program** **(6,936)** **(13,260)**

443.33 **(i) CCDTF Entitlements** **3,055** **8,060**

444.1 Subd. 3. **Technical Activities** (422) (426)

444.2 These appropriations are from the federal

444.3 TANF fund.

444.4 Sec. 3. Laws 2013, chapter 108, article 14, section 2, subdivision 1, is amended to read:

444.5			6,438,485,000		6,457,117,000
444.6	Subdivision 1. Total Appropriation		\$ <u>6,437,815,000</u>		\$ <u>6,456,311,000</u>

444.7 Appropriations by Fund

444.8		2014	2015
444.9		5,654,765,000	5,677,458,000
444.10	General	<u>5,654,095,000</u>	<u>5,676,652,000</u>
444.11	State Government		
444.12	Special Revenue	4,099,000	4,510,000
444.13	Health Care Access	519,816,000	518,446,000
444.14	Federal TANF	257,915,000	254,813,000
444.15	Lottery Prize Fund	1,890,000	1,890,000

444.16 **Receipts for Systems Projects.**

444.17 Appropriations and federal receipts for
 444.18 information systems projects for MAXIS,
 444.19 PRISM, MMIS, and SSIS must be deposited
 444.20 in the state system account authorized
 444.21 in Minnesota Statutes, section 256.014.
 444.22 Money appropriated for computer projects
 444.23 approved by the commissioner of Minnesota
 444.24 information technology services, funded
 444.25 by the legislature, and approved by the
 444.26 commissioner of management and budget,
 444.27 may be transferred from one project to
 444.28 another and from development to operations
 444.29 as the commissioner of human services
 444.30 considers necessary. Any unexpended
 444.31 balance in the appropriation for these
 444.32 projects does not cancel but is available for
 444.33 ongoing development and operations.

444.34 **Nonfederal Share Transfers.** The
 444.35 nonfederal share of activities for which
 444.36 federal administrative reimbursement is

445.1 appropriated to the commissioner may be
445.2 transferred to the special revenue fund.

445.3 **ARRA Supplemental Nutrition Assistance**

445.4 **Benefit Increases.** The funds provided for
445.5 food support benefit increases under the
445.6 Supplemental Nutrition Assistance Program
445.7 provisions of the American Recovery and
445.8 Reinvestment Act (ARRA) of 2009 must be
445.9 used for benefit increases beginning July 1,
445.10 2009.

445.11 **Supplemental Nutrition Assistance**

445.12 **Program Employment and Training.**

445.13 (1) Notwithstanding Minnesota Statutes,
445.14 sections 256D.051, subdivisions 1a, 6b,
445.15 and 6c, and 256J.626, federal Supplemental
445.16 Nutrition Assistance employment and
445.17 training funds received as reimbursement of
445.18 MFIP consolidated fund grant expenditures
445.19 for diversionary work program participants
445.20 and child care assistance program
445.21 expenditures must be deposited in the general
445.22 fund. The amount of funds must be limited to
445.23 \$4,900,000 per year in fiscal years 2014 and
445.24 2015, and to \$4,400,000 per year in fiscal
445.25 years 2016 and 2017, contingent on approval
445.26 by the federal Food and Nutrition Service.

445.27 (2) Consistent with the receipt of the federal
445.28 funds, the commissioner may adjust the
445.29 level of working family credit expenditures
445.30 claimed as TANF maintenance of effort.
445.31 Notwithstanding any contrary provision in
445.32 this article, this rider expires June 30, 2017.

445.33 **TANF Maintenance of Effort.** (a) In order
445.34 to meet the basic maintenance of effort
445.35 (MOE) requirements of the TANF block grant

446.1 specified under Code of Federal Regulations,
446.2 title 45, section 263.1, the commissioner may
446.3 only report nonfederal money expended for
446.4 allowable activities listed in the following
446.5 clauses as TANF/MOE expenditures:

446.6 (1) MFIP cash, diversionary work program,
446.7 and food assistance benefits under Minnesota
446.8 Statutes, chapter 256J;

446.9 (2) the child care assistance programs
446.10 under Minnesota Statutes, sections 119B.03
446.11 and 119B.05, and county child care
446.12 administrative costs under Minnesota
446.13 Statutes, section 119B.15;

446.14 (3) state and county MFIP administrative
446.15 costs under Minnesota Statutes, chapters
446.16 256J and 256K;

446.17 (4) state, county, and tribal MFIP
446.18 employment services under Minnesota
446.19 Statutes, chapters 256J and 256K;

446.20 (5) expenditures made on behalf of legal
446.21 noncitizen MFIP recipients who qualify for
446.22 the MinnesotaCare program under Minnesota
446.23 Statutes, chapter 256L;

446.24 (6) qualifying working family credit
446.25 expenditures under Minnesota Statutes,
446.26 section 290.0671;

446.27 (7) qualifying Minnesota education credit
446.28 expenditures under Minnesota Statutes,
446.29 section 290.0674; and

446.30 (8) qualifying Head Start expenditures under
446.31 Minnesota Statutes, section 119A.50.

446.32 (b) The commissioner shall ensure that
446.33 sufficient qualified nonfederal expenditures
446.34 are made each year to meet the state's

447.1 TANF/MOE requirements. For the activities
447.2 listed in paragraph (a), clauses (2) to
447.3 (8), the commissioner may only report
447.4 expenditures that are excluded from the
447.5 definition of assistance under Code of
447.6 Federal Regulations, title 45, section 260.31.

447.7 (c) For fiscal years beginning with state fiscal
447.8 year 2003, the commissioner shall ensure
447.9 that the maintenance of effort used by the
447.10 commissioner of management and budget
447.11 for the February and November forecasts
447.12 required under Minnesota Statutes, section
447.13 16A.103, contains expenditures under
447.14 paragraph (a), clause (1), equal to at least 16
447.15 percent of the total required under Code of
447.16 Federal Regulations, title 45, section 263.1.

447.17 (d) The requirement in Minnesota Statutes,
447.18 section 256.011, subdivision 3, that federal
447.19 grants or aids secured or obtained under that
447.20 subdivision be used to reduce any direct
447.21 appropriations provided by law, do not apply
447.22 if the grants or aids are federal TANF funds.

447.23 (e) For the federal fiscal years beginning on
447.24 or after October 1, 2007, the commissioner
447.25 may not claim an amount of TANF/MOE in
447.26 excess of the 75 percent standard in Code
447.27 of Federal Regulations, title 45, section
447.28 263.1(a)(2), except:

447.29 (1) to the extent necessary to meet the 80
447.30 percent standard under Code of Federal
447.31 Regulations, title 45, section 263.1(a)(1),
447.32 if it is determined by the commissioner
447.33 that the state will not meet the TANF work
447.34 participation target rate for the current year;

448.1 (2) to provide any additional amounts
448.2 under Code of Federal Regulations, title 45,
448.3 section 264.5, that relate to replacement of
448.4 TANF funds due to the operation of TANF
448.5 penalties; and

448.6 (3) to provide any additional amounts that
448.7 may contribute to avoiding or reducing
448.8 TANF work participation penalties through
448.9 the operation of the excess MOE provisions
448.10 of Code of Federal Regulations, title 45,
448.11 section 261.43 (a)(2).

448.12 For the purposes of clauses (1) to (3),
448.13 the commissioner may supplement the
448.14 MOE claim with working family credit
448.15 expenditures or other qualified expenditures
448.16 to the extent such expenditures are otherwise
448.17 available after considering the expenditures
448.18 allowed in this subdivision and subdivisions
448.19 2 and 3.

448.20 (f) Notwithstanding any contrary provision
448.21 in this article, paragraphs (a) to (e) expire
448.22 June 30, 2017.

448.23 **Working Family Credit Expenditures**
448.24 **as TANF/MOE.** The commissioner may
448.25 claim as TANF maintenance of effort up to
448.26 \$6,707,000 per year of working family credit
448.27 expenditures in each fiscal year.

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

448.29 Sec. 4. Laws 2013, chapter 108, article 14, section 2, subdivision 4, as amended by
448.30 Laws 2013, chapter 144, section 24, is amended to read:

448.31 Subd. 4. **Central Office**

448.32 The amounts that may be spent from this
448.33 appropriation for each purpose are as follows:

449.1 **(a) Operations**

449.2	Appropriations by Fund		
449.3	General	101,979,000	96,858,000
449.4	State Government		
449.5	Special Revenue	3,974,000	4,385,000
449.6	Health Care Access	13,177,000	13,004,000
449.7	Federal TANF	100,000	100,000

449.8 **DHS Receipt Center Accounting.** The
 449.9 commissioner is authorized to transfer
 449.10 appropriations to, and account for DHS
 449.11 receipt center operations in, the special
 449.12 revenue fund.

449.13 **Administrative Recovery; Set-Aside.** The
 449.14 commissioner may invoice local entities
 449.15 through the SWIFT accounting system as an
 449.16 alternative means to recover the actual cost
 449.17 of administering the following provisions:

449.18 (1) Minnesota Statutes, section 125A.744,
 449.19 subdivision 3;

449.20 (2) Minnesota Statutes, section 245.495,
 449.21 paragraph (b);

449.22 (3) Minnesota Statutes, section 256B.0625,
 449.23 subdivision 20, paragraph (k);

449.24 (4) Minnesota Statutes, section 256B.0924,
 449.25 subdivision 6, paragraph (g);

449.26 (5) Minnesota Statutes, section 256B.0945,
 449.27 subdivision 4, paragraph (d); and

449.28 (6) Minnesota Statutes, section 256F.10,
 449.29 subdivision 6, paragraph (b).

449.30 **Systems Modernization.** The following
 449.31 amounts are appropriated for transfer to
 449.32 the state systems account authorized in
 449.33 Minnesota Statutes, section 256.014:

450.1 (1) \$1,825,000 in fiscal year 2014 and
450.2 \$2,502,000 in fiscal year 2015 is for the
450.3 state share of Medicaid-allocated costs of
450.4 the health insurance exchange information
450.5 technology and operational structure. The
450.6 funding base is \$3,222,000 in fiscal year 2016
450.7 and \$3,037,000 in fiscal year 2017 but shall
450.8 not be included in the base thereafter; and

450.9 (2) \$9,344,000 in fiscal year 2014 and
450.10 \$3,660,000 in fiscal year 2015 are for the
450.11 modernization and streamlining of agency
450.12 eligibility and child support systems. The
450.13 funding base is \$5,921,000 in fiscal year
450.14 2016 and \$1,792,000 in fiscal year 2017 but
450.15 shall not be included in the base thereafter.

450.16 The unexpended balance of the \$9,344,000
450.17 appropriation in fiscal year 2014 and the
450.18 \$3,660,000 appropriation in fiscal year 2015
450.19 must be transferred from the Department of
450.20 Human Services state systems account to
450.21 the Office of Enterprise Technology when
450.22 the Office of Enterprise Technology has
450.23 negotiated a federally approved internal
450.24 service fund rates and billing process with
450.25 sufficient internal accounting controls to
450.26 properly maximize federal reimbursement
450.27 to Minnesota for human services system
450.28 modernization projects, but not later than
450.29 June 30, 2015.

450.30 If contingent funding is fully or partially
450.31 disbursed under article 15, section 3, and
450.32 transferred to the state systems account, the
450.33 unexpended balance of that appropriation
450.34 must be transferred to the Office of Enterprise
450.35 Technology in accordance with this clause.

451.1 Contingent funding must not exceed

451.2 \$11,598,000 for the biennium.

451.3 **Base Adjustment.** The general fund base
 451.4 is increased by \$2,868,000 in fiscal year
 451.5 2016 and decreased by \$1,206,000 in fiscal
 451.6 year 2017. The health access fund base is
 451.7 decreased by \$551,000 in fiscal years 2016
 451.8 and 2017. The state government special
 451.9 revenue fund base is increased by \$4,000 in
 451.10 fiscal year 2016 and decreased by \$236,000
 451.11 in fiscal year 2017.

451.12 **(b) Children and Families**

451.13	Appropriations by Fund		
451.14	General	8,023,000	8,015,000
451.15	Federal TANF	2,282,000	2,282,000

451.16 **Financial Institution Data Match and**
 451.17 **Payment of Fees.** The commissioner is
 451.18 authorized to allocate up to \$310,000 each
 451.19 year in fiscal years 2014 and 2015 from the
 451.20 PRISM special revenue account to make
 451.21 payments to financial institutions in exchange
 451.22 for performing data matches between account
 451.23 information held by financial institutions
 451.24 and the public authority's database of child
 451.25 support obligors as authorized by Minnesota
 451.26 Statutes, section 13B.06, subdivision 7.

451.27 **Base Adjustment.** The general fund base is
 451.28 decreased by \$300,000 in fiscal years 2016
 451.29 and 2017. The TANF fund base is increased
 451.30 by \$300,000 in fiscal years 2016 and 2017.

451.31 **(c) Health Care**

451.32	Appropriations by Fund		
451.33	General	14,028,000	13,826,000
451.34	Health Care Access	28,442,000	31,137,000

452.1 **Base Adjustment.** The general fund base
 452.2 is decreased by \$86,000 in fiscal year 2016
 452.3 and by \$86,000 in fiscal year 2017. The
 452.4 health care access fund base is increased
 452.5 by \$6,954,000 in fiscal year 2016 and by
 452.6 \$5,489,000 in fiscal year 2017.

452.7 **(d) Continuing Care**

452.8	Appropriations by Fund		
452.9	General	20,993,000	22,359,000
452.10	State Government		
452.11	Special Revenue	125,000	125,000

452.12 **Base Adjustment.** The general fund base is
 452.13 increased by \$1,690,000 in fiscal year 2016
 452.14 and by \$798,000 in fiscal year 2017.

452.15 **(e) Chemical and Mental Health**

452.16	Appropriations by Fund		
452.17		4,639,000	4,490,000
452.18	General	<u>4,571,000</u>	<u>4,431,000</u>
452.19	Lottery Prize Fund	157,000	157,000

452.20 ~~Of the general fund appropriation, \$68,000~~
 452.21 ~~in fiscal year 2014 and \$59,000 in fiscal year~~
 452.22 ~~2015 are for compulsive gambling treatment~~
 452.23 ~~under Minnesota Statutes, section 297E.02,~~
 452.24 ~~subdivision 3, paragraph (e).~~

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

452.26 Sec. 5. Laws 2013, chapter 108, article 14, section 2, subdivision 6, as amended by
 452.27 Laws 2013, chapter 144, section 25, is amended to read:

452.28 Subd. 6. **Grant Programs**

452.29 The amounts that may be spent from this
 452.30 appropriation for each purpose are as follows:

452.31 **(a) Support Services Grants**

452.32	Appropriations by Fund		
452.33	General	8,915,000	13,333,000
452.34	Federal TANF	94,611,000	94,611,000

453.1 **Paid Work Experience.** \$2,168,000
453.2 each year in fiscal years 2015 and 2016
453.3 is from the general fund for paid work
453.4 experience for long-term MFIP recipients.
453.5 Paid work includes full and partial wage
453.6 subsidies and other related services such as
453.7 job development, marketing, preworksite
453.8 training, job coaching, and postplacement
453.9 services. These are onetime appropriations.
453.10 Unexpended funds for fiscal year 2015 do not
453.11 cancel, but are available to the commissioner
453.12 for this purpose in fiscal year 2016.

453.13 **Work Study Funding for MFIP**
453.14 **Participants.** \$250,000 each year in fiscal
453.15 years 2015 and 2016 is from the general fund
453.16 to pilot work study jobs for MFIP recipients
453.17 in approved postsecondary education
453.18 programs. This is a onetime appropriation.
453.19 Unexpended funds for fiscal year 2015 do
453.20 not cancel, but are available for this purpose
453.21 in fiscal year 2016.

453.22 **Local Strategies to Reduce Disparities.**
453.23 \$2,000,000 each year in fiscal years 2015
453.24 and 2016 is from the general fund for
453.25 local projects that focus on services for
453.26 subgroups within the MFIP caseload
453.27 who are experiencing poor employment
453.28 outcomes. These are onetime appropriations.
453.29 Unexpended funds for fiscal year 2015 do not
453.30 cancel, but are available to the commissioner
453.31 for this purpose in fiscal year 2016.

453.32 **Home Visiting Collaborations for MFIP**
453.33 **Teen Parents.** \$200,000 per year in fiscal
453.34 years 2014 and 2015 is from the general fund
453.35 and \$200,000 in fiscal year 2016 is from the

454.1 federal TANF fund for technical assistance
 454.2 and training to support local collaborations
 454.3 that provide home visiting services for
 454.4 MFIP teen parents. The general fund
 454.5 appropriation is onetime. The federal TANF
 454.6 fund appropriation is added to the base.

454.7 **Performance Bonus Funds for Counties.**

454.8 The TANF fund base is increased by
 454.9 \$1,500,000 each year in fiscal years 2016
 454.10 and 2017. The commissioner must allocate
 454.11 this amount each year to counties that exceed
 454.12 their expected range of performance on the
 454.13 annualized three-year self-support index
 454.14 as defined in Minnesota Statutes, section
 454.15 256J.751, subdivision 2, clause (6). This is a
 454.16 permanent base adjustment. Notwithstanding
 454.17 any contrary provisions in this article, this
 454.18 provision expires June 30, 2016.

454.19 **Base Adjustment.** The general fund base is
 454.20 decreased by \$200,000 in fiscal year 2016
 454.21 and \$4,618,000 in fiscal year 2017. The
 454.22 TANF fund base is increased by \$1,700,000
 454.23 in fiscal years 2016 and 2017.

454.24 (b) Basic Sliding Fee Child Care Assistance		
454.25 Grants	36,836,000	42,318,000

454.26 **Base Adjustment.** The general fund base is
 454.27 increased by \$3,778,000 in fiscal year 2016
 454.28 and by \$3,849,000 in fiscal year 2017.

454.29 (c) Child Care Development Grants	1,612,000	1,737,000
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454.30 (d) Child Support Enforcement Grants	50,000	50,000
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454.31 **Federal Child Support Demonstration**
 454.32 **Grants.** Federal administrative
 454.33 reimbursement resulting from the federal
 454.34 child support grant expenditures authorized
 454.35 under United States Code, title 42, section

455.1 1315, is appropriated to the commissioner
 455.2 for this activity.

455.3 **(e) Children's Services Grants**

455.4	Appropriations by Fund		
455.5	General	49,760,000	52,961,000
455.6	Federal TANF	140,000	140,000

455.7 **Adoption Assistance and Relative Custody**

455.8 **Assistance.** \$37,453,000 in fiscal year 2014
 455.9 and \$37,453,000 in fiscal year 2015 is for
 455.10 the adoption assistance and relative custody
 455.11 assistance programs. The commissioner
 455.12 shall determine with the commissioner of
 455.13 Minnesota Management and Budget the
 455.14 appropriation for Northstar Care for Children
 455.15 effective January 1, 2015. The commissioner
 455.16 may transfer appropriations for adoption
 455.17 assistance, relative custody assistance, and
 455.18 Northstar Care for Children between fiscal
 455.19 years and among programs to adjust for
 455.20 transfers across the programs.

455.21 **Title IV-E Adoption Assistance.** Additional
 455.22 federal reimbursements to the state as a result
 455.23 of the Fostering Connections to Success
 455.24 and Increasing Adoptions Act's expanded
 455.25 eligibility for Title IV-E adoption assistance
 455.26 are appropriated for postadoption services,
 455.27 including a parent-to-parent support network.

455.28 **Privatized Adoption Grants.** Federal
 455.29 reimbursement for privatized adoption grant
 455.30 and foster care recruitment grant expenditures
 455.31 is appropriated to the commissioner for
 455.32 adoption grants and foster care and adoption
 455.33 administrative purposes.

455.34 **Adoption Assistance Incentive Grants.**
 455.35 Federal funds available during fiscal years

456.1 2014 and 2015 for adoption incentive grants
 456.2 are appropriated for postadoption services,
 456.3 including a parent-to-parent support network.

456.4 **Base Adjustment.** The general fund base is
 456.5 increased by \$5,913,000 in fiscal year 2016
 456.6 and by \$10,297,000 in fiscal year 2017.

456.7 (f) Child and Community Service Grants	53,301,000	53,301,000
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456.8 (g) Child and Economic Support Grants	21,047,000	20,848,000
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456.9 **Minnesota Food Assistance Program.**
 456.10 Unexpended funds for the Minnesota food
 456.11 assistance program for fiscal year 2014 do
 456.12 not cancel but are available for this purpose
 456.13 in fiscal year 2015.

456.14 **Transitional Housing.** \$250,000 each year
 456.15 is for the transitional housing programs under
 456.16 Minnesota Statutes, section 256E.33.

456.17 **Emergency Services.** \$250,000 each year
 456.18 is for emergency services grants under
 456.19 Minnesota Statutes, section 256E.36.

456.20 **Family Assets for Independence.** \$250,000
 456.21 each year is for the Family Assets for
 456.22 Independence Minnesota program. This
 456.23 appropriation is available in either year of the
 456.24 biennium and may be transferred between
 456.25 fiscal years.

456.26 **Food Shelf Programs.** \$375,000 in fiscal
 456.27 year 2014 and \$375,000 in fiscal year
 456.28 2015 are for food shelf programs under
 456.29 Minnesota Statutes, section 256E.34. If the
 456.30 appropriation for either year is insufficient,
 456.31 the appropriation for the other year is
 456.32 available for it. Notwithstanding Minnesota
 456.33 Statutes, section 256E.34, subdivision 4, no
 456.34 portion of this appropriation may be used

457.1 by Hunger Solutions for its administrative
 457.2 expenses, including but not limited to rent
 457.3 and salaries.

457.4 **Homeless Youth Act.** \$2,000,000 in fiscal
 457.5 year 2014 and \$2,000,000 in fiscal year 2015
 457.6 is for purposes of Minnesota Statutes, section
 457.7 256K.45.

457.8 **Safe Harbor Shelter and Housing.**
 457.9 \$500,000 in fiscal year 2014 and \$500,000 in
 457.10 fiscal year 2015 is for a safe harbor shelter
 457.11 and housing fund for housing and supportive
 457.12 services for youth who are sexually exploited.

457.13 **(h) Health Care Grants**

457.14	Appropriations by Fund		
457.15	General	190,000	190,000
457.16	Health Care Access	190,000	190,000

457.17 **Emergency Medical Assistance Referral**
 457.18 **and Assistance Grants.** (a) The
 457.19 commissioner of human services shall
 457.20 award grants to nonprofit programs that
 457.21 provide immigration legal services based
 457.22 on indigency to provide legal services for
 457.23 immigration assistance to individuals with
 457.24 emergency medical conditions or complex
 457.25 and chronic health conditions who are not
 457.26 currently eligible for medical assistance
 457.27 or other public health care programs, but
 457.28 who may meet eligibility requirements with
 457.29 immigration assistance.

457.30 (b) The grantees, in collaboration with
 457.31 hospitals and safety net providers, shall
 457.32 provide referral assistance to connect
 457.33 individuals identified in paragraph (a) with
 457.34 alternative resources and services to assist in
 457.35 meeting their health care needs. \$100,000

458.1 is appropriated in fiscal year 2014 and
 458.2 \$100,000 in fiscal year 2015. This is a
 458.3 onetime appropriation.

458.4 **Base Adjustment.** The general fund is
 458.5 decreased by \$100,000 in fiscal year 2016
 458.6 and \$100,000 in fiscal year 2017.

458.7 (i) Aging and Adult Services Grants	14,827,000	15,010,000
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458.8 **Base Adjustment.** The general fund is
 458.9 increased by \$1,150,000 in fiscal year 2016
 458.10 and \$1,151,000 in fiscal year 2017.

458.11 **Community Service Development**
 458.12 **Grants and Community Services Grants.**
 458.13 Community service development grants and
 458.14 community services grants are reduced by
 458.15 \$1,150,000 each year. This is a onetime
 458.16 reduction.

458.17 (j) Deaf and Hard-of-Hearing Grants	1,771,000	1,785,000
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458.18 (k) Disabilities Grants	18,605,000	18,823,000
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458.19 **Advocating Change Together.** \$310,000 in
 458.20 fiscal year 2014 is for a grant to Advocating
 458.21 Change Together (ACT) to maintain and
 458.22 promote services for persons with intellectual
 458.23 and developmental disabilities throughout
 458.24 the state. This appropriation is onetime. Of
 458.25 this appropriation:

458.26 (1) \$120,000 is for direct costs associated
 458.27 with the delivery and evaluation of
 458.28 peer-to-peer training programs administered
 458.29 throughout the state, focusing on education,
 458.30 employment, housing, transportation, and
 458.31 voting;

458.32 (2) \$100,000 is for delivery of statewide
 458.33 conferences focusing on leadership and

459.1 skill development within the disability
 459.2 community; and
 459.3 (3) \$90,000 is for administrative and general
 459.4 operating costs associated with managing
 459.5 or maintaining facilities, program delivery,
 459.6 staff, and technology.

459.7 **Base Adjustment.** The general fund base
 459.8 is increased by \$535,000 in fiscal year 2016
 459.9 and by \$709,000 in fiscal year 2017.

459.10 **(l) Adult Mental Health Grants**

459.11	Appropriations by Fund		
459.12		71,199,000	69,530,000
459.13	General	<u>70,597,000</u>	<u>68,783,000</u>
459.14	Health Care Access	750,000	750,000
459.15	Lottery Prize	1,733,000	1,733,000

459.16 ~~**Compulsive Gambling Treatment.** Of the~~
 459.17 ~~general fund appropriation, \$602,000 in~~
 459.18 ~~fiscal year 2014 and \$747,000 in fiscal year~~
 459.19 ~~2015 are for compulsive gambling treatment~~
 459.20 ~~under Minnesota Statutes, section 297E.02,~~
 459.21 ~~subdivision 3, paragraph (c).~~

459.22 **Problem Gambling.** \$225,000 in fiscal year
 459.23 2014 and \$225,000 in fiscal year 2015 is
 459.24 appropriated from the lottery prize fund for a
 459.25 grant to the state affiliate recognized by the
 459.26 National Council on Problem Gambling. The
 459.27 affiliate must provide services to increase
 459.28 public awareness of problem gambling,
 459.29 education and training for individuals and
 459.30 organizations providing effective treatment
 459.31 services to problem gamblers and their
 459.32 families, and research relating to problem
 459.33 gambling.

459.34 **Funding Usage.** Up to 75 percent of a fiscal
 459.35 year's appropriations for adult mental health

460.1 grants may be used to fund allocations in that
 460.2 portion of the fiscal year ending December
 460.3 31.

460.4 **Base Adjustment.** The general fund base is
 460.5 decreased by ~~\$4,427,000~~ \$4,441,000 in fiscal
 460.6 years 2016 and 2017.

460.7 **Mental Health Pilot Project.** \$230,000
 460.8 each year is for a grant to the Zumbro
 460.9 Valley Mental Health Center. The grant
 460.10 shall be used to implement a pilot project
 460.11 to test an integrated behavioral health care
 460.12 coordination model. The grant recipient must
 460.13 report measurable outcomes and savings
 460.14 to the commissioner of human services
 460.15 by January 15, 2016. This is a onetime
 460.16 appropriation.

460.17 **High-risk adults.** \$200,000 in fiscal
 460.18 year 2014 is for a grant to the nonprofit
 460.19 organization selected to administer the
 460.20 demonstration project for high-risk adults
 460.21 under Laws 2007, chapter 54, article 1,
 460.22 section 19, in order to complete the project.
 460.23 This is a onetime appropriation.

460.24 (m) Child Mental Health Grants	18,246,000	20,636,000
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460.25 **Text Message Suicide Prevention**
 460.26 **Program.** \$625,000 in fiscal year 2014 and
 460.27 \$625,000 in fiscal year 2015 is for a grant
 460.28 to a nonprofit organization to establish and
 460.29 implement a statewide text message suicide
 460.30 prevention program. The program shall
 460.31 implement a suicide prevention counseling
 460.32 text line designed to use text messaging to
 460.33 connect with crisis counselors and to obtain
 460.34 emergency information and referrals to
 460.35 local resources in the local community. The

461.1 program shall include training within schools
 461.2 and communities to encourage the use of the
 461.3 program.

461.4 **Mental Health First Aid Training.** \$22,000
 461.5 in fiscal year 2014 and \$23,000 in fiscal
 461.6 year 2015 is to train teachers, social service
 461.7 personnel, law enforcement, and others who
 461.8 come into contact with children with mental
 461.9 illnesses, in children and adolescents mental
 461.10 health first aid training.

461.11 **Funding Usage.** Up to 75 percent of a fiscal
 461.12 year's appropriation for child mental health
 461.13 grants may be used to fund allocations in that
 461.14 portion of the fiscal year ending December
 461.15 31.

461.16 (n) CD Treatment Support Grants	1,816,000	1,816,000
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461.17 **SBIRT Training.** (1) \$300,000 each year is
 461.18 for grants to train primary care clinicians to
 461.19 provide substance abuse brief intervention
 461.20 and referral to treatment (SBIRT). This is a
 461.21 onetime appropriation. The commissioner of
 461.22 human services shall apply to SAMHSA for
 461.23 an SBIRT professional training grant.

461.24 (2) If the commissioner of human services
 461.25 receives a grant under clause (1) funds
 461.26 appropriated under this clause, equal to
 461.27 the grant amount, up to the available
 461.28 appropriation, shall be transferred to the
 461.29 Minnesota Organization on Fetal Alcohol
 461.30 Syndrome (MOFAS). MOFAS must use
 461.31 the funds for grants. Grant recipients must
 461.32 be selected from communities that are
 461.33 not currently served by federal Substance
 461.34 Abuse Prevention and Treatment Block
 461.35 Grant funds. Grant money must be used to

462.1 reduce the rates of fetal alcohol syndrome
462.2 and fetal alcohol effects, and the number of
462.3 drug-exposed infants. Grant money may be
462.4 used for prevention and intervention services
462.5 and programs, including, but not limited to,
462.6 community grants, professional education,
462.7 public awareness, and diagnosis.

462.8 **Fetal Alcohol Syndrome Grant.** \$180,000
462.9 each year from the general fund is for a
462.10 grant to the Minnesota Organization on Fetal
462.11 Alcohol Syndrome (MOFAS) to support
462.12 nonprofit Fetal Alcohol Spectrum Disorders
462.13 (FASD) outreach prevention programs
462.14 in Olmsted County. This is a onetime
462.15 appropriation.

462.16 **Base Adjustment.** The general fund base is
462.17 decreased by \$480,000 in fiscal year 2016
462.18 and \$480,000 in fiscal year 2017.

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

462.20 Sec. 6. **EFFECTIVE DATE.**

462.21 Sections 1 and 2 are effective the day following final enactment.

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Article locations in H3172-2

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ARTICLE 2	HOUSING	Page.Ln 3.37
	DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT; DEPARTMENT OF LABOR AND INDUSTRY	
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	ECONOMIC DEVELOPMENT AND WORKFORCE	
ARTICLE 4	DEVELOPMENT	Page.Ln 21.3
	MISCELLANEOUS FOR JOBS AND ECONOMIC	
ARTICLE 5	DEVELOPMENT	Page.Ln 34.10
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ARTICLE 8	PUBLIC SAFETY AND CORRECTIONS	Page.Ln 44.22
	DISASTER ASSISTANCE FOR PUBLIC ENTITIES; FEDERAL	
ARTICLE 9	AID GRANTED	Page.Ln 49.22
	DISASTER ASSISTANCE FOR PUBLIC ENTITIES; ABSENT	
ARTICLE 10	FEDERAL AID	Page.Ln 53.6
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	AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES	
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	CHILDREN AND FAMILY SERVICES AND NORTHSTAR CARE	
ARTICLE 26	FOR CHILDREN	Page.Ln 274.1
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ARTICLE 28	CONTINUING CARE	Page.Ln 327.28
ARTICLE 29	UNBORN CHILD PROTECTION	Page.Ln 404.4
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ARTICLE 31	HEALTH AND HUMAN SERVICES APPROPRIATIONS	Page.Ln 416.13
ARTICLE 32	HUMAN SERVICES FORECAST ADJUSTMENT	Page.Ln 442.25

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

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commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

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.

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.

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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;

(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

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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 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:

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(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.

(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

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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 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.

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The commissioner shall report the findings to the legislature by January 15, 1991, along with recommendations for implementation.

256B.0625 COVERED SERVICES.

Subd. 18f. **Enrollee assessment process.** (a) The commissioner shall require that the administrator of nonemergency medical transportation adhere to the assessment process recommended by the Nonemergency Medical Transportation Advisory Committee. The commissioner shall implement, by July 1, 2014, the comprehensive, statewide, standard assessment process for medical assistance enrollees seeking nonemergency medical transportation services recommended by the Nonemergency Medical Transportation Advisory Committee. The assessment process must identify a client's level of needs, abilities, and resources, and match the client with the mode of transportation in the client's service area that best meets those needs.

(b) The assessment process must:

- (1) address mental health diagnoses when determining the most appropriate mode of transportation;
- (2) base decisions on clearly defined criteria that are available to clients, providers, and counties;
- (3) be standardized across the state and be aligned with other similar existing processes;
- (4) allow for extended periods of eligibility for certain types of nonemergency transportation when a client's condition is unlikely to change; and
- (5) increase the use of public transportation when appropriate and cost-effective, including offering monthly bus passes to clients.

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.