

STATE OF MINNESOTA

EIGHTY-FIRST SESSION — 2000

EIGHTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 16, 2000

The House of Representatives convened at 1:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Lonnie E. Titus, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dorn	Howes	Mahoney	Paymar	Sykora
Abrams	Entenza	Huntley	Mares	Pelowski	Tingelstad
Anderson, B.	Erhardt	Jaros	Mariani	Peterson	Tomassoni
Anderson, I.	Erickson	Jennings	Marko	Pugh	Trimble
Bakk	Finseth	Johnson	McCollum	Rest	Tuma
Biernat	Folliard	Juhnke	McElroy	Reuter	Tunheim
Bishop	Fuller	Kahn	McGuire	Rhodes	Van Dellen
Boudreau	Gerlach	Kalis	Milbert	Rifenberg	Vandever
Bradley	Gleason	Kelliher	Molnau	Rostberg	Wagenius
Broecker	Goodno	Kielkucki	Mulder	Rukavina	Wejman
Buesgens	Gray	Knoblach	Mullery	Schumacher	Wenzel
Carlson	Greenfield	Koskinen	Murphy	Seagren	Westerberg
Carruthers	Greiling	Krinkie	Ness	Seifert, J.	Westfall
Cassell	Gunther	Kubly	Nornes	Seifert, M.	Westrom
Chaudhary	Haake	Kuisle	Olson	Skoe	Wilkin
Clark, J.	Haas	Larsen, P.	Opatz	Skoglund	Winter
Clark, K.	Hackbarth	Larson, D.	Orfield	Smith	Wolf
Daggett	Harder	Leighton	Osskopp	Solberg	Workman
Davids	Hasskamp	Lenczewski	Osthoff	Stanek	Spk. Sviggum
Dawkins	Hausman	Leppik	Otremba	Stang	
Dehler	Hilty	Lieder	Ozment	Storm	
Dempsey	Holberg	Lindner	Paulsen	Swapinski	
Dorman	Holsten	Luther	Pawlenty	Swenson	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. McElroy moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1048 and H. F. No. 988, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jennings moved that the rules be so far suspended that S. F. No. 1048 be substituted for H. F. No. 988 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2326 and H. F. No. 2588, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Mares moved that S. F. No. 2326 be substituted for H. F. No. 2588 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2514 and H. F. No. 2807, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Howes moved that the rules be so far suspended that S. F. No. 2514 be substituted for H. F. No. 2807 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2579 and H. F. No. 2883, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Howes moved that the rules be so far suspended that S. F. No. 2579 be substituted for H. F. No. 2883 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2653 and H. F. No. 4076, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Haake moved that S. F. No. 2653 be substituted for H. F. No. 4076 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2691 and H. F. No. 3281, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Boudreau moved that the rules be so far suspended that S. F. No. 2691 be substituted for H. F. No. 3281 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2756 and H. F. No. 3016, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Stang moved that S. F. No. 2756 be substituted for H. F. No. 3016 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2767 and H. F. No. 2643, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Luther moved that the rules be so far suspended that S. F. No. 2767 be substituted for H. F. No. 2643 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2789 and H. F. No. 3202, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Wilkin moved that S. F. No. 2789 be substituted for H. F. No. 3202 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2813 and H. F. No. 3475, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Anderson, B., moved that the rules be so far suspended that S. F. No. 2813 be substituted for H. F. No. 3475 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2821 and H. F. No. 2785, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 2821 be substituted for H. F. No. 2785 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2850 and H. F. No. 3052, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Solberg moved that S. F. No. 2850 be substituted for H. F. No. 3052 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2870 and H. F. No. 2973, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dauids moved that the rules be so far suspended that S. F. No. 2870 be substituted for H. F. No. 2973 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2894 and H. F. No. 3290, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dorman moved that S. F. No. 2894 be substituted for H. F. No. 3290 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2946 and H. F. No. 3292, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dorman moved that the rules be so far suspended that S. F. No. 2946 be substituted for H. F. No. 3292 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2951 and H. F. No. 3586, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Larsen, P., moved that the rules be so far suspended that S. F. No. 2951 be substituted for H. F. No. 3586 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3005 and H. F. No. 3103, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sykora moved that the rules be so far suspended that S. F. No. 3005 be substituted for H. F. No. 3103 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3018 and H. F. No. 3318, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Luther moved that the rules be so far suspended that S. F. No. 3018 be substituted for H. F. No. 3318 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3023 and H. F. No. 2953, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Workman moved that the rules be so far suspended that S. F. No. 3023 be substituted for H. F. No. 2953 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3028 and H. F. No. 3250, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 3028 be substituted for H. F. No. 3250 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3046 and H. F. No. 2486, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Murphy moved that S. F. No. 3046 be substituted for H. F. No. 2486 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3154 and H. F. No. 3950, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Broecker moved that the rules be so far suspended that S. F. No. 3154 be substituted for H. F. No. 3950 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3161 and H. F. No. 3375, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Mulder moved that the rules be so far suspended that S. F. No. 3161 be substituted for H. F. No. 3375 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3229 and H. F. No. 3564, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kahn moved that the rules be so far suspended that S. F. No. 3229 be substituted for H. F. No. 3564 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3307 and H. F. No. 3613, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Holberg moved that S. F. No. 3307 be substituted for H. F. No. 3613 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3323 and H. F. No. 3630, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Buesgens moved that the rules be so far suspended that S. F. No. 3323 be substituted for H. F. No. 3630 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3330 and H. F. No. 3370, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Westerberg moved that the rules be so far suspended that S. F. No. 3330 be substituted for H. F. No. 3370 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3354 and H. F. No. 3584, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lindner moved that the rules be so far suspended that S. F. No. 3354 be substituted for H. F. No. 3584 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3412 and H. F. No. 3683, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Paulsen moved that S. F. No. 3412 be substituted for H. F. No. 3683 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3428 and H. F. No. 3626, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Mulder moved that S. F. No. 3428 be substituted for H. F. No. 3626 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3554 and H. F. No. 3806, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wolf moved that the rules be so far suspended that S. F. No. 3554 be substituted for H. F. No. 3806 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3586 and H. F. No. 3352, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Gerlach moved that S. F. No. 3586 be substituted for H. F. No. 3352 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 14, 2000

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 3338, relating to Scott county; authorizing the county board to reorganize and delegate the duties of certain county offices.

H. F. No. 2749, relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws.

H. F. No. 2642, relating to employment agencies; providing for waiver of bond requirement in certain circumstances.

Sincerely,

JESSE VENTURA
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2000 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2000</i>	<i>Date Filed 2000</i>
	3338	259	3:45 p.m. March 14	March 14
	2749	260	3:45 p.m. March 14	March 14
	2642	261	3:45 p.m. March 14	March 14

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Bishop from the Committee on Ways and Means to which was referred:

H. F. No. 2699, A bill for an act relating to health and human services; changing requirements for immunization statements; modifying health care provisions related to rate setting for day training and habilitation and nursing facilities; requiring informed consent to an abortion and providing for civil remedies; establishing a prescription drug program; modifying MinnesotaCare; requiring information on prescription drug patient assistance programs; requiring legislative proposals on respite care for family adult foster care; establishing the office of unlicensed complementary and alternative health practice and providing civil penalties; establishing a system to conduct immigration status verifications; providing for county reimbursement for collection of assistance recovery; providing for child support distribution; making changes to the Minnesota family investment plan; establishing a nontraditional career assistance and training program; establishing at-risk youth out-of-wedlock pregnancy prevention program; establishing Dakota county MFIP diversionary assistance pilot project; modifying maltreatment of minors reporting requirements; establishing transitional housing for homeless or disabled veterans; establishing TANF maintenance of effort expenditures and legislative advisory commission review; providing for the sunset of the tobacco use prevention and local public health endowment fund; making technical corrections; appropriating money; amending Minnesota Statutes 1998, sections 121A.15, subdivisions 4 and 10; 125A.74, subdivisions 1 and 2; 144.551, subdivision 1; 144A.071, by adding a subdivision; 254B.03, subdivision 1; 256.01, by adding a subdivision; 256.011, subdivision 3; 256.741, by adding a subdivision; 256.955, subdivisions 1 and 2; 256.995, subdivision 1; 256B.431, by adding subdivisions; 256B.69, subdivision 5d; 256J.08, by adding a subdivision; 256J.15, by adding a subdivision; 256J.32, by adding a subdivision; 256J.40; 256J.45, subdivision 3; 256J.46, by adding a subdivision; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 5 and 7; 256J.52, by adding a subdivision; 256L.05, subdivision 5; and 626.556, by adding a subdivision; Minnesota Statutes 1999 Supplement, sections 13.99, by adding a subdivision; 62J.535, subdivision 2; 119B.011, subdivision 15; 119B.02, subdivision 1; 144.395, by adding a subdivision; 144.396, subdivisions 11 and 12; 144A.04, subdivision 5; 147.09; 214.01, subdivision 2; 256.01, subdivision 2; 256.019; 256.955, subdivisions 4, 8, and 9; 256B.0916, subdivision 1; 256D.03, subdivision 4; 256J.02, subdivision 2; 256J.08, subdivision 86; 256J.21, subdivision 2; 256J.26, subdivision 1; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.46, subdivisions 1, 2, and 2a; 256J.52, subdivisions 3 and 5; 256J.56; 256L.07, subdivision 1; and 626.556, subdivision 2; Laws 1997, chapter 225, article 4, section 4, as amended; Laws 1999, chapter 245, article 1, section 2, subdivisions 3, 5, and 10; article 4, section 121; proposing coding for new law in Minnesota Statutes, chapters 3; 145; 198; 252; 256J; and 256K; proposing coding for new law as Minnesota Statutes, chapter 146A; repealing Minnesota Statutes 1998, section 256J.46, subdivision 1a; Minnesota Statutes 1999 Supplement, section 144.396, subdivision 13; Laws 1997, chapter 203, article 7, section 27; and Laws 1999, chapter 245, article 5, section 24.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"PART A

HEALTH AND HUMAN SERVICES PROVISIONS

ARTICLE 1

APPROPRIATIONS

Section 1. [HEALTH AND HUMAN SERVICES APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2000" and "2001" mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2000, or June 30, 2001, respectively, and if an earlier appropriation was made for that purpose for that year, the appropriation in this article is added to it. Where a dollar amount appears in parenthesis, it means a reduction of an earlier appropriation for that purpose for that year.

SUMMARY BY FUND

APPROPRIATIONS	2000	2001	BIENNIAL TOTAL
General	\$ (53,756,000)	\$ (7,151,000)	\$ (60,907,000)
State Government Special Revenue	150,000	-0-	150,000
Health Care Access Fund	1,266,000	3,383,000	4,649,000
TOTAL	\$ (52,340,000)	\$ (3,768,000)	\$ (56,108,000)

APPROPRIATIONS Available for the Year Ending June 30	
2000	2001

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Total Appropriation	\$ (52,490,000)	\$ (4,565,000)
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Summary by Fund

General	(53,756,000)	(7,948,000)
Health Care Access	1,266,000	3,383,000

This appropriation is taken from the appropriation in Laws 1999, chapter 245, article 1, section 2.

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

The amounts that are added to or reduced from the appropriation for each program are specified in the following subdivisions.

Subd. 2. Children's Grants

589,000	2,212,000
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[ADOPTION ASSISTANCE/RELATIVE CUSTODY ASSISTANCE.] Of this appropriation, \$133,000 in fiscal year 2000 and \$1,300,000 in fiscal year 2001 is for the adoption assistance program under Minnesota Statutes, section 259.67, and \$456,000 in fiscal year 2000 and \$912,000 in fiscal year 2001 is for the relative custody assistance program under Minnesota Statutes, section 257.85. This is a one-time appropriation that shall not be added to the base level funding for these programs.

Subd. 3. Basic Health Care Grants

14,984,000	51,040,000
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Summary by Fund

General	13,718,000	47,657,000
Health Care Access	1,266,000	3,383,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Minnesota Care Grants Health Care Access Fund

1,266,000	3,383,000
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(b) MA Basic Health Care Grants-Families and Children

General	22,751,000	22,813,000
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(c) MA Basic Health Care Grants-Elderly and Disabled

General	(3,730,000)	13,845,000
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(d) General Assistance Medical Care

General	(5,303,000)	8,405,000
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(e) Health Care Nonentitlement Grants

-0-	2,594,000
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APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

Subd. 4. State-Operated Services

(9,543,000)	-0-
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[STATE-OPERATED SERVICES BASE REDUCTION.] The general fund base level appropriation for state operated services programs and activities shall be reduced by \$9,543,000 for fiscal year 2000.

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) RTC Facilities

(9,543,000)	-0-
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Subd. 5. Continuing Care and Community Support Grants

(35,029,000)	(10,925,000)
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Community Services Block Grants

-0-	(4,950,000)
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(b) Medical Assistance Long-Term Care Waivers and Home Care

(12,385,000)	(3,450,000)
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(c) Medical Assistance Long-Term Care Facilities

(20,790,000)	(4,065,000)
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[ADDITIONAL PROVIDER RATE INCREASES.] (a) The commissioner shall increase reimbursement rates in effect on June 30, 2000, by five percent for nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a; and private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7. This increase is in addition to the increase provided for the second year of the biennium in Laws 1999, chapter 245, article 1, section 2, subdivision 8, paragraph (g), and shall be effective for services rendered on or after July 1, 2000.

APPROPRIATIONS
 Available for the Year
 Ending June 30
 2000 2001

funding day training and habilitation services under Minnesota Statutes, section 252.41, including a proposal for a home and community-based waiver for day services programs. The recommendation shall include estimated cost of the nonfederal share of medical assistance day services. The recommendations, including cost estimates, shall be provided to the chairs of the house health and human services policy and finance committees and the senate health and family security committee and budget division by January 1, 2001.

Subd. 7. Economic Support Grants

(23,491,000) (47,064,000)

The amounts that may be spent from this appropriation for each purpose are as follows:

[FEDERAL TANF FUNDS.] (1) In addition to the Federal Temporary Assistance for Needy Families (TANF) block grant funds appropriated to the commissioner of human services in Laws 1999, chapter 245, article 1, section 2, subdivision 10, federal TANF funds awarded in federal fiscal years 1999 to 2002 are appropriated to the commissioner in amounts up to \$34,000,000 in fiscal year 2000 and \$56,587,000 in fiscal year 2001. In addition to these funds, the commissioner may draw or transfer any other appropriations of federal TANF funds or transfers of federal TANF funds that are enacted into state law.

(2) Of the amounts in clause (1), \$4,950,000 is transferred in fiscal year 2001 to the state's federal Title XX block grant. Notwithstanding the provisions of Minnesota Statutes, section 256E.07, the commissioner shall allocate \$4,950,000 in fiscal year 2001 and \$200,000 in fiscal year 2002 of the state's Title XX block grant funds based on the community social services formula in Minnesota Statutes, section 256E.06. The commissioner shall ensure that money allocated to counties under this provision is used according to the requirements of United States Code, title 42, section 604(d)(3)(B). Notwithstanding section 6, this clause expires June 30, 2002.

(3) Of the amounts in clause (1), \$11,200,000 in fiscal year 2001 is for the local intervention grants program under Minnesota Statutes, section 256J.625 and related grant programs and shall be expended as follows:

(a) \$500,000 in fiscal year 2001 is for a grant to the Southeast Asian MFIP services collaborative to replicate in a second location an existing model of an intensive intervention transitional

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

[REDUCTION OF CCDF TRANSFER AMOUNT.] Notwithstanding any contrary provision in Laws 1999, chapter 205, article 1, section 72, the amount of federal TANF block grant funds that is transferred in fiscal year 2001 to the state's federal child care and development block grant and appropriated to the commissioner of children, families and learning for the purposes of Minnesota Statutes, section 119B.05, under the provision in Laws 1999, chapter 245, article 1, section 2, subdivision 10 relating to federal TANF funds, is reduced by \$121,000 for fiscal year 2001.

[TANF TO TITLE XX TRANSFER.] Of the federal TANF block grant funds awarded in federal fiscal years 2000 and 2003 and appropriated for state fiscal years 2002 and 2003, \$10,000,000 shall be transferred to the state's federal Title XX block grant each year for fiscal years 2002 and 2003. Notwithstanding the provisions of Minnesota Statutes, section 256E.07, the commissioner shall allocate these funds based on the community social services formula in Minnesota Statutes, section 256E.06. The commissioner shall ensure that money allocated to counties under this provision is used according to the requirements of United States Code, title 42, section 604(d)(3)(B). Notwithstanding section 6, this clause expires June 30, 2003.

[TANF MOE EXPENDITURES CLAIMED.] (a) For fiscal years 2000 to 2003, the commissioner shall claim allowable state expenditures from the working family credit under Minnesota Statutes, section 290.0671, as TANF maintenance of effort in amounts up to \$71,000,000 for the 2000-2001 biennium and up to \$64,000,000 for the 2002-2003 biennium. This paragraph expires June 30, 2003.

(b) For fiscal year 2001, the commissioner shall claim allowable state expenditures for family preservation services under Minnesota Statutes, chapter 256F, as TANF maintenance of effort in amounts equal to the state share of the amounts passed through to custodial parents under Minnesota Statutes, section 256.741, subdivision 15.

(c) For fiscal years 2002 and 2003, the commissioner shall claim allowable state expenditures for family preservation services under Minnesota Statutes, chapter 256F, as TANF maintenance of effort in amounts equal to the state share of the amounts distributed to individuals under Minnesota Statutes, section 256.741, subdivision 15. This paragraph expires June 30, 2003.

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

(a) Assistance to Families Grants

	(24,372,000)	(43,200,000)
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(b) Work Grants

	-0-	(250,000)
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(c) General Assistance

	557,000	(3,937,000)
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(d) Minnesota Supplemental Aid

	324,000	323,000
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Subd. 8. Economic Support Management

General Fund	-0-	127,000
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Sec. 3. COMMISSIONER OF HEALTH

Subdivision 1. Total Appropriation	-0-	797,000
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Summary by Fund

General	-0-	797,000
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This appropriation is added to the appropriation in Laws 1999, chapter 245, article 1, section 3.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Health Systems and Special Populations	-0-	797,000
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Summary by Fund

General	-0-	797,000
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[POISON INFORMATION CENTERS.] Of this appropriation, \$540,000 in fiscal year 2001 is for Minnesota Poison Information Centers under Minnesota Statutes, section 145.93. This is a one-time appropriation. The commissioner may use funds available through the federal preventive health services block grant to provide additional funding for the poison control system.

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

[BASE LEVEL REDUCTION.] For fiscal years 2002 and 2003, the base level appropriation for Minnesota poison information centers under Minnesota Statutes, section 145.93 shall be reduced by \$380,000 each year. Section 6, sunset of uncodified language, does not apply to this provision.

[FUNERAL AND PRENEED COMPLAINT RESPONSES.] (a) Of this appropriation, \$90,000 in fiscal year 2001 is to the commissioner for the purposes of responding to complaints as required under Minnesota Statutes, chapter 149A. To the extent that resources are available, the commissioner shall also provide information and technical assistance to the organizations regulated under that chapter. This appropriation shall not become part of base level funding for the 2002-2003 biennium.

(b) The commissioner shall make recommendations by January 15, 2001, to the chairs of the senate health and family security budget division and the house health and human services finance committee on whether there is a need for additional funding for ongoing implementation of the regulatory provisions of Minnesota Statutes, chapter 149A, and if so, proposals for an alternative funding source to the general fund.

Sec. 4. HEALTH-RELATED BOARDS

Subdivision 1. Total Appropriation	150,000	-0-
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This appropriation is added to the appropriation in Laws 1999, chapter 205, article 1, section 5.

[STATE GOVERNMENT SPECIAL REVENUE FUND.] The appropriation in this section is from the state government special revenue fund.

[NO SPENDING IN EXCESS OF REVENUES.] The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues or accumulated surplus revenues from fees collected by the boards. Neither this provision nor Minnesota Statutes, section 214.06, applies to transfers from the general contingent account.

Subd. 2. Board of Psychology	150,000	-0-
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This is a one-time appropriation to the board for extraordinary legal costs.

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

Sec. 5. CARRYOVER LIMITATION

None of the appropriations in articles 1 to 7 which are allowed to be carried forward from fiscal year 2000 to fiscal year 2001 shall become part of the base level funding for the 2002-2003 biennial budget, unless specifically directed by the legislature.

Sec. 6. SUNSET OF UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 2001, unless a different expiration date is explicit.

Sec. 7. Laws 1999, chapter 245, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. Children's Grants

General	52,845,000	54,931,000
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[ADOPTION ASSISTANCE.] Federal funds available during the biennium ending June 30, 2001, for adoption incentive grants, adoption and foster care recruitment, and other adoption services, are appropriated to the commissioner for ~~these purposes~~ the adoption assistance program under Minnesota Statutes, section 259.67.

Sec. 8. [EFFECTIVE DATE.]

The appropriations and reductions for fiscal year 2000 in this article are effective the day following final enactment.

ARTICLE 2

HEALTH CARE

Section 1. Minnesota Statutes 1999 Supplement, section 62J.694, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] (a) Earnings of the fund, up to five percent of the fair market value of the fund, are appropriated for medical education activities in the state of Minnesota, and for research on type 1 diabetes. The appropriations are to be transferred quarterly for the purposes identified in the following paragraphs. Actual appropriations are not to exceed actual earnings.

(b) For fiscal year 2000, 70 percent of the appropriation in paragraph (a) is for transfer to the board of regents for the instructional costs of health professional programs at the academic health center and affiliated teaching institutions, and 30 percent of the appropriation is for transfer to the commissioner of health to be distributed for medical education under section 62J.692.

(c) For fiscal year 2001, 49 percent of the appropriation in paragraph (a) is for transfer to the board of regents for the instructional costs of health professional programs at the academic health center and affiliated teaching institutions, and 51 percent is for transfer to the commissioner of health to be distributed for medical education under section 62J.692.

(d) For fiscal year 2002, and each year thereafter, 42 percent of the appropriation in paragraph (a) may be appropriated by another law for the instructional costs of health professional programs at publicly funded academic health centers and affiliated teaching institutions, and 58 percent is for transfer to the commissioner of health to be distributed for medical education under section 62J.692.

(e) A maximum of \$150,000 of each annual appropriation to the commissioner of health in paragraph (d) may be used by the commissioner for administrative expenses associated with implementing section 62J.692.

(f) On July 1, 2000, the commissioner shall distribute \$5,000,000 of the annual appropriation under paragraph (c) as a grant to the board of regents of the University of Minnesota to fund type 1 diabetes research according to section 29. The grant funds under this paragraph are available to the board of regents only if the funds are used to supplement and not supplant existing funding from the board of regents for the diabetes institute for immunology and transplantation. This appropriation must occur before any appropriation under paragraph (c). No portion of this appropriation may be used by the commissioner for administrative expenses associated with implementing this section.

(g) On July 1, 2001, the commissioner shall distribute \$5,000,000 of the portion of the annual appropriation under paragraph (d) as a grant to the board of regents of the University of Minnesota to fund type 1 diabetes research according to section 29. The grant funds under this paragraph are available to the board of regents only if the funds are used to supplement and not supplant existing funding from the board of regents for the diabetes institute for immunology and transplantation. This appropriation must occur before any appropriation under paragraph (d). No portion of this appropriation may be used by the commissioner for administrative expenses associated with implementing this section.

Sec. 2. Minnesota Statutes 1998, section 121A.15, subdivision 4, is amended to read:

Subd. 4. [SUBSTITUTE IMMUNIZATION STATEMENT.] (a) A person who is enrolling or enrolled in an elementary or secondary school or child care facility may substitute a statement from the emancipated person or a parent or guardian if the person is a minor child in lieu of the statement from a physician or public clinic which provides immunizations. If the statement is from a parent or guardian or emancipated person, the statement must indicate the month and year of each immunization given.

(b) In order for the statement to be acceptable for a person who is enrolling in an elementary school and who is six years of age or younger, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than four doses of vaccine for poliomyelitis, unless the third dose was given after the fourth birthday, then three doses are minimum; no less than five doses of vaccine for diphtheria, tetanus, and pertussis, unless the fourth dose was given after the fourth birthday, then four doses are minimum; and no less than three doses of vaccine for hepatitis B.

(c) In order for the statement to be consistent with subdivision 10 and acceptable for a person who is enrolling in an elementary or secondary school and is age seven through age 19, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than three doses of vaccine for poliomyelitis, diphtheria, tetanus, and hepatitis B.

(d) In order for the statement to be acceptable for a person who is enrolling in a secondary school, and who was born after 1956 and is 20 years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than one dose of vaccine for diphtheria and tetanus within the preceding ten years.

(e) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is at least 15 months old but who has not reached five years of age, it must indicate that the following were given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than one dose of vaccine for haemophilus influenza type b given at or after the first birthday; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.

(f) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is five or six years of age, it must indicate that the following was given: no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination; no less than four doses of vaccine for diphtheria, tetanus, and pertussis; and no less than three doses of vaccine for poliomyelitis.

(g) In order for the statement to be acceptable for a person who is enrolling in a child care facility and who is seven years of age or older, the statement must indicate that the person has received no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination and consistent with subdivision 10, and no less than three doses of vaccine for poliomyelitis, diphtheria, and tetanus.

(h) The commissioner of health, on finding that any of the above requirements are not necessary to protect the public's health, may suspend for one year that requirement.

Sec. 3. Minnesota Statutes 1998, section 121A.15, subdivision 10, is amended to read:

Subd. 10. [REQUIREMENTS FOR IMMUNIZATION STATEMENTS.] (a) A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

~~(a) For persons enrolled in grades 7 and 12 during the 1996-1997 school term, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(b) Except as specified in paragraph (c), for persons enrolled in grades 7, 8, and 12 during the 1997-1998 school term, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(c) (b) Except as specified in paragraph (e) (d), for persons enrolled in grades 7 through 12 during the 1998-1999 school term and for each year thereafter, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(d) (c) For persons enrolled in grades 7 through 12 during the 1996-1997 school year and for each year thereafter, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart. Beginning with the 2001-2002 school year, persons entering kindergarten must also meet this requirement.~~

~~(e) (d) A person who has received at least three doses of tetanus and diphtheria toxoids, with the most recent dose given after age six and before age 11, is not required to have additional immunization against diphtheria and tetanus until ten years have elapsed from the person's most recent dose of tetanus and diphtheria toxoid.~~

~~(f) (e) The requirement for hepatitis B vaccination shall apply to persons enrolling in kindergarten beginning with the 2000-2001 school term.~~

~~(g) (f) The requirement for hepatitis B vaccination shall apply to persons enrolling in grade 7 beginning with the 2001-2002 school term.~~

Sec. 4. Minnesota Statutes 1998, section 144.551, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTED CONSTRUCTION OR MODIFICATION.] (a) The following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another; or (iii) redistribution of hospital beds within the state or a region of the state;

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or redistribution does not involve the construction of a new hospital building;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice county that primarily serves adolescents and that receives more than 70 percent of its patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity of 130 beds or less if: (i) the new hospital site is located within five miles of the current site; and (ii) the total licensed capacity of the replacement hospital, either at the time of construction of the initial building or as the result of future expansion, will not exceed 70 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated by the commissioner of human services to a new or existing facility, building, or complex operated by the commissioner of human services; from one regional treatment center site to another; or from one building or site to a new or existing building or site on the same campus; ~~or~~

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds; or

(13) a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami county.

Sec. 5. Minnesota Statutes 1999 Supplement, section 144A.04, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATORS.] Except as otherwise provided by this subdivision, a nursing home must have a full time licensed nursing home administrator serving the facility. Notwithstanding sections 144A.18 to 144A.27, in any nursing home of less than ~~32~~ 37 beds, the director of nursing services may also serve as the licensed nursing home administrator without being licensed as a nursing home administrator, provided the director of nursing services has passed the state law and rules examination administered by the board of examiners for nursing home administrators and maintains evidence of completion of 20 hours of continuing education each year on topics pertinent to nursing home administration. Two nursing homes under common ownership or management pursuant to a lease or management contract having a total of 150 beds or less and located within 75 miles of each other may share the services of a licensed administrator if the administrator divides the full-time work week between the two facilities in proportion to the number of beds in each facility. Every nursing home shall have a person-in-charge on the premises at all times in the absence of the licensed administrator. The name of the person in charge must be posted in a conspicuous place in the facility. The commissioner of health shall by rule promulgate minimum education and experience requirements for persons-in-charge, and may promulgate rules specifying the times of day during which a licensed administrator must be on the nursing home's premises. In the absence of rules adopted by the commissioner governing the division of an administrator's time between two nursing homes, the administrator shall designate and post the times the administrator will be on site in each home on a regular basis. A nursing home may employ as its administrator the administrator of a hospital licensed pursuant to sections 144.50 to 144.56 if the individual is licensed as a nursing home administrator pursuant to section 144A.20 and the nursing home and hospital have a combined total of 150 beds or less and are located within one mile of each other. A nonproprietary retirement home having fewer than 15 licensed nursing home beds may share the services of a licensed administrator with a nonproprietary nursing home, having fewer than 150 licensed nursing home beds, that is located within 25 miles of the retirement home. A nursing home which is located in a facility licensed as a hospital pursuant to sections 144.50 to 144.56, may employ as its administrator the administrator of the hospital if the individual meets minimum education and long term care experience criteria set by rule of the commissioner of health.

Sec. 6. Minnesota Statutes 1998, section 144A.071, is amended by adding a subdivision to read:

Subd. 4b. [LICENSED BEDS ON LAYAWAY STATUS.] A licensed and certified nursing facility may lay away, upon prior written notice to the commissioners of health and human services, licensed and certified beds. Notice to the commissioners shall be given 60 days prior to the effective date of the layaway. Beds on layaway shall have the same status as voluntarily delicensed and decertified beds and shall not be subject to license fees and license surcharge fees. In addition, beds on layaway status may be relicensed and recertified at any time on or after one year after the effective date of layaway in the facility of origin, with a 60-day notice to the commissioner of health. A nursing facility that relicenses and recertifies beds placed on layaway may not place beds on layaway status for one year after the effective date of the relicensure and recertification. Beds may remain on layaway status for up to five years.

Sec. 7. [145.4241] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 145.4241 to 145.4246, the following terms have the meaning given them.

Subd. 2. [ABORTION.] "Abortion" means the use or prescription of any instrument, medicine, drug, or any other substance or device to intentionally terminate the pregnancy of a female known to be pregnant, with an intention other than to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead fetus.

Subd. 3. [ATTEMPT TO PERFORM AN ABORTION.] "Attempt to perform an abortion" means an act, or an omission of a statutorily required act, that, under the circumstances as the actor believes them to be, constitutes a substantial step in a course of conduct planned to culminate in the performance of an abortion in Minnesota in violation of sections 145.4241 to 145.4246.

Subd. 4. [MEDICAL EMERGENCY.] "Medical emergency" means any condition that, on the basis of the physician's good faith clinical judgment, complicates the medical condition of a pregnant female to the extent that:

- (1) an immediate abortion of her pregnancy is necessary to avert her death; or
- (2) a 24-hour delay in performing an abortion creates a serious risk of substantial and irreversible impairment of a major bodily function.

Subd. 5. [PHYSICIAN.] "Physician" means a person licensed under chapter 147.

Subd. 6. [PROBABLE GESTATIONAL AGE OF THE UNBORN CHILD.] "Probable gestational age of the unborn child" means what will, in the judgment of the physician, with reasonable probability, be the gestational age of the unborn child at the time the abortion is planned to be performed.

Sec. 8. [145.4242] [INFORMED CONSENT.]

No abortion shall be performed in this state except with the voluntary and informed consent of the female upon whom the abortion is to be performed. Except in the case of a medical emergency, consent to an abortion is voluntary and informed only if:

(1) the female is told the following, by telephone or in person, by the physician who is to perform the abortion or by a referring physician, at least 24 hours before the abortion:

- (i) the name of the physician who will perform the abortion;
- (ii) the particular medical risks associated with the particular abortion procedure to be employed including, when medically accurate, the risks of infection, hemorrhage, breast cancer, danger to subsequent pregnancies, and infertility;
- (iii) the probable gestational age of the unborn child at the time the abortion is to be performed; and
- (iv) the medical risks associated with carrying her child to term.

The information required by this clause may be provided by telephone without conducting a physical examination or tests of the patient, in which case the information required to be provided may be based on facts supplied the physician by the female and whatever other relevant information is reasonably available to the physician. It may not be provided by a tape recording, but must be provided during a consultation in which the physician is able to ask questions of the female and the female is able to ask questions of the physician. If a physical examination, tests, or the availability of other information to the physician subsequently indicate, in the medical judgment of the physician, a revision of the information previously supplied to the patient, that revised information may be communicated to the patient at any time prior to the performance of the abortion. Nothing in this section may be construed to preclude provision of required information in a language understood by the patient through a translator;

(2) the female is informed, by telephone or in person, by the physician who is to perform the abortion, by a referring physician, or by an agent of either physician at least 24 hours before the abortion:

- (i) that medical assistance benefits may be available for prenatal care, childbirth, and neonatal care;
- (ii) that the father is liable to assist in the support of her child, even in instances when the father has offered to pay for the abortion; and

(iii) that she has the right to review the printed materials described in section 145.4243. The physician or the physician's agent shall orally inform the female that the materials have been provided by the state of Minnesota and that they describe the unborn child and list agencies that offer alternatives to abortion. If the female chooses to view the materials, they shall either be given to her at least 24 hours before the abortion or mailed to her at least 72 hours before the abortion by certified mail, restricted delivery to addressee, which means the postal employee can only deliver the mail to the addressee.

The information required by this clause may be provided by a tape recording if provision is made to record or otherwise register specifically whether the female does or does not choose to review the printed materials;

(3) the female certifies in writing, prior to the abortion, that the information described in this section has been furnished her, and that she has been informed of her opportunity to review the information referred to in clause (2); and

(4) prior to the performance of the abortion, the physician who is to perform the abortion or the physician's agent receives a copy of the written certification prescribed by clause (3).

Sec. 9. [145.4243] [PRINTED INFORMATION.]

(a) Within 90 days after the effective date of sections 145.4241 to 145.4246, the department of health shall cause to be published, in English and in each language that is the primary language of two percent or more of the state's population, the following printed materials in such a way as to ensure that the information is easily comprehensible:

(1) geographically indexed materials designed to inform the female of public and private agencies and services available to assist a female through pregnancy, upon childbirth, and while the child is dependent, including adoption agencies, which shall include a comprehensive list of the agencies available, a description of the services they offer, and a description of the manner, including telephone numbers, in which they might be contacted or, at the option of the department of health, printed materials including a toll-free, 24-hours-a-day telephone number that may be called to obtain, orally, such a list and description of agencies in the locality of the caller and of the services they offer; and

(2) materials designed to inform the female of the probable anatomical and physiological characteristics of the unborn child at two-week gestational increments from the time when a female can be known to be pregnant to full term, including any relevant information on the possibility of the unborn child's survival and pictures or drawings representing the development of unborn children at two-week gestational increments, provided that any such pictures or drawings must contain the dimensions of the fetus and must be realistic and appropriate for the stage of pregnancy depicted. The materials shall be objective, nonjudgmental, and designed to convey only accurate scientific information about the unborn child at the various gestational ages. The material shall also contain objective information describing the methods of abortion procedures commonly employed, the medical risks commonly associated with each procedure, the possible detrimental psychological effects of abortion, the medical risks commonly associated with each procedure, and the medical risks commonly associated with carrying a child to term.

(b) The materials referred to in this section must be printed in a typeface large enough to be clearly legible. The materials required under this section must be available at no cost from the department of health upon request and in appropriate number to any person, facility, or hospital.

Sec. 10. [145.4244] [PROCEDURE IN CASE OF MEDICAL EMERGENCY.]

When a medical emergency compels the performance of an abortion, the physician shall inform the female, prior to the abortion if possible, of the medical indications supporting the physician's judgment that an abortion is necessary to avert her death or that a 24-hour delay in conformance with section 145.4242 creates a serious risk of substantial and irreversible impairment of a major bodily function.

Sec. 11. [145.4245] [REMEDIES.]

Subdivision 1. [CIVIL REMEDIES.] Any person upon whom an abortion has been performed or the parent of a minor upon whom an abortion has been performed may maintain an action against the person who performed the abortion in knowing or reckless violation of sections 145.4241 to 145.4246 for actual and punitive damages. Any person upon whom an abortion has been attempted without complying with sections 145.4241 to 145.4246 may maintain an action against the person who attempted to perform the abortion in knowing or reckless violation of sections 145.4241 to 145.4246 for actual and punitive damages.

Subd. 2. [ATTORNEY FEES.] If judgment is rendered in favor of the plaintiff in any action described in this section, the court shall also render judgment for a reasonable attorney's fee in favor of the plaintiff against the defendant. If judgment is rendered in favor of the defendant and the court finds that the plaintiff's suit was frivolous and brought in bad faith, the court shall also render judgment for a reasonable attorney's fee in favor of the defendant against the plaintiff.

Subd. 3. [PROTECTION OF PRIVACY IN COURT PROCEEDINGS.] In every civil action brought under sections 145.4241 to 145.4246, the court shall rule whether the anonymity of any female upon whom an abortion has been performed or attempted shall be preserved from public disclosure if she does not give her consent to such disclosure. The court, upon motion or sua sponte, shall make such a ruling and, upon determining that her anonymity should be preserved, shall issue orders to the parties, witnesses, and counsel and shall direct the sealing of the record and exclusion of individuals from courtrooms or hearing rooms to the extent necessary to safeguard her identity from public disclosure. Each order must be accompanied by specific written findings explaining why the anonymity of the female should be preserved from public disclosure, why the order is essential to that end, how the order is narrowly tailored to serve that interest, and why no reasonable, less restrictive alternative exists. In the absence of written consent of the female upon whom an abortion has been performed or attempted, anyone, other than a public official, who brings an action under subdivision 1, shall do so under a pseudonym. This section may not be construed to conceal the identity of the plaintiff or of witnesses from the defendant.

Sec. 12. [145.4246] [SEVERABILITY.]

If any one or more provision, section, subsection, sentence, clause, phrase, or word of sections 145.4241 to 145.4246 or the application thereof to any person or circumstance is found to be unconstitutional, the same is hereby declared to be severable and the balance of sections 145.4241 to 145.4246 shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed sections 145.4241 to 145.4246, and each provision, section, subsection, sentence, clause, phrase, or word thereof, irrespective of the fact that any one or more provision, section, subsection, sentence, clause, phrase, or word be declared unconstitutional.

Sec. 13. [252.461] [ALTERNATIVE RATE-SETTING METHODOLOGIES.]

(a) The commissioner may approve alternative rate-setting methodologies for identified day training and habilitation vendors recommended by the day training and habilitation task force established under Laws 1999, chapter 152, that are supported by all members of the task force. Any alternative rate-setting methodology approved under this section must sunset upon implementation of the new statewide payments rate structure recommended by the task force in its report to the legislature on January 15, 2001.

(b) The commissioner may grant a variance to any of the provisions in sections 252.451, subdivision 5; 252.46, except subdivision 16; and Minnesota Rules, part 9525.1290, subpart 1, items A and B, necessary to implement the alternative rate-setting methodologies approved by the task force under paragraph (a).

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

Sec. 14. Minnesota Statutes 1998, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. [LOCAL AGENCY DUTIES.] (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate. If a county selects a vendor located in another state, the county shall ensure that the vendor is in compliance with the rules governing licensure of programs located in the state.

(c) The calendar year 1998 rate for vendors may not increase more than three percent above the rate approved in effect on January 1, 1997. The calendar year 1999 rate for vendors may not increase more than three percent above the rate in effect on January 1, 1998.

(d) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.

(e) The rates for vendors of inpatient treatment services for calendar year 2001 may not increase more than one percent above the rate in effect on January 1, 2000.

(f) The calendar year 2001 rate for vendors of outpatient treatment services may not increase more than three percent above the rate in effect on January 1, 2000.

Sec. 15. Minnesota Statutes 1998, section 256.955, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services shall establish and administer a ~~senior citizen~~ prescription drug program. Qualified ~~senior citizens~~ individuals shall be eligible for prescription drug coverage under the program beginning no later than January 1, 1999.

Sec. 16. Minnesota Statutes 1998, section 256.955, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health plan" has the meaning provided in section 62Q.01, subdivision 3.

(c) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(d) "Qualified ~~senior citizen~~ individual" means a Medicare enrollee, or an individual age 65 or older who is not a Medicare enrollee, who:

(1) is eligible as a qualified Medicare beneficiary according to section 256B.057, subdivision 3 or 3a, or is eligible under section 256B.057, subdivision 3 or 3a, and is also eligible for medical assistance or general assistance medical care with a spenddown as defined in section 256B.056, subdivision 5. Persons who are determined eligible for medical assistance according to section 256B.0575, who are eligible for medical assistance or general assistance

~~medical care without a spenddown, or who are enrolled in MinnesotaCare, are not eligible for this program has a household income that does not exceed 120 percent of the federal poverty guidelines for family size, using the income methodologies specified for aged, blind, or disabled persons in section 256B.056, subdivision 1a;~~

~~(2) has assets that do not exceed \$8,000 for a single individual and \$12,000 for a married couple or family of two or more, as determined using the methodologies specified for aged, blind, or disabled persons in section 256B.056, subdivision 1a;~~

~~(2) (3) is not enrolled in prescription drug coverage under a health plan;~~

~~(3) (4) is not enrolled in prescription drug coverage under a Medicare supplement plan, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended;~~

~~(4) (5) has not had coverage described in clauses (2) and (3) for at least four months prior to application for the program; ~~and~~~~

~~(5) (6) is a permanent resident of Minnesota as defined in section 256L.09; and~~

~~(7) is not eligible for MinnesotaCare, for medical assistance according to section 256B.0575, or for medical assistance or general assistance medical care without a spenddown.~~

Sec. 17. Minnesota Statutes 1999 Supplement, section 256.955, subdivision 4, is amended to read:

Subd. 4. [APPLICATION PROCEDURES AND COORDINATION WITH MEDICAL ASSISTANCE.] Applications and information on the program must be made available at county social service agencies, health care provider offices, and agencies and organizations serving senior citizens and persons with disabilities. ~~Senior citizens Individuals~~ shall submit applications and any information specified by the commissioner as being necessary to verify eligibility directly to the county social service agencies:

(1) beginning January 1, 1999, the county social service agency shall determine medical assistance spenddown eligibility of individuals who qualify for the ~~senior citizen~~ prescription drug program ~~of individuals~~; and

(2) program payments will be used to reduce the spenddown obligations of individuals who are determined to be eligible for medical assistance with a spenddown as defined in section 256B.056, subdivision 5.

Seniors Qualified individuals who are eligible for medical assistance with a spenddown shall be financially responsible for the deductible amount up to the satisfaction of the spenddown. No deductible applies once the spenddown has been met. Payments to providers for prescription drugs for persons eligible under this subdivision shall be reduced by the deductible.

County social service agencies shall determine an applicant's eligibility for the program within 30 days from the date the application is received. Eligibility begins the month after approval.

Sec. 18. Minnesota Statutes 1999 Supplement, section 256.955, subdivision 8, is amended to read:

Subd. 8. [REPORT.] The commissioner shall annually report to the legislature on the ~~senior citizen~~ prescription drug program. The report must include demographic information on enrollees, per-prescription expenditures, total program expenditures, hospital and nursing home costs avoided by enrollees, any savings to medical assistance and Medicare resulting from the provision of prescription drug coverage under Medicare by health maintenance organizations, other public and private options for drug assistance to the ~~senior~~ covered population, any hardships caused by the annual deductible, and any recommendations for changes in the ~~senior~~ prescription drug program.

Sec. 19. Minnesota Statutes 1999 Supplement, section 256.955, subdivision 9, is amended to read:

Subd. 9. [PROGRAM LIMITATION.] The commissioner shall administer the ~~senior~~ senior prescription drug program so that the costs total no more than funds appropriated plus the drug rebate proceeds. Senior Prescription drug program rebate revenues are appropriated to the commissioner and shall be expended to augment funding of the senior prescription drug program. New enrollment shall cease if the commissioner determines that, given current enrollment, costs of the program will exceed appropriated funds and rebate proceeds. ~~This section shall be repealed upon federal approval of the waiver to allow the commissioner to provide prescription drug coverage for qualified Medicare beneficiaries whose income is less than 150 percent of the federal poverty guidelines.~~

Sec. 20. Minnesota Statutes 1998, section 256B.431, is amended by adding a subdivision to read:

Subd. 29. [NURSING FACILITY RATE FLOOR.] (a) For the rate year beginning July 1, 2000, the commissioner shall adjust operating costs per diem for nursing facilities reimbursed under this section and section 256B.434 as provided in this subdivision.

(b) For each nursing facility, the commissioner, after applying the adjustment in subdivision 28, shall compare the operating costs per diem listed in this paragraph to the operating costs per diem the facility would otherwise receive for the July 1, 2000, rate year.

<u>Case mix classification</u>	<u>Operating costs per diem</u>
<u>A</u>	<u>\$ 62.10</u>
<u>B</u>	<u>\$ 68.56</u>
<u>C</u>	<u>\$ 75.88</u>
<u>D</u>	<u>\$ 82.55</u>
<u>E</u>	<u>\$ 89.44</u>
<u>F</u>	<u>\$ 89.87</u>
<u>G</u>	<u>\$ 95.69</u>
<u>H</u>	<u>\$106.67</u>
<u>I</u>	<u>\$110.54</u>
<u>J</u>	<u>\$116.57</u>
<u>K</u>	<u>\$129.28</u>

(c) If a facility's total reimbursement for operating costs, using the case mix classification operating costs per diem listed in paragraph (b), is greater than the total reimbursement for operating costs the facility would otherwise receive, the commissioner shall calculate operating costs per diem for that facility for the rate year beginning July 1, 2000, using the case mix classification operating costs per diem listed in paragraph (b).

(d) If a facility's total reimbursement for operating costs, using the case mix classification costs per diem listed in paragraph (b), is less than the total reimbursement for operating costs the facility would otherwise receive, the commissioner shall reimburse that facility for the rate year beginning July 1, 2000, as provided in this section or section 256B.434, whichever is applicable, and shall not calculate operating costs per diem for that facility using the case mix classification operating costs per diem listed in paragraph (b).

Sec. 21. Minnesota Statutes 1998, section 256B.431, is amended by adding a subdivision to read:

Subd. 30. [BED LAYAWAY AND DELICENSURE.] (a) For rate years beginning on or after July 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway status shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph (d) and calculation of the rental per diem, have those beds given the same effect as if the beds had been delicensed so long as the beds remain on layaway status. At the time of a layaway, a facility may change its single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be effective the first day of the month following the month in which the layaway of the beds becomes effective under section 144A.171, subdivision 4b.

(b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434, a nursing facility reimbursed under that section which has placed beds on layaway status shall, for so long as the beds remain on layaway status, be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota rules, part 9549.0060, subpart 11; and

(3) establish capacity days for each rate year following the layaway based on the number of beds licensed less the number of beds on layaway status.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and (3). The property payment rate increase shall be effective the first day of the month following the month in which the layaway of the beds becomes effective.

(c) If a nursing facility removes a bed from layaway status in accordance with section 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the number of licensed and certified beds in the facility not on layaway and shall reduce the nursing facility's property payment rate in accordance with paragraph (b).

(d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434, a nursing facility reimbursed under that section, which has delicensed beds after July 1, 2000 by giving notice of the delicensure to the commissioners of health and human services according to the notice requirements in section 144A.071, subdivision 4b, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) establish the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days for each rate year following the delicensure based on the number of beds licensed after the reduction.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the delicensure of beds and clauses (1), (2), and (3). The property payment rate increase shall be effective the first day of the month following the month in which the delicensure of the beds becomes effective.

(e) For nursing facilities reimbursed under this section and section 256B.434, any beds placed in layaway status shall not be included in calculating facility occupancy as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

(f) For nursing facilities reimbursed under this section and section 256B.434, the rental rate calculated after placing beds on layaway status may not be less than the rental rate prior to placing beds on layaway status.

(g) A nursing facility receiving a rate adjustment as a result of this section shall comply with section 256B.47, subdivision 2.

Sec. 22. Minnesota Statutes 1998, section 256B.69, subdivision 5d, is amended to read:

Subd. 5d. [MODIFICATION OF PAYMENT DATES EFFECTIVE JANUARY 1, 2001.] Effective for services rendered on or after January 1, 2001, capitation payments under this section and under section 256D.03 for services provided in the month of June shall be made no earlier than the first day after the month of service.

Sec. 23. Minnesota Statutes 1998, section 256L.05, subdivision 5, is amended to read:

Subd. 5. [AVAILABILITY OF PRIVATE INSURANCE.] The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families and individuals enrolled in the MinnesotaCare program whose gross family income is equal to or more than 200 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in the notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c).

Sec. 24. Minnesota Statutes 1999 Supplement, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.

(b) Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 175 percent of the federal poverty guidelines are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(c) Notwithstanding paragraph (b), individuals and families may remain enrolled in MinnesotaCare if ten percent of their annual income is less than the annual premium for a policy with a \$500 deductible available through the Minnesota comprehensive health association. Individuals and families who are no longer eligible for MinnesotaCare under this subdivision shall be given ~~an 18-month~~ a 12-month notice period from the date that ineligibility is determined before disenrollment.

Sec. 25. Laws 1997, chapter 225, article 4, section 4, as amended by Laws 1999, chapter 245, article 4, section 104, is amended to read:

Sec. 4. [SENIOR PRESCRIPTION DRUG PROGRAM.]

The commissioner shall report to the legislature the estimated costs of the senior prescription drug program ~~without funding caps~~. The report shall be included as part of the November and February forecasts.

The commissioner of finance shall annually reimburse the general fund with health care access funds for the estimated increased costs in the QMB/SLMB program directly associated with the ~~senior~~ prescription drug program. This reimbursement shall sunset June 30, 2001.

Sec. 26. [AMENDMENT.]

By June 1, 2000, the commissioner of human services shall seek an amendment to the state Medicaid plan to permit implementation of section 13.

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

Sec. 27. [INFORMATION ON PRESCRIPTION DRUG PATIENT ASSISTANCE PROGRAMS.]

The commissioner of human services must work with the board of medical practice and the Pharmaceutical Research and Manufacturers of America (PhRMA) to develop a strategy to provide information on prescription drug patient assistance programs offered by member companies of PhRMA to all physicians in the state. Any strategy developed must provide physicians with regular updates on prescription drug patient assistance programs and be implemented without cost to physicians or the state.

Sec. 28. [TASK FORCE EXTENDED; REPORT.]

The day training and habilitation task force established under Laws 1999, chapter 152, shall be extended to June 15, 2001. The task force shall present a report recommending a new payment rate schedule for day training and habilitation services to the legislature by January 15, 2001.

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

Sec. 29. [RESPITE CARE FOR FAMILY ADULT FOSTER CARE PROVIDERS.]

The commissioner of human services, in consultation with affected groups, including counties, family adult foster care providers, guardians and family members, and advocacy agencies, shall develop legislative proposals, including cost projections, to provide 30 days of respite care per year for family adult foster care providers. The proposals must include funding options that rely upon federal and state funding. The commissioner shall provide the legislative proposals and cost projections to the chairs of the house health and human services policy committee, the house health and human services finance committee, the senate health and family security policy committee, and the senate health and family security budget division, by December 1, 2000.

Sec. 30. [FUNDING FOR TYPE 1 DIABETES RESEARCH.]

Subdivision 1. [GRANT AWARD.] The commissioner of health shall distribute the funds available under Minnesota Statutes, section 62J.694, subdivision 2, paragraphs (f) and (g), to the board of regents of the University of Minnesota, to be provided to the academic health center for research by the diabetes institute for immunology and transplantation. The institute shall use the funds for research at the institute relating to islet cell transplantation, islet cell distribution, and related areas affecting persons with type 1 diabetes, including research at the juvenile diabetes foundation center for islet transplantation at the University of Minnesota and the juvenile diabetes foundation human islet distribution program at the University of Minnesota.

Subd. 2. [REPORTING.] On December 1, 2001, December 1, 2002, and December 1, 2003, the institute shall report to the commissioner and to the legislature on its use of funds received under this section and progress made in research on islet cell transplantation, islet cell distribution, and related areas. In reporting on its use of funds, the annual report must include, but is not limited to, the amount of money the institute received from the academic health center, the specific purposes for which the funds were spent, and verification that the funds were spent for allowable purposes according to this section. In reporting on progress made in research on transplantation, distribution, and related areas, the annual report must include, but is not limited to:

(1) data generated from the transplants on the benefits and disadvantages of islet cell transplantation, including data on the restoration and maintenance of tight blood sugar control and insulin independence following transplantation;

(2) data on health care dollars per quality adjusted life-year saved; and

(3) progress on achievement of health insurance coverage for islet cell transplantation procedures.

Sec. 31. [EMPLOYEE HEALTH INSURANCE.]

The commissioner of health shall examine issues related to rising health insurance costs and shall develop recommendations for providing affordable health insurance to employees of programs and facilities that serve the elderly and disabled. In developing these recommendations, the commissioner shall consult with representatives of affected consumers and providers. The commissioner shall provide recommendations by January 15, 2001, to the chairs of the house health and human services policy and finance committees and the senate health and family security committee and health and family security budget division.

Sec. 32. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the phrase "senior citizen drug program" wherever it appears in the next edition of Minnesota Statutes and Minnesota Rules to "prescription drug program."

ARTICLE 3

COMPLEMENTARY AND ALTERNATIVE HEALTH CARE FREEDOM OF ACCESS ACT

Section 1. Minnesota Statutes 1999 Supplement, section 13.99, is amended by adding a subdivision to read:

Subd. 42c. [UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONERS AND CLIENTS.] Data obtained by the commissioner of health on unlicensed complementary and alternative health care practitioners and clients are classified under sections 146A.06 and 146A.08.

Sec. 2. [146A.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] As used in this chapter, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health or the commissioner's designee.

Subd. 3. [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE CLIENT.] "Complementary and alternative health care client" means an individual who receives services from an unlicensed complementary and alternative health care practitioner.

Subd. 4. [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICES.] (a) "Complementary and alternative health care practices" means the broad domain of complementary and alternative healing methods and treatments, including but not limited to: (1) acupressure; (2) anthroposophy; (3) aroma therapy; (4) ayurveda; (5) cranial sacral therapy; (6) culturally traditional healing practices; (7) detoxification practices and therapies; (8) energetic healing; (9) polarity therapy; (10) folk practices; (11) healing practices utilizing food, food supplements, nutrients, and the physical forces of heat, cold, water, touch, and light; (12) Gerson therapy and colostrum therapy; (13) healing touch; (14) herbology or herbalism; (15) homeopathy; (16) iridology; (17) body work, massage, and massage therapy; (18) meditation; (19) mind-body healing practices; (20) naturopathy; (21) noninvasive instrumentalities; and (22) traditional Oriental practices, such as Qi Gong energy healing.

(b) Complementary and alternative health care practices, in and of themselves, do not include surgery, x-ray radiation, administering or dispensing legend drugs and controlled substances, practices that invade the human body by puncture of the skin, setting fractures, the use of medical devices as defined in section 147A.01, any practice included in the practice of dentistry as defined in section 150A.05, subdivision 1, or the manipulation or adjustment of articulations of joints or the spine as described in section 146.23 or 148.01.

(c) Complementary and alternative health care practices do not include practices that are permitted under section 147.09, clause (11), or 148.271, clause (5).

(d) This article does not apply to, control, prevent, or restrict the practice, service, or activity of lawfully marketing or distributing food products, including dietary supplements as defined in the federal dietary supplement health and education act, educating customers about such products, or explaining the uses of such products.

Subd. 5. [OFFICE OF UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICE OR OFFICE.] "Office of unlicensed complementary and alternative health care practice" or "office" means the office of unlicensed complementary and alternative health care practice established in section 146A.02.

Subd. 6. [PATIENT-IDENTIFYING DATA.] "Patient-identifying data" means data that identifies a patient directly or that identifies characteristics which reasonably could uniquely identify a specific patient circumstantially.

Subd. 7. [ROSTER DATA.] "Roster data" means, with regard to an enrollee of a health plan company or group purchaser, an enrollee's name, address, telephone number, date of birth, gender, and enrollment status under a group purchaser's health plan. Roster data means, with regard to a patient of a provider, the patient's name, address, telephone number, date of birth, gender, and date or dates treated, including, if applicable, the date of admission and the date of discharge.

Subd. 8. [UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONER.] "Unlicensed complementary and alternative health care practitioner" means a person who:

(1) is not licensed or registered by a health-related licensing board or the commissioner of health, or does not hold oneself out to the public as licensed or registered by a health-related licensing board or the commissioner of health when engaging in complementary and alternative health care practices;

(2) has not had a license or registration issued by a health-related licensing board or the commissioner of health revoked or has not been disciplined in any manner at any time in the past, unless the right to engage in complementary and alternative health care practices has been established by order of the commissioner of health;

(3) is engaging in complementary and alternative health care practices; and

(4) is providing complementary and alternative health care services for remuneration or is holding oneself out to the public as a practitioner of complementary and alternative health care practices.

Sec. 3. [146A.02] [OFFICE OF UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTICE.]

Subdivision 1. [CREATION.] The office of unlicensed complementary and alternative health care practice is created in the department of health to investigate complaints and take and enforce disciplinary actions against all unlicensed complementary and alternative health care practitioners for violations of prohibited conduct, as defined in section 146A.08. The office shall also serve as a clearinghouse on complementary and alternative health care practices and unlicensed complementary and alternative health care practitioners through the dissemination of objective information to consumers and through the development and performance of public education activities, including outreach, regarding the provision of complementary and alternative health care practices and unlicensed complementary and alternative health care practitioners who provide these services.

Subd. 2. [RULEMAKING.] The commissioner shall adopt rules necessary to implement, administer, or enforce provisions of this chapter pursuant to chapter 14. The commissioner may not adopt rules that restrict or prohibit persons from engaging in complementary and alternative health care practices on the basis of education, training, experience, or supervision.

Sec. 4. [146A.025] [MALTREATMENT OF MINORS.]

Nothing in this chapter shall restrict the ability of a local welfare agency, local law enforcement agency, the commissioner of human services, or the state to take action regarding the maltreatment of minors under section 609.378 or 626.556. A parent who obtains complementary and alternative health care for the parent's minor child is not relieved of the duty to seek necessary medical care. A complementary or alternative health care practitioner who is providing services to a child who is not receiving necessary medical care must make a report under section 626.556. A complementary or alternative health care provider is a mandated reporter under section 626.556, subdivision 3.

Sec. 5. [146A.03] [REPORTING OBLIGATIONS.]

Subdivision 1. [PERMISSION TO REPORT.] A person who has knowledge of any conduct constituting grounds for disciplinary action relating to complementary and alternative health care practices under this chapter may report the violation to the office.

Subd. 2. [INSTITUTIONS.] A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the office any action taken by the agency, institution, or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition an unlicensed complementary and alternative health care practitioner's privilege to practice or treat complementary and alternative health care clients in the institution or, as part of the organization, any denial of privileges or any other disciplinary action for conduct that might constitute grounds for disciplinary action by the office under this chapter. The institution, organization, or governmental entity shall also report the resignation of any unlicensed complementary and alternative health care practitioners prior to the conclusion of any disciplinary action proceeding for conduct that might constitute grounds for disciplinary action under this chapter or prior to the commencement of formal charges but after the practitioner had knowledge that formal charges were contemplated or were being prepared.

Subd. 3. [PROFESSIONAL SOCIETIES.] A state or local professional society for unlicensed complementary and alternative health care practitioners shall report to the office any termination, revocation, or suspension of membership or any other disciplinary action taken against an unlicensed complementary and alternative health care practitioner. If the society has received a complaint that might be grounds for discipline under this chapter against a member on which it has not taken any disciplinary action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the office.

Subd. 4. [LICENSED PROFESSIONALS.] A licensed health professional shall report to the office personal knowledge of any conduct that the licensed health professional reasonably believes constitutes grounds for disciplinary action under this chapter by any unlicensed complementary and alternative health care practitioner, including conduct indicating that the individual may be medically incompetent or may be medically or physically unable to engage safely in the provision of services. If the information was obtained in the course of a client relationship, the client is an unlicensed complementary and alternative health care practitioner, and the treating individual successfully counsels the other practitioner to limit or withdraw from practice to the extent required by the impairment, the office may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.

Subd. 5. [INSURERS.] Four times each year as prescribed by the commissioner, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to unlicensed complementary and alternative health care practitioners or the medical joint underwriting association

under chapter 62F shall submit to the office a report concerning the unlicensed complementary and alternative health care practitioners against whom malpractice settlements or awards have been made. The response must contain at least the following information:

- (1) the total number of malpractice settlements or awards made;
- (2) the date the malpractice settlements or awards were made;
- (3) the allegations contained in the claim or complaint leading to the settlements or awards made;
- (4) the dollar amount of each malpractice settlement or award;
- (5) the regular address of the practice of the unlicensed complementary and alternative health care practitioner against whom an award was made or with whom a settlement was made; and
- (6) the name of the unlicensed complementary and alternative health care practitioner against whom an award was made or with whom a settlement was made.

The insurance company shall, in addition to the above information, submit to the office any information, records, and files, including clients' charts and records, it possesses that tend to substantiate a charge that an unlicensed complementary and alternative health care practitioner may have engaged in conduct violating this chapter.

Subd. 6. [COURTS.] The court administrator of district court or any other court of competent jurisdiction shall report to the office any judgment or other determination of the court that adjudges or includes a finding that an unlicensed complementary and alternative health care practitioner is mentally ill, mentally incompetent, guilty of a felony, guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of abuse or fraud under Medicare or Medicaid; or that appoints a guardian of the unlicensed complementary and alternative health care practitioner under sections 525.54 to 525.61 or commits an unlicensed complementary and alternative health care practitioner under chapter 253B.

Subd. 7. [SELF-REPORTING.] An unlicensed complementary and alternative health care practitioner shall report to the office any personal action that would require that a report be filed with the office by any person, health care facility, business, or organization pursuant to subdivisions 2 to 5. The practitioner shall also report the revocation, suspension, restriction, limitation, or other disciplinary action against the practitioner's license, certificate, registration, or right of practice in another state or jurisdiction for offenses that would be subject to disciplinary action in this state and also report the filing of charges regarding the practitioner's license, certificate, registration, or right of practice in another state or jurisdiction.

Subd. 8. [DEADLINES; FORMS.] Reports required by subdivisions 2 to 7 must be submitted not later than 30 days after the reporter learns of the occurrence of the reportable event or transaction. The office may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting.

Sec. 6. [146A.04] [IMMUNITY.]

Subdivision 1. [REPORTING.] Any person other than an unlicensed complementary and alternative health care practitioner on whom violations or alleged violations of this chapter are reported, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the office, for otherwise reporting to the office violations or alleged violations of this chapter, or for cooperating with an investigation of a report, except as provided in this subdivision. Any person who knowingly or recklessly makes a false report is liable in a civil suit for any damages suffered by the person or persons so reported and for any punitive damages set by the court or jury. An action requires clear and convincing evidence that the defendant made the statement with knowledge of falsity or with reckless disregard for its truth or falsity. The report or statement or any statement made in cooperation with an investigation or as part of a disciplinary proceeding is privileged except in an action brought under this subdivision.

Subd. 2. [INVESTIGATION.] The commissioner and employees of the department of health and other persons engaged in the investigation of violations and in the preparation, presentation, and management of and testimony pertaining to charges of violations of this chapter are absolutely immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 7. [146A.05] [DISCIPLINARY RECORD ON JUDICIAL REVIEW.]

Upon judicial review of any disciplinary action taken by the commissioner under this chapter, the reviewing court shall seal the administrative record, except for the commissioner's final decision, and shall not make the administrative record available to the public.

Sec. 8. [146A.06] [PROFESSIONAL COOPERATION; UNLICENSED PRACTITIONER.]

Subdivision 1. [COOPERATION.] An unlicensed complementary and alternative health care practitioner who is the subject of an investigation, or who is questioned in connection with an investigation, by or on behalf of the office shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the office relating to the subject of the investigation, whether tape recorded or not; providing copies of client records, as reasonably requested by the office, to assist the office in its investigation; and appearing at conferences or hearings scheduled by the commissioner. If the office does not have a written consent from a client permitting access to the client's records, the unlicensed complementary and alternative health care practitioner shall delete any patient-identifying data and roster data in the record before providing it to the office. The office shall maintain any records obtained pursuant to this section as investigative data pursuant to section 13.41. If an unlicensed complementary and alternative health care practitioner refuses to give testimony or produce any documents, books, records, or correspondence on the basis of the fifth amendment to the Constitution of the United States, the commissioner may compel the unlicensed complementary and alternative health care practitioner to provide the testimony or information; however, the testimony or evidence may not be used against the practitioner in any criminal proceeding. Challenges to requests of the office may be brought before the appropriate agency or court.

Subd. 2. [CLASSIFICATION OF DATA.] The commissioner shall maintain any records, other than client records, obtained as part of an investigation as investigative data under section 13.41. Client records are classified as private under chapter 13 and must be protected as such in the records of the office and in any administrative or judicial proceeding unless the unlicensed complementary and alternative health care client authorizes the office in writing to make public the identity of the client or a portion or all of the client's records.

Subd. 3. [EXCHANGING INFORMATION.] (a) The office shall establish internal operating procedures for:

(1) exchanging information with state boards; agencies, including the office of ombudsman for mental health and mental retardation; health-related and law enforcement facilities; departments responsible for licensing health-related occupations, facilities, and programs; and law enforcement personnel in this and other states; and

(2) coordinating investigations involving matters within the jurisdiction of more than one regulatory agency.

(b) The procedures for exchanging information must provide for the forwarding to the entities described in paragraph (a), clause (1), of information and evidence, including the results of investigations, that are relevant to matters within the regulatory jurisdiction of the organizations in paragraph (a). The data have the same classification in the hands of the agency receiving the data as they have in the hands of the agency providing the data.

(c) The office shall establish procedures for exchanging information with other states regarding disciplinary action against unlicensed complementary and alternative health care practitioners.

(d) The office shall forward to another governmental agency any complaints received by the office that do not relate to the office's jurisdiction but that relate to matters within the jurisdiction of the other governmental agency. The agency to which a complaint is forwarded shall advise the office of the disposition of the complaint. A complaint or other information received by another governmental agency relating to a statute or rule that the office is empowered to enforce must be forwarded to the office to be processed in accordance with this section.

(e) The office shall furnish to a person who made a complaint a description of the actions of the office relating to the complaint.

Sec. 9. [146A.07] [PROFESSIONAL ACCOUNTABILITY.]

The office shall maintain and keep current a file containing the reports and complaints filed against unlicensed complementary and alternative health care practitioners within the commissioner's jurisdiction. Each complaint filed with the office must be investigated. If the files maintained by the office show that a malpractice settlement or award has been made against an unlicensed complementary and alternative health care practitioner, as reported by insurers under section 146A.03, subdivision 5, the commissioner may authorize a review of the practitioner's practice by the staff of the office.

Sec. 10. [146A.08] [PROHIBITED CONDUCT.]

Subdivision 1. [PROHIBITED CONDUCT.] The commissioner may impose disciplinary action as described in section 146A.09 against any unlicensed complementary and alternative health care practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(1) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to engaging in complementary and alternative health care practices. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(2) Conviction of any crime against a person. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; 609.2242; 609.23; 609.231; 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, subdivision 1, clause (1); 609.561; 609.562; 609.595; and 609.72, subdivision 3.

(3) Failure to comply with the self-reporting requirements of section 146A.03, subdivision 7.

(4) Engaging in sexual contact with a complementary and alternative health care client or former client, engaging in contact that may be reasonably interpreted by a client as sexual, engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client. For purposes of this clause, "former client" means a person who has obtained services from the unlicensed complementary and alternative health care practitioner within the past two years.

(5) Advertising that is false, fraudulent, deceptive, or misleading.

(6) Conduct likely to deceive, defraud, or harm the public or demonstrating a willful or careless disregard for the health, welfare, or safety of a complementary and alternative health care client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, harm or the potential for harm must be recognizable and not remote and proof of actual injury need not be established.

(7) Adjudication as mentally incompetent or as a person who is dangerous to self or adjudication pursuant to chapter 253B as chemically dependent, mentally ill, mentally retarded, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

(8) Inability to engage in complementary and alternative health care practices with reasonable safety to complementary and alternative health care clients based on but not limited to illness; drunkenness; or use of drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition including deterioration through the aging process or loss of motor skills.

(9) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(10) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(11) Revealing a communication from, or relating to, a complementary and alternative health care client except when otherwise required or permitted by law.

(12) Failure to comply with a complementary and alternative health care client's request made under section 144.335 or to furnish a complementary and alternative health care client record or report required by law.

(13) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the complementary and alternative health care client.

(14) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(15) Failure to make reports as required by section 146A.03 or cooperate with an investigation of the office.

(16) Obtaining money, property, or services from a complementary and alternative health care client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(17) Undertaking or continuing a professional relationship with a complementary and alternative health care client in which the objectivity of the unlicensed complementary and alternative health care practitioner would be impaired.

(18) Failure to provide a complementary and alternative health care client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(19) Violating any order issued by the commissioner.

(20) Failure to comply with any provision of sections 146A.01 to 146A.11 and the rules adopted under those sections.

(21) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

(22) Revocation, suspension, restriction, limitation, or other disciplinary action against any health care license, certificate, registration, or right to practice of the unlicensed complementary and alternative health care practitioner in this or another state or jurisdiction for offenses that would be subject to disciplinary action in this state or failure to report to the office that charges regarding the practitioner's license, certificate, registration, or right of practice have been brought in this or another state or jurisdiction unless right to practice is established by the commissioner order.

(23) Use of the title "doctor," "Dr.," or "physician" alone or in combination with any other words, letters, or insignia to describe the complementary and alternative health care practices the practitioner provides.

(24) Failure to provide a complementary and alternative health care client with a recommendation that the client see a health care provider who is licensed or registered by a health-related licensing board or the commissioner of health, if there is a reasonable likelihood that the client needs to be seen by a licensed or registered health care provider.

Subd. 2. [LESS CUSTOMARY APPROACH.] The fact that a complementary and alternative health care practice may be a less customary approach to health care shall not constitute the basis of a disciplinary action per se.

Subd. 3. [EVIDENCE.] In disciplinary actions alleging a violation of subdivision 1, clause (1), (2), (3), or (7), a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of its contents.

Subd. 4. [EXAMINATION; ACCESS TO MEDICAL DATA.] (a) If the commissioner has probable cause to believe that an unlicensed complementary and alternative health care practitioner has engaged in conduct prohibited by subdivision 1, clause (7), (8), (9), or (10), the commissioner may issue an order directing the practitioner to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, every unlicensed complementary and alternative health care practitioner is deemed to have consented to submit to a mental or physical examination or chemical dependency evaluation when ordered to do so in writing by the commissioner and further to have waived all objections to the admissibility of the testimony or examination reports of the health care provider performing the examination or evaluation on the grounds that the same constitute a privileged communication. Failure of an unlicensed complementary and alternative health care practitioner to submit to an examination or evaluation when ordered, unless the failure was due to circumstances beyond the practitioner's control, constitutes an admission that the unlicensed complementary and alternative health care practitioner violated subdivision 1, clause (7), (8), (9), or (10), based on the factual specifications in the examination or evaluation order and may result in a default and final disciplinary order being entered after a contested case hearing. An unlicensed complementary and alternative health care practitioner affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the practitioner can resume the provision of complementary and alternative health care practices with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the commissioner shall be used against an unlicensed complementary and alternative health care practitioner in any other proceeding.

(b) In addition to ordering a physical or mental examination or chemical dependency evaluation, the commissioner may, notwithstanding section 13.42, 144.651, 595.02, or any other law limiting access to medical or other health data, obtain medical data and health records relating to an unlicensed complementary and alternative health care practitioner without the practitioner's consent if the commissioner has probable cause to believe that a practitioner has engaged in conduct prohibited by subdivision 1, clause (7), (8), (9), or (10). The medical data may be requested from a provider as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the department of human services. A provider, insurance company, or government agency shall comply with any written request of the commissioner under this subdivision and is not liable in any action for damages for releasing the data requested by the commissioner if the data are released pursuant to a written request under this subdivision, unless the information is false and the person or organization giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is private data under section 13.41.

Sec. 11. [146A.09] [DISCIPLINARY ACTIONS.]

Subdivision 1. [FORMS OF DISCIPLINARY ACTION.] When the commissioner finds that an unlicensed complementary and alternative health care practitioner has violated any provision of this chapter, the commissioner may take one or more of the following actions, only against the individual practitioner:

- (1) revoke the right to practice;

(2) suspend the right to practice;

(3) impose limitations or conditions on the practitioner's provision of complementary and alternative health care practices, impose rehabilitation requirements, or require practice under supervision;

(4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the practitioner of any economic advantage gained by reason of the violation charged or to reimburse the office for all costs of the investigation and proceeding;

(5) censure or reprimand the practitioner;

(6) impose a fee on the practitioner to reimburse the office for all or part of the cost of the proceedings resulting in disciplinary action including, but not limited to, the amount paid by the office for services from the office of administrative hearings, attorney fees, court reports, witnesses, reproduction of records, staff time, and expense incurred by the staff of the office of unlicensed complementary and alternative health care practice; or

(7) any other action justified by the case.

Subd. 2. [DISCOVERY; SUBPOENAS.] In all matters relating to the lawful activities of the office, the commissioner may issue subpoenas and compel the attendance of witnesses and the production of all necessary papers, books, records, documents, and other evidentiary material. Any person failing or refusing to appear or testify regarding any matter about which the person may be lawfully questioned or failing to produce any papers, books, records, documents, or other evidentiary materials in the matter to be heard, after having been required by order of the commissioner or by a subpoena of the commissioner to do so may, upon application to the district court in any district, be ordered to comply with the order or subpoena. The commissioner may administer oaths to witnesses or take their affirmation. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process may be served upon a person it names anywhere within the state by any officer authorized to serve subpoenas or other process in civil actions in the same manner as prescribed by law for service of process issued out of the district court of this state.

Subd. 2a. [HEARINGS.] If the commissioner proposes to take action against the practitioner as described in subdivision 1, the commissioner must first notify the practitioner against whom the action is proposed to be taken and provide the practitioner with an opportunity to request a hearing under the contested case provisions of chapter 14. If the practitioner does not request a hearing by notifying the commissioner within 30 days after service of the notice of the proposed action, the commissioner may proceed with the action without a hearing.

Subd. 3. [REINSTATEMENT.] The commissioner may at the commissioner's discretion reinstate the right to practice and may impose any disciplinary measure listed under subdivision 1.

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the commissioner may, acting through a person to whom the commissioner has delegated this authority and without a hearing, temporarily suspend the right of an unlicensed complementary and alternative health care practitioner to practice if the commissioner's delegate finds that the practitioner has violated a statute or rule that the commissioner is empowered to enforce and continued practice by the practitioner would create a serious risk of harm to others. The suspension is in effect upon service of a written order on the practitioner specifying the statute or rule violated. The order remains in effect until the commissioner issues a final order in the matter after a hearing or upon agreement between the commissioner and the practitioner. Service of the order is effective if the order is served on the practitioner or counsel of record personally or by first class mail. Within ten days of service of the order, the commissioner shall hold a hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the suspension. Evidence presented by the office or practitioner shall be in affidavit form only. The practitioner or the counsel of record may appear for oral argument. Within five working days after the hearing, the commissioner shall issue the commissioner's order and, if the suspension is continued, schedule a contested case hearing within 45 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The commissioner shall issue a final order within 30 days after receipt of that report.

Subd. 5. [AUTOMATIC SUSPENSION.] The right of an unlicensed complementary and alternative health care practitioner to practice is automatically suspended if (1) a guardian of an unlicensed complementary and alternative health care practitioner is appointed by order of a court under sections 525.54 to 525.61, or (2) the practitioner is committed by order of a court pursuant to chapter 253B. The right to practice remains suspended until the practitioner is restored to capacity by a court and, upon petition by the practitioner, the suspension is terminated by the commissioner after a hearing or upon agreement between the commissioner and the practitioner.

Sec. 12. [146A.10] [ADDITIONAL REMEDIES.]

Subdivision 1. [CEASE AND DESIST.] (a) The commissioner may issue a cease and desist order to stop a person from violating or threatening to violate a statute, rule, or order which the office has issued or is empowered to enforce. The cease and desist order must state the reason for its issuance and give notice of the person's right to request a hearing under sections 14.57 to 14.62. If, within 15 days of service of the order, the subject of the order fails to request a hearing in writing, the order is the final order of the commissioner and is not reviewable by a court or agency.

(b) A hearing must be initiated by the office not later than 30 days from the date of the office's receipt of a written hearing request. Within 30 days of receipt of the administrative law judge's report, the commissioner shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the commissioner.

(c) When a request for a stay accompanies a timely hearing request, the commissioner may, in the commissioner's discretion, grant the stay. If the commissioner does not grant a requested stay, the commissioner shall refer the request to the office of administrative hearings within three working days of receipt of the request. Within ten days after receiving the request from the commissioner, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner shall grant or deny the stay within five days of receiving the administrative law judge's recommendation.

(d) In the event of noncompliance with a cease and desist order, the commissioner may institute a proceeding in Hennepin county district court to obtain injunctive relief or other appropriate relief, including a civil penalty payable to the office not exceeding \$10,000 for each separate violation.

Subd. 2. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, including the issuance of a cease and desist order under subdivision 1, the commissioner may in the commissioner's own name bring an action in Hennepin county district court for injunctive relief to restrain an unlicensed complementary and alternative health care practitioner from a violation or threatened violation of any statute, rule, or order which the commissioner is empowered to regulate, enforce, or issue. A temporary restraining order must be granted in the proceeding if continued activity by a practitioner would create a serious risk of harm to others. The commissioner need not show irreparable harm.

Subd. 3. [ADDITIONAL POWERS.] The issuance of a cease and desist order or injunctive relief granted under this section does not relieve a practitioner from criminal prosecution by a competent authority or from disciplinary action by the commissioner.

Sec. 13. [146A.11] [COMPLEMENTARY AND ALTERNATIVE HEALTH CARE CLIENT BILL OF RIGHTS.]

Subdivision 1. [SCOPE.] All unlicensed complementary and alternative health care practitioners shall provide to each complementary and alternative health care client prior to providing treatment a written copy of the complementary and alternative health care client bill of rights. A copy must also be posted in a prominent location in the office of the unlicensed complementary and alternative health care practitioner. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The complementary and alternative health care client bill of rights shall include the following:

(1) the name, title, business address, and telephone number of the unlicensed complementary and alternative health care practitioner;

(2) the degrees, training, experience, or other qualifications of the practitioner, followed by the following statement in bold print:

"THE STATE OF MINNESOTA HAS NOT ADOPTED ANY EDUCATIONAL AND TRAINING STANDARDS FOR UNLICENSED COMPLEMENTARY AND ALTERNATIVE HEALTH CARE PRACTITIONERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATION PURPOSES ONLY.

The practices of an unlicensed complementary and alternative health care practitioner do not constitute a diagnosis from a licensed physician, chiropractor, or acupuncture practitioner. If a client desires a diagnosis from a licensed physician, chiropractor, or acupuncture practitioner, or services from a physician, chiropractor, nurse, osteopath, physical therapist, dietitian, nutritionist, acupuncture practitioner, athletic trainer, or any other type of health care provider, the client may seek such services at any time."

(3) the name, business address, and telephone number of the practitioner's supervisor, if any;

(4) notice that a complementary and alternative health care client has the right to file a complaint with the practitioner's supervisor, if any, and the procedure for filing complaints;

(5) the name, address, and telephone number of the office of unlicensed complementary and alternative health care practice and notice that a client may file complaints with the office;

(6) the practitioner's fees per unit of service, the practitioner's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the practitioner, or health maintenance organizations with whom the practitioner contracts to provide service, whether the practitioner accepts Medicare, medical assistance, or general assistance medical care, and whether the practitioner is willing to accept partial payment, or to waive payment, and in what circumstances;

(7) a statement that the client has a right to reasonable notice of changes in services or charges;

(8) a brief summary, in plain language, of the theoretical approach used by the practitioner in treating patients;

(9) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended course of treatment, including the expected duration of treatment;

(10) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;

(11) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;

(12) a statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335;

(13) a statement that other services may be available in the community, including where information concerning services is available;

(14) a statement that the client has the right to choose freely among available practitioners and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;

(15) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;

(16) a statement that the client may refuse services or treatment, unless otherwise provided by law; and

(17) a statement that the client may assert the client's rights without retaliation.

Subd. 2. [ACKNOWLEDGMENT BY CLIENT.] Prior to the provision of any service, a complementary and alternative health care client must sign a written statement attesting that the client has received the complementary and alternative health care client bill of rights.

Sec. 14. Minnesota Statutes 1999 Supplement, section 147.09, is amended to read:

147.09 [EXEMPTIONS.]

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board, provided the student has a residency permit issued by the board under section 147.0391.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the department of children, families, and learning, or by any public or private school, college, or other bona fide educational institution, a nonprofit organization, which has tax-exempt status in accordance with the Internal Revenue Code, section 501(c)(3), and is organized and operated primarily for the purpose of conducting scientific research directed towards discovering the causes of and cures for human diseases, or the state department of health, whose duties are entirely of a research, public health, or educational character, while engaged in such duties; provided that if the research includes the study of humans, such research shall be conducted under the supervision of one or more physicians licensed under this chapter.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of \$50 for the registration.

(13) A psychologist licensed under section 148.907 or a social worker licensed under section 148B.21 who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.

(14) Any person issued a training course certificate or credentialed by the emergency medical services regulatory board established in chapter 144E, provided the person confines activities within the scope of training at the certified or credentialed level.

(15) An unlicensed complementary and alternative health care practitioner practicing according to chapter 146A.

Sec. 15. Minnesota Statutes 1999 Supplement, section 214.01, subdivision 2, is amended to read:

Subd. 2. [HEALTH-RELATED LICENSING BOARD.] "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the office of unlicensed complementary and alternative health care practice established pursuant to section 146A.02, the board of medical practice created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of physical therapy established pursuant to section 148.67, the board of psychology established pursuant to section 148.90, the board of social work pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the office of mental health practice established pursuant to section 148B.61, the alcohol and drug counselors licensing advisory council established pursuant to section 148C.02, the board of dietetics and nutrition practice established under section 148.622, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatric medicine established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 16. [REPORT TO THE LEGISLATURE.]

The commissioner of health shall report to the legislature by January 1, 2003, on the number and types of complaints received against unlicensed complementary and alternative health care practitioners pursuant to Minnesota Statutes, chapter 146A, the types of practitioners against whom complaints were filed, and the locations of the practitioners, the number of investigations conducted, and the number and types of enforcement actions completed. The report must be filed in accordance with Minnesota Statutes, sections 3.195 and 3.197.

Sec. 17. [EFFECTIVE DATE.]

This article is effective July 1, 2001.

ARTICLE 4

HUMAN SERVICES

Section 1. Minnesota Statutes 1999 Supplement, section 119B.011, subdivision 15, is amended to read:

Subd. 15. [INCOME.] "Income" means earned or unearned income received by all family members, including public assistance cash benefits and at-home infant care subsidy payments, unless specifically excluded and child support and maintenance distributed to the family under section 256.741, subdivision 15. The following are excluded from income: funds used to pay for health insurance premiums for family members, Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses; state and federal earned income tax credits; in-kind income such as food stamps, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies; earned income of full or part-time students, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment; grant awards under the family subsidy program; nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid; and any income assigned to the public authority according to section 256.74 or 256.741.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 2. Minnesota Statutes 1998, section 256.01, is amended by adding a subdivision to read:

Subd. 18. [IMMIGRATION STATUS VERIFICATIONS.] Notwithstanding any waiver of this requirement by the secretary of the United States Department of Health and Human Services, the commissioner shall utilize the Systematic Alien Verification for Entitlements (SAVE) program to conduct immigration status verifications:

(1) as required under United States Code, title 8, section 1642;

(2) for all applicants for food assistance benefits, whether under the federal food stamp program, the MFIP or work first program, or the Minnesota food assistance program;

(3) for all applicants for general assistance medical care, except assistance for an emergency medical condition, for immunization with respect to an immunizable disease, or for testing and treatment of symptoms of a communicable disease; and

(4) for all applicants for general assistance, Minnesota supplemental aid, MinnesotaCare, or group residential housing, when the benefits provided by these programs would fall under the definition of "federal public benefit" under United States Code, title 8, section 1642, if federal funds were used to pay for all or part of the benefits.

The commissioner shall report to the Immigration and Naturalization Service all undocumented persons who have been identified through application verification procedures or by the self-admission of an applicant for assistance. Reports made under this subdivision must comply with the requirements of section 411A of the Social Security Act, as amended, and United States Code, title 8, section 1644.

EFFECTIVE DATE: This section is effective July 1, 2000.

Sec. 3. Minnesota Statutes 1999 Supplement, section 256.019, is amended to read:

256.019 [RECOVERY OF MONEY; APPORTIONMENT.]

Subdivision 1. [RETENTION RATES.] When an assistance recovery amount is recovered from any source for assistance given collected and posted by a county agency under the provisions governing public assistance programs including the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, MFIP,

general assistance medical care, ~~emergency assistance~~, general assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery made by the county agency using any method other than recoupment. For medical assistance, if the recovery is made by a county agency using any method other than recoupment, the county may keep one-half of the nonfederal share of the recovery.

This does not apply to recoveries from medical providers or to recoveries begun by the department of human services' surveillance and utilization review division, state hospital collections unit, and the benefit recoveries division or, by the attorney general's office, or child support collections. In the food stamp program, the nonfederal share of recoveries in the federal tax ~~refund~~ offset program (~~FTROP~~) only will be divided equally between the state agency and the involved county agency.

Subd. 2. [RETENTION RATES FOR AFDC AND MFIP.] (a) When an assistance recovery amount is collected and posted by a county agency under the provisions governing the aid to families with dependent children program formerly codified in 1996 in sections 256.72 to 256.87 or MFIP under chapter 256J, the commissioner shall reimburse the county agency from the proceeds of the recovery using the applicable rate specified in paragraph (b) or (c).

(b) For recoveries of overpayments made on or before September 30, 1996, from the aid to families with dependent children program including the emergency assistance program, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.

(c) For recoveries of overpayments made after September 30, 1996, from the aid to families with dependent children including the emergency assistance program and programs funded in whole or in part by the temporary assistance to needy families program under section 256J.02, subdivision 2, and recoveries of nonfederally funded food assistance under section 256J.11, the commissioner shall reimburse the county agency at a rate of one-quarter of the recovery made by any method other than recoupment.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 4. Minnesota Statutes 1998, section 256.741, is amended by adding a subdivision to read:

Subd. 15. [CHILD SUPPORT DISTRIBUTION.] The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 5. Minnesota Statutes 1999 Supplement, section 256J.02, subdivision 2, is amended to read:

Subd. 2. [USE OF MONEY.] State money appropriated for purposes of this section and TANF block grant money must be used for:

- (1) financial assistance to or on behalf of any minor child who is a resident of this state under section 256J.12;
- (2) employment and training services under this chapter or chapter 256K;
- (3) emergency financial assistance and services under section 256J.48;
- (4) diversionary assistance under section 256J.47;
- (5) the health care and human services training and retention program under chapter 116L, for costs associated with families with children with incomes below 200 percent of the federal poverty guidelines;
- (6) the pathways program under section 116L.04, subdivision 1a;

(7) welfare-to-work extended employment services for MFIP participants with severe impairment to employment as defined in section 268A.15, subdivision 1a;

(8) the family homeless prevention and assistance program under section 462A.204;

(9) the rent assistance for family stabilization demonstration project under section 462A.205; ~~and~~

(10) reimbursements for the federal share of child support collections passed through to the custodial parent;

(11) programs and pilot projects under chapter 256K; and

(12) program administration under this chapter.

Sec. 6. Minnesota Statutes 1999 Supplement, section 256J.08, subdivision 86, is amended to read:

Subd. 86. [UNEARNED INCOME.] "Unearned income" means income received by a person that does not meet the definition of earned income. Unearned income includes income from a contract for deed, interest, dividends, reemployment compensation, disability insurance payments, veterans benefits, pension payments, return on capital investment, insurance payments or settlements, severance payments, child support and maintenance payments, and payments for illness or disability whether the premium payments are made in whole or in part by an employer or participant.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 7. Minnesota Statutes 1998, section 256J.15, is amended by adding a subdivision to read:

Subd. 3. [ELIGIBILITY AFTER CASE CLOSURE DUE TO NONCOMPLIANCE.] (a) An applicant who is a member of an assistance unit whose MFIP case was closed due to noncompliance under either section 256J.26, subdivision 1, paragraph (a), clause (2), item (ii), or 256J.46, subdivision 1, paragraph (b), clause (3), and who applies for MFIP assistance within six months of the date of the case closure is considered to be a new applicant unit for purposes of the property limitations under section 256J.20 and the payment of assistance provisions under section 256J.24, subdivision 8. The county agency must also use the initial income test under section 256J.21, subdivision 3, in determining the applicant's eligibility for assistance.

(b) Notwithstanding section 256J.24, subdivisions 5 to 7 and 9, for an applicant who is eligible for MFIP under this subdivision, for each of the first three months on MFIP the assistance unit's grant shall be reduced by ten percent of the applicable MFIP standard of need for an assistance unit of the same size, with the residual amount of the grant paid to the assistance unit.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 8. Minnesota Statutes 1999 Supplement, section 256J.21, subdivision 2, is amended to read:

Subd. 2. [INCOME EXCLUSIONS.] (a) The following must be excluded in determining a family's available income:

(1) payments for basic care, difficulty of care, and clothing allowances received for providing family foster care to children or adults under Minnesota Rules, parts 9545.0010 to 9545.0260 and 9555.5050 to 9555.6265, and payments received and used for care and maintenance of a third-party beneficiary who is not a household member;

(2) reimbursements for employment training received through the Job Training Partnership Act, United States Code, title 29, chapter 19, sections 1501 to 1792b;

(3) reimbursement for out-of-pocket expenses incurred while performing volunteer services, jury duty, employment, or informal carpooling arrangements directly related to employment;

(4) all educational assistance, except the county agency must count graduate student teaching assistantships, fellowships, and other similar paid work as earned income and, after allowing deductions for any unmet and necessary educational expenses, shall count scholarships or grants awarded to graduate students that do not require teaching or research as unearned income;

(5) loans, regardless of purpose, from public or private lending institutions, governmental lending institutions, or governmental agencies;

(6) loans from private individuals, regardless of purpose, provided an applicant or participant documents that the lender expects repayment;

(7)(i) state income tax refunds; and

(ii) federal income tax refunds;

(8)(i) federal earned income credits;

(ii) Minnesota working family credits;

(iii) state homeowners and renters credits under chapter 290A; and

(iv) federal or state tax rebates;

(9) funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made by public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency, state or local government, or disaster assistance organizations, subsequent to a presidential declaration of disaster;

(10) the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property;

(11) reimbursements for medical expenses that cannot be paid by medical assistance;

(12) payments by a vocational rehabilitation program administered by the state under chapter 268A, except those payments that are for current living expenses;

(13) in-kind income, including any payments directly made by a third party to a provider of goods and services;

(14) assistance payments to correct underpayments, but only for the month in which the payment is received;

(15) emergency assistance payments;

(16) funeral and cemetery payments as provided by section 256.935;

(17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month;

(18) any form of energy assistance payment made through Public Law Number 97-35, Low-Income Home Energy Assistance Act of 1981, payments made directly to energy providers by other public and private agencies, and any form of credit or rebate payment issued by energy providers;

- (19) Supplemental Security Income, including retroactive payments;
- (20) Minnesota supplemental aid, including retroactive payments;
- (21) proceeds from the sale of real or personal property;
- (22) adoption assistance payments under section 259.67;
- (23) state-funded family subsidy program payments made under section 252.32 to help families care for children with mental retardation or related conditions, consumer support grant funds under section 256.476, and resources and services for a disabled household member under one of the home and community-based waiver services programs under chapter 256B;
- (24) interest payments and dividends from property that is not excluded from and that does not exceed the asset limit;
- (25) rent rebates;
- (26) income earned by a minor caregiver, minor child through age 6, or a minor child who is at least a half-time student in an approved elementary or secondary education program;
- (27) income earned by a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program;
- (28) MFIP child care payments under section 119B.05;
- (29) all other payments made through MFIP to support a caregiver's pursuit of greater self-support;
- (30) income a participant receives related to shared living expenses;
- (31) reverse mortgages;
- (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790;
- (33) benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786;
- (34) benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e;
- (35) relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj;
- (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322;
- (37) war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d;
- (38) payments to veterans or their dependents as a result of legal settlements regarding Agent Orange or other chemical exposure under Public Law Number 101-239, section 10405, paragraph (a)(2)(E);

(39) income that is otherwise specifically excluded from MFIP consideration in federal law, state law, or federal regulation;

(40) security and utility deposit refunds;

(41) American Indian tribal land settlements excluded under Public Law Numbers 98-123, 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations and payments to members of the White Earth Band, under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

(42) all income of the minor parent's parents and stepparents when determining the grant for the minor parent in households that include a minor parent living with parents or stepparents on MFIP with other children; and

(43) income of the minor parent's parents and stepparents equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child in households that include a minor parent living with parents or stepparents not on MFIP when determining the grant for the minor parent. The remainder of income is deemed as specified in section 256J.37, subdivision 1b;

(44) payments made to children eligible for relative custody assistance under section 257.85;

(45) vendor payments for goods and services made on behalf of a client unless the client has the option of receiving the payment in cash; and

(46) the principal portion of a contract for deed payment.

Sec. 9. Minnesota Statutes 1999 Supplement, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. [PERSON CONVICTED OF DRUG OFFENSES.] (a) Applicants or participants who have been convicted of a drug offense committed after July 1, 1997, may, if otherwise eligible, receive MFIP benefits subject to the following conditions:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant shall be subject to random drug testing as a condition of continued eligibility and following any positive test for an illegal controlled substance is subject to the following sanctions:

(i) for failing a drug test the first time, the ~~participant's grant shall be reduced by ten percent of the MFIP standard of need, prior to making vendor payments for shelter and utility costs; or~~

~~(ii) for failing a drug test two or more times, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need; or~~

(ii) for failing a drug test two times, the assistance unit's MFIP case must be closed, for both the cash and food portions of MFIP assistance. This case closure must be in effect for a minimum of one month. A county may not impose a case closure under this provision unless the county first follows the requirements of section 256J.46, subdivision 1, paragraph (e).

(3) A participant who fails ~~an initial~~ a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance, and is subject to the applicable level of sanction in clause (2)(ii) as specified under section 256J.46, subdivision 1, paragraph (b).

(b) Applicants requesting only food stamps or participants receiving only food stamps, who have been convicted of a drug offense that occurred after July 1, 1997, may, if otherwise eligible, receive food stamps if the convicted applicant or participant is subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions:

(1) for failing a drug test the first time, food stamps shall be reduced by ten percent of the applicable food stamp allotment; and

(2) for failing a drug test two or more times, food stamps shall be reduced by an amount equal to 30 percent of the applicable food stamp allotment.

(c) For the purposes of this subdivision, "drug offense" means an offense that occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred after July 1, 1997, and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 10. Minnesota Statutes 1998, section 256J.32, is amended by adding a subdivision to read:

Subd. 7a. [REQUIREMENT TO REPORT TO IMMIGRATION AND NATURALIZATION SERVICES.] Notwithstanding subdivision 7, the commissioner shall report to the Immigration and Naturalization Services all undocumented persons who have been identified through application verification procedures or by the self-admission of an applicant for assistance. Reports made under this subdivision must comply with the requirements of section 411A of the Social Security Act, as amended, and United States Code, title 8, section 1644.

Sec. 11. Minnesota Statutes 1999 Supplement, section 256J.33, subdivision 4, is amended to read:

Subd. 4. [MONTHLY INCOME TEST.] A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

(1) gross earned income from employment, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36, unless the employment income is specifically excluded under section 256J.21, subdivision 2;

(2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;

(3) unearned income after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36, unless the income has been specifically excluded in section 256J.21, subdivision 2;

(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support and spousal support received ~~or anticipated to be received~~ by an assistance unit;

(6) the income of a parent when that parent is not included in the assistance unit;

- (7) the income of an eligible relative and spouse who seek to be included in the assistance unit; and
- (8) the unearned income of a minor child included in the assistance unit.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 12. Minnesota Statutes 1999 Supplement, section 256J.34, subdivision 1, is amended to read:

Subdivision 1. [PROSPECTIVE BUDGETING.] A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

~~(d) The county agency must budget the child support income received or anticipated to be received by an assistance unit to determine the assistance payment amount from the month of application through the date in which MFIP eligibility is determined and assistance is authorized. Child support income which has been budgeted to determine the assistance payment in the initial two months is considered nonrecurring income. An assistance unit must forward any payment of child support to the child support enforcement unit of the county agency following the date in which assistance is authorized.~~

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 13. Minnesota Statutes 1999 Supplement, section 256J.34, subdivision 4, is amended to read:

Subd. 4. [SIGNIFICANT CHANGE IN GROSS INCOME.] The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action. ~~Supplementary assistance payments due to a significant change in the amount of direct support received must not be made after the date the assistance unit is required to forward support to the child support enforcement unit under subdivision 1, paragraph (d).~~

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 14. Minnesota Statutes 1998, section 256J.40, is amended to read:

256J.40 [FAIR HEARINGS.]

Subdivision 1. [FAIR HEARING PROCESS.] Caregivers receiving a notice of intent to sanction or a notice of adverse action that includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or termination of benefits may request a fair hearing. A request for a fair hearing must be submitted in writing to the county agency or to the commissioner and must be mailed within 30 days after a participant or former participant receives written notice of the agency's action or within 90 days when a participant or former participant shows good cause for not submitting the request within 30 days. A former participant who receives a notice of adverse action due to an overpayment may appeal the adverse action according to the requirements in this section. Issues that may be appealed are:

- (1) the amount of the assistance payment;
- (2) a suspension, reduction, denial, or termination of assistance;
- (3) the basis for an overpayment, the calculated amount of an overpayment, and the level of recoupment;
- (4) the eligibility for an assistance payment; and
- (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses (1) to (3).

A county agency must not reduce, suspend, or terminate payment when an aggrieved participant requests a fair hearing prior to the effective date of the adverse action or within ten days of the mailing of the notice of adverse action, whichever is later, unless the participant requests in writing not to receive continued assistance pending a hearing decision. Assistance issued pending a fair hearing is subject to recovery under section 256J.38 when as a result of the fair hearing decision the participant is determined ineligible for assistance or the amount of the assistance received. A county agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the participant change and are not related to the issue on appeal. The commissioner's order is binding on a county agency. No additional notice is required to enforce the commissioner's order.

A county agency shall reimburse appellants for reasonable and necessary expenses of attendance at the hearing, such as child care and transportation costs and for the transportation expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings must be conducted at a reasonable time and date by an impartial referee employed by the department. The hearing may be conducted by telephone or at a site that is readily accessible to persons with disabilities.

The appellant may introduce new or additional evidence relevant to the issues on appeal. Recommendations of the appeals referee and decisions of the commissioner must be based on evidence in the hearing record and are not limited to a review of the county agency action.

Subd. 2. [EXCEPTION; AUTOMATIC HEARING.] No written request is required to initiate a fair hearing under subdivision 1 if the participant is otherwise subject to case closure due to noncompliance under section 256J.46, subdivision 1, paragraph (b), clause (3).

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 15. Minnesota Statutes 1998, section 256J.45, subdivision 3, is amended to read:

Subd. 3. [GOOD CAUSE EXEMPTIONS FOR NOT ATTENDING ORIENTATION.] (a) The county agency shall not impose the sanction under section 256J.46 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

- (1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child or adult in the household who meets the disability or medical criteria for home care services under section 256B.0627, subdivision 1, paragraph (c) or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), good cause also exists when an interruption in the provision of those services occurs which prevents the participant from attending orientation;

(4) the caregiver is unable to secure necessary transportation;

(5) the caregiver is in an emergency situation that prevents orientation attendance;

(6) the orientation conflicts with the caregiver's work, training, or school schedule; or

(7) the caregiver documents other verifiable impediments to orientation attendance beyond the caregiver's control.

(b) Counties must work with clients to provide child care and transportation necessary to ensure a caregiver has every opportunity to attend orientation.

Sec. 16. Minnesota Statutes 1999 Supplement, section 256J.46, subdivision 1, is amended to read:

Subdivision 1. [SANCTIONS FOR PARTICIPANTS NOT COMPLYING WITH PROGRAM REQUIREMENTS.] (a) A participant who fails without good cause to comply with the requirements of this chapter, and who is not subject to a sanction under subdivision 2, shall be subject to a sanction as provided in this subdivision.

For purposes of this section, an occurrence of noncompliance means a failure by a participant, without good cause, to comply with the requirements of this chapter. Each month that a participant in an assistance unit fails to comply with a requirement of this chapter shall be considered a separate occurrence of noncompliance for which the assistance unit's grant must be sanctioned as provided in this section. In applying a sanction to a two-parent assistance unit, each occurrence of noncompliance by either participant shall be considered a separate occurrence of noncompliance for which the assistance unit is subject to sanction.

A sanction under this subdivision becomes effective the month following the month in which a required notice is given. A sanction must not be imposed when a participant comes into compliance with the requirements for orientation under section 256J.45 or third-party liability for medical services under section 256J.30, subdivision 10, prior to the effective date of the sanction. A sanction must not be imposed when a participant comes into compliance with the requirements for employment and training services under sections 256J.49 to 256J.72 ten days prior to the effective date of the sanction. ~~For purposes of this subdivision, each month that a participant fails to comply with a requirement of this chapter shall be considered a separate occurrence of noncompliance.~~ A participant who has had one or more sanctions imposed must remain in compliance with the provisions of this chapter for six months in order for a subsequent occurrence of noncompliance to be considered a first occurrence.

(b) Sanctions for noncompliance shall be imposed as follows:

(1) For the first occurrence of noncompliance by a participant in ~~a single-parent household or by one participant in a two-parent household~~ an assistance unit, the assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an assistance unit of the same size with the residual grant paid to the participant. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that the participant returns to compliance.

(2) For a second ~~or subsequent, third, fourth, or fifth~~ occurrence of noncompliance, ~~or when both participants in a two-parent household are out of compliance at the same time~~, the assistance unit's shelter costs shall be vendor paid up to the amount of the cash portion of the MFIP grant for which the ~~participant's~~ assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and shall be removed in the month following the month that ~~a~~ the participant in a one-parent ~~household~~ assistance unit returns to compliance. In a two-parent ~~household~~ assistance unit, the grant reduction must be in effect for a minimum of one month and shall be removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and, if applicable, utilities shall be removed six months after the month in which the participant or participants return to compliance.

(3) For a sixth occurrence of noncompliance, the assistance unit's MFIP case must be closed, for both the cash and food portions of MFIP assistance. This case closure must be in effect for a minimum of one full month. A county may not impose a case closure under this clause before an automatic fair hearing is held as required by section 256J.40, subdivision 2. The hearing may only be waived in writing. If a participant waives the right to this hearing, or the participant or the participant's representative fails to appear at the hearing, the case closure must be imposed.

~~(c) No later than during the second month that~~ Before a sanction under paragraph (b), clause (2), is in effect due to noncompliance with employment services (1), ~~may be imposed~~, the participant's case file must be reviewed to determine if: job counselor must initiate personal contact with the participant by attempting to have either a personal meeting or a telephone conversation with the participant. The job counselor shall thoroughly review the exemption categories and good cause exception categories to determine if the participant falls under one or more of these categories. The participant's case file must also be reviewed by county staff or employment and training service provider staff other than the participant's current job counselor to determine if:

(i) the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (16);

(ii) the participant qualifies for a good cause exception under section 256J.57; or

(iii) the participant qualifies for an exemption under section 256J.56.

If the lack of an identified activity can explain the noncompliance, the county must work with the participant to provide the identified activity, and the county must restore the participant's grant amount to the full amount for which the assistance unit is eligible. The grant must be restored retroactively to the first day of the month in which the participant was found to lack preemployment activities or to qualify for an exemption or good cause exception.

If the participant is found to qualify for a good cause exception or an exemption, the county must restore the participant's grant to the full amount for which the assistance unit is eligible.

(d) At the county agency's option, the provisions of this paragraph may be followed in place of the provisions in paragraph (e). During the month that a sanction is in effect for a second occurrence of noncompliance, the participant may be offered a face-to-face intervention in the participant's home by a county representative who is knowledgeable about family intervention strategies. During this intervention the participant's needs and possible reasons for noncompliance must be assessed, and an identification of existing resources that could be used to assist the participant to return to compliance must be made. The information gathered during this intervention must be reported to the participant's job counselor, along with any recommendations for referrals to existing resources or modifications to the activities in the participant's approved plan under section 256J.52. The county representative who conducts the intervention required under this paragraph may be an existing county staff person, staff from a nonprofit agency, or a trained paraprofessional.

(e) Before a sanction may be imposed under paragraph (b), clause (2), for a second occurrence of noncompliance, the participant's case must be reviewed by the county agency. If this review confirms that the sanction process under this subdivision has been appropriately implemented, the county must attempt to contact the participant, through a written notice and by telephone, to offer a face-to-face meeting with county staff or employment and training service provider staff, unless the participant received a face-to-face meeting as part of the personal contact and case file review provisions under paragraph (c). If the participant received a face-to-face meeting under paragraph (c), the county must meet the requirements in this paragraph as a case file review, but no additional face-to-face meeting with the participant is required.

If the participant does not respond to the written notice and cannot be reached by phone, a county representative must attempt to visit the participant at the participant's home before imposing the sanction under paragraph (b), clause (2).

The face-to-face meeting must be conducted by staff other than the participant's current job counselor. At this meeting the participant's plan and the continued noncompliance must be reviewed, and the staff must:

(1) identify the specific requirements the participant is not complying with and what the participant must do to comply;

(2) determine if the participant qualifies for a good cause exception under section 256J.57;

(3) determine if the participant qualifies for an exemption under section 256J.56;

(4) seek to determine the appropriateness of the activities in the participant's plan;

(5) explain what will happen if the participant continues to remain out of compliance with program requirements;

(6) identify other resources that may be available to meet the needs of the participant's family; and

(7) inform the participant of the right to appeal the sanction under section 256J.40, subdivision 1.

All contacts with the participant and attempts to contact the participant regarding the sanction must be documented in the case file. If the participant is found to qualify for a good cause exception or an exemption, the county must restore the participant's grant to the full amount for which the assistance unit is eligible. If one or more of the activities in the participant's plan is no longer appropriate, the plan must be revised to reflect that determination, and the sanction under paragraph (b), clause (2), may not be imposed. If the participant does not respond to the county's efforts to establish face-to-face contact, or when contacted chooses not to comply with the program's requirements and does not qualify for a good cause exception or an exemption, the sanction under paragraph (b), clause (2), must be imposed.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 17. Minnesota Statutes 1999 Supplement, section 256J.46, subdivision 2, is amended to read:

Subd. 2. [SANCTIONS FOR REFUSAL TO COOPERATE WITH SUPPORT REQUIREMENTS.] An MFIP caregiver whose only noncompliance with a program requirement is due to noncooperation with support requirements under section 256.741 is not subject to sanction as specified in subdivision 1. The grant of an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, shall be subject to sanction as specified in this subdivision. The assistance unit's grant must be reduced by 25 percent of the applicable MFIP standard of need. The residual amount of the grant, if any, must be paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction must not be imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction

shall be removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 must be considered a separate occurrence of noncompliance. An MFIP caregiver who has had one or more sanctions imposed under this subdivision must remain in compliance with the requirements of section 256.741 for six months in order for a subsequent sanction to be considered a first occurrence.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 18. Minnesota Statutes 1999 Supplement, section 256J.46, subdivision 2a, is amended to read:

Subd. 2a. [DUAL SANCTIONS.] (a) Notwithstanding the provisions of subdivisions 1 and 2, for a participant subject to a sanction for refusal to comply with child support requirements under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other program requirements under subdivision 1, sanctions shall be imposed in the manner prescribed in this subdivision.

A participant who has had one or more sanctions imposed under this subdivision must remain in compliance with the provisions of this chapter for six months in order for a subsequent occurrence of noncompliance to be considered a first occurrence. Any vendor payment of shelter costs or utilities under this subdivision must remain in effect for six months after the month in which the participant is no longer subject to sanction under subdivision 1.

(b) If the participant was subject to sanction ~~for:~~

~~(i) noncompliance under subdivision 1 before being subject to sanction for noncooperation under subdivision 2;~~
or

~~(ii) noncooperation under subdivision 2 before being subject to sanction for noncompliance under subdivision 1;~~

under either subdivision 1 or 2 before being subject to sanction under the other of those subdivisions, the participant shall be sanctioned as provided in subdivision 1, paragraph (b), ~~clause clauses (2) and (3)~~, and the requirement that the county conduct a review as specified in subdivision 1, paragraph (c), remains in effect.

(c) A participant who first becomes subject to sanction under both subdivisions 1 and 2 in the same month is subject to sanction as follows:

(i) in the first month of noncompliance and noncooperation, the participant's grant must be reduced by 25 percent of the applicable MFIP standard of need, with any residual amount paid to the participant;

(ii) in the second and subsequent months of noncompliance and noncooperation, the participant shall be sanctioned as provided in subdivision 1, paragraph (b), ~~clause clauses (2) and (3)~~.

The requirement that the county conduct a review as specified in subdivision 1, paragraph (c), remains in effect.

(d) A participant remains subject to sanction under subdivision 2 if the participant:

(i) returns to compliance and is no longer subject to sanction under subdivision 1; or

(ii) has the sanction under subdivision 1, paragraph (b), removed upon completion of the review under subdivision 1, paragraph (c).

A participant remains subject to sanction under subdivision 1, paragraph (b), if the participant cooperates and is no longer subject to sanction under subdivision 2.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 19. Minnesota Statutes 1998, section 256J.46, is amended by adding a subdivision to read:

Subd. 3. [SANCTION STATUS AFTER CASE CLOSURE DUE TO NONCOMPLIANCE.] An applicant whose MFIP case was closed due to noncompliance under subdivision 1, paragraph (b), clause (3), who applies for MFIP assistance within six months of the date of the case closure, and who is determined to be eligible for MFIP assistance, is considered to have a first occurrence of noncompliance under subdivision 1. The applicant must remain in compliance with the provisions of this chapter in order for a subsequent occurrence of noncompliance to be considered a first occurrence.

EFFECTIVE DATE: This section is effective January 1, 2001.

Sec. 20. Minnesota Statutes 1998, section 256J.47, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A family is eligible to receive diversionary assistance once every ~~36~~ 12 months if:

- (1) a family member has resided in this state for at least 30 days;
- (2) the caregiver provides verification that the caregiver has either experienced an unexpected occurrence that makes it impossible to retain or obtain employment or the caregiver has a temporary loss of income, which is not due to refusing to accept or terminating suitable employment as defined in section 256J.49, without good cause under section 256J.57, resulting in an emergency;
- (3) the caregiver is at risk of MFIP-S eligibility if diversionary assistance is not provided and household income is below ~~140~~ 200 percent of the federal poverty guidelines; and
- (4) the diversionary assistance will resolve the emergency and divert the family from applying for MFIP-S.

For purposes of this section, diversionary assistance means a one-time lump-sum payment to an individual or third-party vendor to prevent long-term receipt of public assistance.

Sec. 21. Minnesota Statutes 1998, section 256J.49, subdivision 13, is amended to read:

Subd. 13. [WORK ACTIVITY.] "Work activity" means any activity in a participant's approved employment plan that is tied to the participant's employment goal. For purposes of the ~~MFIP-S~~ MFIP program, any activity that is included in a participant's approved employment plan meets the definition of work activity as counted under the federal participation standards. Work activity includes, but is not limited to:

- (1) unsubsidized employment;
- (2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69;
- (3) work experience, including CWEP as specified in section 256J.67, and including work associated with the refurbishing of publicly assisted housing if sufficient private sector employment is not available;
- (4) on-the-job training as specified in section 256J.66;
- (5) job search, either supervised or unsupervised;
- (6) job readiness assistance;
- (7) job clubs, including job search workshops;

- (8) job placement;
- (9) job development;
- (10) job-related counseling;
- (11) job coaching;
- (12) job retention services;
- (13) job-specific training or education;
- (14) job skills training directly related to employment;
- (15) the self-employment investment demonstration (SEID), as specified in section 256J.65;
- (16) preemployment activities, based on availability and resources, such as volunteer work, literacy programs and related activities, citizenship ~~and classes~~, English as a second language (ESL) classes as limited by the provisions of section 256J.52, subdivisions 3, paragraph (d), and 5, paragraph (c), or participation in dislocated worker services, chemical dependency treatment, mental health services, peer group networks, displaced homemaker programs, strength-based resiliency training, parenting education, or other programs designed to help families reach their employment goals and enhance their ability to care for their children;
- (17) community service programs;
- (18) vocational educational training or educational programs that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;
- (19) apprenticeships;
- (20) satisfactory attendance in general educational development diploma classes or an adult diploma program;
- (21) satisfactory attendance at secondary school, if the participant has not received a high school diploma;
- (22) adult basic education classes;
- (23) internships;
- (24) bilingual employment and training services;
- (25) providing child care services to a participant who is working in a community service program; and
- (26) activities included in a safety plan that is developed under section 256J.52, subdivision 6.

Sec. 22. Minnesota Statutes 1998, section 256J.50, subdivision 5, is amended to read:

- Subd. 5. [PARTICIPATION REQUIREMENTS FOR SINGLE-PARENT AND TWO-PARENT ALL CASES.]
- (a) ~~A county must establish a uniform schedule for requiring participation by single parents. Mandatory participation must be required within six months of eligibility for cash assistance.~~ For two-parent all cases, participation is required concurrent with the receipt of ~~MFIP-S~~ MFIP cash assistance.
- (b) Beginning January 1, 1998, with the exception of caregivers required to attend high school under the provisions of section 256J.54, subdivision 5, MFIP caregivers, upon completion of the secondary assessment, must develop an employment plan and participate in work activities.

(c) Upon completion of the secondary assessment:

(1) In single-parent families with no children under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 to 35 hours per week of work activities for the period January 1, 1998, to September 30, 1998; 25 to 35 hours of work activities per week in federal fiscal year 1999; and 30 to 35 hours per week of work activities in federal fiscal year 2000 and thereafter.

(2) In single-parent families with a child under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 to 35 hours per week of work activities.

(3) In two-parent families, the job counselor and the caregivers must develop employment plans which result in a combined total of at least 55 hours per week of work activities.

Sec. 23. Minnesota Statutes 1998, section 256J.50, subdivision 7, is amended to read:

Subd. 7. [LOCAL SERVICE UNIT PLAN.] (a) Each local or county service unit shall prepare and submit a plan as specified in section 268.88.

(b) The plan must include a description of how projects funded under the local intervention grants for self-sufficiency in section 256J.625, subdivisions 2 and 3, operate in the local service unit, including:

(1) the target populations of hard-to-employ participants and working participants in need of job retention and wage advancement services, with a description of how individual participant needs will be met;

(2) services that will be provided which may include paid work experience, enhanced mental health services, outreach to sanctioned families, child care for social services, child care transition year set-aside, homeless and housing advocacy, and transportation;

(3) projected expenditures by activity;

(4) anticipated program outcomes including the anticipated impact the intervention efforts will have on performance measures under section 256J.751 and on reducing the number of MFIP participants expected to reach their 60-month time limit; and

(5) a description of services that are provided or will be provided to MFIP participants affected by chemical dependency, mental health issues, learning disabilities, or family violence.

Each plan must demonstrate how the county or tribe is working within its organization and with other organizations in the community to serve hard-to-employ populations, including how organizations in the community were engaged in planning for use of these funds, services other entities will provide under the plan, and whether multicounty or regional strategies are being implemented as part of this plan.

(c) Activities and expenditures in the plan must enhance or supplement MFIP activities without supplanting existing activities and expenditures. However, this paragraph does not require a county to maintain either:

(1) its current provision of child care assistance to MFIP families through the expenditure of county resources under chapter 256E for social services child care assistance if funds are appropriated by another law for an MFIP social services child care pool;

(2) its current provision of transition-year child care assistance through the expenditure of county resources if funds are appropriated by another law for this purpose; or

(3) its current provision of intensive ESL programs through the expenditure of county resources if funds are appropriated by another law for intensive ESL grants.

(d) The plan required under this subdivision must be approved before the local or county service unit is eligible to receive funds under section 256J.625, subdivisions 2 and 3.

Sec. 24. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 3, is amended to read:

Subd. 3. [JOB SEARCH; JOB SEARCH SUPPORT PLAN.] (a) If, after the initial assessment, the job counselor determines that the participant possesses sufficient skills that the participant is likely to succeed in obtaining suitable employment, the participant must conduct job search for a period of up to eight weeks, for at least 30 hours per week. The participant must accept any offer of suitable employment. Upon agreement by the job counselor and the participant, a job search support plan may limit a job search to jobs that are consistent with the participant's employment goal. The job counselor and participant must develop a job search support plan which specifies, at a minimum: whether the job search is to be supervised or unsupervised; support services that will be provided while the participant conducts job search activities; the courses necessary to obtain certification or licensure, if applicable, and after obtaining the license or certificate, the client must comply with subdivision 5; and how frequently the participant must report to the job counselor on the status of the participant's job search activities. The job search support plan may also specify that the participant fulfill ~~a specified portion~~ no more than half of the required hours of job search through attending adult basic education or English as a second language classes.

(b) During the eight-week job search period, either the job counselor or the participant may request a review of the participant's job search plan and progress towards obtaining suitable employment. If a review is requested by the participant, the job counselor must concur that the review is appropriate for the participant at that time. If a review is conducted, the job counselor may make a determination to conduct a secondary assessment prior to the conclusion of the job search.

(c) Failure to conduct the required job search, to accept any offer of suitable employment, to develop or comply with a job search support plan, or voluntarily quitting suitable employment without good cause results in the imposition of a sanction under section 256J.46. If at the end of eight weeks the participant has not obtained suitable employment, the job counselor must conduct a secondary assessment of the participant under subdivision 3.

(d) In order for an English as a second language (ESL) class to be an approved work activity, a participant must be below a spoken language proficiency level of SPL5 or its equivalent, as measured by a nationally recognized test. A participant may not be approved for more than a total of 24 months of ESL activities while participating in the employment and training services component of MFIP. In approving ESL as a work activity, the job counselor must give preference to enrollment in an intensive ESL program, if one is available, over a regular ESL program.

Sec. 25. Minnesota Statutes 1999 Supplement, section 256J.52, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT PLAN; CONTENTS.] (a) Based on the secondary assessment under subdivision 4, the job counselor and the participant must develop an employment plan for the participant that includes specific activities that are tied to an employment goal and a plan for long-term self-sufficiency, and that is designed to move the participant along the most direct path to unsubsidized employment. The employment plan must ~~list the specific steps that will be taken to obtain employment and a timetable for completion of each of the steps.:~~

(1) take into consideration the participant's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, and child care and other supportive service needs;

(2) be based on available resources and employment opportunities;

(3) specify the services to be provided by the employment and training service provider or other providers to be utilized by the participant;

(4) specify the work activities under section 256J.49, subdivision 13, in which the participant will participate;

(5) specify the provision of necessary supportive services such as child care and transportation assistance and skill development activities;

(6) reflect an effort to arrange mandatory activities so that those activities do not interfere with the participant's access to available English as a second language classes or adult basic education classes, and to the extent possible, reflect the preferences of the participant;

(7) include a written agreement between the employment and training provider and the participant that outlines a reasonable schedule for completing the plan, including specific completion deadlines; and

(8) specify the participant's long-term employment goal that will lead to self-sufficiency and how the participant will move to unsubsidized employment. A participant must be counseled to set realistic goals which take into account the long term needs of the participant and the participant's family. Upon agreement by the job counselor and the participant, the employment plan may limit a job search to jobs that are consistent with the participant's employment goal.

(b) As part of the development of the participant's employment plan, the participant shall have the option of selecting from among the vendors or resources that the job counselor determines will be effective in supplying one or more of the services necessary to meet the employment goals specified in the participant's plan. In compiling the list of vendors and resources that the job counselor determines would be effective in meeting the participant's employment goals, the job counselor must determine that adequate financial resources are available for the vendors or resources ultimately selected by the participant.

(c) In order for an English as a second language (ESL) class to be an approved work activity, a participant must be below a spoken language proficiency level of SPL5 or its equivalent, as measured by a nationally recognized test. A participant may not be approved for more than a total of 24 months of ESL activities while participating in the employment and training services component of MFIP. In approving ESL as a work activity, the job counselor must give preference to enrollment in an intensive ESL program, if one is available, over a regular ESL program.

(d) The job counselor and the participant must sign the developed plan to indicate agreement between the job counselor and the participant on the contents of the plan.

Sec. 26. Minnesota Statutes 1998, section 256J.52, is amended by adding a subdivision to read:

Subd. 5b. [EMPLOYMENT ACTIVITIES REQUIRED.] The job counselor must ensure that, by the fourth month of participation in the employment and training services component, at least half of a participant's required hours of work activities are met through one or a combination of the activities listed in section 256J.49, subdivision 13, clause (1), (2), (3), (4), (19), or (23).

Sec. 27. Minnesota Statutes 1999 Supplement, section 256J.56, is amended to read:

256J.56 [EMPLOYMENT AND TRAINING SERVICES COMPONENT; EXEMPTIONS.]

(a) An MFIP caregiver is exempt from the requirements of sections 256J.52 to 256J.55 if the caregiver belongs to any of the following groups:

(1) individuals who are age 60 or older;

(2) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment. Persons in this category with a temporary illness, injury, or incapacity must be reevaluated at least quarterly;

(3) caregivers whose presence in the home is required because of the professionally certified illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household;

(4) women who are pregnant, if the pregnancy has resulted in a professionally certified incapacity that prevents the woman from obtaining or retaining employment;

(5) caregivers of a child under the age of one year who personally provide full-time care for the child. This exemption may be used for only 12 months in a lifetime. In two-parent households, only one parent or other relative may qualify for this exemption;

(6) individuals who are single parents, or one parent in a two-parent family, employed at least 35 hours per week;

(7) individuals experiencing a personal or family crisis that makes them incapable of participating in the program, as determined by the county agency. If the participant does not agree with the county agency's determination, the participant may seek professional certification, as defined in section 256J.08, that the participant is incapable of participating in the program.

Persons in this exemption category must be reevaluated every 60 days; ~~or~~

(8) second parents in two-parent families employed for 20 or more hours per week, provided the first parent is employed at least 35 hours per week; or

(9) caregivers with a child or adult in the household who meets the disability or medical criteria for home care services under section 256B.0627, subdivision 1, paragraph (c) or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c). Caregivers in this exemption category are presumed to be prevented from obtaining or retaining employment.

A caregiver who is exempt under clause (5) must enroll in and attend an early childhood and family education class, a parenting class, or some similar activity, if available, during the period of time the caregiver is exempt under this section. Notwithstanding section 256J.46, failure to attend the required activity shall not result in the imposition of a sanction.

(b) The county agency must provide employment and training services to MFIP caregivers who are exempt under this section, but who volunteer to participate. Exempt volunteers may request approval for any work activity under section 256J.49, subdivision 13. The hourly participation requirements for nonexempt caregivers under section 256J.50, subdivision 5, do not apply to exempt caregivers who volunteer to participate.

Sec. 28. [256J.625] [LOCAL INTERVENTION GRANTS FOR SELF-SUFFICIENCY.]

Subdivision 1. [ESTABLISHMENT; GUARANTEED MINIMUM ALLOCATION.] (a) The commissioner shall make grants under this subdivision to assist county and tribal TANF programs to more effectively serve hard-to-employ MFIP participants. Funds appropriated for local intervention grants for self-sufficiency must be allocated first in amounts equal to the guaranteed minimum in paragraph (b), and second according to the provisions of subdivision 2. Any remaining funds must be allocated according to the formula in subdivision 3. Counties or tribes must have an approved local service unit plan under section 256J.50, subdivision 7, paragraph (b), in order to receive and expend funds under subdivisions 2 and 3.

(b) Each county or tribal program shall receive a guaranteed minimum annual allocation of \$25,000.

Subd. 2. [SET-ASIDE FUNDS.] (a) Of the funds appropriated for grants under this section, after the allocation in subdivision 1, paragraph (b), is made, 20 percent of the remaining funds each year shall be retained by the commissioner and awarded to counties or tribes whose approved plans demonstrate additional need based on their

identification of hard-to-employ families and working participants in need of job retention and wage advancement services, strong anticipated outcomes for families and an effective plan for monitoring performance, or, use of a multicounty, multi-entity or regional approach to serve hard-to-employ families and working participants in need of job retention and wage advancement services who are identified as a target population to be served in the plan submitted under section 256J.50, subdivision 7, paragraph (b). In distributing funds under this paragraph, the commissioner must achieve a geographic balance. The commissioner may award funds under this paragraph to other public, private, or nonprofit entities to deliver services in a county or region where the entity or entities submit a plan that demonstrates a strong capability to fulfill the terms of the plan and where the plan shows an innovative or multi-entity approach.

(b) For fiscal year 2001 only, of the funds available under this subdivision the commissioner must allocate funding in the amounts specified in article 1, section 2, subdivision 7, for an intensive intervention transitional employment training project and for nontraditional career assistance and training programs. These allocations must occur before any set-aside funds are allocated under paragraph (a).

Subd. 2a. [ALTERNATIVE DISTRIBUTION FORMULA.] (a) By January 31, 2001, the commissioner of human services must develop and present to the appropriate legislative committees a distribution formula that is an alternative to the formula allocation specified in subdivision 3. The proposed distribution formula must target hard-to-employ MFIP participants, and it must include an incentive-based component that is designed to encourage county and tribal programs to effectively serve hard-to-employ participants. The commissioner's proposal must also be designed to be implemented for fiscal years 2002 and 2003 in place of the formula allocation specified in subdivision 3.

(b) Notwithstanding the provisions of subdivision 2, paragraph (a), if the commissioner does not develop a proposed formula as required in paragraph (a), the set-aside funds for fiscal years 2002 and 2003 that the commissioner would otherwise distribute under subdivision 2, paragraph (a), must not be distributed under that provision. Funds available under subdivision 2, paragraph (a), must instead be allocated in equal amounts to each county and tribal program in fiscal years 2002 and 2003.

Subd. 3. [FORMULA ALLOCATION.] Funds remaining after the allocations in subdivisions 1 and 2 must be allocated as follows:

(1) 85 percent shall be allocated in proportion to each county's and tribal TANF program's one-parent MFIP cases that have received MFIP assistance for at least 25 months, as sampled on December 31 of the previous calendar year, excluding cases where all caregivers are age 60 or over.

(2) 15 percent shall be allocated to each county's and tribal TANF program's two-parent MFIP cases that have received MFIP assistance for at least 25 months, as sampled on December 31 of the previous calendar year, excluding cases where all caregivers are age 60 or over.

Subd. 4. [USE OF FUNDS.] (a) A county or tribal program may use funds allocated under this subdivision to provide services to MFIP participants who are hard-to-employ and their families. Services provided must be intended to reduce the number of MFIP participants who are expected to reach the 60-month time limit under section 256J.42. Counties, tribes, and other entities receiving funds under subdivisions 2 or 3 must submit semiannual progress reports to the commissioner which detail program outcomes.

(b) Funds allocated under this section may not be used to provide benefits that are defined as "assistance" in Code of Federal Regulations, title 45, section 260.31, to an assistance unit that is only receiving the food portion of MFIP benefits.

Subd. 5. [SUNSET.] The grant program under this section sunsets on June 30, 2003.

Sec. 29. [256J.655] [NONTRADITIONAL CAREER ASSISTANCE AND TRAINING.]

With the approval of the job counselor, a participant may enroll and participate in a nontraditional career assistance and training (NCAT) program under section 256K.30. An MFIP recipient participating in an NCAT program with the approval of the job counselor is also eligible for employment and training services, including child care and transportation.

Sec. 30. [256K.25] [SUPPORTIVE HOUSING AND MANAGED CARE PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] (a) The commissioner shall establish a supportive housing and managed care pilot project in two counties, one within the seven-county metropolitan area and one outside of that area, to determine whether the integrated delivery of employment services, supportive services, housing, and health care into a single, flexible program will:

(1) reduce public expenditures on homeless families with minor children, homeless noncustodial parents, and other homeless individuals;

(2) increase the employment rates of these persons; and

(3) provide a new alternative to providing services to this hard-to-serve population.

(b) The commissioner shall create a program for counties for the purpose of providing integrated intensive and individualized case management services, employment services, health care services, rent subsidies or other short- or medium-term housing assistance, and other supportive services to eligible families and individuals. Minimum project and application requirements shall be developed by the commissioner in cooperation with counties and their nonprofit partners with the goal to provide the maximum flexibility in program design.

(c) Services available under this project must be coordinated with available health care services for an eligible project participant.

Subd. 2. [DEFINITION.] For purposes of this section, "homeless" means having no appropriate housing available and lacking the resources necessary to access permanent housing, as determined by the county requesting funding under subdivision 3, and:

(1) living, or being at imminent risk of living, on the street or in a shelter; or

(2) having been evicted from a dwelling or discharged from a regional treatment center, state-operated community-based program, community hospital, or residential treatment program.

Subd. 3. [COUNTY ELIGIBILITY.] A county may request funding under this pilot project if the county:

(1) agrees to develop, in cooperation with nonprofit partners, a supportive housing and managed care pilot project that integrates the delivery of employment services, supportive services, housing and health care for eligible families and individuals, or agrees to contract with an existing integrated program;

(2) for eligible participants who are also MFIP recipients, agrees to develop, in cooperation with nonprofit partners, procedures to ensure that the services provided under the pilot project are closely coordinated with the services provided under MFIP; and

(3) develops a method for evaluating the quality of the integrated services provided and the amount of any resulting cost savings to the county and state.

Subd. 4. [PARTICIPANT ELIGIBILITY.] (a) In order to be eligible for the pilot project, the county must determine that a participant is homeless or is at risk of homelessness; has a mental illness, a history of substance abuse, or HIV; and is a family that meets the criteria in paragraph (b) or is an individual who meets the criteria in paragraph (c).

(b) An eligible family must include a minor child or a pregnant woman, and:

(1) be receiving or meet the income eligibility guidelines for MFIP assistance under chapter 256J; or

(2) include an adult caregiver who is employed or is receiving employment and training services, and have household income below the MFIP exit level in section 256J.24, subdivision 10.

(c) An eligible individual must:

(1) meet the eligibility requirements of the group residential housing program under section 256I.04, subdivision 1; or

(2) be a noncustodial parent who is employed or is receiving employment and training services, and have household income below the MFIP exit level in section 256J.24, subdivision 10.

Subd. 5. [FUNDING.] A county may request funding from the commissioner for a specified number of TANF-eligible project participants. The commissioner shall review the request for compliance with subdivisions 1 to 4 and may approve or disapprove the request. If other funds are available, the commissioner may allocate funding for project participants who meet the eligibility requirements of subdivision 4, paragraph (c).

Subd. 6. [REPORT.] Participating counties and the commissioner shall collaborate to prepare and issue an annual report, beginning December 1, 2001, to the chairs of the appropriate legislative committees on the pilot project's use of public resources, including other funds leveraged for this initiative, the employment and housing status of the families and individuals served in the project, and the cost-effectiveness of the project. The annual report must also evaluate the pilot project with respect to the following project goals: that participants will lead more productive, healthier, more stable and better quality lives; that the teams created under the project to deliver services for each project participant will be accountable for ensuring that services are more appropriate, cost-effective and well-coordinated; and that the system-wide costs of serving this population, and the inappropriate use of emergency, crisis-oriented or institutional services, will be materially reduced. The commissioner shall provide data that may be needed to evaluate the project to participating counties that request the data.

Subd. 7. [SUNSET.] The pilot project under this section sunsets on June 30, 2006.

Sec. 31. [256K.30] [GRANTS FOR NONTRADITIONAL CAREER ASSISTANCE AND TRAINING PROGRAMS.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a program of reimbursement-based grants to nonprofit organizations to provide nontraditional career assistance and training (NCAT) programs that encourage and assist low-income women with minor children to enter nontraditional careers in the trades and in manual and technical operations.

Subd. 2. [REQUIREMENTS FOR GRANTEES.] To be eligible for a grant under this section, an NCAT program must include the career assistance component specified in subdivision 4.

Subd. 3. [OUTREACH COMPONENT.] An NCAT program may include an outreach component that provides outreach to girls and women through public and private elementary and secondary schools, appropriate community organizations, or existing state and county employment and training programs. The outreach must consist of: general information concerning opportunities for women in the trades, manual, and technical occupations, including

specific fields where worker shortages exist; and specific information about training programs offered. The outreach may include printed or recorded information, hands-on experiences for women and girls, presentations to women and girls, or ongoing contact with appropriate staff.

Federal TANF funds may not be used for the outreach component of an NCAT program.

Subd. 4. [CAREER ASSISTANCE COMPONENT.] An NCAT program may include a career assistance component that provides the following assistance for low-income women to enter careers in the trades and technical occupations:

(1) training designed to prepare women to succeed in nontraditional occupations, conducted by an NCAT grantee or in collaboration with another institution. The training must cover the knowledge and skills required for the trade, information about on-the-job realities for women in the particular trade, physical strength and stamina training as needed, opportunities for developing workplace problem-solving skills, and information about the current and projected future job market and likely career path for the trade;

(2) assistance with child care and transportation during training, during job search, and for at least the first two months of posttraining employment;

(3) job placement assistance during training, during job search, and for at least two years after completion of the training program; and

(4) job retention support may be in the form of mentorship programs, support groups, or ongoing staff contact for at least the first year of posttraining employment, including access to job-related information, assistance with workplace issue resolution, and access to advocacy services.

Subd. 5. [NCAT; ELIGIBLE PARTICIPANTS.] To be eligible to enroll in an NCAT program under this section, a participant must be a female caregiver receiving assistance under chapter 256J or this chapter.

Subd. 6. [ACCESSIBILITY REQUIRED.] Approved NCAT programs must be accessible to women who are MFIP participants. Factors that contribute to a program's accessibility include:

(1) affordability of tuition and supplies;

(2) geographic proximity to low-income neighborhoods, child care, and public transportation routes; and

(3) flexibility of the hours per week required by the program and the duration of the program, in order to be compatible with the program participants' family needs and the need for participants to be employed during training.

Sec. 32. [256K.35] [AT-RISK YOUTH OUT-OF-WEDLOCK PREGNANCY PREVENTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a statewide grant program to prevent or reduce the incidence of out-of-wedlock pregnancies among homeless, runaway, or thrown-away youth who are at risk of being prostituted or currently being used in prostitution. The goal of the out-of-wedlock pregnancy prevention program is to significantly increase the number of existing short-term shelter beds for these youth in the state. By providing supportive services for emergency shelter, transitional housing, and services to reconnect the youth with their families where appropriate, the number of youth at risk of being sexually exploited or actually being sexually exploited, and thus at risk of experiencing an out-of-wedlock pregnancy, will be reduced.

Subd. 2. [FUNDS AVAILABLE.] The commissioner shall make funds for supportive services for emergency shelter and transitional housing for out-of-wedlock pregnancy prevention available to eligible nonprofit corporations or government agencies to provide supportive services for emergency and transitional housing for at-risk youth. The commissioner shall consider the need for emergency and transitional housing supportive services throughout the state, and must give priority to applicants who offer 24-hour emergency facilities.

Subd. 3. [APPLICATION; ELIGIBILITY.] (a) A nonprofit corporation or government agency must submit an application to the commissioner in the form and manner the commissioner establishes. The application must describe how the applicant meets the eligibility criteria under paragraph (b). The commissioner may also require an applicant to provide additional information.

(b) To be eligible for funding under this section, an applicant must meet the following criteria:

(1) the applicant must have a commitment to helping the community, children, and preventing juvenile prostitution. If the applicant does not have any past experience with youth involved in or at risk of being used in prostitution, the applicant must demonstrate knowledge of best practices in this area and develop a plan to follow those practices;

(2) the applicant must present a plan to communicate with local law enforcement officials, social services, and the commissioner consistent with state and federal law; and

(3) the applicant must present a plan to encourage homeless, runaway, or thrown-away youth to either reconnect with family or to transition into long-term housing.

Subd. 4. [USES OF FUNDS.] (a) Funds available under this section must be used to create and maintain supportive services for emergency shelter and transitional housing for homeless, runaway, and thrown-away youth. Federal TANF funds must be used to serve youth and their families with household income below 200 percent of the federal poverty guidelines. If other funds are available, services may be provided to youth outside of TANF-eligible families.

(b) Funds available under this section shall not be used to conduct general education or awareness programs unrelated to the operation of an emergency shelter or transitional housing.

Sec. 33. Minnesota Statutes 1999 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance;

(7) "medical neglect" as defined in section 260C.007, subdivision 4, clause (5);

~~(8) that the parent or other person responsible for the care of the child:~~

~~(i) engages in violent behavior that demonstrates a disregard for the well-being of the child as indicated by action that could reasonably result in serious physical, mental, or threatened injury, or emotional damage to the child;~~

~~(ii) engages in repeated domestic assault that would constitute a violation of section 609.2242, subdivision 2 or 4;~~

~~(iii) intentionally inflicts or attempts to inflict bodily harm against a family or household member, as defined in section 518B.01, subdivision 2, that is within sight or sound of the child; or~~

~~(iv) subjects the child to ongoing domestic violence by the abuser in the home environment that is likely to have a detrimental effect on the well-being of the child;~~

~~(9) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or~~

~~(10) (9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.~~

(d) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825. Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

- (2) striking a child with a closed fist;
 - (3) shaking a child under age three;
 - (4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;
 - (5) unreasonable interference with a child's breathing;
 - (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;
 - (7) striking a child under age one on the face or head;
 - (8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances; or
 - (9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining.
- (e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.
- (f) "Facility" means a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B; or a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.
- (g) "Operator" means an operator or agency as defined in section 245A.02.
- (h) "Commissioner" means the commissioner of human services.
- (i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.
- (j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and visitation expeditor services.
- (k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.
- (l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.
- (m) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates, which are not injurious to the child's health, welfare, and safety.

Sec. 34. Minnesota Statutes 1998, section 626.556, is amended by adding a subdivision to read:

Subd. 2a. [EXPOSURE TO DOMESTIC VIOLENCE.] Maltreatment reports involving children exposed to domestic violence or witnessing domestic violence are governed by subdivision 2, paragraph (c), clauses (1) to (3), paragraph (d), and paragraph (l).

Sec. 35. [DAKOTA COUNTY MFIP DIVERSIONARY ASSISTANCE PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] Notwithstanding any contrary law, the commissioner of human services shall establish an MFIP diversionary assistance pilot project in Dakota county to encourage rapid entrance into the work force. The pilot project is intended to improve employability and self-sufficiency, to minimize the number of families reaching the 60-month time limit under the federal TANF block grant program, and to reduce the number of families who need ongoing MFIP assistance under Minnesota Statutes, chapter 256J. Unlike MFIP program assistance under Minnesota Statutes, section 256J.24, subdivision 5, the diversionary assistance pilot project payments shall not include a food portion. Participating families may instead apply for benefits from the federal food stamp program.

Subd. 2. [MANDATORY PARTICIPATION.] Beginning July 1, 2001 and through March 31, 2003, the following families residing in Dakota county must be enrolled in the Dakota county diversionary assistance pilot project:

(1) families who apply for MFIP under Minnesota Statutes, chapter 256J, or reapply after being closed for 30 days or more from MFIP, and who meet eligibility requirements; and

(2) families currently enrolled in MFIP who are under a 30 percent sanction and have been assessed as capable of participating in a preemployment or employment activity, as those terms are defined in Minnesota Statutes, section 256J.49, subdivision 13, but who are not participating in these activities. These families shall be closed from MFIP prior to being transferred to the diversionary assistance pilot project. Months of participation in the pilot project shall count towards a participant's 60-month time limit under Minnesota Statutes, section 256J.42.

Subd. 3. [FAMILIES EXCLUDED FROM PROJECT.] The following assistance units or families must be excluded from participation in the Dakota county diversionary assistance pilot project:

(1) assistance units in which only minor children would receive assistance;

(2) families in which the caregiver is a victim of family violence and the caregiver is complying with a safety plan or an alternative employment plan under Minnesota Statutes, chapter 256J;

(3) a minor parent or pregnant minor, the minor parent's child, and the caregivers of the minor parent who are included in the minor parent's assistance unit under Minnesota Statutes, section 256J.24;

(4) families in which the caregiver is age 60 or older;

(5) families in which the caregiver has an infant child under 12 weeks of age; and

(6) families who are determined by the county agency to be unlikely to benefit from the pilot project's services.

Subd. 4. [APPLYING FOR ASSISTANCE; APPLICANT REQUIREMENTS AND RESPONSIBILITIES.] Minnesota Statutes, section 256J.09, excluding subdivisions 4, 7, and 9, applies to families that apply for assistance under the pilot project. The applicant requirements and responsibilities under Minnesota Statutes section 256J.30, excluding subdivisions 4 to 11, also apply to pilot project applicants. Families determined eligible for benefits under this pilot project may request termination from the pilot project at any time.

Subd. 5. [FAMILY COMPOSITION; ASSISTANCE UNITS.] In determining the composition of assistance units and eligibility under the pilot project the following provisions apply: Minnesota Statutes, sections 256J.08, subdivision 7; 256J.13; 256J.15; and 256J.24, subdivisions 1 to 4.

Subd. 6. [TREATMENT OF INCOME.] (a) For purposes of defining income under the pilot project, the MFIP income definitions under Minnesota Statutes, chapter 256J, must be used. The agency shall evaluate the income of each member of an assistance unit that is requesting assistance payments under this project.

(b) Countable income means the gross earned income and unearned income that is not excluded under Minnesota Statutes, section 256J.21, subdivision 2, or disregarded under Minnesota Statutes, section 256J.08, subdivision 24. In determining the amount of diversionary assistance to be issued for the month that payments are to be made, the county agency must determine if countable income is actually available to apply to a participant's basic needs.

(c) The difference between basic needs as defined under subdivision 9, paragraph (a), clause (3), and countable income shall be the amount of the monthly diversionary payments that is subject to the provisions of subdivision 9, paragraph (b).

Subd. 7. [CALCULATING PAYMENTS.] (a) The county must use prospective budgeting to calculate the assistance payment amounts. The provisions of Minnesota Statutes, section 256J.34, subdivision 1, paragraphs (a) to (c), apply to the calculations, except that the provisions of those paragraphs shall be used for each 30-day period during the 90-day diversionary assistance pilot project. The payment amounts for the 90-day period must be determined upon approval of an applicant's request for assistance and issued monthly over the 90-day period, unless the participant reports a change in circumstances that would increase the amount of assistance, or the participant is sanctioned or terminated from the pilot project. Monthly payments are subject to the limitations in subdivision 9, paragraph (b).

(b) Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under Minnesota Statutes, section 256.98. The provisions of Minnesota Statutes, section 256.98, subdivision 1, apply to the pilot project.

(c) For the pilot project, client data must be entered and maintained on the department of human services' MAXIS computer system and all diversionary assistance payments authorized throughout the duration of the project shall be issued from MAXIS.

Subd. 8. [CHANGE IN RESIDENCE.] When a family moves to another Minnesota county and applies for MFIP and is found eligible, MFIP benefits may be issued effective the day following the date through which diversionary assistance payments under this project provided for the needs of the family. Participants must report any change of address within ten days of the date the change occurs.

Subd. 9. [PILOT PROJECT DESIGN AND SERVICES.] (a) Assistance under the Dakota county MFIP diversionary assistance pilot project is available to an eligible participant for 90 days after enrollment. The county agency may have families participating in the project through June 30, 2003. For purposes of eligibility for child care assistance under Minnesota Statutes, chapter 119B, pilot program participants are eligible for the same benefits as MFIP recipients. The following support services and programs are available to participants, based on the county agency's documentation of need or determination of eligibility:

(1) the development of a self-sufficiency plan in the event that the participant is determined to be not ready to seek or obtain unsubsidized employment while enrolled in the project;

(2) child care assistance under Minnesota Statutes, chapter 119B, for work or for all preemployment or employment-related activities, as defined in Minnesota Statutes, section 256J.49, subdivision 13, approved by a county in an employment plan, as defined in Minnesota Statutes, section 256J.49, subdivision 5. This may include assistance with child care costs related to accessing social services programs and activities, including but not limited to mental health and chemical dependency program services;

(3) funding for basic needs, which include shelter, utilities, and other personal requirements of subsistence as identified by the participant and approved by the county agency. Vendor payments shall be made for shelter and utilities up to the amount of assistance to be issued;

(4) other employment-focused supports that are identified after a needs assessment is conducted for the pilot project participant;

(5) approved training programs, as defined in Minnesota Statutes, section 256J.49, subdivision 13, and as limited by the provisions of Minnesota Statutes, section 256J.53;

(6) approved work activities, as defined in Minnesota Statutes, section 256J.49, subdivision 13;

(7) federal food stamp program benefits which the participant must separately apply for;

(8) medical assistance under Minnesota Statutes, chapter 256B, or MinnesotaCare under Minnesota Statutes, chapter 256L;

(9) enhanced employment services, which include services available to individuals eligible for MFIP as described in the county's local service unit plan under Minnesota Statutes, section 268.88; and

(10) emergency assistance under Minnesota Statutes, section 256J.48.

(b) Payments for basic needs shall be determined by an eligibility worker from the date of application. Total monthly payments must not exceed 133 percent of the ongoing MFIP monthly cash grant for which the participant would have otherwise been eligible under Minnesota Statutes, section 256J.24, subdivision 5.

(c) Each participant must also be provided immediate access to an interdisciplinary team consisting of financial workers, employment counselors, and social workers who can conduct an individualized assessment of family needs and assist in arranging needed services. An employment plan developed under this subdivision must be tailored to each participant family's needs.

(d) For a participant to receive monthly payments as specified in paragraph (b), the participant must cooperate with the participant's employment plan.

(e) No standard exemptions from participation in employment services are granted to pilot project participants during the pilot project.

(f) Noncooperation with the employment plan without good cause shall result in a sanction equal to a reduction of 100 percent of funding for basic needs for the remainder of the 90-day participation period.

Subd. 10. [GOOD CAUSE FOR FAILURE TO COMPLY WITH AN EMPLOYMENT PLAN.] Good cause for failure to comply with an employment plan under this section exists when:

(1) appropriate child care is not available;

(2) the job does not meet the definition of suitable employment under Minnesota Statutes, section 256J.49, subdivision 12;

(3) the participant is ill or injured;

(4) a member of the unit, a relative in the household, or a foster child in the household is ill and needs care by the participant that prevents the participant from complying;

(5) the participant has an infant child under 12 weeks of age;

(6) the participant is unable to secure needed transportation;

(7) the participant is in an emergency situation that prevents compliance with the employment plan;

(8) the schedule of compliance with the employment plan conflicts with judicial proceedings; or

(9) the participant is already participating in acceptable work activities.

Subd. 11. [TRANSITION SERVICES.] (a) After participation in the pilot project, participants who are employed and not on MFIP are eligible for transition year child care assistance under Minnesota Statutes, chapter 119B, without regard to current or previous MFIP program eligibility. For families who were eligible for medical assistance or MinnesotaCare during the 90 days, the county agency shall facilitate any eligibility determination that is needed for continued medical coverage.

(b) Pilot project participants who have not attained an income during participation in the pilot project that would result in MFIP ineligibility are eligible for the following options:

(1) participants who were not on MFIP prior to participating in the pilot program may apply for MFIP under Minnesota Statutes, chapter 256J;

(2) participants enrolled in MFIP prior to participating in the pilot program who were not under sanction during the pilot project may revert to participation in MFIP; or

(3) participants who were under sanction during the pilot project may reapply for MFIP.

Subd. 12. [EVALUATION AND REPORT.] Evaluation of the pilot project shall be based on outcome evaluation criteria negotiated with the commissioner of human services prior to the project's implementation. By January 31, 2003, the commissioner shall prepare and submit a report to the legislature on the results of the pilot project and recommendations for changes to the project if it were to be implemented on a permanent basis.

Subd. 13. [FUNDING.] The commissioners of human services and children, families, and learning shall use existing MFIP and child care assistance funding for the purposes of the basic needs payments made on behalf of participant families and the child care assistance provided to participant families during the 90 days that families are enrolled in the pilot project.

Subd. 14. [COUNTY AGENCY DUTIES; APPLICANT AND PARTICIPANT RIGHTS.] (a) The county agency shall develop policies and procedures in the following areas prior to implementing the pilot project:

(1) referrals to employment services that are described in the county's local service unit plan under Minnesota Statutes, section 268.88;

(2) notices to participants about employment services provisions and requirements; and

(3) documentation and verification of eligibility.

(b) The provisions of Minnesota Statutes, section 256J.31, concerning applicant and participant rights and county agency responsibilities apply to the pilot project, except that the use of vendor payments shall not be considered an adverse action.

(c) When a participant receives a 100 percent sanction under subdivision 9, the county agency must monitor the well-being of the children in the household who are at risk of safety, health, or nutritional problems due to the lack of resources available to the family. The county agency must provide necessary services or resources to the family in order to protect the welfare of the children in the household.

(d) The county agency must report quarterly to the commissioner of human services, and to the chairs of the house health and human services policy committee and the senate health and family security committee, on the number of participants who have received a sanction under subdivision 9.

Subd. 15. [FAIR HEARINGS.] The fair hearing provisions of Minnesota Statutes, section 256J.40, subdivision 1, shall be followed under the pilot project, except that diversionary assistance payments may be reduced, suspended, or terminated as proposed even if that action is appealed. The agency's decision to reduce, suspend, or terminate shall continue pending the fair hearing decision, regardless of when the participant requests the hearing. The county agency shall request that the commissioner of human services expedite the fair hearing when a participant's family situation meets the same emergency need criteria as defined for the emergency assistance program under Minnesota Statutes, section 256J.48.

Subd. 16. [FEDERAL WAIVER.] The commissioner of human services shall apply for any federal waiver required to implement the Dakota county MFIP diversionary assistance pilot project under this section.

Subd. 17. [SUNSET.] This section sunsets on June 30, 2003.

Sec. 36. [FISCAL SANCTION FOR POOR CASELOAD REDUCTION PERFORMANCE; PLAN REQUIRED.]

By February 1, 2001, the commissioner of human services shall develop a plan to apply fiscal sanctions against a county's or tribe's allocation of grant funds under Minnesota Statutes, section 256J.625, and under Minnesota Statutes, section 256J.62 or 256J.645, whichever is applicable, when a county or tribe does not adequately perform with respect to the performance measures related to cases that have left MFIP assistance, as listed in Minnesota Statutes, section 256J.751, paragraph (a), clause (3), and paragraph (b), clause (1). The commissioner's plan must address a county's relative performance on these measures so that a county with a relatively large proportion of hard-to-employ MFIP participants is not unduly penalized if the county has poor performance on these measures. The plan must also provide a mechanism to appropriately allocate a portion of a county's or tribe's fiscal sanction against the employment and training service providers used by the county or tribe. The commissioner must report the plan required by this section to the appropriate legislative committees by February 1, 2001.

Sec. 37. [WORK GROUP ON SANCTION RECOMMENDATIONS.]

A legislative work group on MFIP sanction recommendations shall be established. The chairs of the house health and human services policy committee and the senate health and family security committee shall each appoint five legislators, two of whom must be members of the minority party, to be members of this work group. The work group must review the implementation of current MFIP sanction policy and make recommendations for any necessary improvements. State agencies shall provide technical assistance as requested by the work group. The work group must submit a report on its review and recommendations to the legislature by January 1, 2001.

Sec. 38. [REPORTS ON SAVE IMPLEMENTATION.]

On January 15, 2002, and January 15, 2003, the commissioner shall report to the chairs of the house health and human services policy committee and the senate health and family security committee on the usage and costs of the SAVE program over the previous year. These reports must include summary, nonidentifying information on the number of inquiries per month that were submitted to the SAVE system, the number of times secondary verifications were pursued as a result of the inquiries submitted to SAVE, and the number of times the county determined, as a result of information provided through the SAVE system, that an applicant to a program listed in section 256.01, subdivision 18, was ineligible for benefits due to the applicant's immigration status.

Sec. 39. [REPEALER.]

(a) Minnesota Statutes 1998, section 256J.46, subdivision 1a, is repealed.

(b) Laws 1999, chapter 245, article 5, section 24, is repealed.

ARTICLE 5

TANF MAINTENANCE OF EFFORT EXPENDITURE OVERSIGHT

Section 1. [3.3006] [TANF MAINTENANCE OF EFFORT EXPENDITURES; EXPENDITURE REVIEW.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "TANF MOE" means the maintenance of effort for the TANF block grant specified under United States Code, title 42, section 609(a)(7).

(b) Unless otherwise specified, "commissioner" means the commissioner of human services.

Subd. 2. [TANF MOE EXPENDITURES.] The state's TANF MOE expenditure requirements under section 256J.025 must be met unless the provisions of subdivisions 3 and 4 apply.

Subd. 3. [INTERIM PROCEDURES.] If the commissioner determines that nonfederal expenditures for the programs under section 256J.025 are insufficient to meet TANF MOE expenditure requirements, and if the legislature is not or will not be in session to take timely action to avoid a federal penalty, the commissioner may report nonfederal expenditures from other allowable sources as TANF MOE expenditures after the requirements of subdivision 4 are met.

Subd. 4. [LEGISLATIVE ADVISORY COMMISSION REVIEW.] The commissioner may report nonfederal expenditures in addition to those specified under section 256J.025 as nonfederal TANF MOE expenditures, but only after the commissioner of finance has first submitted the commissioner's recommendations for additional allowable sources of nonfederal TANF MOE expenditures to the members of the legislative advisory commission for their review and recommendation for further review. If the legislative advisory commission does not act to request further review within ten days, no further review by the legislative advisory commission is required, and the commissioner of finance shall approve or disapprove the additional sources of nonfederal TANF MOE expenditures. If any member of the commission requests further review of the proposed TANF MOE expenditures, the governor shall submit the commissioner's recommendations to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Subd. 5. [FORECAST INCLUSION OF INTERIM CHANGES NOT ALLOWED.] The commissioner of finance shall not incorporate any changes in federal TANF expenditures or nonfederal expenditures for TANF MOE that may result from reporting additional allowable sources of nonfederal TANF MOE expenditures under the interim procedures in this section into the February or November forecasts required under section 16A.103, unless the commissioner of finance has approved the additional sources of expenditures under subdivision 4.

Sec. 2. Minnesota Statutes 1999 Supplement, section 119B.02, subdivision 1, is amended to read:

Subdivision 1. [CHILD CARE SERVICES.] The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the

program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money under title ~~I and title IV of VI~~, Public Law Number 104-193, ~~the Personal Responsibility and Work Opportunity Reconciliation Act of 1996~~, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 3. Minnesota Statutes 1999 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(a) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017;

(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds; and

(g) enter into contractual agreements with federally recognized Indian tribes with a reservation in Minnesota to the extent necessary for the tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

(2) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded. For children under the guardianship of the commissioner whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency to provide adoption services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The secretary of health and human services of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(b) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) According to federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and the AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC program formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements, other than federal TANF funds, and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children according to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

(18) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

(19) Be responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the human services programs administered by the department.

(20) Require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the human services programs administered by the department.

(21) Have the authority to administer a drug rebate program for drugs purchased pursuant to the senior citizen drug program established under section 256.955 after the beneficiary's satisfaction of any deductible established in the program. The commissioner shall require a rebate agreement from all manufacturers of covered drugs as defined in section 256B.0625, subdivision 13. For each drug, the amount of the rebate shall be equal to the basic rebate as defined for purposes of the federal rebate program in United States Code, title 42, section 1396r-8(c)(1). This basic rebate shall be applied to single-source and multiple-source drugs. The manufacturers must provide full payment within 30 days of receipt of the state invoice for the rebate within the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act. The manufacturers must provide the commissioner with any information necessary to verify the rebate determined per drug. The rebate program shall utilize the terms and conditions used for the federal rebate program established pursuant to section 1927 of title XIX of the Social Security Act.

(22) Operate the department's communication systems account established in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared communication costs necessary for the operation of the programs the commissioner supervises. A communications account may also be established for each regional treatment center which operates communications systems. Each account must be used to manage shared communication costs necessary for the operations of the programs the commissioner supervises. The commissioner may distribute the costs of operating and maintaining communication systems to participants in a manner that reflects actual usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as determined by the commissioner. Nonprofit organizations and state, county, and local government agencies involved in the operation of programs the commissioner supervises may participate in the use of the department's communications technology and share in the cost of operation. The commissioner may accept on behalf of the state any gift, bequest, devise or personal property of any kind, or money tendered to the state for any lawful purpose pertaining to the communication activities of the department. Any money received for this purpose must be deposited in the department's communication systems accounts. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

(23) Receive any federal matching money that is made available through the medical assistance program for the consumer satisfaction survey. Any federal money received for the survey is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received for the consumer satisfaction survey in either year of the biennium.

(24) Incorporate cost reimbursement claims from First Call Minnesota into the federal cost reimbursement claiming processes of the department according to federal law, rule, and regulations. Any reimbursement received is appropriated to the commissioner and shall be disbursed to First Call Minnesota according to normal department payment schedules.

(25) Develop recommended standards for foster care homes that address the components of specialized therapeutic services to be provided by foster care homes with those services.

Sec. 4. Minnesota Statutes 1998, section 256.011, subdivision 3, is amended to read:

Subd. 3. The commissioner of human services shall negotiate with the federal government, or any agency, bureau, or department thereof, for the purpose of securing or obtaining any grants or aids. Any grants or aids thus secured or received are appropriated to the commissioner of human services and made available for the uses and purposes for which they were received but shall be used to reduce the direct appropriations provided by law unless:

(1) federal law prohibits such action;

(2) the grants or aids are federal TANF funds; or ~~unless~~

(3) the commissioner of human services obtains approval of the governor who shall seek the advice of the legislative advisory commission.

Sec. 5. Minnesota Statutes 1998, section 256.995, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] In order to enhance the delivery of needed services to at-risk children and youth and maximize federal funds, other than federal TANF funds, available for that purpose, the commissioners of human services and children, families, and learning shall design a statewide program of collaboration between providers of health and social services for children and local school districts, to be financed, to the greatest extent possible, from federal sources. The commissioners of health and public safety shall assist the commissioners of human services and children, families, and learning in designing the program.

Sec. 6. [256J.025] [TANF MAINTENANCE OF EFFORT.]

Subdivision 1. [SOURCES OF NONFEDERAL MONEY FOR TANF MOE.] In order to meet the basic maintenance of effort (MOE) requirements of the TANF block grant specified under United States Code, title 42, section 609(a)(7), the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF MOE expenditures:

- (1) MFIP cash and food assistance benefits under this chapter;
- (2) the child care assistance programs under sections 119B.03 and 119B.05, and county child care administrative costs under section 119B.15;
- (3) state and county MFIP administrative costs under this chapter and chapter 256K;
- (4) state, county, and tribal MFIP employment services under this chapter and chapter 256K;
- (5) expenditures made on behalf of noncitizen MFIP recipients who qualify for the medical assistance without federal financial participation program under section 256B.06, subdivision 4, paragraphs (d), (e), and (j);
- (6) for fiscal years 2000 and 2001, allowable state expenditures from the working family credit under section 290.0671 may be reported as specified in the provision in article 1, section 2, subdivision 7, related to claiming working family credit expenditures as TANF MOE; and
- (7) for fiscal years 2001 to 2003 only, allowable state expenditures for family preservation services under chapter 256F may be reported in amounts equal to the state share of the amounts distributed to individuals under section 256.741, subdivision 15.

Subd. 2. [SUFFICIENT QUALIFIED STATE EXPENDITURES REQUIRED ANNUALLY.] (a) The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's TANF MOE requirements. For the activities listed in subdivision 1, clauses (2) to (6), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31. If nonfederal expenditures for the programs and purposes listed in subdivision 1 are insufficient to meet the state's TANF MOE requirements, the commissioner shall recommend additional allowable sources of nonfederal expenditures to the legislature, if the legislature is or will be in session to take action to specify additional sources of nonfederal expenditures for TANF MOE before a federal penalty is imposed. The commissioner shall otherwise provide recommendations to the legislative advisory commission under section 3.3006.

(b) If the commissioner uses authority granted under Laws 1999, chapter 245, article 1, section 10, or similar authority granted by a subsequent legislature, to meet the state's TANF MOE requirements in a reporting period, the commissioner shall inform the chairs of the appropriate legislative committees about all transfers made under that authority for this purpose.

Sec. 7. Minnesota Statutes 1998, section 256J.08, is amended by adding a subdivision to read:

Subd. 84a. [TANF MOE.] "TANF MOE" means the maintenance of effort for the TANF block grant specified under United States Code, title 42, section 609(a)(7).

Sec. 8. Laws 1999, chapter 245, article 1, section 2, subdivision 10, is amended to read:

Subd. 10. Economic Support Grants

General	142,037,000	124,758,000
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[GIFTS.] Notwithstanding Minnesota Statutes, chapter 7, the commissioner may accept on behalf of the state additional funding from sources other than state funds for the purpose of financing the cost of assistance program grants or nongrant administration. All additional funding is appropriated to the commissioner for use as designated by the grantee of funding.

[CHILD SUPPORT PAYMENT CENTER RECOUPMENT ACCOUNT.] The child support payment center is authorized to establish an account to cover checks issued in error or in cases where insufficient funds are available to pay the checks. All recoupments against payments from the account must be deposited in the child support payment center recoupment account and are appropriated to the commissioner for the purposes of the account. Any unexpended balance in the account does not cancel, but is available until expended.

[FEDERAL TANF FUNDS.] (1) Federal Temporary Assistance for Needy Families block grant funds authorized under title I, Public Law Number 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and awarded in federal fiscal years 1997 to 2002 are appropriated to the commissioner in amounts up to \$256,265,000 in fiscal year 2000 and \$249,682,000 in fiscal year 2001. In addition to these funds, the commissioner may draw or transfer any other appropriations or transfers of federal TANF block grant funds that are enacted into state law.

(2) Of the amounts in clause (1), \$15,000,000 is transferred each year of the biennium to the state's federal Title XX block grant. Notwithstanding the provisions of Minnesota Statutes, section 256E.07, in each year of the biennium the commissioner shall allocate \$15,000,000 of the state's Title XX block grant funds based on the community social services aids formula in Minnesota Statutes, section 256E.06. The commissioner shall ensure that money allocated to counties under this provision is used according to the requirements of United States Code, title 42, section 604(d)(3)(B).

(3) Of the amounts in clause (1), \$10,990,000 is transferred each year from the state's federal TANF block grant to the state's federal Title XX block grant. In each year \$140,000 is for grants

according to Minnesota Statutes, section 257.3571, subdivision 2a, to the Indian child welfare defense corporation to promote statewide compliance with the Indian Child Welfare Act of 1978; \$4,650,000 is for grants to counties for concurrent permanency planning; and \$6,200,000 is for the commissioner to distribute according to the formula in Minnesota Statutes, section 256E.07. The commissioner shall ensure that money allocated under this clause is used according to the requirements of United States Code, title 42, section 604(d)(3)(B). In fiscal years 2002 and 2003, \$140,000 per year is for grants according to Minnesota Statutes, section 257.3571, subdivision 2a, to the Indian child welfare defense corporation to promote statewide compliance with the Indian Child Welfare Act of 1978. Section 13, sunset of uncodified language, does not apply to this provision.

(4) Of the amounts in clause (1), \$13,360,000 each year is for increased employment and training efforts and shall be expended as follows:

(a) \$140,000 each year is for a grant to the new chance program. The new chance program shall provide comprehensive services through a private, nonprofit agency to young parents in Hennepin county who have dropped out of school and are receiving public assistance. The program administrator shall report annually to the commissioner on skills development, education, job training, and job placement outcomes for program participants. This appropriation is available for either year of the biennium.

(b) \$260,000 each year is for grants to counties to operate the parents fair share program to assist unemployed, noncustodial parents with job search and parenting skills.

(c) \$12,960,000 each year is to increase employment and training services grants for MFIP of which \$750,000 each year is to be transferred to the job skills partnership board for the health care and human services worker training and retention program.

(d) \$10,400,000 of these appropriations shall become part of the base for the 2002-2003 biennium.

(5) Of the amounts in clause (1), \$1,094,000 in fiscal year 2000 and \$1,676,000 in fiscal year 2001 is transferred from the state's federal TANF block grant to the state's federal child care and development fund block grant, and is appropriated to the commissioner of children, families, and learning for the purposes of Minnesota Statutes, section 119B.05.

(6) Of the amounts in clause (1), \$1,000,000 for the biennium is for the purposes of creating and expanding adult-supervised supportive living arrangement services under Minnesota Statutes, section 256J.14. The commissioner shall request proposals from interested parties that have knowledge and experience in the area of adult-supervised adolescent housing and supportive services,

and award grants for the purpose of either expanding existing or creating new living arrangements and supportive services. Minor parents who are MFIP participants shall be given priority for housing, and excess living arrangements may be used by minor parents who are not MFIP participants.

(7) In order to maximize transfers from Minnesota's 1998 and 1999 federal TANF block grant awards, the commissioner may implement the transfers of TANF funds in clauses (2), (3), and (5) in the first year of the biennium. This must only be done to the extent allowed by federal law and to the extent that program funding requirements can be met in the second year of the biennium.

~~(8) The commissioner shall ensure that sufficient qualified state expenditures are made each year to meet the TANF basic maintenance of effort requirements. The commissioner may apply any allowable source of state expenditures toward these requirements, as necessary to meet minimum basic maintenance of effort requirements and to prevent the loss of federal funds.~~

[WORKER TRAINING AND RETENTION ELIGIBILITY PROCEDURES.] The commissioner shall develop eligibility procedures for TANF expenditures under Minnesota Statutes, section 256J.02, subdivision 2, clause (5).

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Assistance to Families Grants

General	64,870,000	66,117,000
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[EMPLOYMENT SERVICES CARRYOVER.] General fund and federal TANF block grant appropriations for employment services that remain unexpended subsequent to the reallocation process required in Minnesota Statutes, section 256J.62, do not cancel but are available for these purposes in fiscal year 2001.

(b) Work Grants

General	10,731,000	10,731,000
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(c) Aid to Families With Dependent Children and Other Assistance

General	1,053,000	374,000
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(d) Child Support Enforcement

General	5,359,000	5,359,000
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[CHILD SUPPORT PAYMENT CENTER.] Payments to the commissioner from other governmental units, private enterprises, and individuals for services performed by the child support payment center must be deposited in the state systems account authorized under Minnesota Statutes, section 256.014. These payments are appropriated to the commissioner for the operation of the child support payment center or system, according to Minnesota Statutes, section 256.014.

[CHILD SUPPORT EXPEDITED PROCESS.] Of this appropriation for child support enforcement, \$2,340,000 for the biennium shall be transferred to the state court administrator to fund the child support expedited process, in accordance with a cooperative agreement to be negotiated between the parties. State funds transferred for this purpose in fiscal year 2000 may exceed the base funding amount of \$1,170,000 to the extent that there is an increase in the number of orders issued in the expedited process, but may not exceed \$1,420,000 in any case. Unexpended expedited process appropriations in fiscal year 2000 may be transferred to fiscal year 2001 for this purpose. Base funding for this program is set at \$1,170,000 for each year of the 2002-2003 biennium. The commissioner shall include cost reimbursement claims from the state court administrator for the child support expedited process in the department of human services federal cost reimbursement claim process according to federal law. Federal dollars earned under these claims are appropriated to the commissioner and shall be disbursed to the state court administrator according to department procedures and schedules.

(e) General Assistance

General	33,927,000	14,973,000
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[TRANSFERS FROM STATE TANF RESERVE.] \$4,666,000 in fiscal year 2000 is transferred from the state TANF reserve account to the general fund.

[GENERAL ASSISTANCE STANDARD.] The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from his or her parents or a legal guardian at \$203. The commissioner may reduce this amount in accordance with Laws 1997, chapter 85, article 3, section 54.

(f) Minnesota Supplemental Aid

General	25,767,000	26,874,000
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(g) Refugee Services

General	330,000	330,000
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Sec. 9. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

MISCELLANEOUS

Section 1. [198.37] [TRANSITIONAL HOUSING.]

The board may establish programs, using available federal funding, to assist homeless or disabled veterans on the campuses of the veterans homes. The board may use federal grant money for the Hastings veterans home to purchase a single-family dwelling, make necessary repairs and improvements with the help of the department of administration, and operate the program. Nonfederal funds may not be used to establish or continue these programs.

ARTICLE 7

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1999 Supplement, section 62J.535, subdivision 2, is amended to read:

Subd. 2. [COMPLIANCE.] (a) Concurrent with the ~~effective dates~~ date of required compliance established under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, for uniform electronic billing standards, all health care providers must conform to the uniform billing standards developed under subdivision 1.

(b) Notwithstanding paragraph (a), the requirements for the uniform remittance advice report shall be effective 12 months after the date of the required compliance of the standards for the electronic remittance advice transaction are effective under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time.

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

Sec. 2. Minnesota Statutes 1998, section 125A.74, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A district may enroll as a provider in the medical assistance program and receive medical assistance payments for covered special education services provided to persons eligible for medical assistance under chapter 256B. To receive medical assistance payments, the district must pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26, and comply with relevant provisions of state and federal statutes and regulations governing the medical assistance program.

Sec. 3. Minnesota Statutes 1998, section 125A.74, subdivision 2, is amended to read:

Subd. 2. [FUNDING.] A district that provides a covered service to an eligible person and complies with relevant requirements of the medical assistance program is entitled to receive payment for the ~~service provided, including that portion of the payment services that will subsequently be reimbursed by the federal government, in the same manner as other medical assistance providers. The school district is not required to provide matching funds or pay part of the costs of the service, as long as the rate charged for the service does not exceed medical assistance limits that apply to all medical assistance providers.~~

Sec. 4. Minnesota Statutes 1999 Supplement, section 144.395, is amended by adding a subdivision to read:

Subd. 3. [SUNSET.] The tobacco use prevention and local public health endowment fund expires June 30, 2015. Upon expiration, the commissioner of finance shall transfer the principal and any remaining interest to the general fund.

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

Sec. 5. Minnesota Statutes 1999 Supplement, section 144.396, subdivision 11, is amended to read:

Subd. 11. [AUDITS REQUIRED.] The legislative auditor shall audit tobacco use prevention and local public health endowment fund expenditures to ensure that the money is spent for tobacco use prevention measures and public health initiatives.

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

Sec. 6. Minnesota Statutes 1999 Supplement, section 144.396, subdivision 12, is amended to read:

Subd. 12. [ENDOWMENT FUND NOT TO SUPPLANT EXISTING FUNDING.] Appropriations from the ~~account~~ tobacco use prevention and local public health endowment fund must not be used as a substitute for traditional sources of funding tobacco use prevention activities or public health initiatives. Any local unit of government receiving money under this section must ensure that existing local financial efforts remain in place.

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

Sec. 7. Minnesota Statutes 1999 Supplement, section 256B.0916, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF WAITING LIST.] (a) The legislature recognizes that as of January 1, 1999, 3,300 persons with mental retardation or related conditions have been screened and determined eligible for the home and community-based waiver services program for persons with mental retardation or related conditions. Many wait for several years before receiving service.

(b) The waiting list for this program shall be reduced or eliminated by June 30, 2003. In order to reduce the number of eligible persons waiting for identified services provided through the home and community-based waiver for persons with mental retardation or related conditions, during the period from July 1, 1999, to June 30, 2003, funding shall be increased to add 100 additional eligible persons each year beyond the February 1999 medical assistance forecast.

(c) The commissioner shall allocate resources in such a manner as to use all resources budgeted for the home and community-based waiver for persons with mental retardation or related conditions according to the priorities listed in subdivision 2, paragraph (b), and then to serve other persons on the waiting list. Resources allocated for a fiscal year to serve persons affected by public and private sector ICF/MR closures, but not expected to be expended for that purpose, must be reallocated within that fiscal year to serve other persons on the waiting list, and the number of waiver diversion slots shall be adjusted accordingly.

(d) For fiscal year 2001, at least one-half of the increase in funding over the previous year provided in the February 1999 medical assistance forecast for the home and community-based waiver for persons with mental retardation and related conditions, including changes made by the 1999 legislature, must be used to serve persons who are not affected by public and private sector ICF/MR closures.

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

Sec. 8. Minnesota Statutes 1999 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

(1) inpatient hospital services;

(2) outpatient hospital services;

- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;
- (7) hearing aids;
- (8) prosthetic devices;
- (9) laboratory and X-ray services;
- (10) physician's services;
- (11) medical transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
- (16) day treatment services for mental illness provided under contract with the county board;
- (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
- (18) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
- (19) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision;
- (20) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, a certified neonatal nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if (1) the service is otherwise covered under this chapter as a physician service, (2) ~~a~~ the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the operating payment rate, and (3) the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171;
- (21) services of a certified public health nurse or a registered nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of, a unit of government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171; and
- (22) telemedicine consultations, to the extent they are covered under section 256B.0625, subdivision 3b.

(b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) Gender reassignment surgery and related services are not covered services under this subdivision unless the individual began receiving gender reassignment services prior to July 1, 1995.

(d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology. Notwithstanding the provisions of subdivision 3, an individual who becomes ineligible for general assistance medical care because of failure to submit income reports or recertification forms in a timely manner, shall remain enrolled in the prepaid health plan and shall remain eligible for general assistance medical care coverage through the last day of the month in which the enrollee became ineligible for general assistance medical care.

~~(e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions:~~

~~(i) For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.~~

~~(ii) For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.~~

~~(iii) For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.~~

(iv) For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

(v) For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

(f) There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(g) (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

(h) (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(i) (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(j) (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

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

Sec. 9. Laws 1999, chapter 245, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Basic Health Care Grants

Summary by Fund

General	867,174,000	916,234,000
Health Care Access		
	116,490,000	145,469,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Minnesota Care Grants-Health Care Access

	116,490,000	145,469,000
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[HOSPITAL INPATIENT COPAYMENTS.] The commissioner of human services may require hospitals to refund hospital inpatient copayments paid by enrollees pursuant to Minnesota Statutes, section 256L.03, subdivision 5, between March 1, 1999, and December 31, 1999. If the commissioner requires hospitals to refund these copayments, the hospitals shall collect the copayment directly from the commissioner.

[MINNESOTACARE OUTREACH FEDERAL MATCHING FUNDS.] Any federal matching funds received as a result of the MinnesotaCare outreach activities authorized by Laws 1997, chapter 225, article 7, section 2, subdivision 1, shall be deposited in the health care access fund and dedicated to the commissioner to be used for those outreach purposes.

[FEDERAL RECEIPTS FOR ADMINISTRATION.] Receipts received as a result of federal participation pertaining to administrative costs of the Minnesota health care reform waiver shall be deposited as nondedicated revenue in the health care access fund. Receipts received as a result of federal participation pertaining to grants shall be deposited in the federal fund and shall offset health care access funds for payments to providers.

[HEALTH CARE ACCESS FUND.] The commissioner may expend money appropriated from the health care access fund for MinnesotaCare in either fiscal year of the biennium.

(b) MA Basic Health Care Grants-Families and Children

General	307,053,000	320,112,000
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[COMMUNITY DENTAL CLINICS.] Of this appropriation, \$600,000 in fiscal year 2000 is for the commissioner to provide start-up grants to establish community dental clinics under Minnesota Statutes, section 256B.76, paragraph (b), clause ~~(5)~~ (4). The commissioner shall award grants and shall require grant recipients to match the state grant with nonstate funding on a one-to-one basis. This is a one-time appropriation and shall not become part of base level funding for this activity for the 2002-2003 biennium.

(c) MA Basic Health Care Grants-Elderly & Disabled

General	404,814,000	451,928,000
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[SURCHARGE COMPLIANCE.] In the event that federal financial participation in the Minnesota medical assistance program is reduced as a result of a determination that the surcharge and intergovernmental transfers governed by Minnesota Statutes, sections 256.9657 and 256B.19 are out of compliance with United States Code, title 42, section 1396b(w), or its implementing regulations or with any other federal law designed to restrict provider tax programs or intergovernmental transfers,

the commissioner shall appeal the determination to the fullest extent permitted by law and may ratably reduce all medical assistance and general assistance medical care payments to providers other than the state of Minnesota in order to eliminate any shortfall resulting from the reduced federal funding. Any amount later recovered through the appeals process shall be used to reimburse providers for any ratable reductions taken.

[BLOOD PRODUCTS LITIGATION.] To the extent permitted by federal law, Minnesota Statutes, section 256.015, 256B.042, and 256B.15, are waived as necessary for the limited purpose of resolving the state's claims in connection with In re Factor VIII or IX Concentrate Blood Products Litigation, MDL-986, No. 93-C7452 (N.D.III.).

(d) General Assistance Medical Care

General	141,805,000	128,012,000
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(e) Basic Health Care - Nonentitlement

General	13,502,000	16,182,000
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[DENTAL ACCESS GRANT.] Of this appropriation, \$75,000 is from the general fund to the commissioner in fiscal year 2000 for a grant to a nonprofit dental provider group operating a dental clinic in Clay county. The grant must be used to increase access to dental services for recipients of medical assistance, general assistance medical care, and the MinnesotaCare program in the northwest area of the state. This appropriation is available the day following final enactment.

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

Sec. 10. Laws 1999, chapter 245, article 4, section 121, is amended to read:

Sec. 121. [EFFECTIVE DATE.]

(a) Sections 3, 5, 45, ~~and~~ 97, and 98, subdivision 3, paragraph (d), are effective July 1, 2000.

(b) Section 56 is effective upon federal approval.

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

Sec. 11. [REPEALER.]

(a) Minnesota Statutes 1999 Supplement, section 144.396, subdivision 13, is repealed.

(b) Laws 1997, chapter 203, article 7, section 27, is repealed.

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

PART B**AGRICULTURE PROVISIONS****ARTICLE 8****AGRICULTURE**

Section 1. Minnesota Statutes 1998, section 17A.03, subdivision 5, is amended to read:

Subd. 5. [LIVESTOCK.] "Livestock" means cattle, sheep, swine, horses intended for slaughter, mules, farmed cervidae, as defined in section 17.451, subdivision 2, llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3, buffalo, and goats.

Sec. 2. Minnesota Statutes 1998, section 18E.04, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENT PAYMENTS.] (a) The board shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical response and reimbursement account for:

(1) 90 percent of the total reasonable and necessary corrective action costs greater than \$1,000 and less than or equal to \$100,000; ~~and~~

(2) 100 percent of the total reasonable and necessary corrective action costs greater than \$100,000 but less than or equal to \$200,000;

(3) 80 percent of the total reasonable and necessary corrective action costs greater than \$200,000 but less than or equal to \$300,000; and

(4) 60 percent of the total reasonable and necessary corrective action costs greater than \$300,000 but less than or equal to \$350,000.

(b) A reimbursement or payment may not be made until the board has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The board may make periodic payments or reimbursements as corrective action costs are incurred upon receipt of invoices for the corrective action costs.

(d) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments and reimbursements directed by the board under this subdivision.

(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

(1) were not reported at the time of release but were discovered and reported after July 1, 1989; and

(2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

Sec. 3. Minnesota Statutes 1998, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. [PAYMENTS.] (a) The commissioner of agriculture shall make cash payments to producers of ethanol, anhydrous alcohol, and wet alcohol located in the state. These payments shall apply only to ethanol, anhydrous alcohol, and wet alcohol fermented in the state and produced at plants that have begun production by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production is:

(1) except as provided in paragraph (b), for each gallon of ethanol or anhydrous alcohol produced on or before June 30, 2000, or ten years after the start of production, whichever is later, 20 cents per gallon; and

(2) for each gallon produced of wet alcohol on or before June 30, 2000, or ten years after the start of production, whichever is later, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon.

The producer payments for anhydrous alcohol and wet alcohol under this section may be paid to either the original producer of anhydrous alcohol or wet alcohol or the secondary processor, at the option of the original producer, but not to both.

No payments shall be made for production that occurs after June 30, 2010.

(b) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant ~~and the increased production begins by June 30, 2000~~, the payment under paragraph (a), clause (1), applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(c) The commissioner shall make payments to producers of ethanol or wet alcohol in the amount of 1.5 cents for each kilowatt hour of electricity generated using closed-loop biomass in a cogeneration facility at an ethanol plant located in the state. Payments under this paragraph shall be made only for electricity generated at cogeneration facilities that begin operation by June 30, 2000. The payments apply to electricity generated on or before the date ten years after the producer first qualifies for payment under this paragraph. Total payments under this paragraph in any fiscal year may not exceed \$750,000. For the purposes of this paragraph:

(1) "closed-loop biomass" means any organic material from a plant that is planted for the purpose of being used to generate electricity or for multiple purposes that include being used to generate electricity; and

(2) "cogeneration" means the combined generation of:

(i) electrical or mechanical power; and

(ii) steam or forms of useful energy, such as heat, that are used for industrial, commercial, heating, or cooling purposes.

(d) ~~Except for new production capacity approved under paragraph (i), clause (1), the total~~ Payments under paragraphs (a) and (b) to all producers may not exceed ~~\$34,000,000~~ \$37,000,000 in a fiscal year. Total payments under paragraphs (a) and (b) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol, anhydrous alcohol, and wet alcohol production during the preceding three calendar months. A producer with more than one plant shall file a separate claim for each plant. ~~A producer shall file a separate claim for the original production capacity of each plant and for each additional increment of production that qualifies under paragraph (b).~~ A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol, anhydrous alcohol, and wet alcohol production in Minnesota during the quarter covered by the claim, including

anhydrous alcohol and wet alcohol produced or received from an outside source. A producer shall file a separate claim for any amount claimed under paragraph (c). For each claim and statement of total ethanol, anhydrous alcohol, and wet alcohol production filed under this subdivision, the volume of ethanol, anhydrous alcohol, and wet alcohol production or amounts of electricity generated using closed-loop biomass must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. ~~The~~ Except as provided below, total quarterly payment to a producer under this paragraph, excluding amounts paid under paragraph (c), may not exceed \$750,000. ~~Except for new production capacity approved under paragraph (i), clause (1), if the total amount for which all other producers are eligible in a quarter under paragraphs (a) and (b) exceeds \$8,500,000, the commissioner shall make payments for production capacity that is subject to this restriction in the order in which the portion of production capacity covered by each claim went into production.~~ Production in excess of eligible quarterly production may be applied to quarters below eligible capacity because of plant outages, repair, or major maintenance. Payments must be made for the eighth quarter of the biennium exempt from the \$750,000 quarterly limit. The fiscal year limits under paragraph (d) remain in effect. This provision applies only to production shortfalls that occur in quarters beginning after December 31, 1999.

(g) If the total amount for which all producers are eligible in a quarter under paragraph (c) exceeds the amount available for payments, the commissioner shall make payments in the order in which the plants covered by the claims began generating electricity using closed-loop biomass.

(h) After July 1, 1997, new production capacity is only eligible for payment under this subdivision if the commissioner receives:

- (1) an application for approval of the new production capacity;
- (2) an appropriate letter of long-term financial commitment for construction of the new production capacity; and
- (3) copies of all necessary permits for construction of the new production capacity.

The commissioner may approve new production capacity based on the order in which the applications are received.

~~(i) After April 22, 1998, the commissioner may only approve: (1) up to 12,000,000 gallons of new production capacity at one plant that has not previously received approval or payment for any production capacity; or (2) new production capacity at existing plants not to exceed planned expansions reported to the commissioner by February 1997. The commissioner may not approve any new production capacity after July 1, 1998, except that a producer approved for at least 12,000,000 gallons but less than 15,000,000 gallons of annual production prior to July 1, 1998, is approved for 15,000,000 gallons of production capacity.~~

(j) For the purposes of this subdivision "new production capacity" means annual ethanol production capacity that was not allowed under a permit issued by the pollution control agency prior to July 1, 1997, or for which construction did not begin prior to July 1, 1997.

Sec. 4. Minnesota Statutes 1998, section 41B.03, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:

(1) a borrower must be a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2; and

(2) the borrower or one of the borrowers must be the principal operator of the farm or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm; ~~and~~

~~(3) the borrower must not receive assistance under sections 41B.01 to 41B.23 exceeding an aggregate of \$100,000 in loans during the borrower's lifetime.~~

Sec. 5. Minnesota Statutes 1998, section 41B.03, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

(1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower;

(2) have a debt-to-asset ratio equal to or greater than 50 percent and in determining this ratio, the assets must be valued at their current market value;

(3) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan; ~~and~~

(4) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan; and

(5) must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000 in 1999 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 6. Minnesota Statutes 1998, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$100,000~~ \$125,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 7. Minnesota Statutes 1998, section 41B.04, subdivision 8, is amended to read:

Subd. 8. [STATE'S PARTICIPATION.] With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$100,000~~ \$150,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 8. Minnesota Statutes 1998, section 41B.042, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$100,000~~ \$125,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 9. Minnesota Statutes 1998, section 41B.043, subdivision 2, is amended to read:

Subd. 2. [SPECIFICATIONS.] No direct loan may exceed \$35,000 or ~~\$100,000~~ \$125,000 for a loan participation or be made to refinance an existing debt. Each direct loan and participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 10. Minnesota Statutes 1998, section 41B.045, subdivision 2, is amended to read:

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000 in 1999 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or \$250,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan. Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

Sec. 11. [41B.048] [AGROFORESTRY LOAN PROGRAM.]

Subdivision 1. [PURPOSE.] The purpose of the agroforestry loan program is to provide low interest financing to farmers during the growing period required to convert agricultural land to agroforestry.

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement an agroforestry loan program to help finance the production of short rotation woody crops. The authority may contract with a fiscal agent to provide an efficient delivery system for this program.

Subd. 3. [RULES.] The authority may adopt rules necessary for administration of the program established under subdivision 2.

Subd. 4. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Fiscal agent" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans over an extended period of time.

(c) "Growing cycle" means the number of years from planting to harvest.

(d) "Harvest" means the day that the crop arrives at the scale of the buyer of the crop.

(e) "Short rotation woody crops" or "crop" means hybrid poplar and other woody plants that are harvested for their fiber within 15 years of planting.

Subd. 5. [ELIGIBILITY.] To be eligible for this program a borrower must:

(1) be a resident of Minnesota or any entity eligible to own farm land under section 500.24;

(2) be or plan to become a grower of short rotation woody crops on agricultural land that is suitable for the profitable production of short rotation woody crops;

(3) be a member of a producer-owned cooperative that will contract to market the short rotation woody crop to be planted by the borrower;

(4) demonstrate an ability to repay the loan;

(5) not receive assistance under this program for more than \$150,000 in the producer's lifetime;

(6) agree to work with appropriate local, state, and federal agencies, and the marketing cooperative, to develop an acceptable establishment and maintenance plan; and

(7) meet any other requirements the authority may impose by administrative procedure or by rule.

Subd. 6. [LOANS.] (a) The authority may disburse loans through a fiscal agent to farmers and agricultural landowners who are eligible under subdivision 5. The total accumulative loan principal must not exceed \$75,000 per loan.

(b) The fiscal agent may impose a loan origination fee in the amount of one percent of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time of loan closing.

(c) The loan may be disbursed over a period not to exceed 12 years.

(d) A borrower may receive loans, depending on the availability of funds, for planted areas up to 160 acres for up to:

(1) the total amount necessary for establishment of the crop;

(2) the total amount of maintenance costs, including weed control, during the first three years; and

(3) 70 percent of the estimated value of one year's growth of the crop for years four through 12.

(e) Security for the loan must be the crop, a personal note executed by the borrower, an interest in the land upon which the crop is growing, and whatever other security is required by the fiscal agent or the authority. All recording fees must be paid by the borrower.

(f) The authority may prescribe forms and establish an application process for applicants to apply for a loan.

(g) The authority may impose a reasonable nonrefundable application fee for each application for a loan under this program. The application fee is initially \$50. Application fees received by the authority must be deposited in the agroforestry loan program revolving fund established in subdivision 7.

(h) Loans under the program must be made using money in the agroforestry loan program revolving fund established in subdivision 7.

(i) The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.

(j) Loan principal balance outstanding plus all assessed interest must be repaid within 120 days of harvest, but no later than 15 years from planting.

Subd. 7. [REVOLVING FUND.] There is established in the state treasury an agroforestry loan program revolving fund that is eligible to receive appropriations or the proceeds of bond sales. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner for purposes of the agroforestry loan program, including costs incurred by the authority to establish and administer the program.

Subd. 8. [REVENUE BONDS.] The authority may issue revenue bonds to finance the agroforestry loan program in accordance with sections 41B.08 to 41B.15, 41B.17, and 41B.18. Bonds may be refunded by the issuance of refunding bonds in the manner authorized by chapter 475.

Sec. 12. Laws 1999, chapter 231, section 11, subdivision 3, is amended to read:

Subd. 3. Agricultural Marketing and Development

6,521,000	5,410,000
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Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3a, the total payments from the ethanol development account to all producers may not exceed ~~\$68,447,000~~ \$70,658,000 for the biennium ending June 30, 2001. If, prior to the end of the biennium, the total amount for which all producers are eligible in a quarter exceeds the amount available for payments remaining in the appropriation, the commissioner shall make the payments for the quarter in which the shortfall occurs on a pro rata basis. In fiscal year 2000, the commissioner shall first reimburse producers for eligible unpaid claims accumulated through June 30, 1999.

\$500,000 the first year is appropriated to the rural finance authority for making a loan under Minnesota Statutes, section 41B.044. Principal and interest payments on the loan must be deposited in the ~~ethanol development account for producer payments under Minnesota Statutes, section 41B.09~~ general fund.

By July 15, 1999, the commissioner shall transfer the unencumbered cash balance in the ethanol development fund established in Minnesota Statutes, section 41B.044, to the general fund.

\$200,000 the first year is for a grant from the commissioner to the Minnesota Turkey Growers Association for assistance to an entity that constructs a facility that uses poultry litter as a fuel for the generation of electricity. This amount must be matched by \$1 of nonstate money for each dollar of state money. This is a one-time appropriation.

\$50,000 the first year is for the commissioner, in consultation with the commissioner of economic development, to conduct a study of the need for a commercial shipping port at which agricultural cooperatives or individual farmers would have access to port facilities. This is a one-time appropriation.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$100,000 the first year is for a grant to the University of Minnesota extension service for its farm safety and health program. This is a one-time appropriation.

\$225,000 the first year and \$75,000 the second year are for grants to the Minnesota agricultural education leadership council for the planning and implementation of initiatives enhancing and expanding agricultural education in rural and urban areas of the state. Funds not used in the first year are available for the second year. This is a one-time appropriation.

\$480,000 the first year and \$420,000 the second year are to the commissioner of agriculture for programs to aggressively promote, develop, expand, and enhance the marketing of agricultural products from Minnesota producers and processors. The commissioner must enter into collaborative efforts with the department of trade and economic development, the world trade center corporation, and other public or private entities knowledgeable in market identification and development. The commissioner may also contract with or make grants to public or private organizations involved in efforts to enhance communication between producers and markets and organizations that identify, develop, and promote the marketing of Minnesota agricultural crops, livestock, and produce in local, regional, national, and international marketplaces. Grants may be provided to appropriate organizations including those functioning as marketing clubs, to a cooperative known as Minnesota Marketplace, and to recognized associations of producers or processors of organic foods or Minnesota grown specialty crops. Beginning October 15, 1999, and 15 days after the close of each calendar quarter thereafter, the commissioner shall provide to the senate and house committees with jurisdiction over agriculture policy and funding interim reports of the progress toward accomplishing the goals of this item. The commissioner shall deliver a final report on March 1, 2001. If the appropriation for either year is insufficient, the appropriation for the other year is available. This is a one-time appropriation that remains available until expended.

\$60,000 the second year is for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be matched at the rate of one state dollar for each dollar of nonstate money. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

\$160,000 each year is for value-added agricultural product processing and marketing grants under Minnesota Statutes, section 17.101, subdivision 5.

\$450,000 the first year and \$300,000 the second year are for continued research of solutions and alternatives for manure management and odor control. This is a one-time appropriation.

\$50,000 the first year and \$50,000 the second year are for annual cost-share payments to resident farmers for the costs of organic certification. The annual cost-share payments per farmer shall be two-thirds of the cost of the certification or \$200, whichever is less. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. This appropriation is available until expended.

\$30,000 the first year is to assess producer production contracts under section 205. This appropriation is available until June 30, 2001.

Sec. 13. [PESTICIDE REPORTING.]

(a) The commissioner of agriculture, in cooperation with the University of Minnesota extension service; the commissioners of administration; children, families, and learning; health; transportation; natural resources; and the pollution control agency; and other interested parties, must review the use of pesticide and integrated pest management techniques and practices as they are applied to the use and storage of pesticides in and around a representative sample of buildings owned by the state and buildings and grounds used for K-12 public education. Recommendations by the commissioner of agriculture on the use and avoidance of pesticides and comprehensive integrated pest management practices in state buildings and K-12 public school buildings, including the training of building managers and school personnel, must be presented to the environmental policy and finance committees of the legislature by January 15, 2001.

(b) For purposes of the review and report in paragraph (a), the term "pesticide" has the meaning given in Minnesota Statutes, section 18B.01, subdivision 18, except that it does not include disinfectants, sanitizers, deodorizers, or antimicrobial agents for general cleaning purposes.

Sec. 14. [APPROPRIATION; AGROFORESTRY LOAN PROGRAM.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for grants to one or more cooperative associations organized under Minnesota Statutes, chapter 308A, primarily for the purpose of facilitating the production and marketing of short rotation woody crops. The grants must be matched by \$1 of nonstate money for each dollar. This appropriation remains available until expended.

Sec. 15. [APPROPRIATION; STATE MEAT INSPECTION PROGRAM.]

\$120,000 in fiscal year 2000 and \$374,000 in fiscal year 2001 is appropriated from the general fund to the commissioner of agriculture to expand the state meat inspection program. This appropriation is in addition to appropriations in Laws 1999, chapter 231, section 11. If the appropriation for either year is insufficient the appropriation for the other year is available.

Sec. 16. [APPROPRIATION; PSEUDORABIES MONITORING AND TESTING.]

\$245,000 is appropriated from the general fund to the board of animal health for continued efforts to control pseudorabies in swine. This appropriation may be used to cover the costs of pseudorabies monitoring, vaccines, blood tests, and laboratory fees. This appropriation is in addition to the appropriation in Laws 1999, chapter 45, section 1, and is available until June 30, 2001.

Sec. 17. [APPROPRIATION; FARM BUSINESS PLANNING SOFTWARE.]

\$135,000 is appropriated from the general fund to the commissioner of agriculture for a grant to the Center for Farm Financial Management at the University of Minnesota for purposes of a comprehensive effort to develop software and training materials to help farmers improve their profitability through sophisticated business planning. The software and training will complement existing FINPACK farm management tools. No later than March 1, 2001, the center must report to the agriculture policy and finance committees of the senate and the house of representatives on the software development program. This appropriation is available until March 31, 2001.

Sec. 18. [APPROPRIATION; FARM DRAINAGE AND RUN-OFF POLLUTION.]

\$300,000 is appropriated from the general fund to the commissioner of agriculture to establish an agricultural water quality and quantity management, research, demonstration, and education program. Of this appropriation \$150,000 is for projects at the Lamberton site and \$150,000 is for projects at the Waseca site. The commissioner may contract with the University of Minnesota or other parties for the implementation of parts of the program. No later than March 1, 2001, the program must report to the agriculture policy and finance committees of the senate and the house of representatives on the drainage and pollution control research project. This appropriation is available until March 31, 2001.

Sec. 19. [APPROPRIATION; FARM ADVOCATES.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture for the farm advocates program. This appropriation is in addition to the appropriation for the farm advocates program in Laws 1999, chapter 231, section 11, and is available until June 30, 2001.

Sec. 20. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment and applies to claims for corrective action costs incurred after that date. Sections 3 to 11 and 14 to 19 are effective the day following final enactment. Section 12 is effective retroactive to July 1, 1999.

ARTICLE 9

A resolution memorializing the State of Iowa to promptly accelerate the swine pseudorabies control and eradication program.

Whereas, pseudorabies is a highly contagious respiratory disease primarily affecting swine; and

Whereas, swine herds infected with pseudorabies impose a heavy financial cost on producers through increased feed costs, reduced weight gains, increased mortality, and expenses for herd health management; and

Whereas, during the past fifteen months, Minnesota swine producers, through a program generously supported by the Minnesota Legislature, the Minnesota board of animal health, the United States Department of Agriculture, private veterinarians, and volunteers, have nearly eradicated pseudorabies from Minnesota resident herds; and

Whereas, a large number of swine herds in the State of Iowa remain infected and under quarantine because of pseudorabies; and

Whereas, there is substantial danger that Minnesota herds will be unintentionally reinfected with pseudorabies by the transport of swine from the State of Iowa to slaughter facilities in Minnesota; *Now, Therefore*,

Be It Resolved by the Legislature of the State of Minnesota that it memorializes the Legislature of the State of Iowa to accelerate the program for the control and eradication of pseudorabies in Iowa.

Be It Further Resolved that the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the Governor of Iowa, the President of the Iowa Senate, the Speaker of the Iowa House of Representatives, and the Iowa Secretary of Agriculture.

PART C

ENVIRONMENT AND NATURAL RESOURCES PROVISIONS

ARTICLE 10

ENVIRONMENT AND NATURAL RESOURCES

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2000" and "2001" mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2000, or June 30, 2001, respectively, and if an earlier appropriation was made for that purpose for that year, the appropriation in this article is added to it.

	APPROPRIATIONS Available for the Year Ending June 30	
	2000	2001
Sec. 2. POLLUTION CONTROL AGENCY	306,000	-0-
For WIF construction program administration. This appropriation is available until June 30, 2001.		
The agency must allocate \$104,000 of the appropriation in Laws 1999, chapter 231, section 2, for WIF construction program administration.		
Sec. 3. BOARD OF WATER AND SOIL RESOURCES		
Subdivision 1. Wetland Replacement	-0-	400,000
Professional and technical services to replace wetlands under Minnesota Statutes, section 103G.222, subdivision 1.		

APPROPRIATIONS
Available for the Year
Ending June 30

	2000	2001
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Subd. 2. Agricultural Land Set-aside	5,000,000	-0-
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\$5,000,000 is for the purposes of sections 13 to 17. This appropriation remains available until expended. Administrative costs may not exceed ten percent of the appropriation.

Sec. 4. NATURAL RESOURCES

Subdivision 1. Mille Lacs Treaty Litigation	3,954,463	-0-
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\$3,954,463 in fiscal year 2000 is for the settlement of legal costs incurred by the Mille Lacs Band, St. Croix Band, Bad River Band, Red Cliff Band, Lac du Flambeau Band, Sokaogon Chippewa Community, and the Lac Courte Oreilles Band related to the 1837 Treaty litigation.

The interest payment on the settlement of legal costs contained in this subdivision is for fiscal year 2000. The amount of the interest payment shall be determined by applying an interest amount of \$614.30 for each day beginning December 10, 1999, through the day of final enactment of this bill.

Subd. 2. Canada Geese Abatement	-0-	54,000
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\$54,000 is to purchase emergency damage abatement materials to prevent Canada geese from causing crop depredation in western Minnesota. This is a one-time appropriation.

Subd. 3. Wildfire Response	1,164,000	-0-
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\$1,164,000 is from the environmental fund in fiscal year 2000 to the commissioner of natural resources for grants to Lake, Cook, and St. Louis counties for emergency communications equipment, emergency response equipment, and emergency planning and training to respond to a major wildfire. Of this amount, \$134,000 is for a grant to Lake county, \$350,000 is for a grant to Cook county, and \$680,000 is for a grant to St. Louis county. St. Louis county must use a portion of the grant to purchase a NOAA warning system that can be used by all of the counties receiving grants under this section. This appropriation is available until June 30, 2001.

Sec. 5. OFFICE OF ENVIRONMENTAL ASSISTANCE

The appropriation in Laws 1999, chapter 231, section 3, is reduced in fiscal year 2001 by \$104,000. This is a base reduction. In reducing spending, the agency may give priority to the elimination of positions which are vacant.

remedial action pursuant to the terms of the settlement. Reimbursement under this subdivision shall be paid only upon the agency's determination that the remedial action approved by the agency has been completed in accordance with the terms of the settlement. The agency may use money appropriated to it for actions authorized under section 115B.20, subdivision 2, clause (2), to pay reimbursement under this subdivision.

(b) The agency may agree to provide reimbursement under a settlement only when all of the following requirements have been met:

(1) the agency has made the determination under paragraph (c) regarding persons who are not participating in the settlement, and has provided written notice to persons identified under paragraph (c), clauses (1) and (2), of their opportunity to participate in the settlement or in a separate settlement under subdivision 20;

(2) the release addressed in the settlement has been assigned a priority pursuant to agency rules adopted under subdivision 13, and the priority is at least as high as a release for which the agency would be allowed to allocate funds for remedial action under the rules;

(3) an investigation of the release addressed in the settlement has been completed in accordance with a plan approved by the agency; and

(4) the agency has approved the remedial action to be implemented under the settlement.

(c) Before entering into a settlement providing for reimbursement under this subdivision, the agency shall determine that there are one or more persons who meet any of the following criteria who are not participating in the settlement:

(1) persons identified by the agency as responsible for the release addressed in the settlement but who are likely to have only minimal involvement in actions leading to the release, or are insolvent or financially unable to pay any significant share of response action costs;

(2) persons identified by the agency as responsible for the release other than persons described in clause (1) and who are unwilling to participate in the settlement or to take response actions with respect to the release;

(3) persons whom the agency has reason to believe are responsible for the release addressed in the settlement but whom the agency has been unable to identify; or

(4) persons identified to the agency by a party to the proposed settlement as persons who are potentially responsible for the release but for whom the agency has insufficient information to determine responsibility.

(d) Except as otherwise provided in this subdivision, a decision of the agency under this subdivision to offer or agree to provide reimbursement in any settlement, or to determine the amount of reimbursement it will provide under a settlement, is a matter of agency discretion in the exercise of its enforcement authority. In exercising discretion in this matter, the agency may consider, among other factors, the degree of cooperation with the agency that has been shown prior to the settlement by the parties seeking reimbursement.

(e) The agency may require as a term of settlement under this subdivision that the parties receiving reimbursement from the agency waive any rights they may have to bring a claim for contribution against persons who are not parties to the settlement.

(f) Notwithstanding any provisions to the contrary in paragraphs (a) to (e), until June 30, 2001, the agency may use the authority under this subdivision to enter into agreements for the implementation of a portion of an approved response action plan and to provide funds in the form of a grant for the purpose of implementing the agreement. The amount paid for implementing a portion of an approved response action plan may not exceed the proportion of the costs of the response action plan which are attributable to the liability of responsible persons who are not parties to the agreement.

(g) A decision of the agency under paragraph (f) to offer or agree to provide funds in any agreement or to determine the specific remedial actions included in any agreement to implement an approved action plan or the amount of funds the agency will provide under an agreement is a matter of agency discretion in the exercise of its enforcement authority.

Sec. 10. Minnesota Statutes 1999 Supplement, section 116.073, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE.] (a) Pollution control agency staff designated by the commissioner and department of natural resources conservation officers may issue citations to a person who:

(1) disposes of solid waste as defined in section 116.06, subdivision 22, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property;

(2) fails to report or recover ~~oil or hazardous substance~~ discharges as required under section 115.061; or

(3) fails to take discharge preventive or preparedness measures required under chapter 115E.

(b) In addition, pollution control agency staff designated by the commissioner may issue citations to owners and operators of facilities dispensing petroleum products who violate sections 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151 and parts 7001.4200 to 7001.4300. ~~The citations for violation of sections 116.46 to 116.50 and Minnesota Rules, chapter 7150, may be issued only after the owners and operators have had a 90-day period to correct all the violations stated in a letter issued previously by pollution control agency staff.~~ A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose of or otherwise manage the waste or discharged oil or hazardous substance, reimburse any government agency that has disposed of the waste or discharged oil or hazardous substance and contaminated debris for the reasonable costs of disposal, or correct any ~~underground~~ storage tank violations.

(c) Until June 1, 2004, citations for violation of sections 115E.045 and 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151, may be issued only after the owners and operators have had a 90-day period to correct violations stated in writing by pollution control agency staff, unless there is a discharge associated with the violation or the violation is of Minnesota Rules, part 7151.6400, subpart 1, item B, or 7151.6500.

Sec. 11. Laws 1999, chapter 231, section 2, subdivision 2, is amended to read:

Subd. 2. Protection of the Water

	15,984,000	16,008,000
	Summary by Fund	
General	13,074,000	13,283,000 <u>12,983,000</u>
State Government		
Special Revenue	44,000	45,000
Environmental	2,616,000	2,680,000 <u>2,980,000</u>
Petroleum tank	250,000	-0-

\$2,348,000 the first year and \$2,348,000 the second year are for grants to local units of government for the clean water partnership program. The amount of this appropriation above the base is for Phase II implementation projects. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$1,470,000 the first year and \$1,841,000 the second year are for grants for county administration of the feedlot permit program. These amounts are transferred to the board of water and soil resources for disbursement in accordance with Minnesota Statutes, section 103B.3369, in cooperation with the pollution control agency. Grants must be matched with a combination of local cash and/or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activities conducted under the grant, expenditures made, and local match contributions. First priority for funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. Delegated counties shall be eligible to receive a grant of either: \$50 multiplied by the number of livestock or poultry farms with sales greater than \$10,000, as reported in the 1997 Census of Agriculture, published by the United States Bureau of Census; or \$80 multiplied by the number of feedlots with greater than ten animal units as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the Feedlot Inventory Guidebook published by the board of water and soil resources, dated June 1991. To receive the additional funding that is based on the county feedlot inventory, the county shall submit a copy of the inventory to the pollution control agency. Any remaining money is for distribution to all counties on a competitive basis through the challenge grant process for the conducting of feedlot inventories, development of delegated county feedlot programs, and for information and education or technical assistance efforts to reduce feedlot-related pollution hazards. Any money remaining after the first year is available for the second year.

\$94,000 the first year and \$97,000 the second year are for compliance activities and air quality monitoring to address hydrogen sulfide emissions from animal feedlots. The air quality monitoring must include the use of portable survey instruments.

\$1,043,000 the first year and \$1,048,000 the second year are for water monitoring activities.

\$320,000 the first year and \$322,000 the second year are for community technical assistance and education, including grants and technical assistance to communities for local and basin-wide water quality protection.

\$201,000 the first year and \$202,000 the second year are for individual sewage treatment system (ISTS) administration. Of this amount, \$86,000 in each year is transferred to the board of water and soil resources for assistance to local units of government through competitive grant programs for ISTS program development.

\$200,000 in each year is for individual sewage treatment system grants. Any unexpended balance in the first year does not cancel, but is available in the second year.

\$250,000 the first year and \$500,000 the second year are for studies to determine total maximum daily load allocations to improve water quality.

\$300,000 ~~each the first year is from the general fund and \$300,000 the second year from the environmental fund~~ are for continuing research on malformed frogs. This is a one-time appropriation.

\$126,000 is for administration of the wastewater infrastructure fund (WIF) construction program. This is a one-time appropriation.

\$250,000 the first year, notwithstanding Minnesota Statutes, section 115C.08, subdivision 4, is from the petroleum tank release fund for the following purposes: (1) to purchase and distribute emergency spill response equipment, such as spill containment booms, sorbent pads, and installation tools, along the Mississippi river upstream of drinking water intakes at the locations designated by the agency in consultation with the Mississippi River Defense Network; (2) to purchase mobile trailers to contain the equipment in clause (1) so that rapid deployment can occur; and (3) to conduct spill response training for those groups of responders receiving the spill response equipment described in clause (1). The agency shall develop and administer protocol for the use of the equipment among all potential users, including private contract firms, public response agencies, and units of government. Any money remaining after the first year is available for the second year. This is a one-time appropriation.

\$100,000 for the biennium is for a grant to the city of Garrison for the Garrison, Kathio, West Mille Lacs Lake Sanitary District for the cost of environmental studies, planning, and legal assistance for sewage treatment purposes. This is a one-time appropriation.

Until July 1, 2001, the agency shall not approve additional fees on animal feedlot operations.

Sec. 12. Laws 1999, chapter 231, section 6, as amended by Laws 1999, chapter 249, section 10, is amended to read:

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

18,896,000

18,228,000

\$5,480,000 the first year and \$5,480,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 each year is for a grant to the North Shore Management Board, \$35,000 each year is for a grant to the St. Louis River Board, \$100,000 each year is for a grant to the Minnesota River Basin Joint Powers Board, and \$27,000 each year is for a grant to the Southeast Minnesota Resources Board.

The board shall reduce the amount of the natural resource block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's 1998 allocation.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$3,867,000 the first year and \$3,867,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and for implementation of the RIM conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$4,120,000 the first year and \$4,120,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. Of this amount, \$32,000 the first year ~~is~~ and \$90,000 the second year are for a grant to the Blue Earth county soil and water conservation districts for stream bank stabilization on the LeSueur river within the city limits of St. Clair; and at least \$1,500,000 the first year and \$1,500,000 the second year are for grants for cost-sharing contracts for water quality management on feedlots. Priority must be given to feedlot operators who have received notices of violation and for feedlots in counties that are conducting or have completed a level 2 or level 3 feedlot inventory. This appropriation is available until expended. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$100,000 the first year and \$100,000 the second year are for a grant to the Red river basin board to develop a Red river basin water management plan and to coordinate water management activities in the states and provinces bordering the Red river. This appropriation is only available to the extent it is matched by a proportionate amount in United States currency from the states of North Dakota and South Dakota and the province of Manitoba. The unencumbered balance in the first year does not cancel but is available for the second year. This is a one-time appropriation.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for floodplain management. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$1,203,000 the first year and \$450,000 the second year are for the administrative costs of easement and grant programs.

Any unencumbered balance in the board's program of grants does not cancel at the end of the first year and is available for the second year for the same grant program. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

Sec. 13. [AGRICULTURAL STORAGE TANK REMOVAL; REIMBURSEMENT.]

Subdivision 1. [DEFINITION.] As used in this section, "agricultural storage tank" means an underground petroleum storage tank with a capacity of more than 1,100 gallons that has been registered with the pollution control agency by January 1, 2000, and is located on a farm where the contents of the tank are used by the tank owner or operator predominantly for farming purposes and are not commercially distributed.

Subd. 2. [REIMBURSEMENT.] Notwithstanding Minnesota Statutes, section 115C.09, subdivision 1, paragraph (b), clause (1), and pursuant to the remaining provisions of Minnesota Statutes, chapter 115C, the petroleum tank release compensation board shall reimburse an owner or operator of an agricultural storage tank for 90 percent of the total reimbursable cost of removal project costs incurred for the tank prior to January 1, 2001, including, but not limited to, tank removal, closure in place, backfill, resurfacing, and utility restoration costs, regardless of whether a release has occurred at the site. Notwithstanding Minnesota Statutes, section 115C.09, subdivision 3, the board may not reimburse an eligible applicant under this section for more than \$7,500 of costs per tank.

Sec. 14. [SMALL GASOLINE STORAGE TANK REMOVAL; REIMBURSEMENT.]

Notwithstanding Minnesota Statutes, section 115C.09, subdivision 3f, paragraph (a), a tank owner who (1) owned two locations in the state, and no locations in any other state, where motor fuel was dispensed to the public into motor vehicles, watercraft, or aircraft, and who dispensed motor fuel at that location, (2) operated the tanks simultaneously for six months or less in 1995, and (3) dispensed less than 200,000 gallons at both locations is a small gasoline retailer for purposes of Minnesota Statutes, section 115C.09, subdivision 3f, paragraph (c), and is eligible for reimbursement.

Sec. 15. [SNOWMOBILE TRAILS AND ENFORCEMENT ACCOUNT; AUTHORIZATION.]

The commissioner of natural resources may use up to 50 percent of a snowmobile maintenance and grooming grant under Minnesota Statutes, section 84.83, that was available as of December 31, 1999, to reimburse the intended recipient for the actual cost of snowmobile trail grooming equipment to be used for grant-in-aid trails. The costs must be incurred in fiscal year 2000 and recipients seeking reimbursement under this section must provide acceptable documentation of the costs to the commissioner. All applications for reimbursement under this section must be received no later than September 1, 2000.

Sec. 16. [PURPOSE.]

The legislature finds that the frequency of disaster declarations covering agricultural areas of the state has increased. In successive years, crop disease has resulted in economic hardship and abnormal precipitation has prevented planting or harvesting. Because of these crop production problems, the legislature finds that there is a need to establish an agricultural land set-aside program to provide short term economic assistance to landowners.

Sec. 17. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 17 to 20, the terms in this section have the meanings given.

Subd. 2. [AGRICULTURAL LAND.] "Agricultural land" means land that is:

(1) composed of class I, II, or III land as identified in the land capability classification system of the United States Department of Agriculture; or

(2) similar to land described under a land classification system selected by the board of water and soil resources.

Subd. 3. [BOARD.] "Board" means the board of water and soil resources.

Subd. 4. [SHORT ROTATION WOODY CROPS.] "Short rotation woody crops" means hybrid poplar and other woody plants that are harvested for their fiber within 15 years of planting.

Subd. 5. [WINDBREAK.] "Windbreak" means a strip or belt of trees, shrubs, or grass barriers designed and located to reduce snow deposition on highways, improve wildlife habitat or control soil erosion.

Sec. 18. [ELIGIBILITY TERMS.]

(a) Agricultural land eligible for the board's program under section 19 must not exceed 160 acres for individual landowners.

(b) Agricultural land eligible for payment in a fiscal year prior to 2002 must have been in a county under presidential disaster declaration in either 1998 or 1999. In fiscal years 2000 and thereafter, payment is available for eligible agricultural land in any county under a presidential disaster declaration related to agriculture.

(c) Eligible land may be set aside for payment under section 19 for a period of three years.

(d) At least five percent of an individual's acreage set aside for payments under this program must be planted with short rotation woody crops or windbreaks. Short rotation woody crops and windbreaks may not be planted within one-quarter of a mile of a state or federally protected prairie. Plantings on each acre may be consistent with an organic farming plan developed under the supervision of an approved organic certification organization and must be in compliance with a conservation plan approved by the local soil and water conservation district and seeded to a vegetative cover at the earliest practicable time.

(e) Land enrolled in the federal conservation reserve program under Public Law Number 99-198, as amended, is not eligible for enrollment under sections 16 to 20.

Sec. 19. [PAYMENTS.]

To the extent appropriated money is available for this purpose, annual payments for eligible land under section 18 that is set aside by the board must be based on the soil rental rates established under the federal conservation reserve program contained in Public Law Number 99-198. An additional annual payment of \$5 per acre may be paid for acreage maintenance.

Payments for conservation plan implementation must be consistent with Minnesota Statutes, section 103C.501.

Sec. 20. [ADMINISTRATION.]

The land payment program in sections 18 and 19 must be administered by soil and water conservation districts under guidelines and grants by the board.

Sec. 21. [WESTERN LAKE SUPERIOR SANITARY DISTRICT; LANDFILL CLEANUP PROGRAM QUALIFICATION.]

Notwithstanding any provision to the contrary in Minnesota Statutes, sections 115B.39 to 115B.445, the facilities of a sanitary district operating pursuant to Minnesota Statutes, chapter 458D, and adjacent property used for solid waste disposal that did not occur under a permit from the agency, is a qualified facility for purposes of Minnesota Statutes, section 115B.39, subdivision 2, paragraph (1), clause (2), if the following conditions are met:

- (1) the sanitary district's facility is or was permitted by the pollution control agency;
- (2) the sanitary district stopped accepting mixed municipal solid waste by January 1, 2000; and
- (3) the sanitary district stops accepting demolition debris and industrial waste at the facility by January 1, 2002.

Sec. 22. [EFFECTIVE DATE.]

Sections 2; 3, subdivision 2; 4, subdivisions 1 and 3; 9; and 15 to 20, are effective on the day following final enactment.

PART D

CRIMINAL JUSTICE PROVISIONS

ARTICLE 11

APPROPRIATIONS

Section 1. [CRIMINAL JUSTICE APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2000" and "2001" where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2000, or June 30, 2001, respectively.

	APPROPRIATIONS Available for the Year Ending June 30	
	2000	2001
Sec. 2. DISTRICT COURTS		79,000
<p>\$79,000 is for the fiscal year ending June 30, 2000, to be used to reimburse Carlton county for extraordinary expenses related to homicide trials. This is a one-time appropriation added to the district courts appropriation for fiscal year 2001 in Laws 1999, chapter 216, article 1, section 4.</p>		
Sec. 3. PUBLIC SAFETY		
Subdivision 1. Total Appropriation	3,813,000	456,000

APPROPRIATIONS
 Available for the Year
 Ending June 30
 2000 2001

Subd. 2. Emergency Management

\$3,813,000 is for fiscal year 2000 for the state match of federal disaster assistance funds under Minnesota Statutes, section 12.221. This appropriation is available to fund state obligations incurred through the receipt of federal disaster assistance grants. This appropriation is added to Laws 1999, article 1, chapter 216, section 7, subdivision 2.

Subd. 3. Law Enforcement and Community Grants

\$250,000 is for a one-time grant to the Ramsey county attorney's office to establish and fund the domestic assault and child abuse prosecution unit.

The commissioner of public safety shall consider using funds appropriated for grants under Minnesota Statutes, section 299A.62, for grants to local law enforcement agencies or regional jails for the purchase of dogs trained to detect or locate controlled substances by scent. Grants are limited to one dog per agency. Local law enforcement agencies that previously received a grant under Laws 1999, chapter 216, article 1, section 7, subdivision 6, are ineligible for a grant under this section. All dogs shall be certified by the United States Police Canine Association or another equally recognized certifying organization.

Subd. 4. Center for Crime Victims Services

206,000

\$206,000 is for per diem payments for battered women shelter facilities incurred during the administrative transfer of responsibility for these payments from the department of human services to the department of public safety. This is a one-time appropriation for fiscal year 2001.

Sec. 4. CORRECTIONS

The fiscal year 2001 general fund appropriation for juvenile residential treatment grants in Laws 1999, chapter 216, article 1, section 13, subdivision 4, is reduced by \$5,000,000. The commissioner of finance shall reflect this reduction in the base budget of the department of corrections for the next biennium.

Sec. 3. Minnesota Statutes 1998, section 609.02, subdivision 4a, is amended to read:

Subd. 4a. [PETTY MISDEMEANOR.] "Petty misdemeanor" means a petty offense which is prohibited by statute, which does not constitute a crime and for which a sentence of a fine of not more than ~~\$200~~ \$300 may be imposed.

Sec. 4. Minnesota Statutes 1998, section 609.03, is amended to read:

609.03 [PUNISHMENT WHEN NOT OTHERWISE FIXED.]

If a person is convicted of a crime for which no punishment is otherwise provided the person may be sentenced as follows:

(1) If the crime is a felony, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) If the crime is a gross misdemeanor, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(3) If the crime is a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$700~~ \$800, or both; or

(4) If the crime is other than a misdemeanor and a fine is imposed but the amount is not specified, to payment of a fine of not more than \$1,000, or to imprisonment for a specified term of not more than six months if the fine is not paid.

Sec. 5. Minnesota Statutes 1998, section 609.033, is amended to read:

609.033 [INCREASED MAXIMUM PENALTIES FOR MISDEMEANORS.]

Any law of this state which provides for a maximum fine of ~~\$500~~ \$700 as a penalty for a ~~violation~~ misdemeanor shall, on or after August 1, ~~1983~~ 2000, be deemed to provide for a maximum fine of ~~\$700~~ \$800.

Sec. 6. Minnesota Statutes 1998, section 609.0331, is amended to read:

609.0331 [INCREASED MAXIMUM PENALTIES FOR PETTY MISDEMEANORS.]

A law of this state that provides, on or after August 1, ~~1987~~ 2000, for a maximum penalty of ~~\$100~~ \$200 for a petty misdemeanor is considered to provide for a maximum fine of ~~\$200~~ \$300.

Sec. 7. Minnesota Statutes 1998, section 609.0332, subdivision 1, is amended to read:

Subdivision 1. [INCREASED FINE.] From August 1, ~~1987~~ 2000, if a state law or municipal charter sets a limit of ~~\$100~~ \$200 or less on the fines that a statutory or home rule charter city, town, county, or other political subdivision may prescribe for an ordinance violation that is defined as a petty misdemeanor, that law or charter is considered to provide that the political subdivision has the power to prescribe a maximum fine of ~~\$200~~ \$300 for the petty misdemeanor violation.

Sec. 8. Minnesota Statutes 1998, section 609.034, is amended to read:

609.034 [INCREASED MAXIMUM PENALTY FOR ORDINANCE VIOLATIONS.]

Any law of this state or municipal charter which limits the power of any statutory or home rule charter city, town, county, or other political subdivision to prescribe a maximum fine of ~~\$500~~ \$700 or less for an ordinance shall on or after August 1, ~~1983~~ 2000, be deemed to provide that the statutory or home rule charter city, town, county, or other political subdivision has the power to prescribe a maximum fine of ~~\$700~~ \$800.

Sec. 9. Minnesota Statutes 1998, section 609.2231, subdivision 1, is amended to read:

Subdivision 1. [PEACE OFFICERS.] Whoever assaults a peace officer licensed under section 626.845, subdivision 1, when that officer is effecting a lawful arrest or executing any other duty imposed by law ~~and inflicts demonstrable bodily harm~~ is guilty of a ~~felony gross misdemeanor~~ and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. ~~If the assault inflicts demonstrable bodily harm, the person is guilty of a felony and may be sentenced to imprisonment for not more than two three years or to payment of a fine of not more than \$4,000 \$6,000, or both.~~

Sec. 10. [STUDY OF COURT-IMPOSED FINES, FEES, AND SURCHARGES.]

Subdivision 1. [WORK GROUP; MEMBERSHIP.] The state court administrator is requested to establish a work group to study and make recommendations to improve the current system of fines, fees, and surcharges imposed by the courts. The work group shall represent entities that impose, collect, or receive proceeds from court fines, fees, and surcharges and shall include at least one representative from the following:

- (1) district courts;
- (2) victims programs;
- (3) city and county prosecuting authorities;
- (4) district court administrators;
- (5) drug abuse prevention programs;
- (6) peace officers;
- (7) department of natural resources;
- (8) school districts;
- (9) prostitution outreach programs;
- (10) state troopers;
- (11) emergency medical services;
- (12) department of transportation;
- (13) sentencing guidelines commission;
- (14) legislature;
- (15) public defenders;
- (16) legal aid providers; and
- (17) corrections.

The state court administrator may appoint other members as necessary and shall ensure that the work group represents both rural and metropolitan areas.

Subd. 2. [DUTIES OF WORK GROUP.] The work group shall study and make recommendations for improvement in the following areas:

(1) the purpose and need for a separate systems of fines, fees, and surcharges, considering specifically the current purposes of generating revenue, punishing wrongdoing, and funding special programs. The work group shall give special consideration to how the imposition of fines, fees, and surcharges for these purposes impacts victim restitution and reparations;

(2) methods to track the imposition, and nonimposition, and collection of fines and fees including (a) a centralized tracking system, (b) modifying the sentencing guidelines worksheet to include all crimes and fines, and (c) sources for collection services including the use of existing services such as county child support collections and Minnesota collection enterprises;

(3) the impact of fragmented revenue distribution on tracking, imposition, and collection, including the effect a simplified or flat fee may have on revenue and tracking and any policy implications of simplifying the system;

(4) the impact of the state takeover of court costs and any opportunity to simplify the system of fines, fees, and surcharges or provide for a centralized revenue collection system;

(5) the rationale for continuing to charge a fee for presentence domestic abuse investigations under Minnesota Statutes, section 609.2244, when fees for presentence investigations are not imposed for other crimes; and

(6) other issues the work group considers necessary.

Subd. 3. [REPORT REQUIRED.] By January 15, 2001, the state court administrator is requested to submit an interim progress report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over judiciary finance, civil law policy, and criminal law policy and a final report by December 1, 2001. The final report shall be based on the study of the work group and shall contain detailed findings and recommendations, including proposed legislative changes for improving the current system of fines, fees, and surcharges.

Sec. 11. [REPORT ON RESTITUTION SENTENCING.]

The legislature is interested in assessing the effectiveness of using stayed sentences containing increased penalties as an incentive and means to enforce the payment of full restitution by property crime offenders. This alternative sentencing process would encourage use of a character development program as part of the stayed sentence and would permit the court to revoke or adjust the stayed sentence where necessary.

To enable the legislature to assess the effectiveness of such an alternative sentencing process, the conference of chief judges is requested to gather and report information on the experience of district judges who use these procedures and report the information to the house and senate committees having jurisdiction over criminal justice policy and funding. Information on restitution enforcement, victim restoration, offender rehabilitation, and possible prison bed impacts is requested as useful information becomes available and a final report is requested by January 1, 2002.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 9 are effective August 1, 2000, and apply to offenses committed on or after that date. Sections 10 and 11 are effective July 1, 2000.

ARTICLE 13

PUBLIC SAFETY

Section 1. Minnesota Statutes 1998, section 168A.40, subdivision 3, is amended to read:

Subd. 3. [SURCHARGE.] Each insurer engaged in the writing of policies of automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle for every six months of coverage, on each policy of automobile insurance providing comprehensive insurance coverage issued or renewed in this state. The surcharge may not be considered premium for any purpose, including the computation of premium tax or agents' commissions. The amount of the surcharge must be separately stated on either a billing or policy declaration sent to an insured. Insurers shall remit the revenue derived from this surcharge at least quarterly to the board for purposes of the automobile theft prevention program. For purposes of this subdivision, "policy of automobile insurance" has the meaning given it in section 65B.14, covering only the following types of vehicles as defined in section 168.011:

- (1) a passenger automobile;
- (2) a pick-up truck;
- (3) a van but not commuter vans as defined in section 168.126; or
- (4) a motorcycle;

except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included within this definition.

Sec. 2. Minnesota Statutes 1998, section 169.01, subdivision 37, is amended to read:

Subd. 37. [CROSSWALK.] "Crosswalk" means (1) that portion of a roadway ordinarily included with the prolongation or connection of the lateral lines of sidewalks at intersections, or in the case of an intersection with no sidewalk and no marked crosswalk, the width of the roadway from the intersection area to a line ten feet therefrom; or (2) any portion of a roadway distinctly indicated for pedestrian crossing by lines or other markings on the surface.

Sec. 3. Minnesota Statutes 1998, section 169.21, subdivision 2, is amended to read:

Subd. 2. [RIGHTS IN ABSENCE OF SIGNAL.] (a) Where traffic-control signals are not in place or in operation, the driver of a vehicle shall stop to yield the right-of-way to a pedestrian crossing the roadway within a ~~marked crosswalk or within any crosswalk at an intersection but~~. The driver must remain stopped until the pedestrian has passed the lane in which the vehicle is stopped. No pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. This provision shall not apply under the conditions as otherwise provided in this subdivision.

(b) When any vehicle is stopped at a ~~marked crosswalk or at any unmarked crosswalk at an intersection~~ to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle.

(c) It is unlawful for any person to drive a motor vehicle through a column of school children crossing a street or highway or past a member of a school safety patrol or adult crossing guard, while the member of the school safety patrol or adult crossing guard is directing the movement of children across a street or highway and while the school safety patrol member or adult crossing guard is holding an official signal in the stop position. A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of this paragraph within the past four hours.

(d) A person who violates this subdivision is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both. A person who violates this subdivision a second or subsequent time within one year of a previous conviction under this subdivision is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 4. Minnesota Statutes 1998, section 169.21, subdivision 3, is amended to read:

Subd. 3. [CROSSING BETWEEN INTERSECTIONS.] Every pedestrian crossing a roadway at any point other than within a ~~marked crosswalk or within an unmarked crosswalk at an intersection~~ shall yield the right-of-way to all vehicles upon the roadway.

Any pedestrian crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided shall yield the right-of-way to all vehicles upon the roadway.

Between adjacent intersections at which traffic-control signals are in operation pedestrians shall not cross at any place except in a marked crosswalk.

Notwithstanding the other provisions of this section every driver of a vehicle shall: (a) exercise due care to avoid colliding with any bicycle or pedestrian upon any roadway and (b) give an audible signal when necessary and exercise proper precaution upon observing any child or any obviously confused or incapacitated person upon a roadway.

Sec. 5. [169.2151] [PEDESTRIAN SAFETY CROSSINGS.]

A local road authority may by ordinance provide for the designation of pedestrian safety crossings on highways under the road authority's jurisdiction where pedestrian safety considerations require extra time for pedestrian crossing in addition to the time recommended under the Minnesota manual of uniform traffic control devices for pedestrian signals. The ordinance may provide for timing of pedestrian signals for such crossings, consistent with the recommendations of the uniform manual for pedestrian signal timing at senior citizen and handicapped pedestrian crossings. Cities other than cities of the first class may designate a crossing as a pedestrian safety crossing only with the approval of the road authority having jurisdiction over the crossing. The authority of local road authorities to determine pedestrian signal timing under this section is in addition to any other control exercised by local road authorities over the timing of pedestrian signals.

Sec. 6. [CROSSWALK SAFETY AWARENESS GRANTS.]

The Minnesota safety council shall continue its crosswalk safety awareness program by:

- (1) developing and distributing crosswalk safety education campaign materials;
- (2) creating and placing advertisements in mass media throughout the state; and
- (3) making grants to local units of government and law enforcement agencies for:
 - (i) implementing pedestrian safety awareness activities;
 - (ii) providing increased signage and crosswalk markings and evaluating their effect on highway safety; and
 - (iii) enhancing enforcement of pedestrian safety laws.

Sec. 7. [JOINT DOMESTIC ABUSE PROSECUTION UNIT.]

Subdivision 1. [ESTABLISHMENT.] A pilot project is established to develop a joint domestic abuse prosecution unit administered by the Ramsey county attorney's office and the St. Paul city attorney's office. The unit would have authority to prosecute misdemeanors, gross misdemeanors, and felonies. The unit would also coordinate efforts with child protection attorneys. The unit would include four cross-deputized assistant city attorneys and assistant county attorneys. A victim/witness advocate, a law clerk, and a legal secretary would provide support.

Subd. 2. [GOALS.] The goals of this pilot project are to:

- (1) recognize children as both victims and witnesses in domestic abuse situations;
- (2) recognize and respect the interests of children in the prosecution of domestic abuse; and
- (3) reduce the exposure to domestic violence for both adult and child victims.

Subd. 3. [REPORT.] The Ramsey county attorney's office and the St. Paul city attorney's office must report to the legislature on the pilot project. The report may include the number and types of cases referred, the number of cases charged, the outcome of cases, and other relevant outcome measures. A progress report is due January 15, 2001, and a final report is due January 15, 2002.

Subd. 4. [SHARING OF PILOT PROJECT RESULTS.] The Ramsey county attorney's office and the St. Paul city attorney's office must share the results of the pilot project with the state and other counties and cities.

Sec. 8. [EFFECTIVE DATE.]

Sections 2 to 5 are effective September 1, 2000. Section 6 is effective July 1, 2000.

ARTICLE 14

CORRECTIONS

Section 1. Minnesota Statutes 1999 Supplement, section 241.272, subdivision 6, is amended to read:

Subd. 6. [USE OF FEES.] Excluding correctional fees collected from offenders supervised by department agents under the authority of section 244.19, subdivision 1, paragraph (a), clause (3), all correctional fees collected under this section go to the general fund. Fees collected by agents under the authority of section 244.19, subdivision 1, paragraph (a), clause (3), shall go to the county treasurer in the county where supervision is provided. These fees shall be used according to section 244.18, subdivision 6.

Sec. 2. Minnesota Statutes 1999 Supplement, section 242.192, is amended to read:

242.192 [CHARGES TO COUNTIES.]

(a) The commissioner shall charge counties or other appropriate jurisdictions for one-half the actual per diem cost of confinement, excluding educational costs and nonbillable service, of juveniles at the Minnesota correctional facility-Red Wing and of juvenile females committed to the commissioner of corrections. This charge applies to juveniles committed to the commissioner of corrections and juveniles admitted to the Minnesota correctional facility-Red Wing under established admissions criteria. This charge applies to both counties that participate in the Community Corrections Act and those that do not. The commissioner shall annually determine costs, making necessary adjustments to reflect the actual costs of confinement the per diem cost of confinement based on projected population, pricing incentives, market conditions, and the requirement that expense and revenue balance out over a period of two years. All money received under this section must be deposited in the state treasury and credited to the general fund.

(b) The department of corrections shall be responsible for the other half of the per diem cost of confinement described in this section.

Sec. 3. [242.193] [JUVENILE RESIDENTIAL TREATMENT GRANTS.]

Subdivision 1. [GRANTS.] Within the limits of available appropriations, the commissioner of corrections shall make juvenile residential treatment grants to counties to defray the cost of juvenile residential treatment. The commissioner shall distribute 80 percent of the money appropriated for these purposes to noncommunity corrections counties and 20 percent to community corrections act counties. The commissioner shall distribute the money according to the formula contained in section 401.10.

Subd. 2. [REPORT.] By January 15 of each year, each county that received a grant shall submit a report to the commissioner describing the purposes for which the grants were used. By March 15 of each year, the commissioner shall summarize this information and report it to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice funding.

Sec. 4. Minnesota Statutes 1998, section 242.41, is amended to read:

242.41 [THE MINNESOTA CORRECTIONAL FACILITY-RED WING.]

There is established the Minnesota correctional facility-Red Wing at Red Wing, Minnesota, in which may be placed persons committed to the commissioner of corrections by the courts of this state ~~who, in the opinion of the commissioner, may benefit from the programs available thereat or admitted consistent with established admissions criteria.~~ When reviewing placement requests from counties, the commissioner shall take into consideration the purpose of the Minnesota correctional facility-Red Wing which is to educate and provide treatment for serious and chronic juvenile offenders for which the county has exhausted local resources. The general control and management of the facility shall be under the commissioner of corrections.

Sec. 5. Minnesota Statutes 1998, section 242.43, is amended to read:

242.43 [COMMISSIONER, DUTIES.]

The commissioner of corrections shall receive, clothe, maintain, and instruct, ~~at the expense of the state,~~ all children duly committed to the corrections department and placed in a state correctional facility for juveniles and keep them in custody until placed on probation, paroled, or discharged. The commissioner may place any of these children in suitable foster care facilities or cause them to be instructed in such trades or employment as in the commissioner's judgment will be most conducive to their reformation and tend to the future benefit and advantage of these children. The commissioner may discharge any child so committed, or may recall to the facility at any time any child paroled, placed on probation, or transferred; and, upon recall, may resume the care and control thereof. The discharge of a child by the commissioner shall be a complete release from all penalties and disabilities created by reason of the commitment.

Upon the parole or discharge of any inmate of any state juvenile correctional facility, the commissioner of corrections may pay to each inmate released an amount of money not exceeding the sum of \$10. All payments shall be made from the current expense fund of the facility.

Sec. 6. Minnesota Statutes 1998, section 242.44, is amended to read:

242.44 [PUPILS.]

The commissioner of corrections, so far as the accommodations of the correctional facilities and other means at the commissioner's disposal will permit, ~~shall may receive and keep until they reach 19 years of age, or until placed in homes, or discharged, all persons committed to the commissioner's care and custody by a juvenile court juvenile~~

delinquents and juvenile offenders serving a juvenile disposition under section 260B.130, subdivision 4. The commissioner's housing of these individuals must be consistent with federal and state law, including established admissions criteria for Minnesota correctional facility-Red Wing. The commissioner may place these youths at employment, may provide education suitable to their years and capacity, and may place them in suitable homes. Under rules prescribed by the commissioner, when deemed best for these youths, they persons committed to the commissioner's care and custody by a juvenile court may be paroled or discharged from the facility by the commissioner. All pupils in the facility shall be clothed, instructed, and maintained at the expense of the state by the commissioner of corrections.

Sec. 7. [260B.199] [PLACEMENT OF JUVENILE OFFENDERS AT MCF-RED WING.]

Subdivision 1. [WHEN COURT MUST CONSIDER; PROHIBITION ON PLACEMENT AT OUT-OF-STATE FACILITY.] Before a court orders a disposition under section 260B.198 or 260B.130, subdivision 4, for a child, the court shall determine whether the child meets the established admissions criteria for the Minnesota correctional facility-Red Wing. If the child meets the admissions criteria, the court shall place the child at the facility and may not place the child in an out-of-state facility, unless the court makes a finding on the record that the safety needs of the child and/or the safety needs of the community can be best met by a placement in an out-of-state facility.

Subd. 2. [REPORT REQUIRED.] (a) A court that places a child in an out-of-state facility shall report the following information to the sentencing guidelines commission:

(1) the out-of-state facility the child was placed at and the reasons for this placement;

(2) the in-state facilities at which placement was considered;

(3) the reasons for not choosing an in-state facility;

(4) the reasons why the child did not meet the established admissions criteria for the Minnesota correctional facility-Red Wing, if applicable; and

(5) if the child met the admissions criteria, the reasons why the safety of the child or the safety needs of the community could not be met at the Minnesota correctional facility-Red Wing.

(b) By February 15 of each year, the commissioner shall forward a summary of the reports received from courts under this subdivision for the preceding year to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding.

Sec. 8. [260B.1991] [MANDATORY COMMITMENT TO COMMISSIONER OF CORRECTIONS.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(b) "Chemical dependency treatment" means a comprehensive set of planned and organized services, therapeutic experiences, and interventions that are intended to improve the prognosis, function, or outcome of residents by reducing the risk of the use of alcohol, drugs, or other mind-altering substances and assist the resident to adjust to, and deal more effectively with, life situations.

(c) An offender has "failed or refused to successfully complete" treatment when based on factors within the offender's control, the offender is not able to substantially achieve the program's goals and the program's director determines that based on the offender's prior placement or treatment history, further participation in the program would not result in its successful completion.

(d) "Probation" has the meaning given in section 609.02, subdivision 15.

(e) "Sex offender treatment" means a comprehensive set of planned and organized services, therapeutic experiences, and interventions that are intended to improve the prognosis, function, or outcome of residents by reducing the risk of sexual reoffense and other aggressive behavior and assist the resident to adjust to, and deal more effectively with, life situations.

Subd. 2. [WHEN COMMITMENT REQUIRED.] (a) A court having jurisdiction over a child shall commit the child to the custody of the commissioner of corrections or place the child at the Minnesota correctional facility-Red Wing if the child:

(1) was previously adjudicated delinquent or convicted as an extended jurisdiction juvenile for an offense for which registration under section 243.166 was required;

(2) was placed on probation for the offense and ordered to complete a sex offender or chemical dependency treatment program; and

(3) subsequently failed or refused to successfully complete the program.

(b) If the child was initially convicted as an extended jurisdiction juvenile, the court may execute the child's adult sentence under section 260B.130, subdivision 4. Notwithstanding paragraph (c), if the court does not do this, it shall comply with paragraph (a).

(c) If the court makes a finding on the record that the needs of the child cannot be met at the Minnesota correctional facility-Red Wing, the court may order an appropriate alternative placement.

(d) Notwithstanding paragraphs (a) and (c), the court may place a child in an out-of-state facility if the facility is located closer to the child's home than the Minnesota correctional facility-Red Wing.

Subd. 3. [REPORT REQUIRED.] A court ordering an alternative placement under subdivision 2, paragraph (c), shall report to the sentencing guidelines commission on the placement ordered and the reasons for not committing the child to the custody of the commissioner of corrections. If the alternative placement is to an out-of-state facility, the report must include specific information on the distance to the out-of-state facility from the offender's home compared to that of the Minnesota correctional facility-Red Wing. By February 15 of each year, the commission shall summarize the reports received from courts under this paragraph for the preceding year and forward this summary to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding.

Sec. 9. [LEGISLATIVE INTENT.]

It is the intent of the legislature that this article encourage courts to place juvenile offenders at the Minnesota correctional facility-Red Wing who would otherwise be placed in out-of-state facilities. Except as provided in section 8, it is not the legislature's intent to discourage the placement of juvenile offenders at nonstate-operated facilities within Minnesota.

Sec. 10. [STUDY; REPORT.]

(a) The commissioner of corrections shall study the state's juvenile correctional system as it relates to serious and chronic offenders. The study must analyze and make proposals regarding:

(1) the role of the state and counties in providing services;

(2) the funding of these services;

(3) the extent to which research-based best practices exist and are accessible to counties;

(4) the method and process used to administer the juvenile commitment and parole systems;

(5) the degree to which existing practice reflects the legislature's intent in enacting juvenile justice laws; and

(6) other related issues deemed relevant by the commissioner.

(b) By January 15, 2001, the commissioner shall report the study's findings and proposals to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy funding.

Sec. 11. [OFFICE ABOLISHED.]

The office of ombudsman for the Minnesota state department of corrections is hereby abolished.

Sec. 12. [REPEALER.]

Minnesota Statutes 1998, sections 241.41; 241.42; 241.43; 241.44; 241.441; and 241.45, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2001.

ARTICLE 15

BATTERED WOMEN AND DOMESTIC ABUSE

Section 1. Minnesota Statutes 1998, section 13.82, subdivision 3b, is amended to read:

Subd. 3b. [DOMESTIC ABUSE DATA.] The written police report required by section 629.341, subdivision 4, of an alleged incident described in section 629.341, subdivision 1, and arrest data, request for service data, and response or incident data described in subdivision 2, 3, or 4 that arise out of this type of incident or out of an alleged violation of an order for protection must be released upon request at no cost to an organization designated by the Minnesota center for crime victims services, the department of corrections, or the department of public safety as providing services to victims of domestic abuse. The executive director or the commissioner of the appropriate state agency shall develop written criteria for this designation in consultation with the ~~battered women's~~ advisory council on battered women and domestic abuse.

Sec. 2. Minnesota Statutes 1999 Supplement, section 13.99, subdivision 108, is amended to read:

Subd. 108. [~~BATTERED WOMEN VICTIMS OF DOMESTIC ABUSE.~~] Data on battered women and victims of domestic abuse maintained by grantees and recipients of per diem payments for emergency shelter for battered women and support services for battered women victims of domestic abuse are governed by ~~section~~ sections 611A.32, subdivision 5, and 611A.371, subdivision 3.

Sec. 3. Minnesota Statutes 1999 Supplement, section 15.059, subdivision 5a, is amended to read:

Subd. 5a. [LATER EXPIRATION.] Notwithstanding subdivision 5, the advisory councils and committees listed in this subdivision do not expire June 30, 1997. These groups expire June 30, 2001, unless the law creating the group or this subdivision specifies an earlier expiration date.

Investment advisory council, created in section 11A.08;

Intergovernmental information systems advisory council, created in section 16B.42, expires June 30, 1999;

Feedlot and manure management advisory committee, created in section 17.136;

Aquaculture advisory committee, created in section 17.49;

Dairy producers board, created in section 17.76;

Pesticide applicator education and examination review board, created in section 18B.305;

Advisory seed potato certification task force, created in section 21.112;

Food safety advisory committee, created in section 28A.20;

Minnesota organic advisory task force, created in section 31.95;

Public programs risk adjustment work group, created in section 62Q.03;

Workers' compensation self-insurers' advisory committee, created in section 79A.02;

Youth corps advisory committee, created in section 84.0887;

Iron range off-highway vehicle advisory committee, created in section 85.013;

Mineral coordinating committee, created in section 93.002;

Game and fish fund citizen advisory committees, created in section 97A.055;

Wetland heritage advisory committee, created in section 103G.2242;

Wastewater treatment technical advisory committee, created in section 115.54;

Solid waste management advisory council, created in section 115A.12;

Nuclear waste council, created in section 116C.711;

Genetically engineered organism advisory committee, created in section 116C.93;

Environment and natural resources trust fund advisory committee, created in section 116P.06;

Child abuse prevention advisory council, created in section 119A.13;

Chemical abuse and violence prevention council, created in section 119A.293;

Youth neighborhood centers advisory board, created in section 119A.295;

Interagency coordinating council, created in section 125A.28, expires June 30, 1999;

Desegregation/integration advisory board, created in section 124D.892;

Nonpublic education council, created in section 123B.445;

Permanent school fund advisory committee, created in section 127A.30;

Indian scholarship committee, created in section 124D.84, subdivision 2;

American Indian education committees, created in section 124D.80;

Summer scholarship advisory committee, created in section 124D.95;

Multicultural education advisory committee, created in section 124D.894;

Male responsibility and fathering grants review committee, created in section 124D.33;

Library for the blind and physically handicapped advisory committee, created in section 134.31;

Higher education advisory council, created in section 136A.031;

Student advisory council, created in section 136A.031;

Cancer surveillance advisory committee, created in section 144.672;

Maternal and child health task force, created in section 145.881;

State community health advisory committee, created in section 145A.10;

Mississippi River Parkway commission, created in section 161.1419;

School bus safety advisory committee, created in section 169.435;

Advisory council on workers' compensation, created in section 175.007;

Code enforcement advisory council, created in section 175.008;

Medical services review board, created in section 176.103;

Apprenticeship advisory council, created in section 178.02;

OSHA advisory council, created in section 182.656;

Health professionals services program advisory committee, created in section 214.32;

Rehabilitation advisory council for the blind, created in section 248.10;

American Indian advisory council, created in section 254A.035;

Alcohol and other drug abuse advisory council, created in section 254A.04;

Medical assistance drug formulary committee, created in section 256B.0625;

Home care advisory committee, created in section 256B.071;

Preadmission screening, alternative care, and home and community-based services advisory committee, created in section 256B.0911;

Traumatic brain injury advisory committee, created in section 256B.093;

Minnesota commission serving deaf and hard-of-hearing people, created in section 256C.28;

American Indian child welfare advisory council, created in section 260.835;

Juvenile justice advisory committee, created in section 268.29;

Northeast Minnesota economic development fund technical advisory committees, created in section 298.2213;

Iron range higher education committee, created in section 298.2214;

Northeast Minnesota economic protection trust fund technical advisory committee, created in section 298.297;

~~Battered women's~~ Advisory council on battered women and domestic abuse, created in section 611A.34.

Sec. 4. Minnesota Statutes 1998, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 must be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women and domestic abuse;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board of examiners for nursing home administrators;
- (5) board on aging;
- (6) chiropractic examiners board;
- (7) consumer advisory council on vocational rehabilitation;
- (8) council on disability;
- (9) council on affairs of Chicano/Latino people;
- (10) council on Black Minnesotans;
- (11) dentistry board;
- (12) department of economic security advisory council;
- (13) higher education services office;
- (14) housing finance agency;
- (15) Indian advisory council on chemical dependency;
- (16) medical practice board;
- (17) medical policy directional task force on mental health;
- (18) Minnesota employment and economic development task force;

- (19) Minnesota office of citizenship and volunteer services advisory committee;
- (20) Minnesota state arts board;
- (21) nursing board;
- (22) optometry board;
- (23) pharmacy board;
- (24) physical therapists council;
- (25) podiatry board;
- (26) psychology board;
- (27) veterans advisory committee.

Sec. 5. Minnesota Statutes 1998, section 119A.37, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL SERVICES.] Each family visitation center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse. Each family visitation center must have available an individual knowledgeable about or experienced in the provision of services to ~~battered women~~ domestic abuse victims on its staff, its board of directors, or otherwise available to it for consultation.

Sec. 6. Minnesota Statutes 1998, section 120B.22, subdivision 1, is amended to read:

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of children, families, and learning, in consultation with the commissioners of health and human services, state minority councils, ~~battered women's domestic abuse programs, battered women's shelters,~~ sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, sexual, racial, and cultural harassment, and student hazing that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and service cooperatives;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior;

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment or student hazing.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 7. Minnesota Statutes 1998, section 257.75, subdivision 6, is amended to read:

Subd. 6. [PATERNITY EDUCATIONAL MATERIALS.] The commissioner of human services shall prepare educational materials for new and prospective parents that describe the benefits and effects of establishing paternity. The materials must include a description and comparison of the procedures for establishment of paternity through a recognition of parentage under this section and an adjudication of paternity under sections 257.51 to 257.74. The commissioner shall consider the use of innovative audio or visual approaches to the presentation of the materials to facilitate understanding and presentation. In preparing the materials, the commissioner shall consult with child advocates and support workers, ~~battered women's~~ advocates for domestic abuse victims, social service providers, educators, attorneys, hospital representatives, and people who work with parents in making decisions related to paternity. The commissioner shall consult with representatives of communities of color. On and after January 1, 1994, the commissioner shall make the materials available without cost to hospitals, requesting agencies, and other persons for distribution to new parents.

Sec. 8. Minnesota Statutes 1998, section 518B.01, subdivision 21, is amended to read:

Subd. 21. [ORDER FOR PROTECTION FORMS.] The state court administrator, in consultation with the advisory council on battered women and domestic abuse, city and county attorneys, and legal advocates who work with victims, shall develop a uniform order for protection form that will facilitate the consistent enforcement of orders for protection throughout the state.

Sec. 9. Minnesota Statutes 1998, section 611A.07, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The commissioner of corrections, after considering the recommendations of the ~~battered women~~ advisory council on battered women and domestic abuse and the sexual assault advisory council, and in collaboration with the commissioner of public safety, shall adopt standards governing electronic monitoring devices used to protect victims of domestic abuse. In developing proposed standards, the commissioner shall consider the experience of the courts in the tenth judicial district in the use of the devices to protect victims of domestic abuse. These standards shall promote the safety of the victim and shall include measures to avoid the disparate use of the device with communities of color, product standards, monitoring agency standards, and victim disclosure standards.

Sec. 10. Minnesota Statutes 1998, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs which provide emergency shelter services to battered women and support services to ~~battered women~~ domestic abuse victims and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women and domestic abuse victims. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations. By July 1, 1995, community-based domestic abuse advocacy and support services programs must be established in every judicial assignment district.

Sec. 11. Minnesota Statutes 1998, section 611A.32, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any public or private nonprofit agency may apply to the commissioner for a grant to provide emergency shelter services to battered women, support services to domestic abuse victims, or both, to battered women and their children. The application shall be submitted in a form approved by the commissioner by rule adopted under chapter 14, after consultation with the advisory council, and shall include:

(1) a proposal for the provision of emergency shelter services for battered women, support services for domestic abuse victims, or both, for battered women and their children;

(2) a proposed budget;

(3) evidence of an ability to integrate into the proposed program the uniform method of data collection and program evaluation established under sections 611A.33 and 611A.34;

(4) evidence of an ability to represent the interests of battered women and domestic abuse victims and their children to local law enforcement agencies and courts, county welfare agencies, and local boards or departments of health;

(5) evidence of an ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and

(6) any other content the commissioner may require by rule adopted under chapter 14, after considering the recommendations of the advisory council.

Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to (6), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of renewal funding.

Sec. 12. Minnesota Statutes 1998, section 611A.32, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF GRANTEEES.] Every public or private nonprofit agency which receives a grant to provide emergency shelter services to battered women and support services to battered women and domestic abuse victims shall comply with all rules of the commissioner related to the administration of the pilot programs.

Sec. 13. Minnesota Statutes 1998, section 611A.32, subdivision 5, is amended to read:

Subd. 5. [CLASSIFICATION OF DATA COLLECTED BY GRANTEEES.] Personal history information and other information collected, used or maintained by a grantee from which the identity or location of any ~~battered woman~~ victim of domestic abuse may be determined is private data on individuals, as defined in section 13.02, subdivision 12, and the grantee shall maintain the data in accordance with the provisions of chapter 13.

Sec. 14. Minnesota Statutes 1998, section 611A.33, is amended to read:

611A.33 [DUTIES OF COMMISSIONER.]

The commissioner shall:

- (1) Review applications for and award grants to a program pursuant to section 611A.32, subdivision 1, after considering the recommendation of the advisory council;
- (2) Appoint the members of the advisory council created under section 611A.34, and provide consultative staff and other administrative services to the advisory council;
- (3) After considering the recommendation of the advisory council, appoint a program director to perform the duties set forth in section 611A.35;
- (4) Design and implement a uniform method of collecting data on ~~battered women~~ domestic abuse victims to be used to evaluate the programs funded under section 611A.32;
- (5) Provide technical aid to applicants in the development of grant requests and provide technical aid to programs in meeting the data collection requirements established by the commissioner; and
- (6) Adopt, under chapter 14, all rules necessary to implement the provisions of sections 611A.31 to 611A.36.

Sec. 15. Minnesota Statutes 1998, section 611A.34, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The commissioner shall appoint a 12-member advisory council to advise the commissioner on the implementation and continued operation of sections 611A.31 to 611A.36. The ~~battered women's domestic abuse~~ advisory council shall also serve as a liaison between the commissioner and organizations that provide services to ~~battered women~~ domestic abuse victims. Section 15.059 governs the filling of vacancies and removal of members of the advisory council. The terms of the members of the advisory council shall be two years. No member may serve on the advisory council for more than two consecutive terms. Notwithstanding section 15.059, the council shall not expire. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.

Sec. 16. Minnesota Statutes 1998, section 611A.34, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] Persons appointed shall be knowledgeable about and have experience or interest in issues concerning battered women and domestic abuse victims, including the need for effective advocacy services. The membership of the council shall broadly represent the interests of ~~battered women~~ domestic abuse victims in Minnesota. No more than six of the members of the ~~battered women's~~ advisory council on battered women and domestic abuse may be representatives of community or governmental organizations that provide services to battered women and domestic abuse victims. One-half of the council's members shall reside in the metropolitan area, composed of Hennepin, Ramsey, Anoka, Dakota, Scott, Washington, and Carver counties, and one-half of the members shall reside in the nonmetropolitan area. To the extent possible, nonmetropolitan members must be representative of all nonmetropolitan regions of the state.

Sec. 17. Minnesota Statutes 1998, section 611A.34, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The advisory council shall:

- (1) advise the commissioner on all planning, development, data collection, rulemaking, funding, and evaluation of programs and services for battered women and domestic abuse victims that are funded under section 611A.32, other than matters of a purely administrative nature;

(2) advise the commissioner on the adoption of rules under chapter 14 governing the award of grants to ensure that funded programs are consistent with section 611A.32, subdivision 1;

(3) recommend to the commissioner the names of five applicants for the position of ~~battered women's~~ domestic abuse program director;

(4) advise the commissioner on the rules adopted under chapter 14 pursuant to section 611A.33;

(5) review applications received by the commissioner for grants under section 611A.32 and make recommendations on the awarding of grants; and

(6) advise the program director in the performance of duties in the administration and coordination of the programs funded under section 611A.32.

Sec. 18. Minnesota Statutes 1998, section 611A.345, is amended to read:

611A.345 [ADVISORY COUNCIL RECOMMENDATIONS.]

The commissioner shall consider the advisory council's recommendations before awarding grants or adopting policies regarding the planning, development, data collection, rulemaking, funding or evaluation of programs and services for battered women and domestic abuse victims funded under section 611A.32. Before taking action on matters related to programs and services for battered women and domestic abuse victims and their children, except day-to-day administrative operations, the commissioner shall notify the advisory council of the intended action. Notification of grant award decisions shall be given to the advisory council in time to allow the council to request reconsideration.

Sec. 19. Minnesota Statutes 1998, section 611A.35, is amended to read:

611A.35 [~~BATTERED WOMEN'S~~ ADVISORY COUNCIL ON BATTERED WOMEN AND DOMESTIC ABUSE PROGRAM DIRECTOR.]

The commissioner shall appoint a program director. In appointing the program director the commissioner shall give due consideration to the list of applicants submitted to the commissioner pursuant to section 611A.34, subdivision 3, clause (3). The program director shall administer the funds appropriated for sections 611A.31 to 611A.36, consult with and provide staff to the advisory council, and perform other duties related to battered women's and domestic abuse programs as the commissioner may assign. The program director shall serve at the pleasure of the commissioner in the unclassified service.

Sec. 20. Minnesota Statutes 1998, section 611A.36, subdivision 1, is amended to read:

Subdivision 1. [FORM PRESCRIBED.] The commissioner shall, by rule adopted under chapter 14, after considering the recommendations of the advisory council, prescribe a uniform form and method for the collection of data on ~~battered women~~ domestic abuse victims. The method and form of data collection shall be designed to document the incidence of assault on ~~battered women~~ domestic abuse victims as defined in section 611A.31, subdivision 2. All data collected by the commissioner pursuant to this section shall be summary data within the meaning of section 13.02, subdivision 19.

Sec. 21. Minnesota Statutes 1998, section 611A.36, subdivision 2, is amended to read:

Subd. 2. [MANDATORY DATA COLLECTION.] Every local law enforcement agency shall collect data related to ~~battered women~~ domestic abuse victims in the form required by the commissioner. The data shall be collected and transmitted to the commissioner at such times as the commissioner shall, by rule, require.

Sec. 22. [611A.37] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 22 to 26, the terms defined have the meanings given them unless otherwise provided or indicated by the context.

Subd. 2. [DIRECTOR.] "Director" means the director of the Minnesota center for crime victim services or a designee.

Subd. 3. [CENTER.] "Center" means the Minnesota center for crime victim services.

Subd. 4. [SHELTER FACILITY.] "Shelter facility" means a secure crisis shelter, housing network, safe home, or other facility operated by a nonprofit organization and designated by the center for the purpose of providing food, lodging, safety, and 24-hour coverage for battered women and their minor children.

Subd. 5. [DESIGNATED SHELTER FACILITY.] "Designated shelter facility" means a facility that has applied to, and been approved by, the center to provide shelter and services to battered women and their minor children.

Subd. 6. [PER DIEM RATE.] "Per diem rate" means a daily charge per person for providing food, lodging, safety, and 24-hour coverage for battered women and their minor children.

Subd. 7. [RESERVE AMOUNT.] "Reserve amount" means the amount the center has reserved for each shelter facility.

Subd. 8. [BATTERED WOMAN.] "Battered woman" has the meaning given in section 611A.31, subdivision 2.

Sec. 23. [611A.371] [PROGRAM OPERATION.]

Subdivision 1. [PURPOSE.] The purpose of the per diem program is to provide reimbursement in a timely, efficient manner to local programs for the reasonable and necessary costs of providing battered women and their minor children with food, lodging, and safety. Per diem funding may not be used for other purposes.

Subd. 2. [NONDISCRIMINATION.] Designated shelter facilities are prohibited from discriminating against a battered woman or her minor children on the basis of race, color, creed, religion, national origin, marital status, status with regard to public assistance, disability, or sexual orientation.

Subd. 3. [DATA.] Personal history information collected, used, or maintained by a designated shelter facility from which the identity or location of any battered woman may be determined is private data on individuals, as defined in section 13.02, subdivision 12, and the facility shall maintain the data in accordance with the provisions of chapter 13.

Sec. 24. [611A.372] [DUTIES OF THE DIRECTOR.]

In addition to any other duties imposed by law, the director, with the approval of the commissioner of public safety, shall:

- (1) adopt rules consistent with law for carrying out the provisions of sections 22 to 26;
- (2) supervise the administration of per diem payments to designated shelter facilities;
- (3) collect data on shelter facilities;
- (4) conduct an annual evaluation of the per diem program;

(5) report to the governor and the legislature on the need for emergency secure shelter; and

(6) develop an application process for shelter facilities to follow in seeking reimbursement under the per diem program.

The per diem program contained in sections 22 to 26 is exempt from rulemaking until January 1, 2003.

Sec. 25. [611A.373] [PAYMENTS.]

Subdivision 1. [PAYMENT REQUESTS.] Designated shelter facilities may submit requests for payment monthly based on the number of persons housed. Upon approval of the request for payment by the center, payments shall be made directly to designated shelter facilities from per diem funds on behalf of women and their minor children who reside in the shelter facility. Payments made to a designated shelter facility must not exceed the annual reserve amount for that facility unless approved by the director. These payments must not affect the eligibility of individuals who reside in shelter facilities for public assistance benefits, except when required by federal law or regulation.

Subd. 2. [RESERVE AMOUNT.] The center shall calculate annually the reserve amount for each designated shelter facility. This calculation may be based upon program type, average occupancy rates, and licensed capacity limits. The total of all reserve amounts shall not exceed the legislative per diem appropriation.

Sec. 26. [611A.375] [APPEAL PROCESS.]

(a) Except as provided in paragraph (b), a designated shelter facility may, within 30 days after receiving a decision by the center to deny payment, request reconsideration. A designated shelter facility which is denied payment upon reconsideration is entitled to a contested case hearing within the meaning of chapter 14.

(b) A facility may not appeal a decision by the center to deny payments in excess of the facility's reserve amount.

Sec. 27. Minnesota Statutes 1999 Supplement, section 626.558, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF THE TEAM.] A county shall establish a multidisciplinary child protection team that may include, but not be limited to, the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health or other appropriate human service or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social service agencies, family service and mental health collaboratives, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for its activities with battered women's and domestic abuse programs and services.

Sec. 28. Minnesota Statutes 1998, section 629.342, subdivision 2, is amended to read:

Subd. 2. [POLICIES REQUIRED.] (a) By July 1, 1993, each law enforcement agency shall develop, adopt, and implement a written policy regarding arrest procedures for domestic abuse incidents. In the development of a policy, each law enforcement agency shall consult with domestic abuse advocates, community organizations, and other law enforcement agencies with expertise in the recognition and handling of domestic abuse incidents. The policy shall discourage dual arrests, include consideration of whether one of the parties acted in self defense, and provide guidance to officers concerning instances in which officers should remain at the scene of a domestic abuse incident until the likelihood of further imminent violence has been eliminated.

(b) The bureau of criminal apprehension, the board of peace officer standards and training, and the battered women's advisory council on battered women and domestic abuse appointed by the commissioner of corrections under section 611A.34, in consultation with the Minnesota chiefs of police association, the Minnesota sheriffs

association, and the Minnesota police and peace officers association, shall develop a written model policy regarding arrest procedures for domestic abuse incidents for use by local law enforcement agencies. Each law enforcement agency may adopt the model policy in lieu of developing its own policy under the provisions of paragraph (a).

(c) Local law enforcement agencies that have already developed a written policy regarding arrest procedures for domestic abuse incidents before July 1, 1992, are not required to develop a new policy but must review their policies and consider the written model policy developed under paragraph (b).

Sec. 29. Minnesota Statutes 1998, section 629.72, subdivision 6, is amended to read:

Subd. 6. [NOTICE REGARDING RELEASE OF ARRESTED PERSON.] (a) Immediately after issuance of a citation in lieu of continued detention under subdivision 1, or the entry of an order for release under subdivision 2, but before the arrested person is released, the agency having custody of the arrested person or its designee must make a reasonable and good faith effort to inform orally the alleged victim, local law enforcement agencies known to be involved in the case, if different from the agency having custody, and, at the victim's request any local battered women's and domestic abuse programs established under section 611A.32 or sexual assault programs of:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested person and the victim's right to be present at the court appearance; and

(4) if the arrested person is charged with domestic abuse, the location and telephone number of the area battered women's shelter as designated by the department of corrections.

(b) As soon as practicable after an order for conditional release is entered, the agency having custody of the arrested person or its designee must personally deliver or mail to the alleged victim a copy of the written order and written notice of the information in paragraph (a), clauses (2) and (3).

ARTICLE 16

IMPAIRED DRIVING OFFENSE

Section 1. Minnesota Statutes 1999 Supplement, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this section:

(1) "Prior impaired driving conviction" means a prior conviction under:

(i) this section; Minnesota Statutes 1996, section 84.91, subdivision 1, paragraph (a), or 86B.331, subdivision 1, paragraph (a); section 169.1211; section 169.129; or section 360.0752;

(ii) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); or

(iii) an ordinance from this state, or a statute or ordinance from another state, in conformity with any provision listed in item (i) or (ii).

A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.

(2) "Prior license revocation" means a driver's license suspension, revocation, cancellation, denial, or disqualification under:

(i) this section or section 169.1211, 169.123, 171.04, 171.14, 171.16, 171.165, 171.17, or 171.18 because of an alcohol-related incident;

(ii) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6); or

(iii) an ordinance from this state, or a statute or ordinance from another state, in conformity with any provision listed in item (i) or (ii).

"Prior license revocation" also means the revocation of snowmobile or all-terrain vehicle operating privileges under section 84.911, or motorboat operating privileges under section 86B.335, for violations that occurred on or after August 1, 1994; the revocation of snowmobile or all-terrain vehicle operating privileges under section 84.91; or the revocation of motorboat operating privileges under section 86B.331.

(b) A person who violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a, or an ordinance in conformity with any of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1, clause (f);

(2) the person violates subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), or subdivision 1a:

(i) within five years of a prior impaired driving conviction or a prior license revocation; or

(ii) within ten years of the first of two ~~or more~~ prior impaired driving convictions, two ~~or more~~ prior license revocations, or any combination of two ~~or more~~ prior impaired driving convictions and prior license revocations, based on separate incidents;

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 or 1a while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

A person convicted of a gross misdemeanor under this paragraph is subject to the mandatory penalties provided in subdivision 3d.

(d) A person is guilty of a felony under any of the following circumstances:

(1) the person violates subdivision 1 or 1a within ten years of the first of three or more prior impaired driving convictions; or

(2) the person violates subdivision 1 or 1a and has been convicted previously of a felony under this section or section 169.129.

A person convicted of a felony under this paragraph must be sentenced to imprisonment for not less than five nor more than seven years and, in addition, may be ordered to pay a fine of not more than \$14,000. The court must impose this mandatory sentence and may stay execution of it only on condition that the offender serve 180 consecutive days in a local correctional facility and, following this period of incarceration, that the offender enter a program of probation supervision that includes electronic monitoring and, if recommended by the chemical use assessment, chemical dependency treatment and aftercare. Hearings on whether the offender has violated the conditions of the stayed sentence are governed by section 609.135, subdivision 1d.

~~(e)~~ (e) The court shall notify a person convicted of violating subdivision 1 or 1a that the registration plates of the person's motor vehicle may be impounded under section 168.042 and the vehicle may be subject to forfeiture under section 169.1217 upon a subsequent conviction for violating this section, section 169.129, or section 171.24, or a subsequent license revocation under section 169.123. The notice must describe the conduct and the time periods within which the conduct must occur in order to result in plate impoundment or forfeiture. The failure of the court to provide this information does not affect the applicability of the plate impoundment or the forfeiture provision to that person.

~~(f)~~ (f) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section ~~shall~~ is also ~~be~~ responsible for prosecution of gross misdemeanor violations of this section.

~~(g)~~ (g) The court must impose consecutive sentences when it sentences a person for a violation of this section or section 169.129 arising out of separate behavioral incidents. The court also must impose a consecutive sentence when it sentences a person for a violation of this section or section 169.129 and the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of this section or section 169.129 and the prior sentence involved a separate behavioral incident. The court also may order that the sentence imposed for a violation of this section or section 169.129 ~~shall~~ run consecutively to a previously imposed misdemeanor, gross misdemeanor or felony sentence for a violation other than this section or section 169.129.

~~(h)~~ (h) When the court stays the sentence of a person convicted under this section, the length of the stay is governed by section 609.135, subdivision 2.

~~(i)~~ (i) The court may impose consecutive sentences for offenses arising out of a single course of conduct as permitted in section 609.035, subdivision 2.

~~(j)~~ (j) The court shall impose consecutive sentences for a violation of this section or section 169.129 and an offense listed in section 609.035, subdivision 2, paragraph (f), arising out of the same course of conduct, as required by section 609.035, subdivision 2, paragraph (g).

~~(k)~~ (k) When an attorney responsible for prosecuting gross misdemeanors or felonies under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

~~(l)~~ (l) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred.

Sec. 2. Minnesota Statutes 1998, section 169.121, subdivision 3b, is amended to read:

Subd. 3b. [CHEMICAL USE ASSESSMENT.] Except for felony convictions, the court must order a person to submit to the level of care recommended in the chemical use assessment if the person has been convicted of violating:

(1) subdivision 1, clause (f); or

(2) subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), subdivision 1a, section 169.129, an ordinance in conformity with any of them, or a statute or ordinance from another state in conformity with any of them:

(i) within five years of a prior impaired driving conviction or a prior license revocation; or

(ii) within ten years of two ~~or more~~ prior impaired driving convictions, two ~~or more~~ prior license revocations, or a prior impaired driving conviction and a prior license revocation, based on separate incidents.

Sec. 3. Minnesota Statutes 1999 Supplement, section 169.121, subdivision 3d, is amended to read:

Subd. 3d. [GROSS MISDEMEANOR; MANDATORY PENALTIES.] (a) The mandatory penalties in this subdivision apply to persons convicted of a gross misdemeanor under subdivision 3, paragraph (c), or section 169.129.

(b) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within five years of a prior impaired driving conviction or prior license revocation, must be sentenced to a minimum of 30 days imprisonment, at least 48 hours of which must be served consecutively, or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph ~~(f) or (g)~~ (d) or (e).

(c) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within ten years of two prior impaired driving convictions, two prior license revocations, or a combination of the two based on separate instances, must be sentenced to either:

(1) a minimum of 90 days incarceration, at least 30 days of which must be served consecutively in a local correctional facility; or

(2) a program of intensive supervision of the type described in section 169.1265 that requires the person to consecutively serve at least six days in a local correctional facility.

The court may order that the person serve not more than 60 days of the minimum penalty under clause (1) on home detention or in an intensive probation program described in section 169.1265. Notwithstanding section 609.135, the penalties in this paragraph must be imposed and executed.

~~(d) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within ten years of three prior impaired driving convictions, three prior license revocations, or a combination of the two based on separate instances, must be sentenced to either:~~

~~(1) a minimum of 180 days of incarceration, at least 30 days of which must be served consecutively in a local correctional facility; or~~

~~(2) a program of intensive supervision of the type described in section 169.1265 that requires the person to consecutively serve at least six days in a local correctional facility.~~

~~The court may order that the person serve not more than 150 days of the minimum penalty under clause (1) on home detention or in an intensive probation program described in section 169.1265. Notwithstanding section 609.135, the penalties in this paragraph must be imposed and executed.~~

~~(e) A person who is convicted of a gross misdemeanor under subdivision 3, paragraph (c), or is convicted of a gross misdemeanor violation of section 169.129 within 15 years of four prior impaired driving convictions, four prior license revocations, or a combination of the two based on separate instances; or anytime after five or more prior impaired driving convictions, five or more prior license revocations, or a combination of the two based on separate instances, must be sentenced to either:~~

~~(1) a minimum of one year of incarceration, at least 60 days of which must be served consecutively in a local correctional facility; or~~

~~(2) a program of intensive supervision of the type described in section 169.1265 that requires the person to consecutively serve at least six days in a local correctional facility.~~

~~The court may order that the person serve the remainder of the minimum penalty under clause (1) on intensive probation using an electronic monitoring system or, if such a system is unavailable, on home detention. Notwithstanding section 609.135, the penalties in this paragraph must be imposed and executed.~~

~~(f)~~ (e) Prior to sentencing, the prosecutor may file a motion to have a defendant described in paragraph (b) sentenced without regard to the mandatory minimum sentence established by that paragraph. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum sentence established by paragraph (b).

~~(g)~~ (e) The court may, on its own motion, sentence a defendant described in paragraph (b) without regard to the mandatory minimum sentence established by that paragraph if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it. The court also may sentence the defendant without regard to the mandatory minimum sentence established by paragraph (b) if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

~~(h)~~ (f) When any portion of the sentence required by paragraph (b) is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record. Any sentence required under paragraph (b) must include a mandatory sentence that is not subject to suspension or a stay of imposition or execution, and that includes ~~incarceration for not less than~~ at least 48 consecutive hours of incarceration or at least 80 hours of community work service.

Sec. 4. Minnesota Statutes 1999 Supplement, section 169.121, subdivision 3f, is amended to read:

Subd. 3f. [LONG-TERM MONITORING.] (a) This subdivision applies to a person convicted of:

(1) a violation of subdivision 1 or 1a within five years of two prior impaired driving convictions, ~~or within ten years of three or more prior impaired driving convictions;~~

(2) a second or subsequent violation of subdivision 1 or 1a, if the person is under the age of 19 years;

(3) a violation of subdivision 1 or 1a, while the person's driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (10); or

(4) a gross misdemeanor violation of section 169.129.

(b) When the court sentences a person described in paragraph (a) to a stayed sentence and when electronic monitoring equipment is available to the court, the court shall require that the person participate in a program of electronic alcohol monitoring in addition to any other conditions of probation or jail time it imposes. During the first one-third of the person's probationary term, the electronic alcohol monitoring must be continuous and involve measurements of the person's alcohol at least three times a day. During the remainder of the person's probationary term, the electronic alcohol monitoring may be intermittent, as determined by the court. The court shall require partial or total reimbursement from the person for the cost of the electronic alcohol monitoring, to the extent the person is able to pay.

Sec. 5. Minnesota Statutes 1999 Supplement, section 169.1217, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS ON FORFEITURE OF MOTOR VEHICLE.] (a) A vehicle is subject to forfeiture under this section only if:

(1) the driver is convicted of the designated offense upon which the forfeiture is based;

(2) the driver fails to appear with respect to the designated offense charge in violation of section 609.49; or

(3) the driver's conduct results in a designated license revocation and the driver either fails to seek administrative or judicial review of the revocation in a timely manner as required by section 169.123, subdivision 5b or 5c, or the revocation is sustained under section 169.123, subdivision 5b or 6.

(b) A vehicle encumbered by a bona fide security interest, or subject to a lease that has a term of 180 days or more, is subject to the interest of the secured party or lessor unless the party or lessor had knowledge of or consented to the act upon which the forfeiture is based. However, when the proceeds of the sale of a seized vehicle do not equal or exceed the outstanding loan balance, the appropriate agency shall remit all proceeds of the sale to the secured party. If the sale of the vehicle is conducted in a commercially reasonable manner consistent with ~~the provisions of~~ section 336.9-504, clause (3), the agency is not liable to the secured party for any amount owed on the loan in excess of the sale proceeds if the secured party received notification of the time and place of the sale at least three days prior to the sale.

(c) Notwithstanding paragraphs (b) and (d), the secured party's, lessor's, or owner's interest in a vehicle is not subject to forfeiture based solely on the secured party's, lessor's, or owner's knowledge of the act or omission upon which the forfeiture is based if the secured party, lessor, or owner took reasonable steps to terminate use of the vehicle by the offender.

(d) A motor vehicle is subject to forfeiture under this section ~~only~~ if its owner knew or should have known ~~of the unlawful use or intended use that the offender did not have a valid license at the time the offender used the vehicle and if the owner gave explicit or implicit permission to the offender to use the vehicle.~~

(e) A vehicle subject to a security interest, based upon a loan or other financing arranged by a financial institution, is subject to the interest of the financial institution.

Sec. 6. Minnesota Statutes 1999 Supplement, section 169.129, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a ~~gross misdemeanor~~ crime for any person to drive, operate, or be in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driving privilege has been reinstated following its cancellation, suspension, revocation, disqualification, or denial under any of the following statutes:

(1) section 169.121, 169.1211, or 169.123;

(2) section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident;

(3) section 609.21, subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4, clauses (2) to (6).

Sec. 7. Minnesota Statutes 1998, section 169.129, is amended by adding a subdivision to read:

Subd. 1a. [PENALTIES.] (a) Except as otherwise provided in paragraph (b), a person who violates this section is guilty of a gross misdemeanor.

(b) A person is guilty of a felony if the person violates subdivision 1, and either:

(1) the person has three or more prior impaired driving convictions, as defined in section 169.121, subdivision 3, within the past ten years; or

(2) the person has been convicted previously of a felony violation of this section or section 169.121.

A person convicted of a felony under this paragraph must be sentenced to imprisonment for not less than five nor more than seven years and, in addition, may be ordered to pay a fine of not more than \$14,000. The court must impose this mandatory sentence and may stay execution of it only on condition that the offender serve 180 consecutive days in a local correctional facility and, following this period of incarceration, that the offender enter a program of probation supervision that includes electronic monitoring and, if recommended by the chemical use assessment, chemical dependency treatment and aftercare. Hearings on whether the offender has violated the conditions of the stayed sentence are governed by section 609.135, subdivision 1d.

Sec. 8. Minnesota Statutes 1998, section 609.135, is amended by adding a subdivision to read:

Subd. 1d. [FELONY-LEVEL DWI OFFENDER; ALCOHOL OR DRUG USE.] If a defendant convicted of a felony-level violation of section 169.121 or 169.129 is required, as a condition of a stayed sentence, to refrain from the use of alcohol or drugs, the probation agent supervising the defendant must immediately report to the court any information or indication that the defendant has violated this condition. As soon as practicable after receiving the probation agent's report, the court shall hold a hearing under section 609.14 to determine whether the defendant used alcohol or drugs in violation of the condition of the stayed sentence. If the court finds that the defendant violated this condition, the court may continue the stay only on the additional condition that the defendant serve 365 consecutive days of incarceration in a local correctional facility. The court must impose this additional condition unless the court makes written findings regarding the mitigating factors justifying nonimposition of the condition.

Sec. 9. Minnesota Statutes 1999 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. [STAY OF SENTENCE MAXIMUM PERIODS.] (a) Except as otherwise provided in this paragraph, if the conviction is for a felony the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer. If the conviction is for a felony violation of section 169.121 or 169.129, the stay shall be for not more than ten years.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

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

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

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

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

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

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

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

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

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

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

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

Sec. 10. [SENTENCING GUIDELINE RANKING OF DWI FELONY.]

The sentencing guidelines commission is requested to leave felony violations of Minnesota Statutes, sections 169.121 and 169.129, unranked under sentencing guideline II.A.03. The commission also is requested to amend the sentencing guidelines to provide that each felony violation of Minnesota Statutes, section 169.121 or 169.129, constitutes one criminal history point.

Sec. 11. [PLAN FOR PLACEMENT OF DWI OFFENDERS SENTENCED TO PRISON.]

The commissioner of corrections, in consultation with the commissioner of human services, shall develop a plan for the placement and management of felony-level DWI offenders who are committed to the commissioner's custody. The plan shall identify the facilities in which these offenders will be confined and may include state-owned or state-operated residential facilities and private facilities that currently are not part of the state correctional system. The commissioner shall submit the plan to the chairs and ranking minority members of the house and senate committees with jurisdiction over criminal justice policy and funding by November 1, 2000.

Sec. 12. [STUDY OF COMMUNITY CORRECTIONS IMPACTS OF FELONY DWI.]

The commissioner of corrections shall study and report to the legislature on the likely community corrections impacts of the felony penalty created by this article. In conducting the study, the commissioner shall obtain relevant information from counties within each of the three probation services delivery systems in order to answer the following questions:

(1) How many felony-level DWI offenders will be on probation each year?

(2) What conditions of probation will these offenders be required to observe?

(3) How many offenders are expected to successfully complete probation and how many are expected to violate probation and serve their stayed prison sentence?

As part of the study, the commissioner must also examine and report on private services to satisfy the mandatory incarceration sentences and the chemical dependency requirements.

The commissioner shall submit the report to the chairs and ranking minority members of the house and senate committees with jurisdiction over criminal justice policy and funding by November 1, 2000.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 10 are effective July 1, 2001, and apply to offenses occurring on or after that date.

PART E**STATE GOVERNMENT PROVISIONS**

ARTICLE 17

STATE GOVERNMENT
APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2000" and "2001" mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2000, or June 30, 2001, respectively, and if an earlier appropriation was made for that purpose for that year, the appropriation in this article is added to it. Where a dollar amount appears in parentheses, it means a reduction of an earlier appropriation for that purpose for that year.

SUMMARY BY FUND

APPROPRIATIONS	2000	2001	BIENNIAL TOTAL
General	\$ (3,191,000)	\$ (5,914,000)	\$ (9,105,000)
TOTAL	\$ (3,191,000)	\$ (5,914,000)	\$ (9,105,000)

APPROPRIATIONS
Available for the Year
Ending June 30

2000	2001
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Sec. 2. LEGISLATURE

\$ 50,000	\$
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\$50,000 is for the legislative commission on Minnesota-Ontario matters and is available only upon demonstration of a dollar-for-dollar match from nonstate sources. This appropriation is available until June 30, 2001.

From amounts previously appropriated to the house of representatives and carried forward into the biennium beginning July 1, 1999, \$1,500,000 is canceled to the general fund.

From amounts previously appropriated to the senate and carried forward into the biennium beginning July 1, 1999, \$1,500,000 is canceled to the general fund.

The house of representatives must minimize the number of members who are required to change offices if there is a change in which party is the majority caucus for the 2001-2002 legislative session.

APPROPRIATIONS
Available for the Year
Ending June 30

	2000	2001
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Sec. 3. SECRETARY OF STATE

2,000,000

To construct and maintain the Uniform Commercial Code central filing system required by H. F. No. 1394, if enacted, to be available until June 30, 2001.

Beginning with fiscal year 2002, the general fund base for the office of the secretary of state must be reduced by \$2,300,000 in fiscal year 2002 and \$2,300,000 in fiscal year 2003.

Sec. 4. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING

(2,000,000)

This reduction is for a permanent reduction in staff.

The office of strategic and long-range planning must develop a plan for contracting with the University of Minnesota, other educational institutions, and other individuals or entities, for strategic planning activities for the state. This plan shall be submitted to the legislature by January 15, 2001.

Sec. 5. ADMINISTRATION

(2,000,000)

(3,049,000)

Of this amount, \$2,000,000 in fiscal year 2000 is a reduction to the appropriation for year 2000 contingency funds authorized in Laws 1999, chapter 250, article 1, section 12, subdivision 4, \$342,000 in fiscal year 2001 is a reduction for the elimination of the office of citizenship and volunteer services, and \$2,707,000 in fiscal year 2001 is a reduction for the elimination of the office of technology.

The appropriation for the Alliance With Youth must not be reduced. The Alliance With Youth is a separate activity in the department of administration.

If any portion of the \$2,000,000 reduction in year 2000 contingency funds has been expended or encumbered before the effective date of this section, other appropriations to the department for fiscal year 2001 are reduced by the amount of these expenditures or encumbrances.

Sec. 6. CAMPAIGN FINANCE AND DISCLOSURE BOARD

48,000

This appropriation is for legal costs for the board's defense of a constitutional challenge, and for expenses associated with implementation of amendments made to Minnesota Statutes, section 10A.01, and of new Minnesota Statutes, section 10A.035. This appropriation is available until June 30, 2001.

	APPROPRIATIONS Available for the Year Ending June 30	
	2000	2001
Sec. 7. GAMBLING CONTROL BOARD	45,000	45,000
For workers' compensation claims. Money not expended in the first year is available for expenditure in the second year.		
Sec. 8. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	(1,334,000)	(1,892,000)
This is a reduction in payments made to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3. The reduction for fiscal year 2002 is estimated to be \$1,892,000 and the reduction for fiscal year 2003 is estimated to be \$1,892,000.		
Sec. 9. BOARD OF GOVERNMENT INNOVATION AND COOPERATION		(1,018,000)

This reduction is for elimination of the board.

Sec. 10. [3.884] [LEGISLATIVE COMMISSION ON MINNESOTA-ONTARIO MATTERS.]

Subdivision 1. [ESTABLISHMENT.] A legislative advisory commission on Minnesota-Ontario matters is established. The commission is made up of 12 Minnesota members appointed as provided in subdivision 2, with the intent of meeting with a like commission of Ontario citizens appointed as provided by the appropriate government authority of Ontario for the purpose of making recommendations regarding Minnesota-Ontario issues of mutual interest involving natural resources, transportation, economic development, and social matters. A report and appropriate recommendations must be made annually to the appointing bodies.

Subd. 2. [MINNESOTA APPOINTEES.] Six of the Minnesota members must be appointed by the speaker of the house, three from among the members of the house of representatives and three from Minnesota citizens with interest in and knowledge of Minnesota-Ontario issues; and six members appointed by the subcommittee on committees of the committee on rules and administration of the senate, three from among the members of the senate and three from Minnesota citizens with an interest in and knowledge of Minnesota-Ontario issues.

Subd. 3. [TERMS.] Minnesota legislative members shall serve for the term of the legislative office to which they were elected. The terms, compensation, and removal of the nonlegislative members of the commission and expiration of the commission shall be as provided in section 15.059.

Subd. 4. [OFFICERS.] There must be cochairs of the commission. The Ontario section must have a chair and the Minnesota section must have a chair. The Ontario chair must conduct meetings held in Canada and the Minnesota chair must conduct meetings held in the United States.

There must be vice-chairs of the respective sections. There must be elected one secretary from the commission at large.

Subd. 5. [STAFF.] The commission may hire the staff necessary to carry out its duties.

Sec. 11. Minnesota Statutes 1999 Supplement, section 3.971, subdivision 8, is amended to read:

Subd. 8. [BEST PRACTICES REVIEWS.] (a) The legislative auditor shall conduct best practices reviews that examine the procedures and practices used to deliver local government services, determine the methods of local government service delivery, identify variations in cost and effectiveness, and identify practices to save money or provide more effective service delivery. The legislative auditor shall recommend to local governments service delivery methods and practices to improve the cost-effectiveness of services. ~~The legislative auditor and the board of government innovation and cooperation shall notify each other of projects being conducted relating to improving local government services.~~

(b) The commission shall approve local government services to be reviewed with advice from an advisory council appointed by the legislative auditor and consisting of:

- (1) three representatives from the Association of Minnesota Counties;
- (2) three representatives from the League of Minnesota Cities;
- (3) two representatives from the Association of Metropolitan Municipalities;
- (4) one representative from the Minnesota Association of Townships; and
- (5) one representative from the Minnesota Association of School Administrators.

Sec. 12. [5.27] [DEPOSIT OF UCC FEES.]

Notwithstanding any law to the contrary, all fees received by the secretary of state under chapters 336 and 336A must be deposited in the Uniform Commercial Code account and are continuously appropriated to the secretary of state. This deposit must not occur until the Cambridge bank debt service account is fully funded.

Sec. 13. Minnesota Statutes 1999 Supplement, section 10A.01, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE ACTION.] "Administrative action" means an action by any official, board, commission or agency of the executive branch to enter into a contract for goods or services to be paid for by public funds in an amount greater than \$5,000,000, or adopt, amend, or repeal a rule under chapter 14. "Administrative action" does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243.

Sec. 14. Minnesota Statutes 1999 Supplement, section 10A.01, subdivision 21, is amended to read:

Subd. 21. [LOBBYIST.] (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration, or authorized to spend money by another individual, association, political subdivision, or public higher education system, who spends more than five hours in any month or more than \$250, not including the individual's own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; or

(2) who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

- (1) a public official;

- (2) an employee of the state, including an employee of any of the public higher education systems;
- (3) an elected local official;
- (4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of metropolitan governmental units;
- (5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;
- (6) an individual while engaged in selling goods or services in an amount of \$5,000,000 or less to be paid for by public funds;
- (7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;
- (8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or
- (9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Sec. 15. [10A.035] [FORMER LEGISLATOR; LOBBYIST RESTRICTION.]

For the period of one year after leaving office or employment, a member of the legislature or an unclassified executive branch employee may not act as a lobbyist as defined in section 10A.01, subdivision 21, with regard to attempting to influence legislative action.

Sec. 16. Minnesota Statutes 1998, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 must be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board of examiners for nursing home administrators;
- (5) board on aging;
- (6) chiropractic examiners board;
- (7) consumer advisory council on vocational rehabilitation;

- (8) council on disability;
- (9) council on affairs of Chicano/Latino people;
- (10) council on Black Minnesotans;
- (11) dentistry board;
- (12) department of economic security advisory council;
- (13) higher education services office;
- (14) housing finance agency;
- (15) Indian advisory council on chemical dependency;
- (16) medical practice board;
- (17) medical policy directional task force on mental health;
- (18) Minnesota employment and economic development task force;
- (19) ~~Minnesota office of citizenship and volunteer services advisory committee;~~
- ~~(20)~~ Minnesota state arts board;
- ~~(21)~~ (20) nursing board;
- ~~(22)~~ (21) optometry board;
- ~~(23)~~ (22) pharmacy board;
- ~~(24)~~ (23) physical therapists council;
- ~~(25)~~ (24) podiatry board;
- ~~(26)~~ (25) psychology board;
- ~~(27)~~ (26) veterans advisory committee.

Sec. 17. Minnesota Statutes 1998, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. [GROUP I SALARY LIMITS.] The salaries for positions in this subdivision may not exceed ~~85~~ 75 percent of the salary of the governor:

- Commissioner of administration;
- Commissioner of agriculture;
- Commissioner of children, families, and learning;
- Commissioner of commerce;

Commissioner of corrections;
Commissioner of economic security;
Commissioner of employee relations;
Commissioner of finance;
Commissioner of health;
Executive director, higher education services office;
Commissioner, housing finance agency;
Commissioner of human rights;
Commissioner of human services;
Executive director, state board of investment;
Commissioner of labor and industry;
Commissioner of natural resources;
Director of office of strategic and long-range planning;
Commissioner, pollution control agency;
Commissioner of public safety;
Commissioner, department of public service;
Commissioner of revenue;
Commissioner of trade and economic development;
Commissioner of transportation; and
Commissioner of veterans affairs.

Sec. 18. Minnesota Statutes 1998, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. [GROUP II SALARY LIMITS.] The salaries for positions in this subdivision may not exceed ~~75~~ 65 percent of the salary of the governor:

Ombudsman for corrections;
Executive director of gambling control board;
Commissioner, iron range resources and rehabilitation board;
Commissioner, bureau of mediation services;

Ombudsman for mental health and retardation;
Chair, metropolitan council;
Executive director of pari-mutuel racing;
Executive director, public employees retirement association;
Commissioner, public utilities commission;
Executive director, state retirement system; and
Executive director, teachers retirement association.

Sec. 19. Minnesota Statutes 1998, section 16A.10, is amended by adding a subdivision to read:

Subd. 2a. [INFORMATION TECHNOLOGY PROJECTS.] Notwithstanding any law to the contrary, by November 30 of each even-numbered year, the commissioner must send the chairs of the house of representatives ways and means committee and the senate state government finance committee a list of all agency requests for funding in the next biennium of information and communication technology projects estimated to cost more than \$100,000.

Sec. 20. Minnesota Statutes 1999 Supplement, section 16A.103, subdivision 1, is amended to read:

Subdivision 1. [STATE REVENUE AND EXPENDITURES.] In February and November each year, the commissioner shall prepare a forecast of state revenue and expenditures. The November forecast must be delivered to the legislature and governor no later than the end of the first week of December. The February forecast must be delivered to the legislature and governor by the end of February. Forecasts must be delivered to the legislature and governor on the same day. If requested by the legislative commission on planning and fiscal policy, delivery to the legislature must include a presentation to the commission.

Subd. 1a. [FORECAST PARAMETERS.] The forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of inflation and variables outside the control of the legislature. The forecast must include a set aside amount that reflects cost increases as a result of inflation in delivering the current law level of services. This amount may not exceed the amount obtained by applying the Consumer Price Index to those state expenditures that reflect payments for services at the state or local level. An amount to reflect increases in providing services may not be applied to any appropriation for which the law or process determining that appropriation amount already includes a factor to reflect those cost increases.

Subd. 1b. [FORECAST VARIABLE.] In determining the rate of inflation, the application of inflation, the amount of state bonding as it affects debt service, the calculation of investment income, and the other variables to be included in the expenditure part of the forecast, the commissioner must consult with the ~~chair~~ chairs and lead minority members of the senate state government finance committee, and the ~~chair of the house committee~~ on ways and means committee, and ~~house and senate~~ legislative fiscal staff. This consultation must occur at least six weeks before the forecast is to be released. No later than two weeks prior to the release of the forecast, the commissioner must inform the chairs and lead minority members of the senate state government finance committee and the house ways and means committee, and legislative fiscal staff of any changes in these variables from the previous forecast.

Subd. 1c. [EXPENDITURE DATA.] State agencies must submit any revisions in expenditure data the commissioner determines necessary for the forecast to the commissioner at least four weeks prior to the release of the forecast. The information submitted by state agencies and any modifications to that information made by the commissioner must be made available to legislative fiscal staff no later than three weeks prior to the release of the forecast.

Subd. 1d. [REVENUE DATA.] On a monthly basis, the commissioner must provide legislative fiscal staff with an update of the previous month's state revenues no later than 12 days after the end of that month.

Subd. 1e. [ECONOMIC INFORMATION.] The commissioner must review economic information including economic forecasts with legislative fiscal staff no later than two weeks before the forecast is released. The commissioner must invite the chairs and lead minority members of the senate state government finance committee and the house ways and means committee, and legislative fiscal staff to attend any meetings held with outside economic advisors. The commissioner must provide legislative fiscal staff with monthly economic forecast information received from outside sources.

Subd. 1f. [PERSONAL INCOME.] In addition, the commissioner shall forecast Minnesota personal income for each of the years covered by the forecast and include these estimates in the forecast documents.

Subd. 1g. [PERIOD TO BE FORECAST.] A forecast prepared during the first fiscal year of a biennium must cover that biennium and the next biennium. A forecast prepared during the second fiscal year of a biennium must cover that biennium and the next two bienniums.

Sec. 21. Minnesota Statutes 1998, section 16A.11, subdivision 3, is amended to read:

Subd. 3. [PART TWO: DETAILED BUDGET.] (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) The detailed estimates must include a separate line listing the total number of professional or technical service contracts and the total cost of those contracts for the prior biennium and the projected number of professional or technical service contracts and the projected costs of those contracts for the current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions, and the number of professional or technical service consultants for the current biennium.

(c) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies.

Sec. 22. Minnesota Statutes 1998, section 16A.124, is amended by adding a subdivision to read:

Subd. 3a. [SUPPLEMENTAL AGREEMENT.] If an agency submits a supplemental agreement to an existing contract to the commissioner of administration for approval, the commissioner of administration must act on the supplemental agreement in time for the agency to make payments to the vendor in the manner required under this section.

Sec. 23. Minnesota Statutes 1998, section 16A.126, subdivision 2, is amended to read:

Subd. 2. [IMMEDIATE NEEDS.] To reduce reserves for unforeseen needs, and so reduce these rates, the commissioner may transfer money from the general fund to a revolving fund. Before doing so, the commissioner must decide there is not enough money in the revolving fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance. The commissioner shall report the amount and purpose of the transfer to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of finance.

Sec. 24. Minnesota Statutes 1999 Supplement, section 16A.129, subdivision 3, is amended to read:

Subd. 3. [CASH ADVANCES.] When the operations of any nongeneral fund account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may use general fund cash reserves to meet cash demands. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. ~~The fund to which general fund cash was advanced must pay interest on the cash advance at a rate comparable to the rate earned by the state on invested treasurer's cash, as determined monthly by the commissioner. An amount necessary to pay the interest is appropriated from the nongeneral fund to which the cash advance was made.~~ Any interest earned on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made. The commissioner may advance general fund cash reserves to nongeneral fund accounts where the receipts from other governmental units cannot be collected within the budget period.

Sec. 25. [16A.145] [INFORMATION SYSTEMS PROJECTS.]

Before funds are spent or encumbered for an executive agency information systems development project estimated to cost more than \$1,000,000, the commissioner of finance must ensure that a source outside of state government has completed a risk assessment for the project and that the results of the assessment have been reported to the chairs of the house ways and means and senate state government finance committees. The entity performing the risk assessment must not have a direct or indirect financial interest in the project.

Sec. 26. [16A.633] [CAPITAL FUNDING CONTINGENT ON MAINTAINING DATA.]

Subdivision 1. [STATE AGENCIES.] Each state agency shall provide to the commissioner of administration the data necessary for the commissioner to maintain the department's database on the location, description, and condition of state-owned facilities. The data must be provided by December 15 each year. The commissioner of administration must maintain both the current inventory data and historical data. A state agency is not eligible to receive capital funding unless the agency has provided the data required.

Subd. 2. [MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The board of trustees of the Minnesota state colleges and universities shall establish and maintain data on the location, description, and condition of board-owned facilities that is comparable with the database established by the department of administration. The data must be updated annually and the board must maintain both current inventory data and historical data. The board is not eligible to receive capital funding unless the board has established and maintains the data required.

Subd. 3. [UNIVERSITY OF MINNESOTA.] The board of regents of the University of Minnesota is requested to establish and maintain data on the location, description, and condition of university-owned facilities that is comparable with the database established by the department of administration. The university is requested to update the data annually and maintain both current inventory data and historical data. The board of regents is not eligible to receive capital funding unless the board has established and maintains the data required.

Sec. 27. [16A.6705] [LIMIT.]

(a) The commissioner may not issue bonds to provide money for a project for which the legislature has appropriated more than \$5,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public. The management analysis division of the department of administration must perform or direct the performance of the analysis.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the governor may issue bonds for the project if a cost-effectiveness study has been done that shows a proposed project is the most effective way to provide a necessary public good compared to other means of accomplishing the goals of legislation authorizing the appropriation.

(d) This section does not apply to projects that are in response to a natural disaster if an emergency has been declared by the governor.

Sec. 28. Minnesota Statutes 1998, section 16B.052, is amended to read:

16B.052 [AUTHORITY TO TRANSFER FUNDS.]

The commissioner may, with the approval of the commissioner of finance, transfer from an internal service or enterprise fund account to another internal service or enterprise fund account, any contributed capital appropriated by the legislature. The transfer may be made only to provide working capital or positive cash flow in the account to which the money is transferred. The commissioner shall report the amount and purpose of the transfer to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of administration. The transfer must be repaid within 18 months.

Sec. 29. Minnesota Statutes 1998, section 16B.31, is amended by adding a subdivision to read:

Subd. 1a. [DESIGN-BUILD PROHIBITION.] An agency may not use a design-build method of project development and construction. For purposes of this subdivision:

(1) "design-build method" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and in which the design and construction are bid together;

(2) "agency" has the meaning defined in section 16B.01, and includes the Minnesota state colleges and universities and any agency to which the commissioner or other law has delegated contracting authority.

Sec. 30. Minnesota Statutes 1998, section 16B.335, subdivision 5, is amended to read:

Subd. 5. [INFORMATION TECHNOLOGY.] Agency requests for construction and remodeling funds shall include money for cost-effective information technology investments that would enable an agency to reduce its need for office space, provide more of its services electronically, and decentralize its operations. The office of technology must review and approve the information technology portion of construction and major remodeling program plans before the plans are submitted to the chairs of the senate finance committee and the house of representatives ways and means committee for their recommendations and the chair of the house of representatives capital investment committee is notified as required by subdivision 1.

Sec. 31. Minnesota Statutes 1998, section 16B.42, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The council shall: assist state and local agencies in developing and updating intergovernmental information systems; facilitate participation of users during the development of major revisions of intergovernmental information systems; review intergovernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among state and local governments in developing intergovernmental information systems; present local government concerns to state government and state government concerns to local government with respect to intergovernmental information systems; ~~develop and recommend standards and policies for intergovernmental information systems to the office of technology;~~ foster the efficient use of available federal, state, local, and private resources for the development of intergovernmental systems; keep government agencies abreast of the state of the art in information systems; prepare guidelines for intergovernmental systems; assist the commissioner of administration in the development of cooperative contracts for the purchase of information system equipment and software; and assist the legislature by providing advice on intergovernmental information systems issues.

Sec. 32. Minnesota Statutes 1998, section 16B.42, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The intergovernmental informations systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems; (5) appoint committees and task forces, which may include persons other than council members, to assist the council in carrying out its duties; (6) select an executive director to serve the council and may employ other employees it deems necessary, all of whom are in the classified service of the state civil service; and (7) may contract for professional and other similar services on terms it deems desirable; ~~and (8) work with the office of technology to ensure that information systems developed by state agencies that impact local government will be reviewed by the council.~~

Sec. 33. Minnesota Statutes 1998, section 16B.48, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse intertechnologies and general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs. The commissioner of administration shall report the rates to be charged for each revolving fund no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of administration. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, must be transferred to the general fund.

Sec. 34. Minnesota Statutes 1998, section 16B.485, is amended to read:

16B.485 [INTERFUND LOANS.]

The commissioner may, with the approval of the commissioner of finance, make loans from an internal service or enterprise fund to another internal service or enterprise fund, and the amount necessary is appropriated from the fund that makes the loan. The commissioner shall report the amount and purpose of the loan to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the department of administration. The term of a loan made under this section must be not more than 24 months.

Sec. 35. Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 3, is amended to read:

Subd. 3. [SAFETY REQUIREMENTS.] In places of public accommodation using bleacher seating, all bleachers or bleacher open spaces over ~~30~~ 55 inches above grade or the floor below, and all bleacher guardrails if any part of the guardrail is over 55 inches above grade or the floor below must conform to the following safety requirements:

(1) the open space between bleacher footboards, seats, and guardrails must not exceed four inches, unless approved safety nets are installed, except that bleachers already in existence as of August 1, 2001, with open spaces not exceeding nine inches, are exempt from the requirement of this clause;

(2) bleachers must have vertical perimeter guardrails with no more than four-inch rail spacing between vertical rails or other approved guardrails that address climbability and are designed to prevent accidents; and

(3) the state building official shall determine whether the safety nets and guardrail climbability meet the requirements of the alternate design section of the State Building Code. All new bleachers manufactured, installed, sold, or distributed after ~~January~~ August 1, 2001, must comply with the State Building Code in effect and ~~clauses (1), (2), and (3) this subdivision.~~

Sec. 36. Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 4, is amended to read:

Subd. 4. [ENFORCEMENT.] (a) A statutory or home rule charter city that is not covered by the code because of action taken under section 16B.72 or 16B.73 is responsible for enforcement in the city of the code's requirements for bleacher safety. In all other areas where the code does not apply because of action taken under section 16B.72 or 16B.73, the county is responsible for enforcement of those requirements.

(b) Municipalities that have not adopted the code may enforce the code requirements for bleacher safety by either entering into a joint powers agreement for enforcement with another municipality that has adopted the code or contracting for enforcement with a qualified and certified building official or state licensed design professional to enforce the code.

(c) Municipalities, school districts, organizations, individuals, and other persons operating or owning places of public accommodation with bleachers that are subject to the safety requirements in subdivision 3 shall provide a signed certification of compliance to the commissioner by January 1, ~~2001~~ 2002. The certification shall be prepared by a qualified and certified building official or state licensed design professional and shall certify that the bleachers have been inspected and are in compliance with the requirements of this section and are structurally sound. For bleachers owned by a school district, the person the district designates to be responsible for buildings and grounds may make the certification.

Sec. 37. Minnesota Statutes 1998, section 43A.38, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section the following definitions shall apply:

(a) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit making activities.

(b) "Confidential information" means any information obtained under government authority which has not become part of the body of public information and which, if released prematurely or in nonsummary form, may provide unfair economic advantage or adversely affect the competitive position of an individual or a business.

(c) "Employee in the executive branch" means an employee as defined in section 43A.02, subdivision 21, and executive branch constitutional officers.

(d) "Private interest" means any interest, including but not limited to a financial interest, which pertains to a person or business whereby the person or business would gain a benefit, privilege, exemption or advantage from the action of a state agency or employee that is not available to the general public.

Sec. 38. [43A.50] [PROPOSALS.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish and promote a program to solicit proposals from state employees and former state employees for ways to reduce the cost of operating state government or for ways of providing the state better or more efficient service. The program must include potential for sharing savings with an employee, former employee, or group of current or former employees whose proposal results in a cost savings to the state. For purposes of this section, state "employee" has the meaning defined in section 43A.02, subdivision 21.

Subd. 2. [PROCESS.] (a) A state employee, former state employee, or a group of state employees or former state employees may submit a proposal to the commissioner for reducing the cost of operating state government or for providing the state better or more efficient service. The commissioner may develop a recommended form for submission of proposals.

(b) The commissioner must decide how to act on each proposal. The commissioner must determine which proposals warrant consideration for award of shared savings payments. In making a determination, the commissioner must consider:

- (1) the potential for significant, measurable savings;
- (2) the extent to which the proposal goes beyond common ideas for reducing expenditures;
- (3) the extent to which the proposal has the potential to reduce expenditures without reducing the quality or level of service that is contemplated by the law establishing the program;
- (4) the extent to which people affected by the service are likely to support the proposal, and the potential for including input from affected people in the implementation of the proposal.

(c) If the commissioner determines a proposal does not warrant consideration for a shared savings plan, the commissioner shall forward the proposal to the appropriate state agency for its review and comment. If the commissioner determines a proposal warrants further consideration for shared savings payments, the commissioner shall seek review and comments from the appropriate state agency to further analyze the feasibility of the proposal and the extent to which the potential savings could be measured.

Subd. 3. [SHARED SAVINGS PLANS.] (a) An approved shared savings plan must contain the following elements:

- (1) a plan to reduce state government costs;
- (2) a method of documenting reduction in costs attributable to the plan;
- (3) an agreement that a specified percentage of documented net cost savings over a prescribed period of time will be shared, in the form of a one-time payment, with employees or former employees who suggested the plan.

(b) In approving a shared savings plan, the commissioner shall use the following guidelines in determining the amount of net savings proposed to be shared:

<u>Projected Annual Savings</u>	<u>Amount to be shared</u>
<u>\$0 to \$1,000</u>	<u>20 percent, not to exceed \$150</u>
<u>\$1,001 to \$10,000</u>	<u>15 percent, not to exceed \$1,000</u>
<u>\$10,001 to \$100,000</u>	<u>10 percent, not to exceed \$7,500</u>
<u>\$100,001 to \$500,000</u>	<u>7.5 percent, not to exceed \$25,000</u>
<u>\$500,001 to \$1 million</u>	<u>5 percent, not to exceed \$37,500</u>
<u>Over \$1 million</u>	<u>3.75 percent, not to exceed \$100,000</u>

The percentage to be shared applies only to the first full year of net savings after the proposal has been fully implemented.

(c) A state employee who is represented by an exclusive representative may not receive payments under a shared savings plan except as provided in a collective bargaining agreement.

Subd. 4. [SHARED SAVINGS PAYMENTS.] (a) Shared savings payments may be made only when the commissioner determines that a proposal has been implemented and that the projected savings under the shared savings plan have been realized. This determination, and the calculation of the amount of savings to be shared, is at the sole discretion of the commissioner.

(b) Shared savings payments must be made from funds appropriated for the operation of the agency program that is the subject of the shared savings plan. Shared savings payments under this section are a permissible use of an appropriation for operation of an agency program.

(c) Shared savings payments may not be made to persons who are covered by the managerial plan established in section 43A.18, subdivision 3, or the excluded administrators plan established in section 43A.18, subdivision 3a, unless the commissioner determines that the proposal involves matters that are outside the scope of the manager's normal job duties. A legislator, constitutional officer, judge, or commissioner of an agency listed in section 15.06, subdivision 1, may not make a shared savings proposal and may not receive shared savings payments, but persons who formerly served in these positions may make proposals and receive shared savings payments.

Subd. 5. [AGENCY COOPERATION.] Upon request of the commissioner, a state agency must cooperate with the commissioner in administration of the suggestion and shared savings program. Requested cooperation may include:

- (1) assisting the commissioner in analyzing the merits of a suggestion;
- (2) explaining to the commissioner how a suggestion has been implemented, or why it is not feasible or desirable to implement a suggestion, whether or not the suggestion results in a shared savings plan; and
- (3) assisting the commissioner in the design and implementation of a shared savings plan.

Subd. 6. [DATA PRACTICES.] The name of an employee or former employee submitting a suggestion to the commissioner is private data on individuals. However, the person's name becomes public data when a shared savings plan is approved by the commissioner. The commissioner must notify affected people who wish to participate in a shared savings plan that their names will become public if the plan is approved.

Subd. 7. [REPORT.] The commissioner shall report annually to the legislature on the implementation of this section. The reports must summarize the proposals submitted, the commissioner's action on each proposal, and the affected state agency's action on each proposal.

Sec. 39. Minnesota Statutes 1998, section 85A.02, subdivision 5a, is amended to read:

Subd. 5a. [EMPLOYEES.] (a) The board shall appoint an administrator who shall serve as the executive secretary and principal administrative officer of the board and, subject to its approval, shall operate the Minnesota zoological garden and enforce all rules and policy decisions of the board. The administrator must be chosen solely on the basis of training, experience, and other qualifications appropriate to the field of zoo management and development. The board shall set the salary of the administrator. The salary of the administrator may not exceed ~~85 percent~~ of the salary of the governor; however, any amount exceeding 65 percent of the salary of the governor must consist of nonstate funds. The administrator shall perform duties assigned by the board and serves in the unclassified service at the pleasure of the board. The administrator, with the participation of the board, shall appoint a development director in the unclassified service or contract with a development consultant to establish mechanisms to foster

community participation in and community support for the Minnesota zoological garden. The board may employ other necessary professional, technical, and clerical personnel. Employees of the zoological garden are eligible for salary supplement in the same manner as employees of other state agencies. The commissioner of finance shall determine the amount of salary supplement based on available funds.

(b) The board may contract with individuals to perform professional services and may contract for the purchases of necessary species exhibits, supplies, services, and equipment. The board may also contract for the construction and operation of entertainment facilities on the zoo grounds that are not directly connected to ordinary functions of the zoological garden. The zoo board may not enter into a final agreement for construction of an entertainment facility that is not directly connected to the ordinary functions of the zoo until after final construction plans have been submitted to the chairs of the senate finance and house appropriations committees for their recommendations.

The zoo may not contract for entertainment during the period of the Minnesota state fair that would directly compete with entertainment at the Minnesota state fair.

Sec. 40. Minnesota Statutes 1998, section 119A.05, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY FOR FUNDING CONSOLIDATION.] Notwithstanding existing law governing allocation of funds by local grantees, mode of service delivery, grantee planning and reporting requirements, and other procedural requirements for the grant programs identified in this section, a local grantee may elect to consolidate all or a portion of funding received from the programs under subdivision 5 in a collaboration funding plan, if all conditions specified in this section are satisfied. County boards, school boards, or governing boards of other grantees may elect not to consolidate funding for a program.

For grantees electing consolidation, the commissioner may, ~~with the approval of the board of government innovation and cooperation,~~ waive all provisions of rules inconsistent with the intent of this section. This waiver authority does not apply to rules governing client protections, due process, or inclusion of clients, parents, cultures, and ethnicities in decision making. Funding to a local grantee must be determined according to the funding formulas or allocation rules governing the individual programs listed in section 119A.04.

Sec. 41. Minnesota Statutes 1999 Supplement, section 125B.21, subdivision 1, is amended to read:

Subdivision 1. [STATE COUNCIL MEMBERSHIP.] The membership of the Minnesota education telecommunications council established in Laws 1993, First Special Session chapter 2, is expanded to include representatives of elementary and secondary education. The membership shall consist of three representatives from the University of Minnesota; three representatives of the board of trustees for Minnesota state colleges and universities; one representative of the higher education services offices; one representative appointed by the private college council; one representative selected by the commissioner of administration; eight representatives selected by the commissioner of children, families, and learning, at least one of which must come from each of the six higher education telecommunication regions; ~~a representative from the office of technology;~~ two members each from the senate and the house of representatives selected by the subcommittee on committees of the committee on rules and administration of the senate and the speaker of the house, one member from each body must be a member of the minority party; and three representatives of libraries, one representing regional public libraries, one representing multitype libraries, and one representing community libraries, selected by the governor. The council shall:

- (1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;
- (2) recommend educational policy relating to telecommunications;
- (3) determine priorities for use;

(4) oversee coordination of networks for post-secondary campuses, kindergarten through grade 12 education, and regional and community libraries;

(5) review application for telecommunications access grants under Minnesota Statutes, section 125B.20, and recommend to the department grants for funding;

(6) determine priorities for grant funding proposals; and

(7) work with the information policy office to ensure consistency of the operation of the learning network with standards of an open system architecture.

The council shall consult with representatives of the telecommunication industry in implementing this section.

Sec. 42. Minnesota Statutes 1998, section 138.17, subdivision 10, is amended to read:

Subd. 10. [OPTICAL IMAGE STORAGE.] (a) Any government record, including a record with archival value, may be transferred to and stored on a nonerasable optical imaging system and retained only in that format, if the requirements of this section are met.

(b) All documents preserved on nonerasable optical imaging systems must meet standards for permanent records specified in section 15.17, subdivision 1, and must be kept available for retrieval so long as any law requires. Standards under section 15.17, subdivision 1, may not be inconsistent with efficient use of optical imaging systems.

(c) A government entity storing a record on an optical imaging system shall create and store a backup copy of the record at a site other than the site where the original is kept. The government entity shall retain the backup copy and operable retrieval equipment so long as any law requires the original to be retained. The backup copy required by this paragraph must be preserved either (1) on a nonerasable optical imaging system; or (2) by another reproduction method approved by the records disposition panel.

(d) All contracts for the purchase of optical imaging systems used pursuant to this chapter shall contain terms that insure continued retrievability of the optically stored images ~~and conform to any guidelines that may be established by the office of technology of the department of administration for perpetuation of access to stored data.~~

Sec. 43. Minnesota Statutes 1999 Supplement, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] (a) The commissioner shall:

(1) provide mediation services as requested by the parties until the parties reach agreement, and may continue to assist parties after they have submitted their final positions for interest arbitration;

(2) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(3) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner;

(4) conduct elections;

(5) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(6) adopt rules relating to the administration of this chapter and the conduct of hearings and elections;

(7) receive, catalogue, file, and make available to the public all decisions of arbitrators and panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the commissioner's orders and decisions;

(8) adopt, subject to chapter 14, a grievance procedure that fulfills the purposes of section 179A.20, subdivision 4, ~~does not provide for the services of the bureau of mediation services and~~ that is available to any employee in a unit not covered by a contractual grievance procedure;

(9) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(10) collect fees established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges;

(11) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner;

(12) provide to the parties a list of arbitrators as required by section 179A.16, subdivision 4; and

(13) maintain a list of up to 60 arbitrators for referral to employers and exclusive representatives for the resolution of grievance or interest disputes. Each person on the list must be knowledgeable about collective bargaining and labor relations in the public sector, well versed in state and federal labor law, and experienced in and knowledgeable about labor arbitration. To the extent practicable, the commissioner shall appoint members to the list so that the list is gender and racially diverse.

(b) From the names provided by representative organizations, the commissioner shall maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 122A.40 or 122A.41. The persons on the list must meet at least one of the following requirements:

(1) be a former or retired judge;

(2) be a qualified arbitrator on the list maintained by the bureau;

(3) be a present, former, or retired administrative law judge; or

(4) be a neutral individual who is learned in the law and admitted to practice in Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party.

Each year, education Minnesota shall provide a list of up to 14 names and the Minnesota school boards association a list of up to 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list.

Sec. 44. Minnesota Statutes 1998, section 179A.18, subdivision 1, is amended to read:

Subdivision 1. [WHEN AUTHORIZED.] Essential employees may not strike. Except as otherwise provided by subdivision 2 and section 179A.17, subdivision 2, other public employees may strike only under the following circumstances:

(1)(a) the collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 2, has occurred; and

(b) the exclusive representative and the employer have participated in mediation over a period of at least 45 days, provided that the mediation period established by section 179A.17, subdivision 2, governs negotiations under that section, and provided that for the purposes of this subclause the mediation period commences on the day following receipt by the commissioner of a request for mediation; or

(2) the employer violates section 179A.13, subdivision 2, clause (9); or

(3) in the case of state employees,

(a) the legislative coordinating commission ~~on employee relations~~ has rejected a negotiated agreement or arbitration decision during a legislative interim; or

(b) the entire legislature rejects or fails to ratify a negotiated agreement or arbitration decision, which has been approved during a legislative interim by the legislative coordinating commission ~~on employee relations~~, at a special legislative session called to consider it, or at its next regular legislative session, whichever occurs first.

Sec. 45. Minnesota Statutes 1998, section 181.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTION.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason; ~~or~~

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm; or

(e) a state employee or former state employee submits a proposal to the commissioner of employee relations under section 43A.50.

Sec. 46. Minnesota Statutes 1999 Supplement, section 181.932, subdivision 2, is amended to read:

Subd. 2. [DISCLOSURE OF IDENTITY.] The identity of any employee making a report to a governmental body or law enforcement official under subdivision 1, clause (a) or (d), is private data on individuals as defined in section 13.02. The identity of a state employee or former state employee submitting a proposal under subdivision 1, clause (e), is private data on individuals to the extent provided in section 43A.50. The identity of an employee providing information under subdivision 1, clause (b), is private data on individuals if:

(1) the employee would not have provided the information without an assurance that the employee's identity would remain private, because of a concern that the employer would commit an action prohibited under subdivision 1 or that the employee would be subject to some other form of retaliation; or

(2) the state agency, statewide system, or political subdivision reasonably believes that the employee would not have provided the data because of that concern.

If the disclosure is necessary for prosecution, the identity of the employee may be disclosed but the employee shall be informed prior to the disclosure.

Sec. 47. Minnesota Statutes 1998, section 193.143, is amended to read:

193.143 [STATE ARMORY BUILDING COMMISSION, POWERS.]

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the right of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of ~~\$7,000,000~~ \$15,000,000.

(4) To enter into partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

~~(5)~~ (6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

~~(6)~~ (7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

~~(7)~~ (8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

~~(8)~~ (9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

~~(a)~~ (i) To pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

~~(b)~~ (ii) To pay the cost of operating, maintaining, repairing, and improving such new armories;

~~(c)~~ (iii) If any further excess moneys remain, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized; provided, that any bonds so purchased shall thereupon be canceled.

~~(9)~~ (10) To adopt and use a corporate seal.

~~(10)~~ (11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

~~(11)~~ (12) Such corporation shall issue no stock.

~~(12)~~ (13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

~~(13)~~ (14) The Minnesota state armory building commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota state armory building commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, and debt service of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

~~(14)~~ (15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

~~(15)~~ (16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota state armory building commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 48. Minnesota Statutes 1998, section 221.173, is amended to read:

221.173 [ELECTRONIC SIGNATURE.]

(a) The commissioner may accept in lieu of a required document completed on paper, an electronically transmitted document authenticated by an electronic signature.

~~(b) The commissioner shall consult with the office of technology, which shall provide advice and assistance in establishing criteria and standards for authentication of electronic signatures and establishing to a reasonable certainty the validity, security, and linkage of a specific, unaltered, electronically transmitted document, its unforged signature, and its authorized signer.~~

~~(c)~~ The commissioner may determine the technology or system to be used, which may include a private key/public key system, an encrypted or cryptology-based system, a pen-based, on-screen signature system that captures and verifies an autograph and links it to a specific document, or other system or technology or combination of systems.

~~(d)~~ (c) To the extent consistent with this section, laws and rules pertaining to paper-based documents also pertain to electronically transmitted documents.

Sec. 49. Minnesota Statutes 1998, section 256.9753, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES.] ~~The board shall consult with the office of citizenship and volunteer services prior to expending money available for the retired senior volunteer programs.~~ Expenditures shall be made (1) to strengthen and expand existing retired senior volunteer programs, and (2) to encourage the development of new programs in areas in the state where these programs do not exist. Grants shall be made consistent with applicable federal guidelines.

Sec. 50. Minnesota Statutes 1998, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A state lottery is established under the supervision and control of the director of the state lottery appointed by the governor with the advice and consent of the senate. The director must be qualified by experience and training in the operation of a lottery to supervise the lottery. The director serves in the unclassified service. The annual salary rate authorized for the director is equal to ~~85~~ 75 percent of the salary rate prescribed for the governor.

Sec. 51. Minnesota Statutes 1998, section 422A.101, subdivision 3, is amended to read:

Subd. 3. [STATE CONTRIBUTIONS.] (a) Subject to the limitation set forth in paragraph (c), the state shall pay to the Minneapolis employees retirement fund annually an amount equal to the amount calculated under paragraph (b).

(b) The payment amount is an amount equal to the financial requirements of the Minneapolis employees retirement fund reported in the actuarial valuation of the fund prepared by the commission-retained actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2020, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made ~~in four equal installments, occurring on March 15, July 15, September 15, and November 15~~ annually.

(c) The annual state contribution under this subdivision may not exceed ~~\$10,455,000 through fiscal year 1998 and \$9,000,000 beginning in fiscal year 1999~~, plus the cost of the annual supplemental benefit determined under section 356.865.

(d) If the amount determined under paragraph (b) exceeds \$11,910,000, the excess must be allocated to and paid to the fund by the employers identified in subdivisions 1a and 2, other than units of metropolitan government. Each employer's share of the excess is proportionate to the employer's share of the fund's unfunded actuarial accrued liability as disclosed in the annual actuarial valuation prepared by the actuary retained by the legislative commission on pensions and retirement compared to the total unfunded actuarial accrued liability attributed to all employers identified in subdivisions 1a and 2, other than units of metropolitan government. Payments must be made in equal installments as set forth in paragraph (b).

Sec. 52. Minnesota Statutes 1998, section 471.345, is amended by adding a subdivision to read:

Subd. 15. [DESIGN-BUILD PROHIBITION.] A municipality may not use a design-build method of project development and construction. For purposes of this subdivision, "design-build method" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and in which the design and construction are bid together.

Sec. 53. [473.1296] [LIMIT.]

(a) The metropolitan council may not issue bonds to provide money for a project estimated to cost more than \$5,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the metropolitan council may issue bonds for the project if a cost-effectiveness study has been done that shows a proposed project is the most effective way to provide a necessary public good.

(d) This section does not apply to park projects or to projects that are in response to a natural disaster if an emergency has been declared by the governor.

Sec. 54. Minnesota Statutes 1999 Supplement, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] (a) "Final design plan" means a light rail transit plan that includes the items in the preliminary design plan and the preliminary engineering plan for the facilities proposed but with greater detail and specificity needed for construction. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues, and sources of funds for operating subsidies; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. ~~If a design-build implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.~~

~~The commissioner of transportation may use a design-build method of project development and construction for light rail transit. Notwithstanding any law to the contrary, the commissioner may award a design-build contract on the basis of requests for proposals or requests for qualifications without bids. "Design-build method of project development and construction" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and bids the design and construction together.~~

(b) Notwithstanding other law, chapters 16B and 16C apply to project development and construction for light rail transit.

Sec. 55. Laws 1999, chapter 250, article 1, section 11, is amended to read:

Sec. 11. OFFICE OF STRATEGIC AND LONG-RANGE
PLANNING

6,891,000

4,417,000

\$100,000 the first year is to integrate the office's information technology and is available until June 30, 2003. The director shall report on the progress of the unit to the chairs of the legislative committees responsible for this budget item by January 15, 2000, 2001, and 2002.

\$1,600,000 the first year is for a generic environmental impact statement on animal agriculture.

\$200,000 the first year is to perform program evaluations of agencies in the executive branch.

The program evaluation division will report to the legislature by December 1, 2000, ways to reduce state government expenditures by five to ten percent.

\$100,000 the first year is to provide administrative support to community-based planning efforts.

\$150,000 the first year is for a grant of \$50,000 to the southwest regional development commission for the continuation of the pilot program and two additional grants of \$50,000 each to regional development commissions or, in regions not served by regional development commissions, to regional organizations selected by the director of strategic and long-range planning, to support planning work on behalf of local units of government. The planning work shall include, but need not be limited to:

- (1) development of local zoning ordinances;
- (2) land use plans;
- (3) community or economic development plans;
- (4) transportation and transit plans;
- (5) solid waste management plans;
- (6) wastewater management plans;
- (7) workforce development plans;
- (8) housing development plans and/or market analysis;
- (9) rural health service plans;
- (10) natural resources management plans; or
- (11) development of geographical information systems database to serve a region's needs, including hardware and software purchases and related labor costs.

\$200,000 the first year is to prepare the generic environmental impact statement on urban development required by section 108. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$24,000 the first year is for the southwest Minnesota wind monitoring project.

\$100,000 the first year is for a grant to the city of Mankato to complete the Mankato area growth management and planning study, phase 2. The appropriation is available until June 30, 2002. The appropriation must be matched by an in-kind donation of \$100,000 in administrative, technical, and higher educational internship support and supervision. The value of the in-kind donations must be determined by the commissioner of finance.

The city shall serve as fiscal agent to complete the study under the 1997 regional planning joint powers agreement among the cities of Mankato, North Mankato, and Eagle Lake; the counties of Nicollet and Blue Earth; and the towns of Mankato, South Bend, Lime, Decoria, and Belgrade, without limitation on the rights of the parties to that agreement to add or remove members. The study is intended as an alternative to community-based planning. The study is intended to develop information and analysis to provide guidance on such issues as:

(1) the development of joint planning agreements to implement a unified growth management strategy;

(2) joint service ventures, such as planning or zoning administration in urban fringe areas;

(3) orderly growth and annexation agreements between cities and townships;

(4) feedlot regulations in urban fringe areas and future growth corridors;

(5) service strategies for unsewered subdivisions;

(6) other joint ventures for city, county, and township service delivery in fringe areas;

(7) feasibility of a rural township taxing district; and

(8) alternatives to the current community-based planning legislation that would add flexibility and improve the planning process.

The city of Mankato shall report the results of the study to the legislature by January 15, 2002.

Sec. 56. Laws 1999, chapter 250, article 1, section 14, subdivision 3, is amended to read:

Subd. 3. Information and Management Services

16,643,000

9,932,000

~~\$100,000 the first year is for a grant to the city of Mankato to complete the Mankato area growth management and planning study, phase 2. The appropriation is available until June 30, 2002. The appropriation must be matched by an in-kind donation of \$100,000 in administrative, technical, and higher educational internship support and supervision. The value of the in-kind donations must be determined by the commissioner of finance.~~

~~The city shall serve as fiscal agent to complete the study under the 1997 regional planning joint powers agreement among the cities of Mankato, North Mankato, and Eagle Lake; the counties of Nicollet and Blue Earth; and the towns of Mankato, South Bend, Lime, Decoria, and Belgrade, without limitation on the rights of the parties to that agreement to add or remove members. The study is intended as an alternative to community-based planning. The study is intended to develop information and analysis to provide guidance on such issues as:~~

- ~~(1) the development of joint planning agreements to implement a unified growth management strategy;~~
- ~~(2) joint service ventures, such as planning or zoning administration in urban fringe areas;~~
- ~~(3) orderly growth and annexation agreements between cities and townships;~~
- ~~(4) feedlot regulations in urban fringe areas and future growth corridors;~~
- ~~(5) service strategies for unsewered subdivisions;~~
- ~~(6) other joint ventures for city, county, and township service delivery in fringe areas;~~
- ~~(7) feasibility of a rural township taxing district; and~~
- ~~(8) alternatives to the current community-based planning legislation that would add flexibility and improve the planning process.~~

~~The city of Mankato shall report the results of the study to the legislature by January 15, 2002.~~

\$6,839,000 the first year is a one-time appropriation to upgrade the human resources and payroll system and is available until June 30, 2003. The commissioner shall report on the progress of this project to the chairs of the legislative committees responsible for this budget item by January 15, 2000, 2001, and 2002.

The commissioner of finance shall work with the commissioners of employee relations and administration and shall develop as part of the human resource and payroll systems upgrade, and submit to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000, a long-range plan for the statewide business systems: human resources, payroll, accounting, and procurement. The plan must detail each system's original development costs, its expected life cycle, the estimated cost of upgrading software to newer versions during its life cycle, its operating costs to date, and the factors that are expected to drive future operating costs within the departments of finance, administration, and employee relations. The plan must also include an evaluation of and recommendations on whether, for the statewide business systems, the state should use software that is developed and maintained in house; proprietary software, either modified or unmodified; a private vendor; or a particular combination of these options.

The commissioner of finance, in consultation with senate and house fiscal staff and the commissioner of administration, shall develop recommendations for inclusion in the governor's fiscal year 2002-2003 budget document on the presentation of internal service funds. The commissioner of finance shall submit the recommendations to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000.

The department shall prepare a separate budget book for the biennium beginning July 1, 2001, containing all of the administration's technology initiatives. The book must also include a complete inventory of state-owned and leased technology, along with a projected replacement schedule. The inventory must include information on how the technology fits into the state's master plan.

Sec. 57. Laws 1999, chapter 250, article 1, section 18, is amended to read:

Sec. 18. VETERANS AFFAIRS	5,885,000	4,369,000
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\$1,544,000 the first year and \$1,544,000 the second year are for emergency financial and medical needs of veterans. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$12,000 the first year and \$13,000 the second year are one-time funding to provide grants to local veterans' organizations that provide transportation services for veterans to veterans administration medical facilities.

The commissioner of veterans affairs, in cooperation with the board of directors of the Minnesota veterans homes and the United States Veterans Administration, shall study the feasibility and desirability of supplementing the missions of the veterans homes

and the Veterans Administration hospitals in Minnesota by entering into agreements with health care providers throughout the state to provide free or reduced-cost comprehensive health care to veterans close to their places of residence as a supplement to private health insurance. The commissioner shall report the results of the study and any recommendations to the legislature by January 15, 2000.

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. Before the transfer, the commissioner of veterans affairs shall explain why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate governmental operations budget committee and the house state government finance committee.

\$275,000 the first year and \$275,000 the second year are for a grant to the Vinland National Center.

\$1,485,000 the first year is to make bonus payments authorized under Minnesota Statutes, section 197.79. The appropriation may not be used for administrative purposes. The appropriation does not expire until the commissioner acts on all applications submitted under Minnesota Statutes, section 197.79.

\$105,000 the first year is to administer the bonus program established under Minnesota Statutes, section 197.79. The appropriation does not expire until the commissioner acts on all the applications submitted under Minnesota Statutes, section 197.79.

\$233,000 the first year and \$235,000 the second year are for grants to county veterans offices for training of county veterans service officers and to improve efficiency of county veterans services offices.

Sec. 58. Laws 1999, chapter 250, article 1, section 116, is amended to read:

Sec. 116. [EFFECTIVE DATE.]

(a) Section 41 is effective January 1, 2001. Section 43 is effective July 1, 2000, with respect to preparation of the model policies and procedures by the commissioner of administration, and January 1, 2001, with respect to the other provisions of section 43.

(b) Sections 62 to 64 and 93 are effective ~~January~~ August 1, 2001.

(c) Sections 94 to 100 are effective the day following final enactment.

(d) Sections 47, 49, 55, and 115, paragraphs (d) and (g), are effective July 1, 2001.

(e) Section 61 is effective the day following final enactment and applies only to contracts executed on or after that date.

(f) The commissioner of employee relations may not implement the long-term care insurance plan under section 78 until April 1, 2000.

Sec. 59. [MINORITY RECRUITMENT.]

The commissioner of employee relations must develop and implement a plan to recruit and retain minority employees in state government. As part of the recruitment plan, the commissioner must build connections with minority centers and with entities that work with minority persons looking for jobs or training. As part of the retention plan, the commissioner must work with minority state employees and minority former state employees to: (1) find out what barriers they encountered in seeking state employment; (2) find out what problems these employees have encountered in their work; and (3) develop a program to improve retention rates of minority employees. The commissioner must report the plan to the legislature by January 15, 2001.

Sec. 60. [MINNESOTA POET LAUREATE.]

The humanities commission must develop a plan for the selection of a Minnesota Poet Laureate. The commission must present the plan to the legislature by January 15, 2001.

Sec. 61. [SUSPENSION OF TELECOMMUNICATIONS FACILITIES INSTALLATION.]

The commissioners of administration and transportation may not allow further installation of facilities under the contract that is the subject of an Order of the Federal Communications Commission in CC Docket No. 98-1 denying the Petition for Declaratory Ruling filed by the state of Minnesota or amend that contract until the house and senate governmental operations committees review amendments to the contract that will eliminate the possible anticompetitive effects noted in the FCC order and meet the requirements of section 253 of the federal Telecommunications Act of 1996, Public Law Number 104-104.

Sec. 62. [CLARIFICATION; EFFECT ON REPEAL.]

Laws 1999, chapter 250, article 3, does not repeal rules or fees in effect on the day before the effective date of Laws 1999, chapter 250, article 3.

Sec. 63. [ENERGY RULES FOR RESIDENTIAL BUILDINGS.]

The provisions of Minnesota Rules, chapter 7670, that apply to category 1 buildings govern residential buildings not covered by Minnesota Rules, chapter 7676. The provisions of Minnesota Rules, chapter 7670, that allow category 2 buildings are void and of no effect. All buildings subject to Minnesota Rules, chapter 7670, attaining a building permit on or after April 15, 2000, must meet the requirements for category 1 buildings as set out in Minnesota Rules, chapter 7670.

Sec. 64. [RATIFICATIONS.]

Subdivision 1. [COUNCIL 6.] The labor agreement between the state of Minnesota and the American federation of state, county, and municipal employees, council 6, approved by the legislative coordinating commission subcommittee on employee relations on September 10, 1999, is ratified.

Subd. 2. [RESIDENTIAL SCHOOLS TEACHERS.] The labor agreement between the state of Minnesota and the state residential schools education association, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 3. [SUPERVISORS.] The labor agreement between the state of Minnesota and the middle management association, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 4. [NURSES.] The labor agreement between the state of Minnesota and the Minnesota nurses association, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 5. [COMMUNITY COLLEGE FACULTY.] The labor agreement between the state of Minnesota and the Minnesota community college faculty association, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 6. [STATE UNIVERSITY FACULTY.] The labor agreement between the state of Minnesota and the interfaculty organization, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 7. [TECHNICAL COLLEGE FACULTY.] The labor agreement between the state of Minnesota and the united technical college educators, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 8. [STATE UNIVERSITY ADMINISTRATIVE AND SERVICE FACULTY.] The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 9. [COMMISSIONER'S PLAN.] The commissioner's plan for unrepresented employees, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, and as amended by the subcommittee on January 31, 2000, is ratified.

Subd. 10. [MANAGERIAL PLAN.] The plan for managerial employees, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, and as amended by the subcommittee on January 31, 2000, is ratified.

Subd. 11. [UNREPRESENTED MANAGERS; MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The plan for administrators of the Minnesota state colleges and universities, approved by the legislative coordinating commission subcommittee on employee relations on December 13, 1999, is ratified.

Subd. 12. [PROFESSIONAL EMPLOYEES.] The labor agreement between the state of Minnesota and the Minnesota association of professional employees, approved by the legislative coordinating commission subcommittee on employee relations on January 31, 2000, is ratified.

Subd. 13. [LAW ENFORCEMENT.] The labor agreement between the state of Minnesota and the Minnesota law enforcement association, approved by the legislative coordinating commission subcommittee on employee relations on January 31, 2000, is ratified.

Subd. 14. [CORRECTIONAL GUARDS.] The arbitration award and labor agreement between the state of Minnesota and the American federation of state, county, and municipal employees, council 6, approved by the legislative coordinating commission subcommittee on employee relations on January 31, 2000, is ratified.

Subd. 15. [UNREPRESENTED EMPLOYEES, HIGHER EDUCATION SERVICES OFFICE.] The plan for unrepresented, unclassified employees of the higher education services office, approved by the legislative coordinating commission subcommittee on employee relations on January 31, 2000, is ratified.

Subd. 16. [SALARIES FOR CERTAIN HEADS OF STATE AGENCIES.] The proposals to increase the salaries of certain heads of state agencies, approved by the legislative coordinating commission subcommittee on employee relations on January 31, 2000, are ratified.

Subd. 17. [SALARY FOR THE DIRECTOR OF THE HIGHER EDUCATION SERVICES OFFICE.] The proposal to increase the salary of the director of the higher education services office, recommended by the legislative coordinating commission subcommittee on employee relations on February 22, 2000, is ratified.

Subd. 18. [GOVERNOR.] The salary of the governor is \$150,000.

Sec. 65. [MEMORANDUM OF UNDERSTANDING.]

The commissioner of employee relations may not execute a memorandum of understanding relating to employee compensation for travel time with an exclusive representative of a bargaining unit until after it has been approved by the legislative coordinating commission under Minnesota Statutes, section 3.855. When the legislature is not in session, failure of the commission to disapprove a memorandum of understanding within 30 days of submission constitutes approval.

Sec. 66. [ALLOCATION OF COSTS OF CERTAIN BOUNDARY ADJUSTMENT MATTERS.]

All costs of any boundary adjustment matter commenced before June 1, 1999, that is concluded after that date under an alternative dispute resolution process as directed by the director of the office of strategic and long-range planning, must be allocated as provided in law and rule prior to the abolition of the Minnesota municipal board. The maximum total amount the parties may be charged by the office of strategic and long-range planning, the office of administrative hearings, or as part of an arbitration is no more than the Minnesota municipal board could have charged if the matter had been heard and decided by the board. Costs that exceed what the municipal board could have charged must be paid by the office of strategic and long-range planning.

Sec. 67. [REPEALER.]

(a) Minnesota Statutes 1998, section 16B.88; and Minnesota Statutes 1999 Supplement, section 43A.318, are repealed.

(b) Minnesota Statutes 1998, sections 16E.01, subdivisions 2 and 3; 16E.03, subdivisions 1 and 3; 16E.04, subdivision 1; 16E.05; 16E.06; 16E.07, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; and 136F.59, subdivision 3; Minnesota Statutes 1999 Supplement, sections 16E.01, subdivision 1; 16E.02; 16E.03, subdivisions 2, 4, 5, 6, 7, and 8; 16E.04, subdivision 2; 16E.07, subdivision 4; and 16E.08, are repealed.

(c) Minnesota Statutes 1998, sections 465.795; 465.796; 465.797, subdivisions 2, 3, 4, 5, 6, and 7; 465.7971; 465.798; 465.799; 465.801; 465.802; 465.803; 465.81; 465.82, subdivisions 1, 2, and 3; 465.83; 465.84; 465.85; 465.86; 465.87; and 465.88; Minnesota Statutes 1999 Supplement, sections 465.797, subdivisions 1 and 5a; and 465.82, subdivision 4, are repealed.

(d) Laws 1999, chapter 250, article 1, section 15, subdivision 4, is repealed.

(e) Laws 1999, chapter 135, section 9, is repealed.

(f) Minnesota Rules, parts 7672.0100; 7672.0200; 7672.0300; 7672.0400; 7672.0500; 7672.0600; 7672.0700; 7672.0800; 7672.0900; 7672.1000; 7672.1100; 7672.1200; 7672.1300; 7674.0100; 7674.0200; 7674.0300; 7674.0400; 7674.0500; 7674.0600; 7674.0700; 7674.0800; 7674.0900; 7674.1000; 7674.1100; and 7674.1200, are repealed.

(g) Minnesota Statutes 1998, section 16B.37, subdivisions 1, 2, and 3, are repealed.

Sec. 68. [EFFECTIVE DATE.]

Section 10 is effective the day after a like commission is authorized by the appropriate authority of the government of Ontario. Sections 11, 40, and 67, paragraph (c), are effective June 30, 2000. Section 12 is effective July 1, 2000. Sections 63 and 67, paragraphs (e) and (f), are effective April 15, 2000. Sections 29, 52, and 54 are effective the

day following final enactment, and apply to any contract for project development and construction entered into on or after that date, including projects for which requests for bids, qualifications, or proposals have been sought before that date. Except as otherwise provided in this article, this article is effective the day following final enactment.

ARTICLE 18

MSRS-CORRECTIONAL PLAN MEMBERSHIP
INCLUSIONS

Section 1. Minnesota Statutes 1998, section 352.91, subdivision 3c, is amended to read:

Subd. 3c. [NURSING PERSONNEL.] (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or at the Minnesota security hospital specified in paragraph (b), provided that at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under Laws 1996, chapter 408, article 8, section 21.

(b) The employment positions are as follows:

- (1) registered nurse - senior;
- (2) registered nurse;
- (3) registered nurse - principal; ~~and~~
- (4) licensed practical nurse 2; and
- (5) registered nurse practitioner.

Sec. 2. Minnesota Statutes 1998, section 352.91, is amended by adding a subdivision to read:

Subd. 3f. [ADDITIONAL DEPARTMENT OF HUMAN SERVICES PERSONNEL.] (a) "Covered correctional service" means service by a state employee in one of the employment positions specified in paragraph (b) at the Minnesota security hospital or the Minnesota sexual psychopathic personality treatment center, provided that at least 75 percent of the employee's working time is spent in direct contact with patients and the fact of this direct contact is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 2;
- (2) licensed practical nurse 1;
- (3) office and administrative specialist senior;
- (4) psychologist 2;
- (5) social worker specialist;
- (6) behavior analyst 3; and
- (7) social worker senior.

Sec. 3. Minnesota Statutes 1998, section 352.91, is amended by adding a subdivision to read:

Subd. 3g. [ADDITIONAL CORRECTIONS DEPARTMENT PERSONNEL.] "Covered correctional service" means service by a state employee in one of the employment positions at the designated Minnesota correctional facility specified in paragraph (b), provided that at least 75 percent of the employee's working time is spent in direct contact with inmates and the fact of this direct contact is certified to the executive director by the commissioner of corrections.

(b) The employment positions and correctional facilities are:

(1) corrections discipline unit supervisor, at the Minnesota correctional facility-Faribault, the Minnesota correctional facility-Lino Lakes, the Minnesota correctional facility-Oak Park Heights, and the Minnesota correctional facility-St. Cloud;

(2) dental assistant registered, at the Minnesota correctional facility-Faribault, the Minnesota correctional facility-Lino Lakes, the Minnesota correctional facility-Moose Lake, the Minnesota correctional facility-Oak Park Heights, and the Minnesota correctional facility-Red Wing;

(3) dental hygienist, at the Minnesota correctional facility-Shakopee;

(4) psychologist 2, at the Minnesota correctional facility-Faribault, the Minnesota correctional facility-Lino Lakes, the Minnesota correctional facility-Moose Lake, the Minnesota correctional facility-Oak Park Heights, the Minnesota correctional facility-Red Wing, the Minnesota correctional facility-St. Cloud, the Minnesota correctional facility-Shakopee, and the Minnesota correctional facility-Stillwater; and

(5) sentencing to service crew leader involved with the inmate community work crew program, at the Minnesota correctional facility-Faribault and the Minnesota correctional facility-Lino Lakes.

Sec. 4. [COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.]

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under section 1 or 2 is entitled to elect to obtain prior service credit for eligible state service performed after June 30, 1975, and before the first day of the first full pay period beginning after June 30, 2000, with the department of corrections or the department of human services at the Minnesota security hospital or the Minnesota sexual psychopathic personality treatment center. All eligible prior service credit must be purchased.

(b) For purposes of section 1, 2, or 3, eligible state service with the department of corrections or the department of human services is any prior period of continuous service after June 30, 1975, performed as an employee of the department of corrections or the department of human services that would have been eligible for the correctional employees retirement plan coverage under section 1, 2, or 3 if that prior service had been performed after the first day of the first full pay period beginning after June 30, 2000, rather than before that date. Service is continuous if there has been no period of discontinuation of eligible state service for a period greater than 180 calendar days.

(c) The commissioner of corrections or the commissioner of human services shall certify eligible state service to the executive director of the Minnesota state retirement system.

(d) A covered correctional plan employee employed on July 1, 2000, who has past service in a job classification covered under section 1, 2, or 3 on July 1, 2000, is entitled to purchase the past service if the applicable department certifies that the employee met the eligibility requirements for coverage. The employee shall pay the difference between the employee contributions actually paid during the period and what should have been paid under the correctional employees retirement plan. Payment for past service must be completed by June 30, 2002.

Subd. 2. [PAYMENT FOR PAST SERVICE.] (a) An employee electing to obtain prior service credit under subdivision 1 must pay an additional employee contribution for that prior service. The additional member contribution is the contribution differential percentage applied to the actual salary paid to the employee during the period of the prior eligible state service, plus interest at the rate of six percent per annum, compounded annually. The contribution differential percentage is the difference between 4.9 percent of salary and the applicable employee contribution rate of the general state employees retirement plan during the prior eligible state service.

(b) The additional member contribution must be paid only in a lump sum. Payment must accompany the election to obtain prior service credit. No election of payment may be made by the person or accepted by the executive director after June 30, 2002.

Subd. 3. [TRANSFER OF ASSETS.] Assets must be transferred from the general state employees retirement plan to the correctional employees retirement plan, in an amount equal to the present value of benefits earned under the general employees retirement plan for each employee transferring to the correctional employees retirement plan, as determined by the actuary retained by the legislative commission on pensions and retirement in accordance with Minnesota Statutes, section 356.215. The transfer of assets must be made within 45 days after the employee elects to transfer coverage to the correctional employees retirement plan.

Subd. 4. [EFFECT OF THE ASSET TRANSFER.] Upon transfer of assets in subdivision 3, service credit in the general state employees plan of the Minnesota state retirement system is forfeited and may not be reinstated. The service credit and transferred assets must be credited to the correctional employees retirement plan.

Subd. 5. [PAYMENT OF ACTUARIAL CALCULATION COSTS.] (a) The expense of the legislative commission on pensions and retirement attributable to the calculations of its consulting actuary under subdivision 3 must be reimbursed by the department of corrections and the department of human services.

(b) The expense reimbursement under paragraph (a) must be allocated between the two departments in a manner that is jointly agreeable. If no allocation procedure is developed by the commissioner of corrections and the commissioner of human services, the cost must be allocated on an equally shared basis.

(c) Payment of the expense reimbursement to the legislative commission on pensions and retirement is due 30 days after the receipt of the reimbursement request from the executive director of the legislative commission on pensions and retirement.

Sec. 5. [REPEALER.]

Minnesota Statutes 1998, section 352.91, subdivision 4, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 2000.

ARTICLE 19

JUDGES RETIREMENT PLAN MODIFICATIONS

Section 1. Minnesota Statutes 1998, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to (15), if they are in the unclassified service of the state or metropolitan council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within

one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), clauses (1) and (5), are participants in the unclassified program under this chapter unless the person is eligible to elect different coverage under section 3A.07 or 352C.011 and, after July 1, 1998, elects retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (16), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, the state treasurer, and the attorney general;

(2) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general;

(3) an employee of the state board of investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the metropolitan council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair, provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(9) the executive director, associate executive director, and not to exceed nine positions of the higher education services office in the unclassified service, as designated by the higher education services office before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(11) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Minnesota educational computing corporation;

(14) an employee of the world trade center board; ~~and~~

(15) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3; and

(16) a judge who has exceeded the service credit limit in section 490.121, subdivision 22.

Sec. 2. Minnesota Statutes 1998, section 352D.04, subdivision 2, is amended to read:

Subd. 2. [CONTRIBUTION RATES.] (a) The money used to purchase shares under this section is the employee and employer contributions provided in this subdivision.

(b) The employee contribution is an amount equal to the employee contribution specified in section 352.04, subdivision 2.

(c) The employer contribution is an amount equal to six percent of salary.

(d) These contributions must be made in the manner provided in section 352.04, subdivisions 4, 5, and 6.

(e) For members of the legislature, the contributions under this subdivision also must be made on per diem payments received during a regular or special legislative session, but may not be made on per diem payments received outside of a regular or special legislative session, on the additional compensation attributable to a leadership position under section 3.099, subdivision 3, living expense payments under section 3.101, or special session living expense payments under section 3.103.

(f) For a judge who is a member of the unclassified plan under section 352D.02, subdivision 1, paragraph (c), clause (16), the employee contribution rate is eight percent of salary, and there is no employer contribution.

Sec. 3. Minnesota Statutes 1998, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.] (1) Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has met the qualifications of clause (2) may elect to receive a retirement annuity from each fund in which the person has at least six months allowable service, based on the allowable service in each fund, subject to the provisions of clause (3).

(2) A person may receive upon retirement a retirement annuity from each fund in which the person has at least six months allowable service, and augmentation of a deferred annuity calculated under the laws governing each public pension plan or fund named in subdivision 3, from the date the person terminated all public service if:

(a) the person has allowable service totaling an amount that allows the person to receive an annuity in any two or more of the enumerated funds; and

(b) the person has not begun to receive an annuity from any enumerated fund or the person has made application for benefits from all funds and the effective dates of the retirement annuity with each fund under which the person chooses to receive an annuity are within a one-year period.

(3) The retirement annuity from each fund must be based upon the allowable service in each fund, except that:

(a) The laws governing annuities must be the law in effect on the date of termination from the last period of public service under a covered fund with which the person earned a minimum of one-half year of allowable service credit during that employment.

(b) The "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during the entire service in covered funds.

(c) The formula percentages to be used by each fund must be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds.

(d) Allowable service in all the funds must be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the annuity amount for retirement prior to normal retirement.

(e) The annuity amount payable for any allowable service under a nonformula plan of a covered fund must not be affected but such service and covered salary must be used in the above calculation.

(f) This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975.

(g) For the purpose of computing annuities under this section the formula percentages used by any covered fund, except the public employees police and fire fund, the judges retirement fund, and the state patrol retirement fund, must not exceed the percent specified in section 356.19, subdivision 4, per year of service for any year of service or fraction thereof. The formula percentage used by the public employees police and fire fund and the state patrol retirement fund must not exceed the percent specified in section 356.19, subdivision 6, per year of service for any year of service or fraction thereof. The formula percentage used by the judges retirement fund must not exceed the percent specified in section 356.19, subdivision 8, per year of service for any year of service or fraction thereof. The formula percentage used by the legislators retirement plan and the elective state officers retirement must not exceed 2.5 percent, but this limit does not apply to the adjustment provided under section 3A.02, subdivision 1, paragraph (c), or 352C.031, paragraph (b).

(h) Any period of time for which a person has credit in more than one of the covered funds must be used only once for the purpose of determining total allowable service.

(i) If the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund shall apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period.

(j) If the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit must be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 4. Minnesota Statutes 1998, section 490.121, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] "Allowable service" means a whole year, or any fraction thereof, subject to the service credit limit in subdivision 22, served as a judge at any time, or served as a referee in probate for all referees in probate who were in office prior to January 1, 1974.

Sec. 5. Minnesota Statutes 1998, section 490.121, is amended by adding a subdivision to read:

Subd. 22. [SERVICE CREDIT LIMIT.] "Service credit limit" means the greater of: (1) 24 years of allowable service under chapter 490; or (2) for judges with allowable service rendered prior to July 1, 1980, the number of years of allowable service under chapter 490, which, when multiplied by the percentage listed in section 356.19, subdivision 7 or 8, whichever is applicable to each year of service, equals 76.8.

Sec. 6. Minnesota Statutes 1998, section 490.123, subdivision 1a, is amended to read:

Subd. 1a. [MEMBER CONTRIBUTION RATES.] (a) A judge who is covered by the federal old age, survivors, disability, and health insurance program whose service does not exceed the service credit limit in section 490.121, subdivision 22, shall contribute to the fund from each salary payment a sum equal to 8.00 percent of salary.

(b) A judge not so covered whose service does not exceed the service credit limit in section 490.121, subdivision 22, shall contribute to the fund from each salary payment a sum equal to 8.15 percent of salary.

(c) The contribution under this subdivision is payable by salary deduction.

Sec. 7. Minnesota Statutes 1998, section 490.123, subdivision 1b, is amended to read:

Subd. 1b. [EMPLOYER CONTRIBUTION RATE.] The employer contribution rate to the fund on behalf of a judge is 20.5 percent of salary and continues after a judge exceeds the service credit limit in section 490.121, subdivision 22.

The employer contribution must be paid by the state court administrator and is payable at the same time as member contributions under subdivision 1a, or employee contributions to the unclassified plan in chapter 352D for judges whose service exceeds the limit in section 490.121, subdivision 22, are remitted.

Sec. 8. Minnesota Statutes 1998, section 490.124, subdivision 1, is amended to read:

Subdivision 1. [BASIC RETIREMENT ANNUITY.] Except as qualified hereinafter from and after mandatory retirement date, normal retirement date, early retirement date, or one year from the disability retirement date, as the case may be, a retirement annuity shall be payable to a retiring judge from the judges' retirement fund in an amount equal to: (1) the percent specified in section 356.19, subdivision 7, multiplied by the judge's final average compensation multiplied by the number of years and fractions of years of allowable service rendered prior to July 1, 1980; plus (2) the percent specified in section 356.19, subdivision 8, multiplied by the judge's final average compensation multiplied by the number of years and fractions of years of allowable service rendered after June 30, 1980; provided that the annuity must not exceed 70 percent of the judge's annual salary for the 12 months immediately preceding retirement. Service that exceeds the service credit limit in section 490.121, subdivision 22, must be excluded in calculating the retirement annuity, but compensation earned during this service must be used in determining a judge's final average compensation and calculating the retirement annuity.

Sec. 9. [PRIOR SERVICE.]

This section applies to a person who is a judge on July 1, 2000, and whose service under chapter 490 on that date exceeds the service credit limit in Minnesota Statutes, section 490.121, subdivision 22. A judge to whom this section applies may elect to have money transferred from the judges' plan to the judge's account in the unclassified employees plan in Minnesota Statutes, chapter 352D. The amount to be transferred is eight percent of the salary the judge earned after reaching the service credit limit defined in Minnesota Statutes, section 490.121, subdivision 22. A judge electing this transfer forfeits all service credit under Minnesota Statutes, chapter 490, that exceeds the limit in Minnesota Statutes, section 490.121, subdivision 22. An election under this section must be made before retirement as a judge, and within 120 days of the effective date of this section. The election must be made on a form and in a manner specified by the executive director of the Minnesota state retirement system.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 2000.

PART F**ECONOMIC DEVELOPMENT PROVISIONS**

ARTICLE 20

APPROPRIATIONS

Section 1. [ECONOMIC DEVELOPMENT; APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose.

SUMMARY BY FUND

	2000	2001	TOTAL
General	\$ (100,000)	\$ 2,730,000	\$ 2,630,000
TANF	-0-	500,000	500,000
Workforce Development Fund	-0-	1,827,000	1,827,000
TOTAL	\$ (100,000)	\$ 5,057,000	\$ 4,957,000

APPROPRIATIONS
Available for the Year
Ending June 30

2000 2001

Sec. 2. TRADE AND ECONOMIC DEVELOPMENT -0- 2,750,000

This appropriation is for the purposes stated in this section, and is added to the appropriation in Laws 1999, chapter 223, article 1, section 2.

(a) Labor Force Assessments

-0- 750,000

This appropriation is for grants to local or regional economic development agencies to support the development and use of labor force assessments that will allow the agencies to recognize areas in which the skill sets or education of the available workforce are underused. Projects are eligible for grants of up to 60 percent of the total project costs. The commissioner shall develop criteria for these grants that will maximize their effectiveness in assisting local economic development efforts. The criteria shall give a

APPROPRIATIONS
Available for the Year
Ending June 30
2000 2001

preference to projects that have the support and involvement of multiple economic development agencies across a geographic region where appropriate, provided that the size of the area covered by a project does not interfere with the usefulness of the information generated. This is a one-time appropriation and is not added to the agency's budget base.

(b) Catalyst Grants

-0- 1,500,000

This appropriation is for catalyst grants to local governments to expand Internet access in areas of rural Minnesota that are otherwise unlikely to receive access through existing technology. Catalyst grants are for capital expenditures related to providing Internet access to residences and businesses using either traditional fiber optic cable or wireless technology. Eligible capital expenditures include equipment and construction costs, but do not include the costs of planning, engineering, or preliminary design. The commissioner shall award catalyst grants according to a competitive grant process and shall create criteria for the award of grants. These criteria shall include a preference for projects that will provide both business and residential Internet access, provided that a project is presumed to provide business access only if it will enable access of at least 512 kilobytes per second. The maximum catalyst grant for any project is \$250,000 or 25 percent of the eligible capital expenditures, whichever is less. This is a one-time appropriation and is not added to the agency's budget base.

(c) Tourism Loan Account

-0- 500,000

This appropriation is for transfer to the tourism loan account established under Minnesota Statutes, section 116J.617, subdivision 5, for the tourism loan program under Minnesota Statutes, section 116J.617. This is a one-time appropriation.

(d) Cancellation

Of the unspent and unencumbered portions of the appropriations in Laws 1997, chapter 200, article 1, section 2, subdivision 2, for the pathways program under Minnesota Statutes, section 116L.04, subdivision 1a, \$800,000 is canceled and returned to the general fund. This cancellation is effective the day following final enactment.

EFFECTIVE DATE: This paragraph is effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30

	2000	2001
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Sec. 3. MINNESOTA TECHNOLOGY

	-0-	200,000
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This appropriation is for the e-Business Institute. This is a one-time appropriation and is not added to the agency's budget base.

Sec. 4. HOUSING FINANCE AGENCY

	-0-	500,000
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This appropriation is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204, and is available until June 30, 2001. This appropriation is from the state's federal TANF block grant under title I of Public Law Number 104-193 to the commissioner of human services, to reimburse the housing development fund for assistance under this program for families receiving TANF assistance under the MFIP program. The commissioner of human services shall make monthly reimbursements to the housing development fund. The commissioner of human services shall not make any reimbursement which the commissioner determines would be subject to a penalty under Code of Federal Regulations, section 262.1. This is a one-time appropriation.

Sec. 5. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN

	-0-	130,000
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This appropriation is for enforcement activities by the board, and is added to the appropriation in Laws 1999, chapter 223, article 1, section 8.

Sec. 6. BOARD OF BOXING

	-0-	65,000
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This amount is added to the appropriation in Laws 1999, chapter 223, article 1, section 10.

Sec. 7. DEPARTMENT OF ECONOMIC SECURITY

	200,000	1,977,000
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(a) Youthbuild

Of this amount, \$200,000 in the first year is a one-time appropriation for grants to existing Youthbuild programs that have experienced a loss of federal funds and are unable to fulfill their missions under Minnesota Statutes, sections 268.361 to 268.366.

EFFECTIVE DATE: This paragraph is effective the day following final enactment.

(b) Alien Labor Certification

Of this amount, \$150,000 the second year is a one-time appropriation for alien labor certification, and is available as matching funds are provided on at least a dollar-for-dollar basis from nonstate sources.

(c) Displaced Homemaker Programs

Of this amount, \$1,827,000 the second year is an appropriation from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 268.96. The general fund appropriation of \$1,827,000 for displaced homemaker programs in fiscal year 2001 in Laws 1999, chapter 223, article 1, section 4, subdivision 4, is canceled and returned to the general fund.

(d) Food Service Exemption

Notwithstanding the provisions of Minnesota Statutes, section 268.085, subdivision 8, wage credits from an employer are not subject to the provisions of Minnesota Statutes, section 268.085, subdivision 7, if those wage credits were earned during the school year by an employee of a private employer performing work pursuant to a contract between the employer and an elementary or secondary school and the employment was related to food services provided to the school by the employer. This paragraph expires December 31, 2001.

Sec. 8. Laws 1999, chapter 223, article 1, section 6, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	18,927,000	17,460,000
	<u>18,627,000</u>	<u>16,760,000</u>

Summary by Fund

General	17,245,000	15,831,000
	<u>16,945,000</u>	<u>15,131,000</u>
Petro Cleanup	1,015,000	1,045,000
Workers' Compensation		
	567,000	584,000
Special Revenue	100,000	-0-

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions, except that with respect to general fund appropriations, the commissioner

must reduce the amounts spent from the amounts specified by a total of \$300,000 in the first year and \$700,000 in the second year. The general fund base for the department shall be \$14,653,000 in fiscal year 2002 and \$14,377,000 in fiscal year 2003.

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

Sec. 9. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING	-0-	75,000
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This one-time appropriation is for the purposes of the workforce development task force in article 2, section 22. This amount is added to the appropriation in Laws 1999, chapter 223, article 1, section 23.

Sec. 10. DEPARTMENT OF ADMINISTRATION	-0-	50,000
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This one-time appropriation is for the purposes of article 2, section 21, and is added to the appropriation in Laws 1999, chapter 223, article 1, section 25.

Sec. 11. DEPARTMENT OF FINANCE	-0-	10,000
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This appropriation is for up to \$10,000 for the commissioner of finance to consult with the commissioner of employee relations and the Minnesota Historical Society to consider the causes of ongoing shortfalls in the salary and benefit accounts at the Minnesota Historical Society, and to compare the salaries and benefits at agencies in other states that have comparable missions. The commissioner shall report findings, including recommendations, to the legislature by December 31, 2000.

Sec. 12. MINNESOTA HISTORICAL SOCIETY	-0-	-0-
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The historical society must commission a bust of former United States Supreme Court Justice Harry A. Blackmun and install it on the second floor of the state capitol opposite the bust of former Chief Justice of the United States Warren Burger. Justice Blackmun should be so recognized opposite Chief Justice Burger because they were boyhood friends and schoolmates in St. Paul and served together for many years on the United States Supreme Court. In addition to his service on the United States Supreme Court from 1970 to 1994, Blackmun served on the United States Court of Appeals for the Eighth Circuit from 1959 to 1970, and as resident counsel to the Mayo Clinic and Mayo Association in Rochester, Minnesota, from 1950 to 1959. The historical society must solicit nonstate sources for funds to complete this project.

ARTICLE 21

JOBS AND ECONOMIC DEVELOPMENT POLICY CHANGES

Section 1. Minnesota Statutes 1998, section 60H.03, is amended by adding a subdivision to read:

Subd. 4. [TERM AND FEES.] The term of a managing general agent license issued under this section and the license fees imposed are the same as those applicable to a licensed insurance agent under chapter 60K.

Sec. 2. Minnesota Statutes 1998, section 80A.122, is amended by adding a subdivision to read:

Subd. 4a. [EXPIRATION.] (a) A filing made in connection with the securities of an open-end investment company under subdivision 1 expires the next June 30 unless renewed. To renew a notice filing, an issuer shall:

(1) before expiration of a current notice filing, file with the commissioner the documents specified by the commissioner under subdivision 1, clause (2), together with any fees required by section 80A.28, subdivision 1, paragraph (c); and

(2) no later than September 1 following expiration, file a sales report for the prior fiscal year with the commissioner specifying:

(i) the registered sales;

(ii) the actual sales; and

(iii) the balance that could be sold without an additional filing under section 80A.28, subdivision 1, paragraph (c).

(b) No portion of the unsold balance of shares indicated on the issuer's sales report may be lawfully sold in this state in connection with a renewed notice filing until fees have been paid to renew the shares.

Sec. 3. Minnesota Statutes 1998, section 80A.28, subdivision 1, is amended to read:

Subdivision 1. (a) There shall be a filing fee of \$100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the maximum combined fees shall not exceed \$300.

(b) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.13, subdivision 1, all but the \$100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.

(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing. If the filing is made in connection with redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state during the notice filing period. The fee must be paid at the time of the initial filing and thereafter in connection with each renewal no later than July 1 of each year and must be sufficient to cover the shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the commissioner, the issuer shall submit an amended notice filing to the commissioner under section 80A.122, subdivision 1, clause (3), together with a fee of 1/20 of one percent of the maximum aggregate offering price of the additional shares. Shares for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the commissioner as provided in this section and section 80A.122, subdivision 4a. If the filing is made in connection with redeemable

securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the last day of each fiscal year, the commissioner shall determine the total amount of all fees that were collected under this paragraph in connection with any filings made for that fiscal year for securities of an open-end investment company on behalf of a security that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the extent the total fees collected by the commissioner in connection with these filings exceed \$25,000,000, the commissioner shall refund, on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by the commissioner in excess of \$25,000,000. No individual refund is required of amounts of \$100 or less for a fiscal year.

Sec. 4. Minnesota Statutes 1999 Supplement, section 116J.421, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE.] The center is governed by a board of directors appointed to six-year terms by the governor comprised of:

- (1) a representative from each of the two largest statewide general farm organizations;
- (2) a representative from a regional initiative organization selected under section 116J.415, subdivision 3;
- (3) the president of Mankato State University;
- (4) a representative from the general public residing in a town of less than 5,000 located outside of the metropolitan area;
- (5) a member of the house of representatives appointed by the speaker of the house and a member of the senate appointed by the subcommittee on committees of the senate committee on rules and administration appointed for two-year terms;
- (6) three representatives from business, including one representing rural manufacturing and one rural retail and service business;
- (7) three representatives from private foundations with a demonstrated commitment to rural issues;
- (8) one representative from a rural county government; and
- (9) one representative from a rural regional government.

The board shall appoint one additional member to the board of directors who shall represent the general public.

If the board concludes at any time that the composition of the board does not adequately reflect the ethnic and gender diversity of rural Minnesota, the board may appoint up to four additional members in order to better reflect this diversity. Members appointed by the board under this paragraph shall serve six-year terms. The board may not appoint additional members such that the board would have a total of more than 20 members.

Sec. 5. [136F.77] [EQUITY INVESTMENTS.]

The board may acquire an interest in a product or a private business entity for the purpose of developing and providing educational materials and related programs or services to further the mission of the Minnesota state colleges and universities and foster the economic growth of the state. The board may enter into joint venture agreements with private corporations to develop educational materials and related programs or services. Any proceeds from such investments or ventures are appropriated to the board. The state is not liable for any obligations

or liabilities that arise from investments pursuant to this section. The board must report annually by September 1 to the legislature regarding its earnings from partnerships and the disposition of those earnings.

Sec. 6. [144.994] [PROFESSIONAL BOXING REGULATION.]

Subdivision 1. [GENERALLY.] The commissioner of health shall regulate professional boxing matches in Minnesota. For the purposes of this section, "professional boxing matches" means boxing contests held in Minnesota between individuals for financial compensation, but does not include boxing contests regulated by an amateur sports organization.

Subd. 2. [COMPLIANCE WITH FEDERAL LAW.] The commissioner shall act as Minnesota's state boxing commission for the purposes of the Professional Boxing Safety Act, United States Code, title 15, sections 6301 to 6313, and shall ensure that safety standards, registration procedures, and other regulations required by federal law are sufficient to protect the health and safety of boxers.

Subd. 3. [LIMITATION.] The commissioner shall not impose regulations substantially more stringent than necessary to protect boxers' health and safety and to fully comply with federal requirements.

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

Sec. 7. [181.967] [EMPLOYMENT REFERENCES.]

Subdivision 1. [CAUSES OF ACTION.] No action may be maintained against an employer, designated employee, or agent who discloses information about a current or former employee to a prospective employer or employment agency as provided under this section, unless the employee or former employee demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employer knew or should have known the information was false and acted with malicious intent to injure the current or former employee; and

(3) the information was acted upon by the prospective employer in a manner that caused harm to the current or former employee.

Subd. 2. [EMPLOYMENT REFERENCE INFORMATION DISCLOSURE.] (a) Upon request an employer may disclose the following information about one of its current or former employees to a prospective employer:

(1) dates of employment;

(2) compensation and wage history;

(3) job description and duties;

(4) training and education provided by the employer; and

(5) all acts of violence, theft, harassment, or illegal conduct documented in the personnel record which resulted in disciplinary action or resignation.

When making any disclosure pursuant to clause (5), the employer must provide the employee or former employee with a copy of the information disclosed.

(b) Upon request, a public employer may disclose public personnel data on an individual listed in section 13.43, subdivision 2, about one of its current or former employees, to a prospective employer.

(c) With the written authorization of the current or former employee, an employer may also disclose the following information in writing to a prospective employer:

(1) written employee evaluations conducted prior to the employee's separation from the employer, and the employee's written response, if any, contained in the employee's personnel record;

(2) disciplinary warnings and actions in the five years before the date of the authorization, and the employee's written response, if any, contained in the employee's personnel record; and

(3) reasons for separation from employment.

(d) An employer must provide a copy of a disclosure made under paragraph (c) to a current or former employee upon request.

Subd. 3. [SCHOOL DISTRICT DISCLOSURE OF VIOLENCE OR INAPPROPRIATE SEXUAL CONTACT.] A school administrator must disclose to another school district requesting information about a current or former employee all acts of violence or inappropriate sexual contact with students documented in the personnel record that resulted in disciplinary action or resignation.

EFFECTIVE DATE: This section is effective August 1, 2000, and applies to causes of action arising on or after that date.

Sec. 8. [182.6545] [RIGHTS OF NEXT OF KIN UPON DEATH.]

In the case of a death of an employee, the department shall make reasonable efforts to locate the employee's next of kin and shall mail to them copies of the following:

(1) citations and notification of penalty;

(2) notices of hearings;

(3) complaints and answers;

(4) settlement agreements;

(5) orders and decisions; and

(6) notices of appeals.

In addition, the next of kin shall have the right to request a consultation with the department regarding citations and notification of penalties issued as a result of the investigation of the employee's death. For the purposes of this section, "next of kin" refers to the nearest proper relative as that term is defined by section 253B.03, subdivision 6, paragraph (c).

Sec. 9. Minnesota Statutes 1998, section 182.661, subdivision 1, is amended to read:

Subdivision 1. If, after an inspection or investigation, the commissioner issues a citation under section 182.66, the commissioner shall notify the employer by certified mail of the penalty, if any, proposed to be assessed under section 182.666 and that the employer has 20 calendar days within which to file a notice of contest and certification of service, on a form provided by the commissioner, indicating that the employer wishes to contest the citation, type

of violation, proposed assessment of penalty, or the period of time fixed in the citation given for correction of violation. A copy of the citation and the proposed assessment of penalty shall also be mailed to the authorized employee representative ~~and including~~, in the case of the death of an employee, ~~to the next of kin if requested~~. If within 20 calendar days from the receipt of the penalty notice issued by the commissioner the employer fails to file the notice of contest, and no notice of contest is filed by any employee or authorized representative of employees under subdivision 3 within such time, the citation and assessment, as proposed, shall be deemed a final order of the commissioner and not subject to review by any court or agency.

Sec. 10. Minnesota Statutes 1998, section 182.666, subdivision 2, is amended to read:

Subd. 2. Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed \$7,000 for each violation. ~~If the violation causes or contributes to the cause of the death of an employee, the employer shall be assessed a fine of up to \$25,000.~~

Sec. 11. Minnesota Statutes 1998, section 182.666, is amended by adding a subdivision to read:

Subd. 2a. Notwithstanding any other provision of this section, if any (1) serious, willful, or repeated violation other than a violation of section 182.653, subdivision 2; or (2) any failure to correct a violation pursuant to subdivision 4 causes or contributes to the death of an employee, the minimum total nonnegotiable fine which shall be assessed for all citations connected to the death of an employee is \$50,000 if there is a willful or repeated violation or \$25,000 if there is no willful or repeated violation.

Sec. 12. Minnesota Statutes 1998, section 268.362, subdivision 2, is amended to read:

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed ~~\$80,000~~ \$150,000 per year. In awarding grants, the advisory committee and the commissioner must give priority to:

(1) continuing and expanding effective programs by providing grant money to organizations that are operating or have operated a successful program that meets the program purposes under section 268.364; and

(2) distributing programs throughout the state through start-up grants for programs in areas that are not served by an existing program.

To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money. Nothing in this subdivision shall prevent an eligible organization from applying for and receiving grants for more than one program. A grant received by an eligible organization from the federal Youthbuild Project under United States Code, title 42, section 5091, is nonstate money and may be used to meet the state match requirement. State grant money awarded under this section may be used by grantee organizations for match requirements of a federal Youthbuild Project.

Sec. 13. Minnesota Statutes 1999 Supplement, section 326.105, is amended to read:

326.105 [FEES.]

The fee for licensure or renewal of licensure as an architect, professional engineer, land surveyor, landscape architect, or geoscience professional is ~~\$104~~ \$120 per biennium. The fee for certification as a certified interior designer or for renewal of the certificate is ~~\$104~~ \$120 per biennium. The fee for an architect applying for original certification as a certified interior designer is \$50 per biennium. The initial license or certification fee for

all professions is ~~\$104~~ \$120. The renewal fee shall be paid biennially on or before June 30 of each even-numbered year. The renewal fee, when paid by mail, is not timely paid unless it is postmarked on or before June 30 of each even-numbered year. The application fee is \$25 for in-training applicants and \$75 for professional license applicants.

The fee for monitoring licensing examinations for applicants is \$25, payable by the applicant.

Sec. 14. [326.2441] [INSPECTION FEE SCHEDULE.]

Subdivision 1. [SCHEDULE.] State electrical inspection fees shall be paid according to subdivisions 2 to 13.

Subd. 2. [FEE FOR EACH SEPARATE INSPECTION.] The minimum fee for each separate inspection of an installation, replacement, alteration, or repair is \$20.

Subd. 3. [FEE FOR SERVICES, GENERATORS, OTHER POWER SUPPLY SOURCES, OR FEEDERS TO SEPARATE STRUCTURES.] The inspection fee for the installation, addition, alteration, or repair of each service, change of service, temporary service, generator, other power supply source, or feeder to a separate structure is:

(1) 0 ampere to and including 400 ampere capacity, \$25;

(2) 401 ampere to and including 800 ampere capacity, \$50; and

(3) ampere capacity above 800, \$75.

Where multiple disconnects are grouped at a single location and are supplied by a single set of supply conductors, the cumulative rating of the overcurrent devices shall be used to determine the supply ampere capacity.

Subd. 4. [FEE FOR CIRCUITS, FEEDERS, FEEDER TAPS, OR SETS OF TRANSFORMER SECONDARY CONDUCTORS.] The inspection fee for the installation, addition, alteration, or repair of each circuit, feeder, feeder tap, or set of transformer secondary conductors, including the equipment served, is:

(1) 0 ampere to and including 200 ampere capacity, \$5; and

(2) ampere capacity above 200, \$10.

Subd. 5. [LIMITATIONS TO FEES OF SUBDIVISIONS 3 AND 4.] (a) The fee for a one-family dwelling and each dwelling unit of a two-family dwelling with a supply of up to 500 amperes where a combination of ten or more sources of supply, feeders, or circuits are installed, added, altered, repaired, or extended is \$80. This fee applies to each separate installation for new dwellings and additions, alterations, or repairs to existing dwellings and includes not more than two inspections. The fee for additional inspections or other installations is that specified in subdivisions 2 to 4. The installer may submit fees for additional inspections when filing the request for electrical inspection.

(b) The fee for each dwelling unit of a multifamily dwelling with three to 12 dwelling units is \$50 and the fee for each additional dwelling unit is \$25. These fees include only inspection of the wiring within individual dwelling units and the final feeder to that unit. This limitation is subject to the following conditions:

(1) the multifamily dwelling is provided with common service equipment and each dwelling unit is supplied by a separate feeder. The fee for multifamily dwelling services or other power source supplies and all other circuits is that specified in subdivisions 2 to 4; and

(2) this limitation applies only to new installations for multifamily dwellings where the majority of the individual dwelling units are available for inspection during each inspection trip.

(c) A separate request for electrical inspection form must be filed for each dwelling unit that is supplied with an individual set of service entrance conductors. These fees are the one-family dwelling rate specified in paragraph (a).

Subd. 6. [ADDITIONS TO FEES OF SUBDIVISIONS 3 TO 5.] (a) The fee for the electrical supply for each manufactured home park lot is \$25. This fee includes the service or feeder conductors up to and including the service equipment or disconnecting means. The fee for feeders and circuits that extend from the service or disconnecting means is that specified in subdivision 4.

(b) The fee for each recreational vehicle site electrical supply equipment is \$5. The fee for recreational vehicle park services, feeders, and circuits is that specified in subdivisions 3 and 4.

(c) The fee for each street, parking lot, or outdoor area lighting standard is \$1, and the fee for each traffic signal standard is \$5. Circuits originating within the standard or traffic signal controller shall not be used when computing the fee.

(d) The fee for transformers for light, heat, and power is \$10 for transformers rated up to ten kilovolt-amperes and \$20 for transformers rated in excess of ten kilovolt-amperes.

(e) The fee for transformers and electronic power supplies for electric signs and outline lighting is \$5 per unit.

(f) The fee for alarm, communication, remote control, and signaling circuits or systems, and circuits of less than 50 volts, is 50 cents for each system device or apparatus.

(g) The fee for each separate inspection of the bonding for a swimming pool, spa, fountain, an equipotential plane for an agricultural confinement area, or similar installation shall be \$20. Bonding conductors and connections require an inspection before being concealed.

(h) The fee for all wiring installed on center pivot irrigation booms is \$40.

(i) The fee for retrofit modifications to existing lighting fixtures is 25 cents per lighting fixture.

Subd. 7. [INVESTIGATION FEES; WORK WITHOUT A REQUEST FOR ELECTRICAL INSPECTION.] (a) Whenever any work for which a request for electrical inspection is required by the board has begun without the request for electrical inspection form being filed with the board, a special investigation shall be made before a request for electrical inspection form is accepted by the board.

(b) An investigation fee, in addition to the full fee required by subdivisions 1 to 6, shall be paid before an inspection is made. The investigation fee is two times the hourly rate specified in subdivision 10 or the inspection fee required by subdivisions 1 to 6, whichever is greater, not to exceed \$1,000. The payment of the investigation fee does not exempt any person from compliance with all other provisions of the board's rules or statutes, nor from any penalty prescribed by law.

Subd. 8. [REINSPECTION FEE.] When reinspection is necessary to determine whether unsafe conditions have been corrected and the conditions are not the subject of an appeal pending before the board or any court, a reinspection fee of \$20 may be assessed in writing by the inspector.

Subd. 9. [SUPPLEMENTAL FEE.] When inspections scheduled by the installer are preempted, obstructed, prevented, or otherwise not able to be completed as scheduled due to circumstances beyond the control of the inspector, a supplemental inspection fee of \$20 may be assessed in writing by the inspector.

Subd. 10. [SPECIAL INSPECTION.] For inspections not covered in this section, or for requested special inspections or services, the fee shall be \$30 per hour, including travel time, plus 31 cents per mile traveled, plus the reasonable cost of equipment or material consumed. This provision is applicable to inspection of empty conduits and other jobs as may be determined by the board. This fee may also be assessed when installations are not accessible by roadway and require alternate forms of transportation.

Subd. 11. [INSPECTION OF TRANSITORY PROJECTS.] (a) For inspection of transitory projects including, but not limited to, festivals, fairs, carnivals, circuses, shows, production sites, and portable road construction plants, the inspection procedures and fees are as specified in paragraphs (b) to (i).

(b) The fee for inspection of each generator or other source of supply is that specified in subdivision 3. A like fee is required at each engagement or setup.

(c) In addition to the fee for generators or other sources of supply, there must be an inspection of all installed feeders, circuits, and equipment at each engagement or setup at the hourly rate specified in subdivision 10, with a two-hour minimum.

(d) An owner, operator, or appointed representative of a transitory enterprise including, but not limited to, festivals, fairs, carnivals, circuses, production companies, shows, portable road construction plants, and similar enterprises shall notify the board of its itinerary or schedule and make application for initial inspection a minimum of 14 days before its first engagement or setup. An owner, operator, or appointed representative of a transitory enterprise who fails to notify the board 14 days before its first engagement or setup may be subject to the investigation fees specified in subdivision 7. The owner, operator, or appointed representative shall request inspection and pay the inspection fee for each subsequent engagement or setup at the time of the initial inspection. For subsequent engagements or setups not listed on the itinerary or schedule submitted to the board and where the board is not notified at least 48 hours in advance, a charge of \$100 may be made in addition to all required fees.

(e) Amusement rides, devices, concessions, attractions, or other units must be inspected at their first appearance of the year. The inspection fee is \$20 per unit with a supply of up to 60 amperes and \$30 per unit with a supply above 60 amperes.

(f) An additional fee at the hourly rate specified in subdivision 10 must be charged for additional time spent by each inspector if equipment is not ready or available for inspection at the time and date specified on the application for initial inspection or the request for electrical inspection form.

(g) In addition to the fees specified in paragraphs (a) and (b), a fee of two hours at the hourly rate specified in subdivision 10 must be charged for inspections required to be performed on Saturdays, Sundays, holidays, or after regular business hours.

(h) The fee for reinspection of corrections or supplemental inspections where an additional trip is necessary may be assessed as specified in subdivision 8.

(i) The board may retain the inspection fee when an owner, operator, or appointed representative of a transitory enterprise fails to notify the board at least 48 hours in advance of a scheduled inspection that is canceled.

Subd. 12. [HANDLING FEE.] The handling fee to pay the cost of printing and handling of the form requesting an inspection is \$1.

Subd. 13. [NATIONAL ELECTRICAL CODE USED FOR INTERPRETATION OF PROVISIONS.] For purposes of interpretation of this section and Minnesota Rules, chapter 3800, the most recently adopted edition of the National Electrical Code shall be prima facie evidence of the definitions, interpretations, and scope of words and terms used.

Sec. 15. Minnesota Statutes 1998, section 345.31, is amended by adding a subdivision to read:

Subd. 6a. [MONEY ORDER.] "Money order" includes an express money order and a personal money order, on which the remitter is the purchaser. The term does not include a bank order or any other instrument sold by a financial organization if the seller has obtained the name and address of the payee.

Sec. 16. [345.321] [DORMANCY CHARGE FOR MONEY ORDERS.]

Notwithstanding any law to the contrary, a holder may annually deduct, from a money order presumed abandoned, a charge imposed by reason of the owner's failure to claim the property within a specified time. The holder may deduct the charge only if: (1) there is a valid and enforceable written contract between the holder and the owner under which the holder may impose the charge; (2) the holder regularly imposes the charge; and (3) the charge is not regularly reversed or otherwise canceled. The total amount of the deduction is limited to an amount that is not unconscionable.

Sec. 17. Minnesota Statutes 1998, section 345.39, subdivision 1, is amended to read:

Subdivision 1. [PRESUMED ABANDONMENT.] All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than three years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. This section does not include money orders. "Intangible property" does not include gift certificates, gift cards, or layaway accounts issued or maintained by any person in the business of selling tangible property or services at retail and such items shall not be subject to this section.

Sec. 18. Laws 1999, chapter 223, article 2, section 81, as amended by Laws 1999, chapter 249, section 12, is amended to read:

Sec. 81. [EFFECTIVE DATES.]

Section 48 is effective March 1, 2000.

Sections 59, 61, 62, 64, 65, and 79 are effective the day following final enactment.

Section 67 is effective June 30, 1999.

Section 80, paragraph (a), is effective July 1, 1999.

Section 80, ~~paragraphs paragraph (b) and (c), are~~ is effective July 1, 2000.

Section 80, paragraph (c), is effective July 1, 2001.

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

Sec. 19. Laws 1999, chapter 223, article 3, section 8, is amended to read:

Sec. 8. [EFFECTIVE DATE.]

Sections 1; ~~and 2; and 5~~ are effective July 1, 2000.

Section 5 is effective July 1, 2001.

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

Sec. 20. [ASSUMPTION OF RESPONSIBILITIES BY COMMISSIONER OF HEALTH.]

The commissioner of health shall consult with appropriate knowledgeable individuals on an ongoing basis regarding the development and enforcement of boxing regulations. The commissioner shall amend existing rules relating to professional boxing to conform those rules to the requirements of section 6.

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

Sec. 21. [UPPER RED LAKE BUSINESS LOAN PROGRAM.]

The appropriation to the commissioner of trade and economic development in Laws 1999, chapter 223, article 1, section 2, subdivision 4, for the Upper Red Lake business loan program is available until December 31, 2000, and applications for grants under that program may be accepted until that date.

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

Sec. 22. [WORKFORCE CENTER LOCATIONS.]

The commissioner of the department of administration shall assist the commissioner of economic security and the board of trustees of the Minnesota state colleges and universities system to develop and report to the legislature by January 15, 2001, on a ten-year plan for the possible location of workforce centers or affiliate locations on Minnesota college and university campuses where appropriate.

The plan must identify space requirements, current workforce center lease expiration dates, and the campuses that can immediately accommodate workforce centers, and recommend timelines for colocating workforce centers with Minnesota state colleges and universities system facilities.

If additional space would be required to accommodate the workforce center, the plan must outline alternative capital financing mechanisms, including private build-lease.

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

Sec. 23. [WORKFORCE DEVELOPMENT TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] The workforce development task force is established to study workforce development issues. The purposes of the task force are to review the recommendations of the governor's mini-cabinet on workforce development, to develop and propose a cohesive workforce development strategy for Minnesota, to communicate with interested parties including state agencies, nonprofit providers of job training services, members of the public, local workforce investment boards, and organized labor, and to prepare recommendations for the 2001 legislative session, including the budget process.

Subd. 2. [MEMBERSHIP.] (a) The task force consists of 15 members appointed as follows:

(1) three public members appointed by the governor, one of which must be a representative of organized labor;

(2) the commissioner of trade and economic development or the commissioner's designee;

(3) the commissioner of economic security or the commissioner's designee;

(4) the commissioner of human services or the commissioner's designee;

(5) the chancellor of Minnesota state colleges and universities or the chancellor's designee;

(6) the chair of the governor's workforce development council;

(7) three workforce training provider representatives, including at least one member of a local workforce investment board, appointed by the governor based on recommendations from training provider organizations;

(8) two state representatives, one appointed by the speaker of the house and one appointed by the minority caucus leader; and

(9) two state senators appointed by the subcommittee on committees of the senate committee on rules and administration, one of which must be a member of the minority caucus.

(b) Compensation and removal of members is as provided by Minnesota Statutes, section 15.059.

Subd. 3. [ADMINISTRATION.] The Minnesota office of strategic and long-range planning shall provide staff support and other assistance for this task force.

Subd. 4. [REPORT.] The task force shall report its findings to the legislature by February 1, 2001.

Subd. 5. [EXPIRATION.] The task force expires on June 30, 2001.

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

Sec. 24. [INSTRUCTION TO REVISOR.]

The revisor shall change references in Minnesota Rules from Minnesota Rules, part 3800.3810, to Minnesota Statutes, section 326.2441.

Sec. 25. [REPEALER.]

(a) Minnesota Statutes 1998, sections 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; and 184A.20, are repealed.

(b) Minnesota Rules, part 3800.3810, is repealed."

Delete the title and insert:

"A bill for an act relating to public administration; appropriating money for health and human services, agriculture, environment and natural resources, criminal justice, state government, and economic development; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; providing penalties; amending Minnesota Statutes 1998, sections 13.82, subdivision 3b; 15.0591, subdivision 2; 15A.0815, subdivisions 2 and 3; 16A.10, by adding a subdivision; 16A.11, subdivision 3; 16A.124, by adding a subdivision; 16A.126, subdivision 2; 16B.052; 16B.31, by adding a subdivision; 16B.335, subdivision 5; 16B.42, subdivisions 2 and 3; 16B.48, subdivision 4; 16B.485; 17A.03, subdivision 5; 18E.04, subdivision 4; 41A.09, subdivision 3a; 41B.03, subdivisions 1 and 2; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 2; 41B.045, subdivision 2; 43A.38, subdivision 1; 60H.03, by adding a subdivision; 80A.122, by adding a subdivision; 80A.28, subdivision 1; 85A.02, subdivision 5a; 103E.011, by adding a subdivision; 115B.17, subdivision 19; 119A.05, subdivision 1; 119A.37, subdivision 4; 120B.22, subdivision 1; 121A.15, subdivisions 4 and 10; 125A.74, subdivisions 1 and 2; 138.17, subdivision 10; 144.551, subdivision 1; 144A.071, by adding a subdivision; 168A.40, subdivision 3; 169.01, subdivision 37; 169.121, subdivision 3b; 169.129, by adding a subdivision; 169.21, subdivisions 2 and 3; 169.89, subdivision 2; 179A.18, subdivision 1; 181.932, subdivision 1; 182.661, subdivision 1; 182.666, subdivision 2, and by adding a subdivision; 193.143; 221.173; 242.41; 242.43; 242.44; 254B.03, subdivision 1; 256.01, by adding a subdivision; 256.011, subdivision 3; 256.741, by adding a subdivision; 256.955, subdivisions 1 and 2; 256.9753, subdivision 3; 256.995,

subdivision 1; 256B.431, by adding subdivisions; 256B.69, subdivision 5d; 256J.08, by adding a subdivision; 256J.15, by adding a subdivision; 256J.32, by adding a subdivision; 256J.40; 256J.45, subdivision 3; 256J.46, by adding a subdivision; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 5 and 7; 256J.52, by adding a subdivision; 256L.05, subdivision 5; 257.75, subdivision 6; 268.362, subdivision 2; 345.31, by adding a subdivision; 345.39, subdivision 1; 349A.02, subdivision 1; 352.91, subdivision 3c, and by adding subdivisions; 352D.02, subdivision 1; 352D.04, subdivision 2; 356.30, subdivision 1; 422A.101, subdivision 3; 471.345, by adding a subdivision; 490.121, subdivision 4, and by adding a subdivision; 490.123, subdivisions 1a and 1b; 490.124, subdivision 1; 518B.01, subdivision 21; 609.02, subdivisions 3 and 4a; 609.03; 609.033; 609.0331; 609.0332, subdivision 1; 609.034; 609.135, by adding a subdivision; 609.2231, subdivision 1; 611A.07, subdivision 1; 611A.32, subdivisions 1, 2, 3, and 5; 611A.33; 611A.34, subdivisions 1, 2, and 3; 611A.345; 611A.35; 611A.36, subdivisions 1 and 2; 626.556, by adding a subdivision; 629.342, subdivision 2; and 629.72, subdivision 6; Minnesota Statutes 1999 Supplement, sections 3.971, subdivision 8; 10A.01, subdivisions 2 and 21; 13.99, subdivision 108, and by adding a subdivision; 15.059, subdivision 5a; 16A.103, subdivision 1; 16A.129, subdivision 3; 16B.616, subdivisions 3 and 4; 62J.535, subdivision 2; 62J.694, subdivision 2; 116.073, subdivision 1; 116J.421, subdivision 2; 119B.011, subdivision 15; 119B.02, subdivision 1; 125B.21, subdivision 1; 144.395, by adding a subdivision; 144.396, subdivisions 11 and 12; 144A.04, subdivision 5; 147.09; 169.121, subdivisions 3, 3d, and 3f; 169.1217, subdivision 7; 169.129, subdivision 1; 179A.04, subdivision 3; 181.932, subdivision 2; 214.01, subdivision 2; 241.272, subdivision 6; 242.192; 256.01, subdivision 2; 256.019; 256.955, subdivisions 4, 8, and 9; 256B.0916, subdivision 1; 256D.03, subdivision 4; 256J.02, subdivision 2; 256J.08, subdivision 86; 256J.21, subdivision 2; 256J.26, subdivision 1; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.46, subdivisions 1, 2, and 2a; 256J.52, subdivisions 3 and 5; 256J.56; 256L.07, subdivision 1; 326.105; 473.3993, subdivision 3; 609.135, subdivision 2; 626.556, subdivision 2; and 626.558, subdivision 1; Laws 1997, chapter 225, article 4, section 4, as amended; Laws 1999, chapter 216, article 1, sections 2, subdivision 3; 9; 14; Laws 1999, chapter 223, article 1, section 6, subdivision 1; article 2, section 81, as amended; article 3, section 8; Laws 1999, chapter 231, sections 2, subdivision 2; 6, as amended; 11, subdivision 3; Laws 1999, chapter 245, article 1, section 2, subdivisions 3, 5, and 10; article 4, section 121; and Laws 1999, chapter 250, article 1, sections 11; 14, subdivision 3; 18; and 116; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10A; 16A; 41B; 43A; 136F; 144; 145; 169; 181; 182; 198; 242; 252; 256J; 256K; 260B; 326; 345; 473; and 611A; proposing coding for new law as Minnesota Statutes, chapter 146A; repealing Minnesota Statutes 1998, sections 16B.37, subdivisions 1, 2, and 3; 16B.88; 16E.01, subdivisions 2 and 3; 16E.03, subdivisions 1 and 3; 16E.04, subdivision 1; 16E.05; 16E.06; 16E.07, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 136F.59, subdivision 3; 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; 184A.20; 241.41; 241.42; 241.43; 241.44; 241.441; 241.45; 256J.46, subdivision 1a; 352.91, subdivision 4; 465.795; 465.796; 465.797, subdivisions 2, 3, 4, 5, 6, and 7; 465.7971; 465.798; 465.799; 465.801; 465.802; 465.803; 465.81; 465.82, subdivisions 1, 2, and 3; 465.83; 465.84; 465.85; 465.86; 465.87; and 465.88; Minnesota Statutes 1999 Supplement, sections 16E.01, subdivision 1; 16E.02; 16E.03, subdivisions 2, 4, 5, 6, 7, and 8; 16E.04, subdivision 2; 16E.07, subdivision 4; 16E.08; 43A.318; 144.396, subdivision 13; 465.797, subdivisions 1 and 5a; and 465.82, subdivision 4; Laws 1997, chapter 203, article 7, section 27; Laws 1999, chapter 135, section 9; Laws 1999, chapter 245, article 5, section 24; and Laws 1999, chapter 250, article 1, section 15, subdivision 4; Minnesota Rules, parts 3800.3810; 7672.0100; 7672.0200; 7672.0300; 7672.0400; 7672.0500; 7672.0600; 7672.0700; 7672.0800; 7672.0900; 7672.1000; 7672.1100; 7672.1200; 7672.1300; 7674.0100; 7674.0200; 7674.0300; 7674.0400; 7674.0500; 7674.0600; 7674.0700; 7674.0800; 7674.0900; 7674.1000; 7674.1100; and 7674.1200."

With the recommendation that when so amended the bill pass.

The report was adopted.

Molnau from the Committee on Transportation Finance to which was referred:

H. F. No. 2891, A bill for an act relating to transportation; proposing an amendment to the Minnesota Constitution by adding a section to article XIV; requiring 54 percent of the tax on the sale of motor vehicles to be deposited in highway user tax distribution fund; providing authority and procedures for establishing exclusive bus transit ways;

creating multimodal transportation fund, with accounts, and providing that 46 percent of the tax on the sale of motor vehicles be deposited in this fund; authorizing obligations to be issued to finance transit improvements; removing sunset provision for certain responsibilities of the office of strategic and long-range planning; appropriating money; amending Minnesota Statutes 1998, sections 169.01, subdivision 29; 169.305, by adding a subdivision; 297B.09, subdivision 1; 394.232, subdivision 5; and 473.39, by adding subdivisions; Laws 1999, chapter 250, article 1, sections 115 and 116; proposing coding for new law in Minnesota Statutes, chapters 174; and 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION FINANCE

Section 1. [161.086] [INTERGOVERNMENTAL COOPERATIVE FACILITIES REVOLVING LOAN FUND.]

Subdivision 1. [ESTABLISHMENT.] An intergovernmental cooperative facilities revolving loan fund is created in the state treasury. The fund consists of all money appropriated or transferred to the fund and all money received by the commissioner from repayment of loans made under this section. Money in the fund is appropriated to the commissioner for the purpose of subdivision 2.

Subd. 2. [LOANS.] The commissioner shall use money in the intergovernmental cooperative facilities revolving loan fund for loans to local road authorities for their share of costs relating to the construction of highway maintenance facilities to be shared between the commissioner and local road authorities.

Sec. 2. Minnesota Statutes 1998, section 174.35, is amended to read:

174.35 [LIGHT RAIL TRANSIT.]

Subdivision 1. [AUTHORIZATION.] The commissioner of transportation may exercise the powers granted in this chapter and chapter 473, as necessary, to plan, design, acquire, construct, and equip light rail transit facilities in the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. [PROHIBITION.] The commissioner shall not spend any money appropriated from the trunk highway fund for (1) any of the activities described in subdivision 1, (2) the acquisition of real property to the extent that the real property will be used exclusively or primarily for light rail transit, or (3) the rerouting of any highway, or the construction or reconstruction of highway overpasses, to the extent that the rerouting, construction, or reconstruction is necessitated exclusively or primarily by the construction of light rail transit.

Sec. 3. [174.55] [MAJOR TRANSPORTATION PROJECTS COMMISSION.]

Subdivision 1. [CREATION AND PURPOSE.] A major transportation projects commission is created to set priorities among proposed major transportation projects in which the department of transportation is involved and report these priorities to the governor and to the legislature.

Subd. 2. [COMPOSITION.] The major transportation projects commission is composed of the governor; three citizen members appointed by the governor and serving at the pleasure of the governor; five senators appointed by the subcommittee on committees of the committee on rules and administration, two of whom must not be members of the senate majority party; and five members of the house of representatives appointed by the speaker, two of whom must not be members of the house majority party. The commissioner of transportation shall serve as a nonvoting member. The commission shall elect a chair from among its members. Nongovernment members of the commission shall receive compensation in accordance with section 15.059, subdivision 3.

Subd. 3. [DUTIES.] The major transportation projects commission shall review reports submitted under subdivision 4. The commission shall recommend approval, approval with modifications, or disapproval of each project included in the reports of the commissioner of transportation and shall enumerate approved major transportation projects in chronological order of priority. The commission shall submit a major transportation projects program to the governor or governor-elect, the legislature, and the transportation committees of the house of representatives and the senate no later than September 30 of each year.

Subd. 4. [COMMISSIONER REPORT.] The commissioner of transportation shall report to the commission not later than July 15 of each year. The report must consist of a listing of candidate projects for enumeration that meet the criteria of major transportation projects within the definition in subdivision 5, and a listing of proposed projects for study that the commissioner believes have the potential of being major transportation projects but do not have draft environmental impact statements.

Subd. 5. [MAJOR TRANSPORTATION PROJECT.] A major transportation project is a project that meets each of the following criteria:

- (1) involves the department of transportation;
- (2) has a total cost of more than \$5,000,000;
- (3) is a critical element of the transportation system of its region and the state; and
- (4) has a completed draft environmental impact statement.

Subd. 6. [CONSTRUCTION OF TRANSPORTATION PROJECTS.] The department may not construct a major transportation project without first submitting the project to the major transportation projects commission and receiving specific legislative authorization. Legislative authorization for the construction of major transportation projects may not include any projects that have not been recommended in a report of the major transportation projects commission. Within any six-year period, the department may not construct a transportation project consisting of separate contiguous projects that do not individually qualify as major transportation projects, but which in their entirety would constitute a major transportation project, without first submitting the project to the major transportation projects commission for its recommendations and report and without specific legislative authorization.

Sec. 4. Minnesota Statutes 1999 Supplement, section 174.88, is amended to read:

174.88 [COMMUTER RAIL FUNDING.]

Subdivision 1. [FEDERAL FUND APPLICATIONS.] The commissioner, in cooperation with appropriate metropolitan planning organizations, may apply for funding from federal, state, regional, local, and private sources for commuter rail facility construction, operation, implementation, maintenance, and improvement.

Subd. 2. [EXPENDITURE OF STATE FUNDS.] The commissioner shall not spend any state funds for the planning, design, engineering, right-of-way acquisition, or construction of commuter rail facilities unless the funds have been appropriated by law specifically for those purposes.

Sec. 5. [APPROPRIATIONS AND AUTHORIZATION CANCELED.]

(a) The unspent and unencumbered part of the appropriation for the Hiawatha light rail transit corridor in Laws 1998, chapter 404, section 17, subdivision 3, paragraph (b), as reappropriated in Laws 1999, chapter 240, article 2, section 9, subdivision 3; and the unspent and unencumbered part of the appropriation in Laws 1999, chapter 240, article 1, section 9, subdivision 5, are canceled.

(b) The bond sale authorizations for the appropriations for which cancellations are made in paragraph (a) are reduced by the amount of those cancellations.

(c) The transfer from the general fund to the state bond fund authorized in Laws 1999, chapter 240, article 2, section 12, and amended by any subsequent laws is reduced by \$4,150,000 to reflect the cancellation of bonds according to this section.

Sec. 6. [COMMISSIONER OF TRANSPORTATION; STATE ROAD CONSTRUCTION.]

Subdivision 1. [GENERAL FUND APPROPRIATION.] \$327,000,000 is appropriated from the general fund to the commissioner of transportation for state road construction.

Subd. 2. [TRUNK HIGHWAY FUND APPROPRIATION.] \$75,000,000 is appropriated from the trunk highway fund to the commissioner of transportation for state road construction.

Subd. 3. [PURPOSES.] (a) The commissioner of transportation shall spend the amounts appropriated under subdivisions 1 and 2 for construction and reconstruction of state trunk highways, including preliminary engineering, acquisition of right-of-way, and construction support.

(b) Of the appropriations under this section:

(1) \$201,000,000 is for state trunk highway improvements on marked interstate highways 494 and 694 or within the area bounded by those highways primarily for the purpose of improving traffic flow and expanding highway capacity by eliminating traffic bottlenecks; and

(2) \$201,000,000 is for improvements on state trunk highways outside the area bounded by marked interstate highways 494 and 694 that the commissioner designates as at-risk interregional corridors.

(c) Of the appropriations under this section, the commissioner may not spend more than \$77,000,000 for construction support.

(d) The commissioner may not spend any part of this appropriation to construct any lanes on a freeway or expressway within the seven-county metropolitan area that are reserved exclusively for high-occupancy vehicles, or to convert any existing mixed-use lanes on such a freeway or expressway exclusively for use by high-occupancy vehicles.

(e) The commissioner may not reduce the amount of state funds allocated to a project in the commissioner's statewide transportation improvement program in any fiscal year if the project is financed in whole or in part in that fiscal year from the money appropriated under this section.

(f) The appropriation under this section is available through June 30, 2003. On July 1, 2003, any part of this appropriation not spent cancels to the trunk highway fund. The commissioner shall report by February 1, 2003, to the chairs of the senate and house of representatives committees having jurisdiction over transportation policy and transportation finance on any projects that the department of transportation has scheduled to be constructed with this appropriation that the commissioner determines will be canceled or delayed as a result of any part of this appropriation canceling to the trunk highway fund. For purposes of this paragraph, money encumbered by the commissioner for a trunk highway project is considered to be spent.

Subd. 4. [CHANGES IN FUND ALLOCATION.] The commissioner shall report to the chairs of the senate and house of representatives committees with jurisdiction over transportation policy and finance each time the commissioner changes the allocation of state or federal funds in the commissioner's statewide transportation improvement program or six-year highway work plan for a project that is financed in whole or in part from the money appropriated under this section.

Subd. 5. [REPORT ON PROJECTS.] The commissioner shall by August 1 of each calendar year from 2000 to 2002 report to the chairs of the senate and house of representatives committees with jurisdiction over transportation policy and finance on the status of each project that is financed in whole or in part from the money appropriated under this section. For each such project the report must identify:

- (1) the estimated full cost;
- (2) a schedule for completion;
- (3) the current status of right-of-way acquisition and environmental review; and
- (4) the project's status in the commissioner's current statewide transportation improvement program.

Sec. 7. [MAJOR TRANSPORTATION PROJECTS COMMISSION; APPROPRIATION.]

\$5,000 is appropriated from the trunk highway fund to the commissioner of transportation for fiscal year 2001 for department costs relating to the major transportation projects commission, including payment of expenses and compensation to nonlegislative members.

Sec. 8. [PUBLIC TRANSIT APPROPRIATIONS.]

Subdivision 1. [METROPOLITAN COUNCIL.] \$3,700,000 is appropriated from the general fund in fiscal year 2001 to the metropolitan council for fiscal year 2001 for transit operations in the metropolitan area. This appropriation adds to the budget base for the 2002-2003 biennium.

Subd. 2. [COMMISSIONER OF TRANSPORTATION.] \$450,000 is appropriated from the general fund in fiscal year 2001 to the commissioner of transportation for grants to public transit systems under Minnesota Statutes, section 174.24. This appropriation adds to the budget base for the 2002-2003 biennium.

Sec. 9. [INTERGOVERNMENTAL COOPERATIVE FACILITIES REVOLVING LOAN FUND; TRANSFER.]

\$2,500,000 is appropriated from the general fund to the commissioner of finance for transfer by the commissioner to the intergovernmental cooperative facilities revolving loan fund.

Sec. 10. [COMMISSIONER OF FINANCE; TRANSPORTATION REVOLVING LOAN FUND.]

\$20,000,000 is appropriated from the general fund to the commissioner of finance for transfer by the commissioner to the highway account in the transportation revolving loan fund.

Sec. 11. [APPROPRIATIONS FOR PERSONAL RAPID TRANSIT SYSTEMS.]

(a) For purposes of this section, "personal rapid transit" means generally a transportation system of small, computer-controlled vehicles, each transporting one to three passengers on elevated guideways in a transportation network and operating on demand and nonstop direct to any station in the network.

(b) \$500,000 is appropriated from the general fund to the University of Minnesota for a grant for engineering and design of a personal rapid transit system.

(c) This appropriation is available through June 30, 2002.

Sec. 12. [COMMISSIONER OF TRANSPORTATION; RAMP METER STUDY.]

(a) Notwithstanding other law to the contrary, the commissioner shall order that all meters on access ramps to a freeway or expressway, as defined in Minnesota Statutes, section 160.02, display flashing yellow lights for a period to be determined by the consultant with whom the commissioner contracts to perform the study required under paragraph (b).

This section does not prohibit temporary closure or other traffic flow restrictions of access ramps to a freeway or expressway in the interests of public safety.

(b) The commissioner shall study and report to the legislature by February 1, 2001, the traffic flow results on expressways and freeways for the period of the study. The department shall gather and compile any relevant facts, comparisons, statistics, or other relevant data and report its findings of fact and conclusions. The commissioner shall contract with an independent consultant to perform the study required by this section.

(c) \$400,000 is appropriated from the trunk highway fund to the commissioner of transportation for the purposes of this section.

Sec. 13. [HIGH-OCCUPANCY VEHICLE LANE STUDY.]

(a) The commissioner of transportation shall study the effects of allowing high-occupancy vehicle lanes on marked interstate highways Nos. 35-W and 394 by (1) vehicles with a registered gross weight of more than 26,000 pounds, (2) other trucks and vans, as defined in section 168.011, subdivisions 10 and 28, not registered as passenger automobiles; and (3) other categories of vehicles the commissioner deems appropriate for inclusion in the study. In conducting the study the commissioner shall evaluate, among other things, the effects of allowing such use on:

(1) congestion and the flow of traffic on other lanes of those highways;

(2) law enforcement and the enforceability of existing and proposed restrictions on high-occupancy vehicle lanes;

(3) highway safety;

(4) bus transit and car pools; and

(5) the efficiency and economy of goods movement.

(b) The commissioner shall report to the governor and legislature by February 1, 2001, on the results of the study.

Sec. 14. [EFFECTIVE DATE.]

Section 2 is effective retroactively from February 1, 2000. Sections 4, 5, 12, and 13 are effective the day following final enactment. Sections 1, 6, 7, 8, 9, 10, and 11 and section 3, subdivisions 1 to 5, are effective July 1, 2000. Section 3, subdivision 6, is effective July 1, 2001.

ARTICLE 2

TRANSPORTATION POLICY

Section 1. Minnesota Statutes 1998, section 161.32, is amended by adding a subdivision to read:

Subd. 7. [APPROVAL AND PAYMENT OF SUPPLEMENTAL AGREEMENTS.] Notwithstanding any law to the contrary, when goods or services are provided to the commissioner under an agreement supplemental to a contract for work on a trunk highway, the commissioner may approve the supplemental agreement. Payment of valid state obligations must be made within 30 days of approval of the supplemental agreement or submission by the contractor of an invoice indicating completion of work, whichever occurs later.

Sec. 2. Minnesota Statutes 1999 Supplement, section 168.17, is amended to read:

168.17 [SUSPENSION OF REGISTRATION.]

(a) All registrations and issue of number plates shall be subject to amendment, suspension, modification or revocation by the registrar summarily for any violation of or neglect to comply with the provisions of this chapter or when the transferee fails to comply with section 168A.10, subdivision 2, within 30 days of the date of sale.

(b) The registrar may suspend the registration of a motor vehicle if the tax on the vehicle was paid by means of a dishonored check to a deputy motor vehicle registrar. The registrar may continue a suspension under this paragraph until the registrar is informed by the deputy motor vehicle registrar that the dishonored check has been paid in full.

(c) In any case where the proper registration of a motor vehicle is dependent upon procuring information entailing such delay as to unreasonably deprive the owner of the use of the motor vehicle, the registrar may issue a tax receipt and plates conditionally.

(d) In any case when revoking a registration for cause, the registrar shall have authority to demand the return of the number plates and registration certificates, and, if necessary, to seize the number plates issued for such registration.

Sec. 3. Minnesota Statutes 1998, section 168.27, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] ~~(†)~~ (a) Salespeople and other employees of licensed dealers under this section ~~shall~~ are not ~~be~~ required to obtain individual licenses.

~~(‡)~~ (b) Isolated or occasional sales or leases of new or used motor vehicles ~~shall be~~ are exempt from ~~the provisions of~~ this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section, is not considered to be in the business of selling or leasing motor vehicles, and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means: ~~(†)~~ (1) the sale or lease of a motor vehicle with an actual cash value of \$1,000 or less made by a charitable organization; ~~(††)~~ (2) the sale, purchase, or lease of not more than five motor vehicles in a 12-month period, other than pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or ~~(†††)~~ (3) sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. For purposes of this subdivision, a charitable organization means a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code.

(c) A person whose sales of new and used motor vehicles consist solely of sales to political subdivisions and their agencies of vehicles used solely as firefighting equipment is not required to obtain a license under this section. The person may apply for and receive in-transit plates under subdivision 17 in the same manner as licensed motor vehicle dealers for the purpose of allowing firefighting equipment to be transported from the dealer's source of supply or other place of storage to the dealer's place of business, to another place of storage, or directly to the purchaser.

Sec. 4. Minnesota Statutes 1998, section 169.781, is amended by adding a subdivision to read:

Subd. 10. [EXEMPTION.] This section does not apply to a vehicle operated by a motor carrier of passengers, as defined in section 221.011, subdivision 48, if the vehicle has been inspected under section 221.0252, subdivision 3, paragraph (a), clause (2), within the previous 12 months.

Sec. 5. Minnesota Statutes 1998, section 216B.16, is amended by adding a subdivision to read:

Subd. 17. [EXPENSE RELATED TO LIGHT RAIL TRANSIT.] The commissioner of transportation shall include in the department's budget for total light rail project costs all nonbetterment costs associated with relocating facilities used for providing public utility and telephone service that are incurred due to light rail construction. Public utilities, telephone companies as defined in section 237.01, subdivision 2, and telecommunications companies as defined in section 237.01, subdivision 6, that are required to relocate those facilities are entitled to reimbursement from the state for the nonbetterment costs of the relocation.

Sec. 6. Minnesota Statutes 1999 Supplement, section 221.0252, subdivision 7, is amended to read:

Subd. 7. [EXEMPTIONS FROM REGULATION.] Notwithstanding any other law, motor carriers of passengers are exempt from sections 221.121; 221.122; 221.123; ~~221.132~~; 221.151; 221.161; and 221.171.

Sec. 7. Minnesota Statutes 1998, section 221.131, subdivision 4, is amended to read:

Subd. 4. [FLOATER CARD; FEE.] The department may issue to carriers subject to subdivision 2 or 3 special "floater" identification cards up to a maximum of five per motor carrier. Floater cards may be freely transferred between vehicles that have evidence of being inspected under section 221.0252, subdivision 3, paragraph (a), clause (2), within the previous 12 months, or have a current Commercial Vehicle Safety Alliance decal, and that are used under short-term leases by the motor carrier. The motor carrier shall pay a fee of \$100 for each floater card issued.

Sec. 8. Minnesota Statutes 1998, section 221.132, is amended to read:

221.132 [PREPAID TEMPORARY VEHICLE IDENTIFICATION CARD.]

For special or extraordinary events, the commissioner may issue a prepaid temporary vehicle identification card to a permit or certificate holder subject to section 221.131, subdivision 2 or 3, for a fee of \$5 per card. The card must be preprinted by the commissioner with the carrier's name, address, and permit or certificate number. The card may be used by the motor carrier to whom it is issued to identify a vehicle temporarily added to its fleet, if the vehicle has evidence of being inspected under section 221.0252, subdivision 3, paragraph (a), clause (2), within the previous 12 months, or has a current Commercial Vehicle Safety Alliance decal. The card must be executed by the motor carrier by dating and signing the card and describing the vehicle in which it will be carried. The identification card is valid for a period of ten days from the date the motor carrier places on the card when the card is executed. The card must be used within one year from the date of issuance by the commissioner. The card may not be used if the permit or certificate is not in full force and effect. The card may not be transferred. The commissioner may not refund the cost of unused prepaid temporary vehicle identification cards.

Sec. 9. [462.3953] [SPECIAL PERMITS; ISSUANCE OF PERMITS REQUIRED.]

Once a municipality has issued a special permit for the conduct of a specific business or use for a project subject to section 116G.151, whether issuance occurs before or after the effective date of this section, and upon completion of an environmental assessment worksheet and issuance of a negative declaration for the business or use, whether completion and issuance occurs before or after the effective date of this section, and the specific business uses river transportation as a major mode of transportation, a municipality shall issue all permits for the business or use notwithstanding any other statute, rule, permit or local ordinance, resolution, or moratorium.

Sec. 10. Minnesota Statutes 1998, section 473.388, subdivision 2, is amended to read:

Subd. 2. [REPLACEMENT SERVICE; ELIGIBILITY.] The council may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) is located in the metropolitan transit taxing district;

(b) is not served by the council bus service or is served only with council bus routes which begin or end within the applying city or town or combination thereof; and

(c) has fewer than four scheduled runs of council bus service during off-peak hours defined in section 473.408, subdivision 1.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

~~The council may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town;~~

~~(i) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984;~~

~~(ii) had submitted an application for assistance under that section by July 1, 1984, or~~

~~(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it notified the former regional transit board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town.~~

Sec. 11. [REPORT; METRO MOBILITY.]

(a) The metropolitan council shall report to the chairs of the senate and house of representatives committees having jurisdiction over transportation policy and transportation finance on the future of the metro mobility paratransit system. The report must include options, alternatives, and strategies for:

(1) increasing the availability of metro mobility service to meet present and anticipated demand;

(2) integrating metro mobility service into the new and expanded transit services described in the council's regional transit master plan;

(3) integration of private taxi services to provide a more efficient pick up and delivery system, and potential savings from doing so; and

(4) changes in state or federal law, including, but not limited to, changes in fare structure and requirements, to increase effectiveness of the service.

(b) In conducting the study and preparing the report the council must consult with its transportation accessibility advisory council.

(c) The council must submit the report by February 1, 2001.

Sec. 12. [WORKING GROUP TO ASSESS RAIL LINE PROJECT.]

(a) The commissioners of agriculture, transportation, and trade and economic development shall convene as a working group to assess the economic, social, and environmental impact of the DM&E rail line project. The working group shall develop recommendations to the legislature on ways to maximize opportunities to move Minnesota products to market while minimizing environmental, social, and other public costs. The recommendations must include methods to:

(1) maximize the volume of Minnesota products on the DM&E rail line;

(2) assure appropriate environmental protections are used to minimize land use, protect wetlands, and mitigate noise or other environmental impacts;

(3) fully involve local units of government in siting issues and right-of-way acquisitions; and

(4) determine what direct and indirect costs are likely to accrue to local units of government and private property owners.

(b) The working group shall directly negotiate with the rail line to assure timely access for shipping Minnesota products and to assure minimal environmental and social impact. The working group shall also consider modifications to ports and other infrastructure that could enhance, benefit, and minimize the impact of the DM&E project in Minnesota. The working group shall confer with local governments on the DM&E rail line and report to the legislature by January 15, 2001, on the project costs to local units of government for mitigations, right-of-way acquisitions, crossing safety, or other direct impacts of the project.

Sec. 13. [PUBLIC SAFETY RADIO SYSTEM STUDY.]

Subdivision 1. [PLANNING COMMITTEE.] The commissioners of administration, transportation, and public safety shall convene a planning committee to report to the legislature on a plan for development of an 800 megahertz statewide shared public safety radio system. The planning committee must provide a means for inclusion of input from representatives of local governments and major system user groups.

Subd. 2. [REPORT CONTENTS.] The committee shall review:

(1) current and future needs and capacities of radio systems in outstate areas;

(2) the potential for implementation of a multi-agency and multijurisdictional shared radio system;

(3) potential guidelines for governance and system participation by state and local units of government; and

(4) statutory changes required to implement a statewide 800 megahertz shared public safety radio system.

Subd. 3. [REVIEW CONSIDERATIONS.] In performing the duties under this section, the planning committee may consider:

(1) assessment of current uses, needs, and capacities, including growth and expansion capacities, by each local government and by each major user group;

(2) estimates of future needs by each local government and by each major user group;

(3) estimates by each local government and by each major user group of the anticipated level and timeline for utilizing the radio system;

(4) analysis of the expected costs of implementing the radio system; and

(5) proposed funding mechanisms, including options for allocating costs among local governments and user groups.

Subd. 4. [PUBLIC MEETINGS.] After completing its duties under subdivisions 2 and 3, the planning committee shall prepare a draft report to local governments and major user groups in all outstate areas. The draft report must also be made available to the public. After preparing and disseminating the draft report and before presenting the final report to the legislature, the planning committee shall meet with representatives of local governments and user groups in each department of public safety radio communication district to explain the report and seek comment.

Subd. 5. [REPORT.] By February 1, 2001, the commissioner of administration shall report to the legislature on the findings and recommendations of the planning committee. The report must also identify any changes in statutory authority and funding options necessary to provide for implementation of the statewide, 800 megahertz, shared, public safety radio system.

Sec. 14. [EFFECTIVE DATE.]

Sections 2 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; appropriating money for state road construction, public transit, and other purposes; establishing an intergovernmental cooperative facilities loan fund; establishing a major transportation projects commission; restricting expenditures for commuter rail and light rail transit; canceling bonding authorization for light rail transit; directing a study of freeway ramp meters in the metropolitan area; providing for a grant to the University of Minnesota for design and engineering of personal rapid transit; directing a study of high-occupancy vehicle lane use by certain vehicles; providing for approval of and payment under supplemental goods or services agreements of the commissioner of transportation; authorizing suspension of motor vehicle registration when tax is paid by dishonored check; exempting dealers in firefighting equipment from motor vehicle dealer licensing; providing for inspection of vehicles of motor carriers; requiring the budget for light rail transit to include cost of utility relocation; requiring a municipality to issue permits for a specific business or use that uses river transportation as a major mode of transportation once a special permit has been issued and an environmental assessment worksheet has been completed; expanding eligibility for replacement transit service program; requiring a report on metro mobility; establishing working group to assess impact of DM&E rail line project; requiring study and legislative report on statewide public safety radio system; amending Minnesota Statutes 1998, sections 161.32, by adding a subdivision; 168.27, subdivision 8; 169.781, by adding a subdivision; 174.35; 216B.16, by adding a subdivision; 221.131, subdivision 4; 221.132; and 473.388, subdivision 2; Minnesota Statutes 1999 Supplement, sections 168.17; 174.88; and 221.0252, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 161; 174; and 462."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Leppik from the Committee on Higher Education Finance to which was referred:

H. F. No. 3096, A bill for an act relating to higher education; appropriating money to Minnesota state colleges and universities to fund increased enrollment.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. [HIGHER EDUCATION OFFICERS SERVICES OFFICE DIRECTOR.] The board of trustees of the Minnesota state colleges and universities and The higher education services council shall set the salary rates rate for, respectively, the chancellor of the Minnesota state colleges and universities and the director of the higher education services office. The board or the council shall submit the proposed salary change to the legislative coordinating commission for approval, modification, or rejection in the manner provided in section 3.855.

In deciding whether to recommend a salary increase, the ~~governing board or~~ council shall consider the performance of the ~~chancellor or~~ director, including the ~~chancellor's or~~ director's progress toward attaining affirmative action goals.

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

Sec. 2. Minnesota Statutes 1998, section 15A.081, is amended by adding a subdivision to read:

Subd. 7c. [MINNESOTA STATE COLLEGES AND UNIVERSITIES CHANCELLOR.] The board of trustees of the Minnesota state colleges and universities shall establish a salary range for the position of chancellor of the Minnesota state colleges and universities. The board shall submit the proposed salary range to the legislative coordinating commission for approval, modification, or rejection in the manner provided in section 3.855. The board shall establish the salary for the chancellor within the approved salary range.

In deciding whether to approve a salary increase, the board shall consider the performance of the chancellor, including the chancellor's progress toward attaining affirmative action goals.

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

Sec. 3. [16A.633] [CAPITAL FUNDING CONTINGENT ON MAINTAINING DATA.]

Subdivision 1. [STATE AGENCIES.] Each state agency shall provide to the commissioner of administration the data necessary for the commissioner to maintain the department's database on the location, description, and condition of state-owned facilities. The data must be provided by December 15 each year. The commissioner of administration must maintain both the current inventory data and historical data. A state agency is not eligible to receive capital funding unless the agency has provided the data required.

Subd. 2. [MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The board of trustees of the Minnesota state colleges and universities shall establish and maintain data on the location, description, and condition of board-owned facilities that is comparable with the database established by the department of administration. The data must be updated annually and the board must maintain both current inventory data and historical data. The board is not eligible to receive capital funding unless the board has established and maintains the data required.

Subd. 3. [UNIVERSITY OF MINNESOTA.] The board of regents of the University of Minnesota is requested to establish and maintain data on the location, description, and condition of university-owned facilities that is comparable with the database established by the department of administration. The university is requested to update the data annually and maintain both current inventory data and historical data. The board of regents is not eligible to receive capital funding unless the board has established and maintains the data required.

EFFECTIVE DATE: This section is effective June 30, 2003.

Sec. 4. Minnesota Statutes 1998, section 16B.33, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATION OF BOARD.] (a) [MEMBERSHIP.] The state designer selection board consists of ~~five~~ seven individuals, the majority of whom must be Minnesota residents. Each of the following ~~three~~ four organizations shall nominate one individual whose name and qualifications shall be submitted to the commissioner of administration for consideration: the consulting engineers council of Minnesota after consultation with other professional engineering societies in the state; the AIA Minnesota society of architects; the Minnesota chapter of the associated general contractors or the associated builders and contractors, after consultation with other commercial contractor associations in the state; and the Minnesota board of the arts. The commissioner may appoint the ~~three~~ four named individuals to the board but may reject a nominated individual and request another nomination. The fifth member shall be a representative of the user agency, the University of Minnesota, or the Minnesota state colleges and universities, designated by the user agency. The remaining two citizen members shall also be appointed by the commissioner.

(b) [~~NONVOTING MEMBERS MEMBER.~~] In addition to the ~~five seven~~ members of the board, ~~two one~~ nonvoting ~~members member~~ representing the commissioner shall participate in the interviewing and selection of designers pursuant to this section. ~~One shall be a representative of the commissioner and shall participate in the interviewing and selection of designers for all projects. The other shall be a representative of the user agency, who shall participate in the interviewing and selection of the designers for the project being undertaken by the user agency. The commissioner shall appoint the representative of the user agency in consultation with the user agency.~~

(c) [TERMS; COMPENSATION; REMOVAL; VACANCIES.] The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. No individual may serve for more than two consecutive terms.

(d) [OFFICERS, RULES.] At its first meeting, the board shall elect a voting member of the board as chair. The board shall also elect other officers necessary for the conduct of its affairs. The board shall adopt rules governing its operations and the conduct of its meetings. The rules shall provide for the terms of the chair and other officers.

(e) [MEETINGS.] The board shall meet as often as is necessary, not less than twice annually, in order to act expeditiously on requests submitted to it for selection of primary designers.

(f) [OFFICE, STAFF, RECORDS.] The department of administration shall provide the board with suitable quarters to maintain an office, hold meetings, and keep records. The commissioner shall designate an employee of the department of administration to serve as executive secretary to the board and shall furnish a secretarial staff to the board as necessary for the expeditious conduct of the board's duties and responsibilities.

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

Sec. 5. Minnesota Statutes 1998, section 16B.33, subdivision 3a, is amended to read:

Subd. 3a. [HIGHER EDUCATION PROJECTS.] (a) When the University of Minnesota or the Minnesota state colleges and universities undertakes a project involving construction or major remodeling, as defined in section 16B.335, subdivision 1, with an estimated cost greater than \$2,000,000 or a planning project with estimated fees greater than \$200,000, the system shall submit a written request for a primary designer to the commissioner, as provided in subdivision 3.

(b) When the University of Minnesota or the Minnesota state colleges and universities undertakes a project involving renovation, repair, replacement, or rehabilitation, the system office may submit a written request for a primary designer to the commissioner as provided in subdivision 3.

(c) For projects at the University of Minnesota or the state colleges and universities, the board shall select at least two primary designers under subdivision 4 for recommendation to the board of regents or the board of trustees. Meeting records or written evaluations that document the final selection are public records. The board of regents or the board of trustees shall notify the commissioner of the designer selected from the recommendations.

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

Sec. 6. Minnesota Statutes 1998, section 135A.031, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the estimated expenditures for:

~~(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;~~

~~(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;~~

~~(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement; and~~

~~(4) students who are Minnesota residents or residents of other states including students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.~~

(b) The definition of full year equivalent for purposes of the formula calculations in this chapter is twice the normal value for the following enrollments:

(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the Post-Secondary Enrollment Options Act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the estimated expenditures for undergraduate students ~~(1) who do not meet the residency criteria under paragraph (a), or (2)~~ who have completed, without receiving a baccalaureate degree, 48 or more quarter credits or the equivalent, applicable toward the degree, beyond the number required for a baccalaureate in their major. Credits for courses in which a student received a grade of "F" or "W" shall be counted toward this maximum, as if the credits had been earned.

EFFECTIVE DATE: This section is effective July 1, 2003.

Sec. 7. Minnesota Statutes 1998, section 136A.125, is amended by adding a subdivision to read:

Subd. 4c. [SURPLUS FUNDS.] Any projected surplus of funds in the child care grant program in the first year of the biennium shall be used to augment the maximum award in subdivision 4 in the second year of the biennium.

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

Sec. 8. Minnesota Statutes 1998, section 136F.40, is amended to read:

136F.40 [APPOINTMENT OF PERSONNEL.]

Subdivision 1. [APPOINTMENT PROCEDURE.] The board shall appoint all presidents, teachers, and other necessary employees and shall prescribe their duties consistent with chapter 43A. Salaries and benefits of employees must be determined according to chapters 43A and 179A and other applicable provisions.

Subd. 2. [COMPENSATION.] Notwithstanding any other provision to the contrary, when establishing compensation the board may provide, through a contract, a liquidated salary amount or other compensation if a contract with a chancellor or president is terminated by the board prior to its expiration.

Any benefits shall be excluded in computation of retirement, insurance, and other benefits available through or from the state. Any benefits or additional compensation must be as provided under the plan approved under section 43A.18, subdivision 3a.

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

Sec. 9. Minnesota Statutes 1998, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE OF BONDS.] The board of trustees of the Minnesota state colleges and universities or a successor may issue additional revenue bonds under sections 136F.90 to 136F.97 in an aggregate principal amount not exceeding ~~\$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds~~ \$100,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Bonds may be issued to refund previously issued bonds, and any such refunding bonds may be issued in addition to the bonds otherwise authorized by this subdivision. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ways and means committee and the senate finance committee about the facilities to be financed by the bonds.

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

Sec. 10. [SCHOOL GUIDANCE COUNSELING INCENTIVE GRANTS.]

The higher education services office must recommend incentives to increase the number of guidance counselors in elementary and secondary schools.

By January 15, 2001, the higher education services office must report to the legislature on the recommended incentives with a recommendation for funding.

Sec. 11. [STUDY OF EDUCATIONAL FOUNDATIONS.]

Prior to November 15, 2000, the board of trustees of the Minnesota state colleges and universities shall study and make recommendations on the use of educational foundation support for additional compensation and benefits for the position of chancellor and campus president. The study must include information about the use of foundation money for salary compensation at higher educational institutions in other states. The study shall be provided to the house higher education finance committee, the house ways and means committee, the senate higher education finance division, the senate education finance committee, and the legislative coordinating commission.

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

Sec. 12. [INTERMEDIATE DISTRICT COORDINATED PLANNING.]

(a) The board of trustees of the Minnesota state colleges and universities must initiate a planning process to plan and coordinate programs between the intermediate school districts and the Minnesota state college and university system.

The board of trustees must include planning with intermediate school districts No. 287; No. 916; and No. 917.

(b) The board of trustees and the intermediate school districts must study the compatibility of program offerings and develop a long-range facilities plan to address intermediate school district facility needs. The results of the study must be reported to the education committees of the legislature by February 15, 2001.

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

Sec. 13. [ALLOCATION FOR EXCESS HEALTH CARE COSTS.]

The board of trustees must provide relief to campuses who have experienced health care cost increases of greater than 80 percent above the systemwide average increase since 1996.

Sec. 14. [TRANSFER OF OUTREACH PROGRAMS.]

Responsibility for outreach and early intervention programs administered by the higher education services office, including the Get Ready program, the community service learning grants, and the early intervention for college attendance programs is transferred to the department of children, families, and learning. \$897,000 in fiscal year 2001 is transferred from the higher education services office to the department of children, families, and learning in accordance with Minnesota Statutes, section 16B.37.

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

Sec. 15. [APPROPRIATION.]

\$5,792,000 in fiscal year 2000 and \$5,792,000 in fiscal year 2001 is appropriated from the general fund to the board of trustees of the Minnesota state colleges and universities as a deficiency appropriation to fund increased enrollments. This appropriation is in addition to the appropriation in Laws 1999, chapter 214, article 1, section 3, subdivision 1. This is a one-time appropriation.

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

Sec. 16. [REPEALER.]

Minnesota Rules, parts 4830.9005 to 4830.9030, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; modifying salary and compensation procedures for the chancellor and other personnel of the Minnesota state colleges and universities; requiring board of regents and board of trustees to maintain certain data to be eligible for capital funding; modifying and making technical changes for state designer selection board, student residency, and child care grant provisions; increasing aggregate principal amount of revenue bonds issued by board of trustees; requiring a study and report; requiring board of trustees to plan and coordinate programs with certain intermediate school districts and to provide relief to campuses experiencing increased health care costs; transferring certain programs from the higher education services office to the department of children, families, and learning; appropriating money to Minnesota state colleges and universities to fund increased enrollment; amending Minnesota Statutes 1998, sections 15A.081, subdivision 7b, and by adding a subdivision; 16B.33, subdivisions 2 and 3a; 135A.031, subdivision 2; 136A.125, by adding a subdivision; 136F.40; and 136F.98, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Rules, parts 4830.9005 to 4830.9030."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 3426, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; dedicating the sales tax receipts equal to a sales tax of one-eighth of one percent on taxable sales for natural resource purposes.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article XI, to read:

Sec. 15. The sales tax receipts equal to a general sales tax of 3/16 of one percent on taxable sales are dedicated as follows: 45 percent of the receipts shall be deposited in a game and fish enhancement account in the game and fish fund and may be spent only on activities that improve, enhance, or protect game and fish resources, including conservation, restoration, and enhancement of land, water, nongame wildlife, and other natural resources of the state; 25 percent of the receipts shall be deposited in the natural resources fund and may be spent only for state parks and trails; 25 percent of the receipts shall be deposited in the natural resources fund and may be spent only on metropolitan park and trail grants; three percent of the receipts shall be deposited in the natural resources fund and may be spent only on local trail grants; and two percent of the receipts shall be deposited in the natural resources fund and may be spent only for the Minnesota zoological garden, the Como park zoo and conservatory, and the Duluth zoo. The money dedicated under this section may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under this section must be open to public hunting and fishing during the open season.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment shall be submitted to the people at the 2000 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide that the sales tax receipts equal to a general sales tax of 3/16 of one percent on taxable sales be dedicated for game and fish resource enhancement, improvement, and protection; natural resource conservation; state parks and trails; metropolitan parks and trails; local trail grants; and state and local zoos?"

Yes
No"

Sec. 3. [97A.056] [GAME AND FISH ENHANCEMENT ACCOUNT; REVIEW COMMITTEE.]

Subdivision 1. [ACCOUNT CREATION.] The game and fish enhancement account is established as an account in the game and fish fund.

Subd. 2. [REVIEW COMMITTEE MEMBERSHIP.] (a) A game and fish enhancement account review committee of nine members is created, consisting of:

(1) two members of the senate appointed by the subcommittee on committees of the committee on rules and administration;

(2) two members of the house appointed by the speaker;

(3) two public members representing sporting interests appointed by the senate subcommittee on committees of the committee on rules and administration;

(4) two public members representing sporting interests appointed by the speaker of the house; and

(5) the commissioner of natural resources or the commissioner's designee.

(b) Legislative members appointed under paragraph (a), clauses (1) and (2), serve as nonvoting members. One member from the senate and one member from the house must be from the minority caucus. Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the committee. The compensation and removal of public members are as provided in section 15.0575.

(c) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this section.

(d) Membership terms shall be two years, except that members shall serve on the committee until their successors are appointed.

(e) Vacancies occurring on the committee shall not affect the authority of the remaining members of the committee to carry out their duties and vacancies shall be filled according to paragraph (a).

Subd. 3. [DUTIES OF THE REVIEW COMMITTEE.] (a) The committee shall meet and review spending plans for appropriations from the game and fish enhancement account by January 2 of each year.

(b) The commissioner must submit a spending plan and semiannual progress report based on the review committee's recommendations to the appropriate legislative committees.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective the day following adoption by the voters of the constitutional amendment proposed in section 1."

Delete the title and insert:

"A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, by adding a section; providing for a state account and review committee; providing appointments; proposing coding for new law in Minnesota Statutes, chapter 97A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

H. F. No. 3800, A bill for an act relating to education; kindergarten through grade 12; providing for general education; special programs; employment and transitions; facilities and technology; educational excellence and other policy; nutrition; fund transfers; libraries; state agencies; and technical, conforming, and clarifying amendments; appropriating money; amending Minnesota Statutes 1998, sections 120A.22, subdivision 3; 120A.41; 121A.61, subdivision 3; 122A.18, subdivision 2; 122A.31, subdivision 4; 123A.485, subdivision 4; 123B.02, by adding a subdivision; 123B.51, subdivision 6; 123B.52, by adding a subdivision; 123B.53, by adding subdivisions; 123B.59, subdivision 6, and by adding subdivisions; 123B.71, subdivisions 3 and 10; 123B.79, subdivision 7; 123B.85, subdivision 1; 123B.86, subdivision 1; 123B.88, subdivision 3; 124D.081, subdivision 6; 124D.111, subdivision 1; 124D.128, subdivision 4; 124D.44; 124D.454, subdivisions 2 and 10; 124D.86, subdivision 6, and by adding subdivisions; 125A.76, subdivision 7; 126C.10, by adding a subdivision; 126C.12, subdivision 2; 126C.40, subdivision 1, and by adding a subdivision; 126C.69, subdivision 3; 127A.05, subdivision 4; 127A.41, subdivisions 8 and 9; 127A.48, subdivision 1; 136D.281, subdivision 4; 136D.741, subdivision 4; 136D.88, subdivision 4; 471.15; 475.53, subdivision 4; Minnesota Statutes 1999 Supplement, sections 122A.09, subdivision 4; 123B.53,

subdivisions 4 and 6; 123B.54; 124D.10, subdivisions 3, 4, 6, 8, 11, 14, 15, and 23; 124D.11, subdivisions 1, 4, and 6; 124D.1155, subdivision 2; 124D.128, subdivision 2; 124D.453, subdivision 3; 124D.65, subdivision 4; 124D.84, subdivision 1; 124D.86, subdivisions 1 and 3; 124D.87; 125A.023, subdivisions 3 and 5; 125A.08; 125A.76, subdivision 2; 125A.79, subdivision 8; 125A.80; 125B.21, subdivision 3; 126C.052; 126C.10, subdivisions 1, 2, 14, 23, 24, 25, and 26; 126C.12, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 6; 126C.44; 126C.63, subdivision 8; 126C.69, subdivision 9; 127A.45, subdivision 12a; 127A.51; and 181A.04, subdivision 6; Laws 1997, First Special Session chapter 4, article 8, section 4, as amended; Laws 1999, chapter 241, article 1, sections 66; 68, subdivisions 4 and 5; 69; and 70; article 2, section 60, subdivisions 7, 9, 12, 13, 14, 17, and 19; article 3, sections 3, subdivisions 2 and 4; and 5; article 4, sections 27, subdivisions 2, 3, 4, 5, 7, 10, and 11; and 29; article 5, section 18, subdivisions 5 and 6; article 6, section 14, subdivisions 2, 3, 4, and 5; article 8, section 4, subdivision 5; article 9, section 49; article 10, section 6; proposing coding for new law in Minnesota Statutes, chapters 121A; 122A; 123B; 125B; and 134; repealing Minnesota Statutes 1998, sections 123B.59, subdivision 7; 126C.30; 126C.31; 126C.32; 126C.33; 126C.34; 126C.35; 126C.36; 136D.281, subdivision 8; 136D.741, subdivision 8; 136D.88, subdivision 8; Laws 1999, chapter 216, article 4, section 12; chapter 241, articles 1, section 64; 9, sections 35 and 36; and 10, section 5; chapter 245, article 4, section 3; Minnesota Rules, part 3535.9920.

Reported the same back with the following amendments:

Page 60, after line 34, insert:

"Advertising under this section does not include the identification of the source of the document or information."

Page 77, line 15, delete "Subd. 10." and insert "Subd. 10."

Page 77, after line 22, insert:

"Subd. 11. [PARKERS PRAIRIE.] Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, independent school district No. 547, Parkers Prairie, on June 30, 2000, may permanently transfer up to \$105,000 from the debt redemption fund to the general fund without making a levy reduction."

Page 95, delete sections 22 and 23

Renumber the sections in sequence

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Pawlenty from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4073, A bill for an act relating to the legislature; establishing a legislative budget office; appropriating money; amending Minnesota Statutes 1998, section 3.98, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2699 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1048, 2326, 2514, 2579, 2653, 2691, 2756, 2767, 2789, 2813, 2821, 2850, 2870, 2894, 2946, 2951, 3005, 3018, 3023, 3028, 3046, 3154, 3161, 3229, 3307, 3323, 3330, 3354, 3412, 3428, 3554 and 3586 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Tunheim, Finseth, Westfall and Lieder introduced:

H. F. No. 4119, A bill for an act relating to natural resources; providing a grant to the Red lake watershed district for flood analysis; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Abrams and Sviggum introduced:

H. F. No. 4120, A bill for an act relating to taxation; production tax; freezing the taconite production tax rate for one year; amending Minnesota Statutes 1999 Supplement, section 298.24, subdivision 1.

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

McElroy and Rest introduced:

H. F. No. 4121, A bill for an act relating to taxation; individual income; allowing an additional credit for taxes paid to another state; amending Minnesota Statutes 1998, section 290.06, by adding a subdivision.

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

Hasskamp introduced:

H. F. No. 4122, A bill for an act relating to taxation; property; limiting increases in market value; amending Minnesota Statutes 1999 Supplement, section 273.11, subdivision 1a.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2927, A bill for an act relating to local government associations; authorizing group insurance protection for metropolitan intercounty association; amending Minnesota Statutes 1998, section 471.61, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3766, A bill for an act relating to pawnbrokers; requiring pawnbrokers who provide law enforcement agencies with electronic records of transactions to use a specified interchange file specification format; amending Minnesota Statutes 1998, section 325J.05.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2873, A bill for an act relating to Anoka county; clarifying the effect of certain requirements on an appointed department head; amending Laws 1989, chapter 243, section 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hackbarth moved that the House concur in the Senate amendments to H. F. No. 2873 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2873, A bill for an act relating to local government; clarifying the time requirements for processing instruments presented to certain county offices; clarifying the effect of certain requirements on an appointed department head in Anoka county; amending Minnesota Statutes 1998, sections 386.30; and 507.093; Laws 1989, chapter 243, section 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorman	Holberg	Lindner	Paulsen	Storm
Abrams	Dorn	Holsten	Luther	Pawlenty	Swapinski
Anderson, B.	Entenza	Howes	Mahoney	Paymar	Swenson
Anderson, I.	Erhardt	Huntley	Mares	Pelowski	Sykora
Bakk	Erickson	Jaros	Marko	Peterson	Tingelstad
Biernat	Finseth	Jennings	McCollum	Pugh	Tomassoni
Bishop	Folliard	Johnson	McElroy	Rest	Trimble
Boudreau	Fuller	Juhnke	McGuire	Reuter	Tuma
Bradley	Gerlach	Kahn	Milbert	Rhodes	Tunheim
Broecker	Gleason	Kalis	Molnau	Rifenberg	Van Dellen
Buesgens	Goodno	Kelliher	Mulder	Rostberg	Vandever
Carlson	Gray	Kielkucki	Mullery	Rukavina	Wagenius
Carruthers	Greenfield	Knoblach	Murphy	Schumacher	Wejeman
Cassell	Greiling	Koskinen	Ness	Seagren	Wenzel
Chaudhary	Gunther	Kubly	Nornes	Seifert, J.	Westerberg
Clark, J.	Haake	Kuisle	Olson	Seifert, M.	Westfall
Clark, K.	Haas	Larsen, P.	Opatz	Skoe	Westrom
Daggett	Hackbarth	Larson, D.	Orfield	Skoglund	Wilkin
Dauids	Harder	Leighton	Osskopp	Smith	Winter
Dawkins	Hasskamp	Lenczewski	Osthoff	Solberg	Workman
Dehler	Hausman	Leppik	Otremba	Stanek	Spk. Sviggum
Dempsey	Hilty	Lieder	Ozment	Stang	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2569, A bill for an act relating to insurance; authorizing insurance coverage for vicarious liability for punitive and exemplary damages; regulating the terms of certain fraternal benefit society board members; amending Minnesota Statutes 1998, sections 60A.06, by adding a subdivision; and 64B.03.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Scheid, Hottinger and Kleis.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Haas moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2569. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1415, A bill for an act relating to natural resources; providing for gray wolf management; providing criminal penalties; amending Minnesota Statutes 1998, sections 97A.331, by adding a subdivision; and 97B.645; proposing coding for new law in Minnesota Statutes, chapter 97B.

PATRICK E. FLAHAVEN, Secretary of the Senate

Finseth moved that the House refuse to concur in the Senate amendments to H. F. No. 1415, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 3283, 3379, 2720, 2829, 2827, 3075, 2627, 2905, 2693, 2742, 2794, 2473, 2547, 624, 2989, 2868, 2546, 3019, 3139, 3138 and 3768.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3283, A bill for an act relating to natural resources; providing for civil enforcement of metal traction device sticker requirements for snowmobiles; amending Minnesota Statutes 1999 Supplement, sections 84.8712, subdivisions 2, 3, 4, and 6; and 84.8713, subdivision 1.

The bill was read for the first time.

Westerberg moved that S. F. No. 3283 and H. F. No. 3555, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3379, A bill for an act relating to state lands; authorizing public and private sales of certain tax-forfeited lands that border public water in Isanti county.

The bill was read for the first time.

Rostberg moved that S. F. No. 3379 and H. F. No. 2761, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2720, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Ramsey county.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

S. F. No. 2829, A bill for an act relating to the metropolitan council; modifying the cost allocation system for the metropolitan disposal system; amending Minnesota Statutes 1998, section 473.517, subdivision 3.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2827, A bill for an act relating to the metropolitan council; eliminating or modifying requirements that are obsolete, unnecessary, or inefficient; authorizing the use of facsimile or digital signatures; amending Minnesota Statutes 1998, sections 473.129, by adding a subdivision; 473.13, subdivision 1; 473.254, subdivision 1; and 473.704, subdivision 19; repealing Minnesota Statutes 1998, sections 473.1623, subdivisions 3 and 6; and 473.23, subdivision 1; Minnesota Rules, chapter 5900.

The bill was read for the first time.

Holberg moved that S. F. No. 2827 and H. F. No. 3694, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3075, A bill for an act relating to public officials; providing for resolution of disputes over whether an office has become vacant; amending Minnesota Statutes 1998, section 351.02.

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

S. F. No. 2627, A bill for an act relating to taxes; establishing time limit for certain revenue recapture claims; amending Minnesota Statutes 1998, section 270A.03, subdivision 7.

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

S. F. No. 2905, A bill for an act relating to municipalities; increasing certain dollar limits in the Uniform Municipal Contracting Law; providing an exemption for certain cooperative purchasing; authorizing county purchases on credit cards; providing for personal liability for county officers and employees for unauthorized credit card purchases; amending Minnesota Statutes 1998, section 471.345, subdivisions 3, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 375.

The bill was read for the first time.

Kuisle moved that S. F. No. 2905 and H. F. No. 3152, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2693, A bill for an act relating to taxation; making technical and administrative changes and corrections to certain tax and revenue recapture provisions; authorizing the attorney general to compromise certain fees, surcharges, and assessments; amending Minnesota Statutes 1998, sections 8.30; 270.072, subdivision 2, and by adding a subdivision; 270A.07, subdivision 1; 273.111, subdivision 3; 289A.20, subdivision 2; 289A.26, subdivision 1; 289A.60, subdivision 14; 290.01, subdivision 19c; 290.015, subdivisions 1, 3, and 4; 290.06, subdivision 22; 290.92, subdivisions 3, 28, and 29; 295.58; 296A.03, subdivision 5; 296A.21, subdivisions 2 and 3; 296A.22, subdivision 6; 297A.25, subdivision 34; 297B.03; 297F.01, subdivisions 7, 14, and by adding subdivisions; and 297F.13, subdivision 4; Minnesota Statutes 1999 Supplement, sections 270A.07, subdivision 2; 273.13, subdivision 24; 287.01, subdivision 2; 289A.20, subdivision 4; 289A.55, subdivision 9; 298.24, subdivision 1; and

477A.03, subdivision 2; Laws 1988, chapter 645, section 3, as amended; Laws 1999, chapters 112, section 1, subdivision 1; 243, articles 1, section 2; 6, section 18; repealing Minnesota Statutes 1998, sections 270.072, subdivision 5; 270.075, subdivisions 3 and 4; 270.083; 273.127; and 273.1316.

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

S. F. No. 2742, A bill for an act relating to family law; changing the time for filing a notice to remove; requiring a study of medical support statutes; eliminating certain requirements; amending Minnesota Statutes 1998, sections 518.55, subdivision 4; and 542.16, subdivision 1; Minnesota Statutes 1999 Supplement, section 518.6111, subdivision 5; repealing Minnesota Statutes 1998, sections 144.224; 518.147; and 518.583.

The bill was read for the first time.

Biernat moved that S. F. No. 2742 and H. F. No. 3517, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2794, A bill for an act relating to family law; modifying provisions under the expedited child support process; amending Minnesota Statutes 1999 Supplement, section 518.5513, subdivisions 1 and 3.

The bill was read for the first time.

Biernat moved that S. F. No. 2794 and H. F. No. 3519, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2473, A bill for an act relating to family law; child custody; altering the standards for modifying sole physical custody of a child; amending Minnesota Statutes 1998, sections 518.175, subdivision 3; and 518.18.

The bill was read for the first time.

Biernat moved that S. F. No. 2473 and H. F. No. 2527, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2547, A bill for an act relating to the capitol area; requiring the capitol area architectural and planning board to select a site in the capitol area for installation of the memorial to Minnesota firefighters that is now installed at Minneapolis-St. Paul International Airport.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 624, A bill for an act relating to public safety; establishing the board of firefighter training and education; proposing coding for new law as Minnesota Statutes, chapter 299N.

The bill was read for the first time.

Ozment moved that S. F. No. 624 and H. F. No. 465, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2989, A bill for an act relating to state government; the office of administrative hearings; authorizing the chief administrative law judge to establish a system of training in additional areas for judges; providing ethical standards for the chief administrative law judge, administrative law judges, and compensation judges; amending Minnesota Statutes 1998, sections 14.48; and 14.50.

The bill was read for the first time.

Gleason moved that S. F. No. 2989 and H. F. No. 3347, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2868, A bill for an act relating to human services; providing time lines for the transition to a new case-mix system based upon the federal minimum data set; requiring education and training programs and a report to the legislature; amending Minnesota Statutes 1999 Supplement, section 256B.435, by adding a subdivision.

The bill was read for the first time.

Nornes moved that S. F. No. 2868 and H. F. No. 3048, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2546, A bill for an act relating to natural resources; providing for the recovery of sunken logs in inland waters; proposing coding for new law in Minnesota Statutes, chapter 103G; repealing Minnesota Statutes 1998, section 514.53.

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

S. F. No. 3019, A bill for an act relating to government data practices; limiting the immunity of a school district and others for good faith use and sharing of certain data on minors; amending Minnesota Statutes 1999 Supplement, section 13.32, subdivision 7.

The bill was read for the first time and referred to the Committee on Civil Law.

S. F. No. 3139, A bill for an act relating to veterans homes; providing sales tax rebates are not income for the support test for residents; amending Minnesota Statutes 1998, section 198.03, subdivision 1.

The bill was read for the first time.

Mullery moved that S. F. No. 3139 and H. F. No. 2968, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3138, A bill for an act relating to veterans; making technical changes regarding duties of the commissioner of veterans affairs; extending the agent orange information and assistance program to include other veterans and other chemicals; authorizing the placement of a plaque in the court of honor on the capitol grounds to honor combat wounded veterans; repealing obsolete language; amending Minnesota Statutes 1998, sections 196.05, subdivision 1; 196.052; 196.19; 196.21, subdivisions 2, 3 and 4; 196.22; 196.23; 196.24, subdivisions 1 and 2; 196.26; 197.04; 197.05; 197.06; repealing Minnesota Statutes 1998, sections 196.20; 197.01; 197.02; and 197.49; Minnesota Statutes 1999 Supplement, section 196.27.

The bill was read for the first time.

Anderson, B., moved that S. F. No. 3138 and H. F. No. 3554, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3768, A bill for an act relating to taxation; authorizing the commissioner of revenue to enter into temporary agreements with other states to develop a pilot program for a multistate system for sales and use tax collection.

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

Pawlenty moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

The House recessed for a brief program to celebrate St. Patrick's Day.

RECONVENED

The House reconvened and was called to order by the Speaker.

FISCAL CALENDAR

Pursuant to rule 1.22, Bishop requested immediate consideration of H. F. No. 2688.

H. F. No. 2688 was reported to the House.

Dawkins offered an amendment to H. F. No. 2688, the third engrossment.

POINT OF ORDER

Goodno raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Dawkins amendment was not in order. The Speaker ruled the point of order well taken and the Dawkins amendment out of order.

The Speaker called Abrams to the Chair.

Koskinen, Pugh, Skoglund and Mullery moved to amend H. F. No. 2688, the third engrossment, as follows:

Page 35, after line 16, insert:

"Section 1. Minnesota Statutes 1998, section 609.035, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTION; CRIMINAL SEXUAL CONDUCT OFFENSES.] Notwithstanding subdivision 1, a prosecution or conviction for committing a violation of sections 609.342 to 609.345 with force or violence is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. If an offender is punished for more than one crime as authorized by this subdivision and the court imposes consecutive sentences for the crimes, the consecutive sentences are not a departure from the sentencing guidelines."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Koskinen et al amendment and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Howes	Mahoney	Paymar	Sykora
Abrams	Entenza	Huntley	Mares	Pelowski	Tingelstad
Anderson, B.	Erhardt	Jaros	Mariani	Peterson	Tomassoni
Anderson, I.	Erickson	Jennings	Marko	Pugh	Trimble
Bakk	Finseth	Johnson	McCollum	Rest	Tuma
Biernat	Folliard	Juhnke	McElroy	Reuter	Tunheim
Bishop	Fuller	Kahn	McGuire	Rhodes	Van Dellen
Boudreau	Gerlach	Kalis	Milbert	Rifenberg	Vandever
Bradley	Gleason	Kelliher	Molnau	Rostberg	Wagenius
Broecker	Goodno	Kielkucki	Mulder	Rukavina	Wejcman
Buesgens	Gray	Knoblach	Mullery	Schumacher	Wenzel
Carlson	Greenfield	Koskinen	Murphy	Seagren	Westerberg
Carruthers	Greiling	Krinkie	Ness	Seifert, J.	Westfall
Cassell	Gunther	Kubly	Nornes	Seifert, M.	Westrom
Chaudhary	Haake	Kuisle	Olson	Skoe	Wilkin
Clark, J.	Haas	Larsen, P.	Opatz	Skoglund	Winter
Clark, K.	Hackbarth	Larson, D.	Orfield	Smith	Wolf
Daggett	Harder	Leighton	Osskopp	Solberg	Workman
Davids	Hasskamp	Lenczewski	Osthoff	Stanek	Spk. Sviggum
Dawkins	Hausman	Leppik	Otremba	Stang	
Dehler	Hilty	Lieder	Ozment	Storm	
Dempsey	Holberg	Lindner	Paulsen	Swapinski	
Dorman	Holsten	Luther	Pawlenty	Swenson	

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 2688, the third engrossment, as amended, as follows:

Page 41, line 17, before "(a)" insert "Subdivision 1. [TIME LIMITATIONS.]"

Page 42, line 31, delete "(k)" and insert "Subd. 2. [TOLLING PROVISIONS.] (a)"

Page 42, line 34, delete "(l)" and insert "(b)"

Page 43, line 2, delete "(m)" and insert "(c)"

Page 43, after line 8, insert:

"Subd. 3. [INDICTMENT OR COMPLAINT AGAINST UNNAMED DEFENDANT BASED UPON DNA EVIDENCE.] Notwithstanding section 628.12 or any other law to the contrary, an indictment or complaint for a violation of section 609.342 or 609.344 is sufficient to commence an action if the defendant who is the subject of the indictment or complaint is described with reasonable certainty and the indictment or complaint is found or made and filed in the proper court within the time period provided in subdivision 1. The indictment or complaint shall be deemed to describe the defendant with reasonable certainty if it specifies the defendant as an unknown person with a matching DNA profile."

A roll call was requested and properly seconded.

The question was taken on the Kahn amendment and the roll was called. There were 65 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Folliard	Johnson	Lieder	Opatz	Skoglund
Bakk	Gleason	Juhnke	Luther	Orfield	Solberg
Biernat	Gray	Kahn	Mahoney	Osthoff	Swapinski
Carlson	Greenfield	Kalis	Mariani	Otremba	Tomassoni
Carruthers	Greiling	Kelliher	Marko	Paymar	Trimble
Chaudhary	Hasskamp	Koskinen	McCollum	Peterson	Tunheim
Clark, K.	Hausman	Kubly	McGuire	Pugh	Wagenius
Dawkins	Hilty	Larson, D.	Milbert	Rest	Wejcman
Dehler	Huntley	Leighton	Mulder	Rukavina	Wenzel
Dorn	Jaros	Lenczewski	Mullery	Schumacher	Winter
Entenza	Jennings	Leppik	Murphy	Skoe	

Those who voted in the negative were:

Abeler	Dempsey	Harder	Molnau	Rostberg	Van Dellen
Abrams	Dorman	Holberg	Ness	Seagren	Vandeveer
Anderson, B.	Erhardt	Holsten	Nornes	Seifert, J.	Westerberg
Bishop	Erickson	Howes	Olson	Seifert, M.	Westfall
Boudreau	Finseth	Kielkucki	Osskopp	Smith	Westrom
Bradley	Fuller	Knoblach	Ozment	Stanek	Wilkin
Broecker	Gerlach	Krinkie	Paulsen	Stang	Wolf
Buesgens	Goodno	Kuisle	Pawlenty	Storm	Workman
Cassell	Gunther	Larsen, P.	Pelowski	Swenson	Spk. Sviggum
Clark, J.	Haake	Lindner	Reuter	Sykora	
Daggett	Haas	Mares	Rhodes	Tingelstad	
Davids	Hackbarth	McElroy	Rifenberg	Tuma	

The motion did not prevail and the amendment was not adopted.

Clark, K.; Mullery; Wejcman and Skoglund moved to amend H. F. No. 2688, the third engrossment, as amended, as follows:

Page 24, line 12, after the period, insert "An offender assigned to risk level three who is on conditional release or supervised release may not reside in Hennepin or Ramsey county with more than one other offender assigned to risk level three unless the dwelling in which they reside is licensed under chapter 245A or section 241.021."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Clark, K., et al amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Entenza	Jaros	Luther	Osthoff	Solberg
Anderson, I.	Folliard	Jennings	Mahoney	Otremba	Swapinski
Bakk	Gleason	Johnson	Mariani	Pelowski	Tomassoni
Biernat	Gray	Juhnke	Marko	Peterson	Trimble
Carlson	Greenfield	Kelliher	McCollum	Pugh	Wagenius
Carruthers	Greiling	Koskinen	McGuire	Rest	Wejcman
Chaudhary	Hasskamp	Kubly	Mullery	Rukavina	Winter
Clark, K.	Hausman	Larson, D.	Olson	Schumacher	
Dawkins	Hilty	Leighton	Opatz	Skoe	
Dorn	Huntley	Lenczewski	Orfield	Skoglund	

Those who voted in the negative were:

Abeler	Dempsey	Harder	Lindner	Rhodes	Tingelstad
Abrams	Dorman	Holberg	Mares	Rifenberg	Tuma
Bishop	Erhardt	Holsten	Molnau	Rostberg	Tunheim
Boudreau	Erickson	Howes	Mulder	Seagren	Van Dellen
Bradley	Finseth	Kalis	Murphy	Seifert, J.	Vandever
Broecker	Fuller	Kielkucki	Ness	Seifert, M.	Westerberg
Buesgens	Gerlach	Knoblach	Nornes	Smith	Westfall
Cassell	Goodno	Krinkie	Osskopp	Stanek	Westrom
Clark, J.	Gunther	Kuisle	Ozment	Stang	Wilkin
Daggett	Haake	Larsen, P.	Paulsen	Storm	Wolf
Davids	Haas	Leppik	Pawlenty	Swenson	Workman
Dehler	Hackbarth	Lieder	Reuter	Sykora	Spk. Sviggum

The motion did not prevail and the amendment was not adopted.

Dawkins offered an amendment to H. F. No. 2688, the third engrossment, as amended.

POINT OF ORDER

Goodno raised a point of order pursuant to rule 3.21 that the Dawkins amendment was not in order. Speaker pro tempore Abrams ruled the point of order well taken and the Dawkins amendment out of order.

Dawkins appealed the decision of Speaker pro tempore Abrams.

LAY ON THE TABLE

Pawlenty moved to lay the Dawkins appeal of the decision of Speaker pro tempore Abrams on the table. The motion prevailed and the Dawkins appeal of the decision of Speaker pro tempore Abrams was laid on the table.

Krinkie moved to amend H. F. No. 2688, the third engrossment, as amended, as follows:

Page 3, after line 37, insert:

"Before funds are spent or encumbered for an information systems development project estimated to cost more than \$1,000,000, the commissioner of finance must ensure that a source outside of state government has completed a risk assessment for the project and that the results of the assessment have been reported to the chairs of the house ways and means and senate state government finance committees. The entity performing the risk assessment must not have a direct or indirect financial interest in the project."

A roll call was requested and properly seconded.

The question was taken on the Krinkie amendment and the roll was called. There were 89 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Huntley	Lindner	Pelowski	Tingelstad
Abrams	Dorman	Jaros	Mares	Peterson	Tomassoni
Anderson, B.	Dorn	Jennings	Marko	Reuter	Tuma
Anderson, I.	Erhardt	Johnson	Milbert	Rhodes	Tunheim
Bakk	Erickson	Kahn	Molnau	Rifenberg	Van Dellen
Bishop	Finseth	Kalis	Mulder	Rostberg	Vandever
Boudreau	Gerlach	Kielkucki	Murphy	Rukavina	Wenzel
Bradley	Gunther	Knoblach	Ness	Seagren	Westerberg
Broecker	Haake	Krinkie	Nornes	Seifert, J.	Westrom
Buesgens	Haas	Kubly	Olson	Smith	Wilkin
Carlson	Hackbarth	Kuisle	Opatz	Stang	Winter
Cassell	Harder	Larsen, P.	Osskopp	Storm	Wolf
Clark, J.	Holberg	Lenczewski	Ozment	Swapinski	Workman
Daggett	Holsten	Leppik	Paulsen	Swenson	Spk. Sviggum
Davids	Howes	Lieder	Pawlenty	Sykora	

Those who voted in the negative were:

Biernat	Fuller	Hilty	Mariani	Paymar	Stanek
Carruthers	Gleason	Juhnke	McCollum	Pugh	Trimble
Chaudhary	Goodno	Kelliher	McElroy	Rest	Wagenius
Clark, K.	Gray	Koskinen	McGuire	Schumacher	Wejcman
Dawkins	Greenfield	Larson, D.	Mullery	Seifert, M.	Westfall
Dempsey	Greiling	Leighton	Orfield	Skoe	
Entenza	Hasskamp	Luther	Osthoff	Skoglund	
Folliard	Hausman	Mahoney	Otreмба	Solberg	

The motion prevailed and the amendment was adopted.

Dawkins moved to amend H. F. No. 2688, the third engrossment, as amended, as follows:

Page 53, after line 17, insert:

"Sec. 4. Minnesota Statutes 1999 Supplement, section 299C.65, subdivision 6, is amended to read:

Subd. 6. [DEVELOPMENT OF INTEGRATION PLAN.] (a) If a funding request is for funds to develop a comprehensive criminal justice information integration plan to integrate all systems within a jurisdiction, the requesting agency must submit to the policy group a request that contains the following components:

- (1) the vision, mission, goals, objectives, and scope of the integration plan;
- (2) a statement of need identifying problems, inefficiencies, gaps, overlaps, and barriers within the requesting agency's jurisdiction, including those related to current systems and interfaces, business practices, policies, laws, and rules;
- (3) a list of agency heads and staff who will direct the effort and a statement demonstrating collaboration among all of the agencies involved;
- (4) a statement that the integration plan would integrate all systems within the six major business functions of the criminal justice community, including incident reporting, investigation, arrest, detention, adjudication, and disposition, including postsentence supervision and treatment, and related civil, family, and human services proceedings, processes, and services, to the extent it was cost beneficial;
- (5) a statement that the integration plan will be capable of including:
 - (i) a computerized firearms tracking system that can track the serial numbers of firearms involved in criminal activity and trace prior ownership of these firearms before their involvement in criminal activity; and
 - (ii) a computerized system that can track the serial numbers of lost and stolen firearms that are reported to law enforcement agencies as well as the subsequent use of these firearms in criminal activity;
- (6) a statement demonstrating that the requesting agency has consulted with individuals involved in day-to-day business practices, use, and operation of current criminal justice information systems so as to identify barriers and gaps;

~~(6)~~ (7) a planning methodology that will result in at least the following deliverables:

(i) an identification of problems in the state's criminal justice data model, where applicable, including data policy problems and proposed changes;

(ii) a function and process model that includes business process improvement and redesign opportunities, prioritized business change objectives, and short-term opportunities for improvement that can be pursued immediately while developing and implementing the long-range integration plan;

(iii) a technology model that includes network, communication, and security standards and guidelines;

(iv) an application architecture;

(v) a complete gap analysis that includes identification of gaps, omissions, and redundancies in the collection and dissemination of criminal justice information in the requesting agency's jurisdiction;

(vi) an assessment of current and alternative directions for business practices, applications, and technology, ranging from simple modifications to complete redesign;

(vii) a business process redesign model, showing existing and redesigned process and process vision, future performance targets, design principles, new process flow, and benefits; and

(viii) a long-range integration plan that includes time frames for the retirement, renewal, or redevelopment of systems and applications identified in clauses (i) to (vii) along with justification based on age, business processes not supported, and data deficiencies;

~~(7)~~ (8) projected timelines for developing and executing the plan;

~~(8)~~ (9) an estimate of the resources needed to develop, execute, operate, and maintain the integration plan;

~~(9)~~ (10) a statement that the final integration plan will contain all the components in this subdivision in final form;

~~(10)~~ (11) an identification of how the applicant will satisfy the match requirements of subdivision 8; and

~~(11)~~ (12) any other matters the policy group deems necessary for successful development or implementation of the integration plan and resulting systems.

(b) An agency may submit an interim integration plan to the policy group if it identifies high priority integration tasks during the development of the integration plan. The interim plan shall identify the tasks and the business case for completing these tasks in advance of completing the entire plan."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Skoglund; Wagenius; Hilty; Koskinen; Anderson, I.; Greiling and Murphy offered an amendment to H. F. No. 2688, the third engrossment, as amended.

POINT OF ORDER

Pawlenty raised a point of order pursuant to rule 3.21 that the Skoglund et al amendment was not in order. The Speaker ruled the point of order well taken and the Skoglund et al amendment out of order.

Pugh appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 71 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Hackbarth	Mares	Rostberg	Tuma
Abrams	Dempsey	Harder	McElroy	Rukavina	Van Dellen
Anderson, B.	Dorman	Holberg	Molnau	Seagren	Vandever
Bishop	Erhardt	Holsten	Mulder	Seifert, J.	Wenzel
Boudreau	Erickson	Howes	Ness	Seifert, M.	Westerberg
Bradley	Finseth	Kielkucki	Nornes	Smith	Westfall
Broecker	Fuller	Knoblach	Osskopp	Stanek	Westrom
Buesgens	Gerlach	Krinkie	Ozment	Stang	Wilkin
Cassell	Goodno	Kuisle	Paulsen	Storm	Wolf
Clark, J.	Gunther	Larsen, P.	Pawlenty	Swenson	Workman
Daggett	Haake	Leppik	Rhodes	Sykora	Spk. Sviggum
Davids	Haas	Lindner	Rifenberg	Tingelstad	

Those who voted in the negative were:

Anderson, I.	Gleason	Kahn	Mariani	Otremba	Swapinski
Bakk	Gray	Kalis	Marko	Paymar	Tomassoni
Biernat	Greenfield	Kelliher	McCollum	Pelowski	Trimble
Carlson	Greiling	Koskinen	McGuire	Peterson	Tunheim
Carruthers	Hasskamp	Kubly	Milbert	Pugh	Wagenius
Chaudhary	Hausman	Larson, D.	Mullery	Rest	Wejcmán
Clark, K.	Hilty	Leighton	Murphy	Reuter	Winter
Dawkins	Huntley	Lenzewski	Olson	Schumacher	
Dorn	Jennings	Lieder	Opatz	Skoe	
Entenza	Johnson	Luther	Orfield	Skoglund	
Folliard	Juhnke	Mahoney	Osthoff	Solberg	

So it was the judgment of the House that the decision of the Speaker should stand.

H. F. No. 2688, A bill for an act relating to crime prevention; authorizing disclosure of information about sex offenders; imposing additional registration requirements on sex offenders; establishing procedures for felony offenders who seek name changes; eliminating the statute of limitations for certain offenses; expanding the crime of solicitation to engage in sexual conduct; providing criminal penalties; clarifying the expungement law; making certain data about sex offenders available to law enforcement; clarifying the scope of the community notification law; authorizing release of information about sex offenders residing in treatment facilities; providing for criminal justice information systems technology; changing the membership of the criminal and juvenile justice information policy group; authorizing the purchase and distribution of criminal justice technology infrastructure; appropriating money; amending Minnesota Statutes 1998, sections 13.54, subdivision 6; 243.166, subdivisions 3, 5, 7, and by adding subdivisions; 244.052, as amended; 244.10, subdivision 2a; 259.11; 299C.65, subdivision 1, and by adding a subdivision; 517.08, subdivisions 1a and 1b; 518.27; 609.035, by adding a subdivision; 609.352, subdivisions 1 and 2; 609.749, subdivision 2; 609.795, subdivision 1; 609A.03; and 628.26; Minnesota Statutes 1999 Supplement, sections 13.46, subdivision 2; 243.166, subdivisions 1, 2, 4, and 6; and 299C.65, subdivisions 2 and 8; proposing coding for new law in Minnesota Statutes, chapters 176; 243; 259; 299C; and 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Howes	Mahoney	Paymar	Sykora
Abrams	Entenza	Huntley	Mares	Pelowski	Tingelstad
Anderson, B.	Erhardt	Jaros	Mariani	Peterson	Tomassoni
Anderson, I.	Erickson	Jennings	Marko	Pugh	Trimble
Bakk	Finseth	Johnson	McCollum	Rest	Tuma
Biernat	Folliard	Juhnke	McElroy	Reuter	Tunheim
Bishop	Fuller	Kahn	McGuire	Rhodes	Van Dellen
Boudreau	Gerlach	Kalis	Milbert	Rifenberg	Vandever
Bradley	Gleason	Kelliher	Molnau	Rostberg	Wagenius
Broecker	Goodno	Kielkucki	Mulder	Rukavina	Wejzman
Buesgens	Gray	Knoblach	Mullery	Schumacher	Wenzel
Carlson	Greenfield	Koskinen	Murphy	Seagren	Westerberg
Carruthers	Greiling	Krinkie	Ness	Seifert, J.	Westfall
Cassell	Gunther	Kubly	Nornes	Seifert, M.	Westrom
Chaudhary	Haake	Kuisle	Olson	Skoe	Wilkin
Clark, J.	Haas	Larsen, P.	Opatz	Skoglund	Winter
Clark, K.	Hackbarth	Larson, D.	Orfield	Smith	Wolf
Daggett	Harder	Leighton	Osskopp	Solberg	Workman
Davids	Hasskamp	Lenczewski	Osthoff	Stanek	Spk. Sviggum
Dawkins	Hausman	Leppik	Otremba	Stang	
Dehler	Hilty	Lieder	Ozment	Storm	
Dempsey	Holberg	Lindner	Paulsen	Swapinski	
Dorman	Holsten	Luther	Pawlenty	Swenson	

The bill was passed, as amended, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Pawlenty from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bill to be placed on the Calendar for the Day, immediately preceding the remaining bills on the Calendar for the Day, for Thursday, March 16, 2000:

H. F. No. 3618.

CALENDAR FOR THE DAY

H. F. No. 3618 was reported to the House.

Kielkucki moved to amend H. F. No. 3618, the first engrossment, as follows:

Page 1, after line 20, insert:

"Article 1: High Standards for All Students

Section 1. [120B.015] [HIGH STANDARDS FOR ALL STUDENTS.]

All school districts must implement high standards for all students according to article 2, the profile of learning, or article 3, the north star standard, or section 120A.22.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Article 2: Profile of Learning"

Page 18, line 16, delete "a"

Page 18, delete lines 17 and 18 up to the period on line 18 and insert "article 3"

Page 18, line 21, delete "a Minnesota revisor of statutes document"

Page 18, line 22, delete "labeled A00-1008 and dated 03/06/00" and insert "article 3"

Page 19, after line 9, insert:

"Article 3: North Star Standard

Section 1. Minnesota Statutes 1999 Supplement, section 120B.02, is amended to read:

120B.02 [~~RESULTS-ORIENTED GRADUATION RULE; NORTH STAR STANDARD FOR GENUINE ACADEMIC EXCELLENCE AND BASIC SKILLS REQUIREMENTS; PROFILE OF LEARNING.~~]

(a) The legislature is committed to establishing a rigorous, results-oriented graduation rule the North Star Standard for genuine academic excellence for Minnesota's public school students. ~~To that end, the commissioner shall use its rulemaking authority under section 127A.05, subdivision 4, to adopt a statewide, results-oriented~~

graduation rule to be implemented starting with students beginning ninth grade in the 1996-1997 school year. The commissioner shall not prescribe in rule or otherwise the delivery system or form of instruction that local sites must use to meet the requirements contained in this rule.

(b) To successfully accomplish paragraph (a), the commissioner shall set in rule high academic standards for all students. The standards must contain the foundational skills in the three core curricular areas of reading, writing, and mathematics while meeting requirements for high school graduation. The standards must also provide an opportunity for students to excel by meeting higher academic standards through a profile of learning that uses curricular requirements to allow students to expand their knowledge and skills beyond the foundational skills. All commissioner actions regarding the rule must be The North Star Standard is premised on the following:

(1) the ~~rule~~ North Star Standard is intended to raise academic expectations progressively throughout the Kindergarten through grade 12 experience for students, teachers, and schools;

(2) it is essential that, as much as possible, all students reach a level of minimum competency, but the goal must be that all students be expected and encouraged to reach their greatest potential. The standard is the pursuit of academic excellence; and

(3) any state action regarding the ~~rule~~ North Star Standard must evidence consideration of parent, student, teacher, and school district autonomy; and. The delivery system or form of instruction that local sites must use to meet the standard must not be prescribed.

(3) the department of children, families, and learning, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

(c) (b) For purposes of adopting the rule, the commissioner, in consultation with the department, recognized local implementation of the North Star Standard, school districts shall consult with psychometric experts in assessment, and or other interested and knowledgeable educators for proven curriculum, testing, assessment, methods, using the most current version of professional standards for educational testing shall evaluate the alternative approaches to assessment and practices.

(d) The content of the graduation rule must differentiate between minimum competencies reflected in the basic requirements assessment and rigorous profile of learning standards. When fully implemented, the requirements for high school graduation in Minnesota must include both basic requirements and the required profile of learning. The profile of learning must measure student performance using performance-based assessments compiled over time that integrate higher academic standards, higher order thinking skills, and application of knowledge from a variety of content areas. The profile of learning shall include a broad range of academic experience and accomplishment necessary to achieve the goal of preparing students to function effectively as purposeful thinkers, effective communicators, self-directed learners, productive group participants, and responsible citizens. The commissioner shall develop and disseminate to school districts a uniform method for reporting student performance on the profile of learning.

(e) The commissioner shall periodically review and report on the assessment process and student achievement with the expectation of raising the standards and expanding high school graduation requirements.

(f) The commissioner shall report in writing to the legislature annually by January 15 on its progress in developing and implementing the graduation requirements according to the requirements of this subdivision and section 120B.10 until such time as all the graduation requirements are implemented.

Sec. 2. [120B.021] [CITATION.]

Sections 120B.01 to 120B.0242 may be cited as the "North Star standard for genuine academic excellence."

Sec. 3. [120B.0211] [GOAL.]

Sections 120B.01 to 120B.0242 establish the educational and academic requirements that students must meet to be eligible to receive a high school diploma.

Sec. 4. [120B.0212] [SCOPE.]

Sections 120B.01 to 120B.0242 govern the minimum requirements that public school districts must establish for students to earn a high school diploma.

Sec. 5. [120B.0213] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 120B.01 to 120B.0242, the terms defined in this section have the meanings given them.

Subd. 2. [GRADE SPECIFIC COURSE AND HIGH SCHOOL COURSE CREDIT.] (a) "Grade specific" means the grade appropriate course content established by the school district. Grade specific course content is not required to be age dependent.

(b) "Course" means a set of school district curriculum specifications in a learning area for one school year.

(c) "High school course credit" is the equivalent of one hour per school day during one school year of study in a learning area for grades 9 to 12.

Subd. 3. [LEARNING AREA.] (a) "Learning area" means one of the eight categories into which all preparatory courses, and one of the ten categories into which all high school course credits are organized.

(b) The high school learning areas include:

(1) English language and grammar;

(2) literature and composition;

(3) mathematics;

(4) science;

(5) history and government/citizenship;

(6) personal fitness and health;

(7) the arts, an elective learning area;

(8) personal management, an elective learning area;

(9) foreign languages, an elective learning area; and

(10) vocational education, an elective learning area.

(c) The preparatory learning areas include:

(1) English language and grammar;

(2) literature and composition;

(3) mathematics;

(4) science;

(5) history, geography, and government;

(6) personal fitness and health;

(7) arts; and

(8) personal management.

Subd. 4. [COURSE PLAN.] "Course plan" means a grade specific written set of district curriculum specifications in a learning area and must include: (1) the teacher's name; (2) the grade level; (3) course sequence; (4) class teaching syllabus; (5) the number of course credits students may earn; (6) the instructional materials used for the class; (7) homework and parental support expectations; (8) the testing requirements, quizzes, or other evaluations; (9) grading credit or methods used; and (10) the requirements that students are expected to successfully complete in the course.

Subd. 5. [PARENTAL ACCESS AND PUBLIC ACCOUNTABILITY.] The course plan must be available in the nearest public/school library and must include:

(1) a grade level, course-specific remediation plan prepared by the school district, which must be used concurrently during the course and may include summer school and criteria for repeating a grade or course; and

(2) a school district grading process that determines when a student's course plan is successfully completed, and assigns a grade to the student's work according to the grading criteria.

Subd. 6. [GRADUATION REQUIREMENTS.] "Graduation requirements" means the number and distribution of high school course credits that a district must offer and a student must successfully complete to be eligible for a high school diploma.

Subd. 7. [EXEMPTION.] "Exemption" means that a student with an individual education plan or section 504 accommodation plan is not required to complete a particular course credit.

Subd. 8. [MODIFICATION.] "Modification" means an adjustment of a test that changes the course credit for a student with an individual education plan or section 504 accommodation plan.

Sec. 6. [120B.0214] [GRADUATION REQUIREMENTS.]

Subdivision 1. [NORTH STAR STANDARD.] School district course credits are contained in sections 120B.0222 to 120B.0242. The preparatory courses are contained in sections 120B.0233 to 120B.0242. High school course credits are contained in sections 120B.0222 to 120B.0232. High school graduation requirements are contained in subdivisions 3 to 5.

Subd. 2. [DISTRICTS AND STUDENTS.] (a) A district must provide learning opportunities for all students in all preparatory courses in learning areas one to eight, and learning opportunities sufficient for students to complete high school course credits in ten learning areas and meet school district graduation requirements.

(b) Students are encouraged to exceed the specifications for all preparatory and high school standards contained in sections 120B.0222 to 120B.0242.

(c) A student must successfully complete at least 21 course credits for graduation. A student may select electives from any course credit in learning areas one to ten under subdivision 3.

Subd. 3. [DISTRIBUTION REQUIREMENTS FOR HIGH SCHOOL GRADUATION.] A student must successfully complete all specifications of at least 21 high school course credits to be eligible for high school graduation. The student must complete 15 of the 21 high school course credits as follows:

- (1) two course credits from learning area one, English language and grammar;
- (2) two course credits from learning area two, literature and composition;
- (3) three course credits from learning area three, mathematics;
- (4) two course credits from learning area four, science;
- (5) four course credits from learning area five, history, and government/citizenship;
- (6) two course credits from learning area six, personal fitness and health;
- (7) no course credits from learning area seven, the arts, which is an elective;
- (8) no course credits from learning area eight, personal management, which is an elective;
- (9) no course credits from learning area nine, foreign languages; and
- (10) no course credits from learning area ten, vocational education, which is an elective.

Subd. 4. [ELECTIVE REQUIREMENTS.] In addition to the distribution requirements under subdivision 3, students also must complete six additional course credits of the student's choice from the high school course credits listed in sections 120B.0222 to 120B.0232.

Subd. 5. [ADDITIONAL REQUIREMENTS.] (a) A student must complete one application of technology in each of the following three learning areas:

- (1) area two, literature and composition;
- (2) area three, mathematics; and
- (3) area four, science.

(b) A district may establish additional requirements.

Subd. 6. [VARIATIONS.] A student must successfully complete the requirements in subdivisions 1 to 5 unless the district specifically establishes variations for the student. Variations for a student from the requirements in subdivisions 1 to 5 are permitted only under section 120B.0215 or 120B.0216.

Sec. 7. [120B.0215] [VARIATIONS FOR STUDENTS WITH INDIVIDUAL EDUCATION PLANS OR SECTION 504 ACCOMMODATION PLANS.]

Subdivision 1. [DETERMINATION OF REQUIREMENTS.] (a) A student in kindergarten through grade 8 with an individual education plan or section 504 accommodation plan shall have all courses considered by the student's individual education plan team or section 504 accommodation plan team for inclusion in the student's individual education plan or section 504 accommodation plan under subdivision 2.

(b) A student's individual education plan team or section 504 accommodation plan team must consider the graduation requirements under section 120B.0214 for inclusion in the student's individual education plan or section 504 accommodation plan when a student with a disability is 14 years old or registers for grade 9, whichever is first. An individual education plan team also must consider the student's transition plan when determining which of the required and elective courses to include in the student's individual education plan.

Subd. 2. [INDIVIDUALIZED PLANS.] (a) For a student in kindergarten through grade 8 with an individual education plan or section 504 accommodation plan, the student's individual education plan team or section 504 accommodation plan team may modify preparatory courses for the student in the individual education plan or section 504 accommodation plan. The team must determine the specifications of a course the student will pursue under the selected modification. If the team determines that the student is exempt from one or more of the courses, it must explain the exemption in the student's individual education plan or section 504 accommodation plan. When the team adopts an exempt status for a course, it must determine whether or not a different standard or individual education plan goal specific to the learning area is appropriate and include that goal in the student's plan.

(b) For a high school student with an individual education plan or section 504 accommodation plan, the student's individual education plan team or section 504 accommodation plan team must:

- (1) determine whether the student will pursue the course credits without modification;
- (2) determine whether one or more of the 21 required course credits will be modified to an individual level;
- (3) define the elective course credits that the student also will pursue and whether, for each elective, the student will pursue the course credit without modification or have the course credit modified to an individual level; or
- (4) determine whether the student is exempt from one or more of the graduation requirements under section 120B.0214, subdivisions 3 to 5.

When the team adopts exempt status for a course credit, it must determine whether or not a different standard or individual education plan goal specific to the learning area is appropriate and include that goal in the student's plan.

(c) A student's individual education plan team or section 504 accommodation plan team must determine the specifications of a preparatory or high school course credit the student will pursue when the team modifies a course credit. When a course credit is modified, the student's individual education plan team or section 504 accommodation plan team must determine the appropriate assessment of the modified course credit.

Sec. 8. [120B.0216] [ENGLISH PROFICIENCY; INDIVIDUAL GRADUATION PLANS.]

A district must establish and maintain procedures giving students the opportunity to complete both preparatory courses and high school course credits. Graduation requirements for a student must be as specified in section 120B.0214, subdivisions 3 to 5, unless section 120B.0215 applies or unless modified in an individual graduation plan developed and annually reviewed by a team that includes school advisory staff designated by the district, the student's teachers, the student's parent or guardian, and the student. A district must not modify specifications for standards in learning areas one to ten to permit a student to complete a standard in a language other than English.

Sec. 9. [120B.0217] [TESTING AND SCORING STUDENT ACHIEVEMENT.]

Subdivision 1. [DISTRICT CRITERION REFERENCED TESTING REQUIREMENTS.] (a) Districts shall develop local criterion-referenced testing consistent with this section.

(b) A district must:

(1) test student performance in preparatory courses and high school course credits; and

(2) establish processes by which to transfer as completed (i) those course credits that other Minnesota public school districts verify on transcripts as completed, (ii) the work that post-secondary educational institutions or educational institutions outside the state accept for completion of course credits and verify on transcripts as completed, and (iii) a student's opportunities to complete high school course credits through learning the student acquires outside the district's curriculum.

Subd. 2. [SCORING.] The district must establish a letter grade between A and F for teacher grading of students who complete a course assignment or course. Assessments may include grade point averages when tests that measure specifics are used. Incomplete student work on the course receives a grade of I and does not complete a grade level or course credit.

Sec. 10. [120B.0218] [HIGH SCHOOL STUDENT TRANSCRIPT DATA.]

Subdivision 1. [TRANSCRIPT INFORMATION.] A district must include on a high school student's transcript the following information:

(1) the high school course credits the student successfully completed;

(2) the grade or sequence level the student achieved on each high school course credit, or a notation that the course credit has been certified as completed through the district's process for transferring credit under section 120B.0217, subdivision 1, paragraph (b), clause (2); and

(3) the date the student successfully completed each high school course credit.

Subd. 2. [TRANSCRIPT FORMAT.] A district must format a high school student transcript according to generally accepted academic and vocational specifications.

Sec. 11. [120B.0219] [NOTICE TO PARENTS AND STUDENTS.]

In addition to other applicable notice requirements, the district must notify parents and students in writing about:

(1) the course credit taught and assessed in the school curriculum;

(2) the procedures for advising the student and the student's parent or guardian about graduation requirements and for accessing these procedures;

(3) the procedures by which students may meet graduation requirements with course credits successfully completed outside the district's curriculum; and

(4) the district's individual student progress and achievement reporting schedule.

Sec. 12. [120B.0220] [IMPLEMENTATION REPORTING.]

A school annually must submit to the local school board a report containing the policies and procedures for:

(1) ensuring that all high school students have access to comprehensive academic school curriculum that integrates technology and provides instruction and tests for assessing course content from all ten learning areas under sections 120B.0222 to 120B.0232 sufficient to meet graduation requirements;

(2) testing and assessing a student's understanding and demonstration of the course content;

(3) staff development designed to continuously improve curriculum, instruction, and tests and assessments;

(4) allowing a student to meet a graduation requirement for a course credit, whether the district offers the course content in its school curriculum or the student accomplishes the work in another learning environment, including a process for transferring credits completed in another Minnesota school district, recognizing work completed in other schools and post-secondary institutions, and awarding credit for achievements in extracurricular activities, activities outside of the school, previous learning, and community and work experiences;

(5) periodically advising a student and the student's parent or guardian of the student's progress and achievement and of the choices and opportunities available to the student for learning, graduating, and achieving the student's post-secondary educational and career goals;

(6) recordkeeping and reporting student achievement; and

(7) allowing the student and the student's parent or guardian to appeal district policies and procedures.

Sec. 13. [120B.0221] [OTHER DISTRICT RESPONSIBILITIES.]

A district must maintain records of the following, which it must submit for audit at the state's request, to allow the periodic review of district graduation standards, opportunities, and requirements:

(1) course plans used to test and assess students' completion of preparatory courses and high school course credits;

(2) aggregated records of students' completion of each high school course credit; and

(3) aggregated data on each year's high school graduates, including average number of high school course credits completed, and the number of each grade earned on each course credit.

Sec. 14. [120B.0222] [CONTENT STANDARDS; HIGH SCHOOL LEVEL.]

The specifications of the high school course credits are at least those in sections 120B.0223 to 120B.0232, which districts may supplement at their election.

Sec. 15. [120B.0223] [LEARNING AREA ONE; ENGLISH LANGUAGE AND GRAMMAR.]

Subdivision 1. [HIGH SCHOOL COURSE CREDIT FOR LEARNING AREA ONE.] The specifications for high school course credits in learning area one are at least those described in this section.

Subd. 2. [ENGLISH LANGUAGE AND GRAMMAR.] A student should be able to demonstrate the ability to comprehend and evaluate complex information in fiction or nonfiction by reading, listening, and viewing varied English language selections containing complex information.

Subd. 3. [ENGLISH LANGUAGE AND GRAMMAR; TECHNICAL INFORMATION.] A student should be able to demonstrate the ability to read and apply technical information from varied English language documents.

Sec. 16. [120B.0224] [LEARNING AREA TWO; LITERATURE AND COMPOSITION.]

Subdivision 1. [HIGH SCHOOL COURSE CREDITS FOR LEARNING AREA TWO.] Specifications for high school course credits in learning area two are at least those described in this section.

Subd. 2. [LITERATURE.] A student should be able to demonstrate the ability to interpret and evaluate complex works of famous American and World literature, including works of prose, poetry, and theater, by:

(1) describing the elements of literature for intent, form, and context to historical, cultural, and social background of selected works; and

(2) demonstrating the ability to communicate an informed interpretation of any selection of literary works.

Subd. 3. [COMPOSITION.] A student should be able to demonstrate the ability to write original compositions for a variety of academic purposes and situations using correct grammar, language mechanics, and other conventions of standard written English. The student must also correct the grammatical and other writing errors made to appear in a recognized work of fiction or nonfiction appropriate for this purpose.

Subd. 4. [TECHNICAL WRITING.] A student should be able to demonstrate the ability to write in the English language for a variety of technical purposes, situations, and audiences by writing original technical compositions that include a set of procedures or directions, a report or proposal, and informational correspondence describing a complex process, procedure, or device for a particular audience.

Subd. 5. [PUBLIC SPEAKING.] A student should be able to demonstrate the ability to construct and deliver speeches for a variety of purposes, situations, and audiences using English language conventions.

Subd. 6. [INTERPERSONAL COMMUNICATION.] A student should be able to demonstrate understanding of interpersonal communication strategies, the components of the interpersonal communication process, and how various factors affect patterns of communication, interaction, and problem solving.

Sec. 17. [120B.0225] [LEARNING AREA THREE; MATHEMATICS.]

Subdivision 1. [HIGH SCHOOL COURSE CREDITS FOR LEARNING AREA THREE.] Specifications for high school content standards in learning area three are at least those under subdivisions 2 to 5.

Subd. 2. [MATHEMATICS.] A student should be able to demonstrate a knowledge of mathematical relationships and solve problems.

Subd. 3. [DATA ANALYSIS.] A student should be able to demonstrate understanding of:

(1) the statistical concepts of measures of center, variability, and rank;

(2) differences between correlation and causation;

(3) sampling procedures;

(4) line or curve of best fit; and

(5) concepts related to uncertainty of randomness, permutations, combinations, and theoretical and experimental probabilities.

Subd. 4. [ALGEBRA.] A student should be able to understand:

(1) rates of change in different models of linear relationships and characteristics of polynomial, exponential, and periodic functions and relations;

(2) functional notation; and

(3) terminology using properties of algebra to justify reasoning through a logical argument.

Subd. 5. [GEOMETRY.] A student should be able to understand:

(1) the characteristics of geometric figures in both two and three dimensions, including reflections, rotations, and translations;

(2) congruence and similarity;

(3) perimeter, area, and volume;

(4) distance;

(5) scaling; and

(6) symmetry.

Sec. 18. [120B.0226] [LEARNING AREA FOUR; SCIENCE.]

Subdivision 1. [HIGH SCHOOL CONTENT STANDARDS FOR LEARNING AREA FOUR.] Specifications for high school content standards in learning area four are at least those described in this section.

Subd. 2. [BIOLOGY.] A student should be able to demonstrate understanding of biological concepts, theories, and principles including cell theory, mechanisms of heredity, biological change over time, the interdependence of organisms, material cycles and energy flow in living systems, the behavior of organisms, and the historical significance of major scientific advances through the investigation and analysis of cells, organisms, and ecosystems.

Subd. 3. [CHEMISTRY.] A student should be able to demonstrate understanding of concepts, theories, and principles in chemistry by investigating and analyzing:

(1) atomic theory;

(2) relationships between the structure and properties of matter including organic and inorganic bonding, periodicity, and solutions chemistry;

(3) chemical reactions;

(4) interactions of energy and matter; and

(5) the historical significance of major scientific advances.

Subd. 4. [PHYSICS.] A student should be able to demonstrate understanding of matter, forces, and energy by investigating and analyzing the concepts of motion, force, laws of conservation, electricity, magnetism, waves, energy, and work, and the historical significance of major scientific advances.

Sec. 19. [120B.0227] [LEARNING AREA FIVE; HISTORY, AND GOVERNMENT/CITIZENSHIP.]

Subdivision 1. [HIGH SCHOOL COURSE CREDITS FOR LEARNING AREA FIVE.] Specifications for high school course credits in learning area five are at least those described in this section.

Subd. 2. [THEMES OF MINNESOTA, UNITED STATES, AND WORLD HISTORY.] A student should be able to demonstrate understanding of the Declaration of Independence, the United States Constitution, Northwest Ordinance, and founding principles, truths, and themes related to key events, concepts, and people in the historical development of the United States. A student must demonstrate knowledge of historical events and contributions of key people from different time periods through reading and constructing time lines of key events and the actions of important people, the contributions of key historical people, and cause and effect relationships of events over an extended period of time, including:

- (1) the convergence of people, colonization, settlement, and the American Revolution;
- (2) expansion, the Civil War, and the Reconstruction;
- (3) the relationship between American Indian tribal governments and federal and state government;
- (4) industrialization, the emergence of modern America, and the Great Depression;
- (5) World War II;
- (6) postwar United States to the present; and
- (7) Minnesota and World History.

Subd. 3. [UNITED STATES GOVERNMENT/CITIZENSHIP.] A student should be able to demonstrate understanding of the foundations, rights, and responsibilities of United States citizenship including:

- (1) how the United States, as established by the Declaration of Independence, Constitution, and Northwest Ordinance, embodies the principles and ideals of a constitutional representative republic and individual self-governance;
- (2) the rights and responsibilities of United States citizens, noncitizens, and dual citizens; and
- (3) the formal and informal structures within which interest groups exercise power.

Sec. 20. [120B.0228] [LEARNING AREA SIX; PERSONAL FITNESS AND LIFESTYLE.]

Subdivision 1. [HIGH SCHOOL COURSE CREDITS FOR LEARNING AREA SIX.] Specifications for high school course credits in learning area six are at least those described in this section.

Subd. 2. [INDIVIDUAL AND COMMUNITY HEALTH.] A student should be able to demonstrate an understanding of decision-making processes and community health practices that promote healthful nutrition and dietary practices, and physical fitness, and that reduce and prevent tobacco use, drug and alcohol use, intended and unintended injuries.

Subd. 3. [PHYSICAL EDUCATION AND FITNESS.] A student should be able to use decision-making processes to select appropriate physical activities to achieve fitness and demonstrate understanding of the training needed to improve fitness and the rules and skills associated with physical activities.

Sec. 21. [120B.0229] [LEARNING AREA SEVEN; THE ARTS; AN ELECTIVE.]

Subdivision 1. [HIGH SCHOOL CONTENT STANDARDS FOR LEARNING AREA SEVEN.] Specifications for high school course credits in learning area seven are at least those described in this section.

Subd. 2. [ARTS CREATION AND PERFORMANCE.] In music, dance, theater, visual arts, creative writing, or media arts, a student should be able to demonstrate understanding of the elements, techniques, and processes of the selected art form and how works of the art form are structured. Also, using the art form, the student must create or perform, or both, an original artistic presentation that includes a single complex work or multiple works.

Sec. 22. [120B.0230] [LEARNING AREA EIGHT; PERSONAL MANAGEMENT; AN ELECTIVE.]

Subdivision 1. [HIGH SCHOOL COURSE CREDITS FOR LEARNING AREA EIGHT.] Specifications for high school course credits in learning area eight are at least those specified in this section.

Subd. 2. [ECONOMIC SYSTEMS.] By using the fundamental concepts of economics, a student should be able to demonstrate understanding of the interactive nature of local, national, and global economic systems, and how consumer choices and government decisions impact those systems.

Subd. 3. [PERSONAL AND FAMILY RESOURCE MANAGEMENT.] A student should be able to apply principles of personal and family resource management and informed decision making.

Subd. 4. [BUSINESS MANAGEMENT.] A student should be able to use fundamentals of informed decision making and business management, including:

- (1) personnel management procedures;
- (2) customer, employee, and management practices;
- (3) use of banking services;
- (4) forms of business organization; and
- (5) current labor-related laws.

Sec. 23. [120B.0231] [LEARNING AREA NINE; WORLD LANGUAGE; AN ELECTIVE.]

Subdivision 1. [HIGH SCHOOL COURSE CREDIT IN WORLD LANGUAGE.] Specifications for the high school course credit in learning area nine are at least those described in this section.

Subd. 2. [WORLD LANGUAGE.] A student should be able to demonstrate understanding of a foreign, domestic, technical, or symbolic language other than English and communicate in a second language.

Sec. 24. [120B.0232] [LEARNING AREA TEN; VOCATIONAL EDUCATION; AN ELECTIVE.]

Subdivision 1. [HIGH SCHOOL CONTENT STANDARDS FOR LEARNING AREA TEN.] Specifications for high school course credits in learning area ten are at least those described in this section.

Subd. 2. [VOCATIONAL OPTIONS.] School districts must determine the scope and sequence of these vocational electives which must reflect the educational needs and diversity of the district and the vocational education interests of students enrolled in the district and community residents.

Sec. 25. [120B.0233] [PREPARATORY COURSES IN LEARNING AREA ONE; ENGLISH LANGUAGE AND GRAMMAR.]

A student should be able to demonstrate comprehension of English and grammar that is appropriate for the student's grade level by reading, listening, and viewing nonfiction and fiction selections to identify main ideas and support details, retell main events or ideas in sequence, pronounce new words using phonics, demonstrate techniques of improving and expanding vocabulary, and demonstrate a grade-level-appropriate reading rate.

Sec. 26. [120B.0234] [PREPARATORY COURSES IN LEARNING AREA TWO; LITERATURE AND COMPOSITION.]

Subdivision 1. [READING AND WRITING.] A student should be able to demonstrate the ability to read, write, and use correct spelling and grammar for a variety of academic purposes, situations, and audiences for the student's grade level.

Subd. 2. [PUBLIC SPEAKING.] A student should be able to demonstrate the ability to speak to an audience.

Sec. 27. [120B.0235] [PREPARATORY COURSES IN LEARNING AREA THREE; MATHEMATICS.]

Subdivision 1. [NUMBER RELATIONSHIPS.] A student should be able to:

(1) use number relationships to represent information and solve problems;

(2) describe and analyze two- and three-dimensional shapes and spaces using appropriate whole and partial units, including metric, to measure length, time, weight, volume, temperature, angle, and area, and names and properties of common two- and three-dimensional shapes;

(3) describe and compare two- and three-dimensional geometric figures existing in the physical world; and

(4) measure, including identifying the type of measurement required, selecting the appropriate tools and units of measurement, and measuring accurately.

Subd. 2. [NUMBER OPERATIONS.] A student should be able to demonstrate understanding of:

(1) concepts of place value, variables, and equations;

(2) when and how to use number operations;

(3) addition, subtraction, and multiplication of single-digit multiples of powers of ten; and

(4) when and how to use a variety of estimation strategies.

Subd. 3. [BASIC CONCEPTS OF COORDINATE.] A student should be able to:

(1) demonstrate understanding of basic concepts of coordinate, by knowing precise mathematical names and properties of two- and three-dimensional shapes, converting common measurement units within the metric system and customary systems, and understanding how properties of shapes affect stability and rigidity of objects; and

(2) recognize and describe shape, size, and position of two- and three-dimensional objects and the images of the objects under transformations.

Subd. 4. [NUMBER CONCEPTS.] A student should be able to demonstrate understanding of:

- (1) number concepts including place value, exponents, prime and composite numbers, multiples, and factors;
- (2) fractions, decimals, percents, integers, and numbers in scientific notation that translate among equivalent forms; and
- (3) how to compare and order numbers within a set.

Subd. 5. [CONCEPTS OF ALGEBRA.] A student should be able to:

- (1) analyze patterns and use concepts of algebra to represent mathematical relationships, including demonstrating understanding of the concepts of variables, expressions, and equations; and
- (2) use properties of mathematics to informally justify reasoning.

Subd. 6. [GRADE LEVEL KNOWLEDGE; USE OF CALCULATORS.] Knowledge of the concepts under this section must be appropriate for the student's grade level. Districts are encouraged not to use calculators for kindergarten through grade 5.

Sec. 28. [120B.0236] [PREPARATORY COURSES IN LEARNING AREA FOUR; SCIENCE.]

Subdivision 1. [PHYSICAL AND LIFE SCIENCE.] A student should be able to demonstrate knowledge of basic science concepts of physical science and life science that is appropriate for the student's grade level.

Subd. 2. [BIOLOGY.] A student should be able to demonstrate an understanding of:

- (1) characteristics of organisms including plants, animals, and microorganisms;
- (2) basic structures and functions of the human body; and
- (3) cycles and patterns in living organisms and physical systems.

Sec. 29. [120B.0237] [PREPARATORY COURSES IN LEARNING AREA FIVE; HISTORY, GEOGRAPHY, AND GOVERNMENT/CITIZENSHIP.]

Subdivision 1. [HISTORY.] A student should be able to demonstrate grade-level understanding of the Declaration of Independence, the United States Constitution, Northwest Ordinance, and founding principles, truths, and themes related to key events, concepts, and people in the historical development of the United States, including:

- (1) the convergence of people, colonization, settlement, and the American Revolution;
- (2) expansion, the Civil War, and the Reconstruction;
- (3) the relationship between American Indian tribal governments and federal and state government;
- (4) industrialization, the emergence of modern America, and the Great Depression;
- (5) World War II;
- (6) postwar United States to the present; and
- (7) Minnesota and World History.

A student should be able to demonstrate knowledge of historical events and contributions of key people from different time periods through reading and constructing time lines of key events and the actions of important people, the contributions of key historical people, and cause and effect relationships of events over an extended period of time.

Subd. 2. [GEOGRAPHY.] A student should be able to demonstrate a grade level understanding of the physical world including the United States capitals, continents, oceans, land forms, rocks, minerals, solids, waters of the earth, weather, climate, natural animal life, and natural plant life. A student must demonstrate a grade level ability to locate specific places or parts of the earth's surface or physical environment.

Subd. 3. [GOVERNMENT/CITIZENSHIP.] A student should be able to demonstrate grade level understanding of the foundations, rights, and responsibilities of United States citizenship including:

(1) how the United States, as established by the Declaration of Independence, Constitution, and Northwest Ordinance, embodies the principles and ideals of a constitutional representative republic and individual self-governance;

(2) the rights and responsibilities of United States citizens, noncitizens, and dual citizens; and

(3) the formal and informal structures within which interest groups exercise power.

Sec. 30. [120B.0238] [PREPARATORY COURSES IN LEARNING AREA SIX; THE ARTS.]

Subdivision 1. [ART FORMS.] (a) A student should be able to describe at least three of the art forms in this section using the vocabulary of the art form and identify similarities and differences between different art forms in:

(1) visual art;

(2) music;

(3) theater; and

(4) dance.

(b) Expectations regarding student work under this section must be appropriate for the student's grade level.

Subd. 2. [ARTISTIC CREATIVITY AND PERFORMANCE; ARTISTIC INTERPRETATION.] (a) A student should be able to:

(1) know the expressive and technical elements of an art form; and

(2) perform or present in each art form, including using principles and elements of the art form and creating original works in a variety of contexts.

(b) A student should be able to interpret and evaluate a variety of art works, performances, or presentations by analyzing art works using the elements, principles, and styles of the art form and evaluating works of art.

Sec. 31. [120B.0239] [PREPARATORY CONTENT STANDARDS IN LEARNING AREA SEVEN; PERSONAL FITNESS AND HEALTH.]

(a) A student should be able to demonstrate a grade level understanding of activities that promote personal fitness, health, nutrition, and safety.

(b) A student should be able to demonstrate a grade level understanding of:

- (1) the consequences of using drugs, alcohol, and tobacco;
- (2) the strategies to prevent the spread of communicable diseases;
- (3) the strategies for preventing accidents; and
- (4) age-appropriate nutritional recommendations.

(c) A student should be able to demonstrate a grade level understanding of motor skills and physical fitness and participate in physical activities that develop motor skills and physical fitness.

Sec. 32. [120B.0240] [PREPARATORY COURSES IN LEARNING AREA EIGHT; SECOND LANGUAGES.]

A student should be able to demonstrate the ability to communicate in another language on age-appropriate topics, including knowing and understanding language features needed for communication.

Sec. 33. [120B.36] [ASSESSMENT OF PERFORMANCE IN PUBLIC SCHOOLS.]

(a) Public schools shall annually assess the performance of every child enrolled in public school using a nationally norm-referenced standardized achievement examination. The local school board annually shall select the examination for each grade level. The board must notify the parent or guardian of every child of the name and date of the test at least 14 calendar days before the test is given. Parents who object to the test must notify the school of their objection in writing and name an alternative nationally norm-referenced standardized achievement examination for their child to take. The school must give the child the alternative examination within a reasonable period of time of when the test selected by the board is given. School officials shall place children's test results in their education records.

(b) Each local school board shall establish a written policy indicating what assistance the school district will make available to children and their parents when a child's total battery score on an achievement examination is at or below the 30th percentile.

(c) No state or local unit of government may enter into an exclusive agreement with a testing company to provide only a single form of an examination to the state or a local school district.

Sec. 34. Minnesota Statutes 1999 Supplement, section 122A.09, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a post-secondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a post-secondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation ~~rule~~ North Star standard. The rules adopted under this paragraph apply to teachers who renew their licenses in year 2001 and later.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

Sec. 35. Minnesota Statutes 1999 Supplement, section 126C.10, subdivision 14, is amended to read:

Subd. 14. [USES OF TOTAL OPERATING CAPITAL REVENUE.] Total operating capital revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes;

(3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;

(4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;

(5) for a surplus school building that is used substantially for a public nonschool purpose;

- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the Uniform Fire Code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Northeast Minnesota Economic Protection Trust Fund Act according to sections 298.292 to 298.298;
- (15) to purchase or lease interactive telecommunications equipment;
- (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;
- (17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;
- (18) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;
- (19) to purchase or lease assistive technology or equipment for instructional programs;
- (20) to purchase textbooks;
- (21) to purchase new and replacement library books or technology;
- (22) to purchase vehicles;
- (23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:
 - (i) managing and reporting learner outcome information for all students under ~~a results-oriented graduation rule~~ the state's North Star Standard of genuine academic excellence;
 - (ii) managing student assessment, services, and achievement information required for students with individual education plans; and
 - (iii) other classroom information management needs; and

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software.

Sec. 36. Minnesota Statutes 1999 Supplement, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] An individual is allowed a credit against the tax imposed by this chapter in an amount equal to the amount paid for education-related expenses for a qualifying child in kindergarten through grade 12. For purposes of this section, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or by a member of the Minnesota music teachers association, for instruction outside the regular school day or school year, including tutoring, driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity or summer camps, in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year, that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the ~~graduation rule~~ North Star Standard under section 120B.02 and that do not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship;

(2) expenses for textbooks, including books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of \$200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the ~~graduation rule~~ North Star Standard under section 120B.02 purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; and

(4) the amount paid to others for transportation of a qualifying child attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363.

For purposes of this section, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code.

Sec. 37. [REPEALER.]

(a) Minnesota Statutes 1998, section 120B.03, subdivision 1, is repealed.

(b) Minnesota Rules, parts 3501.0300; 3501.0310; 3501.0320; 3501.0330; 3501.0340; 3501.0350; 3501.0360; 3501.0370; 3501.0380; 3501.0390; 3501.0400; 3501.0410; 3501.0420; 3501.0430; 3501.0440; 3501.0441; 3501.0442; 3501.0443; 3501.0444; 3501.0445; 3501.0446; 3501.0447; 3501.0448; 3501.0449; 3501.0450; 3501.0460; 3501.0461; 3501.0462; 3501.0463; 3501.0464; 3501.0465; 3501.0466; 3501.0467; 3501.0468; and 3501.0469, are repealed.

Sec. 38. [EFFECTIVE DATE.]

Sections 1 to 37 are effective for the 2000-2001 school year and following."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kielkucki amendment and the roll was called. There were 68 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorman	Holberg	Molnau	Schumacher	Wenzel
Anderson, B.	Erickson	Holsten	Mulder	Seifert, M.	Westerberg
Bishop	Finseth	Howes	Nornes	Smith	Westfall
Boudreau	Fuller	Jennings	Olson	Stanek	Westrom
Bradley	Gerlach	Juhnke	Osskopp	Stang	Wilkin
Broecker	Goodno	Kielkucki	Otremba	Storm	Wolf
Buesgens	Gunther	Knoblach	Ozment	Swenson	Workman
Cassell	Haake	Krinkie	Paulsen	Sykora	Spk. Sviggum
Clark, J.	Haas	Kubly	Pawlenty	Tingelstad	
Daggett	Hackbarth	Kuisle	Reuter	Tuma	
Davids	Harder	Lindner	Rifenberg	Van Dellen	
Dehler	Hasskamp	McElroy	Rostberg	Vandev eer	

Those who voted in the negative were:

Abeler	Entenza	Johnson	Luther	Opatz	Seifert, J.
Anderson, I.	Erhardt	Kahn	Mahoney	Orfield	Skoe
Bakk	Folliard	Kalis	Mares	Osthoff	Skoglund
Biernat	Gleason	Kelliher	Mariani	Paymar	Solberg
Carlson	Gray	Koskinen	Marko	Pelowski	Swapinski
Carruthers	Greenfield	Larsen, P.	McCollum	Peterson	Tomassoni
Chaudhary	Greiling	Larson, D.	McGuire	Pugh	Trimble
Clark, K.	Hausman	Leighton	Milbert	Rest	Tunheim
Dawkins	Hilty	Lenczewski	Mullery	Rhodes	Wagenius
Dempsey	Huntley	Leppik	Murphy	Rukavina	Wejcman
Dorn	Jaros	Lieder	Ness	Seagren	Winter

The motion prevailed and the amendment was adopted.

Entenza moved to amend H. F. No. 3618, the first engrossment, as amended, as follows:

Page 2, line 14, delete "CONTRACTORS'" and insert "CONTRACTOR'S"

Page 2, line 15, delete "two" and insert "a"

Page 2, line 16, delete "organizations" and insert "organization" and delete ", including the American"

Page 2, line 17, delete "Federation of Teachers, conduct" and insert "conducts"

Page 2, line 21, delete "contractors" and insert "contractor's"

Page 2, line 23, delete "contractors" and insert "contractor's"

Page 2, line 24, delete "contractors" and insert "contractor's"

Page 2, line 30, delete "contractors" and insert "contractor's"

Page 3, line 20, delete "contractors" and insert "contractor"

Page 3, line 23, delete "contractors" and insert "contractor"

Page 18, delete lines 12 to 24

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Seifert, M., and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Davids	Gunther	Koskinen	McElroy	Pawlenty
Abrams	Dawkins	Haake	Krinkie	McGuire	Paymar
Anderson, B.	Dehler	Haas	Kubly	Milbert	Pelowski
Anderson, I.	Dempsey	Harder	Kuisle	Molnau	Peterson
Bakk	Dorman	Hasskamp	Larsen, P.	Mulder	Pugh
Biernat	Dorn	Hausman	Larson, D.	Mullery	Rest
Bishop	Entenza	Hilty	Leighton	Murphy	Reuter
Boudreau	Erickson	Holberg	Lenczewski	Ness	Rhodes
Broecker	Finseth	Howes	Leppik	Nornes	Rifenberg
Buesgens	Folliard	Huntley	Lieder	Olson	Rukavina
Carlson	Fuller	Jennings	Lindner	Opatz	Schumacher
Carruthers	Gerlach	Johnson	Luther	Orfield	Seagren
Cassell	Gleason	Juhnke	Mahoney	Osskopp	Seifert, J.
Chaudhary	Goodno	Kalis	Mares	Osthoff	Seifert, M.
Clark, J.	Gray	Kelliher	Mariani	Otremba	Skoe
Clark, K.	Greenfield	Kielkucki	Marko	Ozment	Skoglund
Daggett	Greiling	Knoblach	McCollum	Paulsen	Solberg

Stanek	Swenson	Trimble	Vandev eer	Westerberg	Winter
Stang	Sykora	Tuma	Wagenius	Westfall	Wolf
Storm	Tingelstad	Tunheim	Wejcman	Westrom	Workman
Swapinski	Tomassoni	Van Dellen	Wenzel	Wilkin	Spk. Sviggum

Pawlenty moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Entenza amendment and the roll was called.

Abrams moved that those not voting be excused from voting. The motion prevailed.

There were 57 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Folliard	Juhnke	Mahoney	Otremba	Swapinski
Bakk	Gleason	Kahn	Mariani	Paymar	Tomassoni
Biernat	Gray	Kelliher	McCollum	Peterson	Trimble
Carlson	Greenfield	Koskinen	McGuire	Pugh	Tunheim
Carruthers	Greiling	Kubly	Milbert	Rest	Wagenius
Chaudhary	Hausman	Larson, D.	Mullery	Rukavina	Wejcman
Clark, K.	Hilty	Leighton	Opatz	Schumacher	Winter
Dawkins	Huntley	Lenczewski	Orfield	Skoe	
Dorn	Jennings	Lieder	Osskopp	Skoglund	
Entenza	Johnson	Luther	Osthoff	Solberg	

Those who voted in the negative were:

Abeler	Dempsey	Holberg	McElroy	Rifenberg	Van Dellen
Abrams	Dorman	Holsten	Molnau	Rostberg	Vandev eer
Anderson, B.	Erickson	Howes	Mulder	Seagren	Wenzel
Bishop	Finseth	Kalis	Murphy	Seifert, J.	Westerberg
Boudreau	Fuller	Kielkucki	Ness	Seifert, M.	Westfall
Bradley	Gerlach	Knoblach	Nornes	Smith	Westrom
Broecker	Goodno	Krinkie	Olson	Stanek	Wilkin
Buesgens	Gunther	Kuisle	Ozment	Stang	Wolf
Cassell	Haake	Larsen, P.	Paulsen	Storm	Workman
Clark, J.	Haas	Leppik	Pawlenty	Swenson	Spk. Sviggum
Daggett	Hackbarth	Lindner	Pelowski	Sykora	
Davids	Harder	Mares	Reuter	Tingelstad	
Dehler	Hasskamp	Marko	Rhodes	Tuma	

The motion did not prevail and the amendment was not adopted.

Carlson moved to re-refer H. F. No. 3618, as amended, to the Committee on K-12 Education Finance.

A roll call was requested and properly seconded.

The question was taken on the Carlson motion and the roll was called. There were 50 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Entenza	Kahn	Marko	Otremba	Tomassoni
Bakk	Folliard	Kalis	McCollum	Paymar	Tunheim
Biernat	Gleason	Kelliher	McGuire	Peterson	Wagenius
Carlson	Gray	Koskinen	Milbert	Pugh	Wejcman
Carruthers	Greenfield	Larson, D.	Mullery	Rest	Winter
Chaudhary	Greiling	Lenczewski	Murphy	Rukavina	
Clark, K.	Hausman	Lieder	Opatz	Skoe	
Dawkins	Hilty	Luther	Orfield	Skoglund	
Dorn	Johnson	Mariani	Osthoff	Solberg	

Those who voted in the negative were:

Abeler	Erhardt	Huntley	Molnau	Seagren	Wenzel
Abrams	Erickson	Jennings	Mulder	Seifert, J.	Westerberg
Anderson, B.	Finseth	Juhnke	Ness	Seifert, M.	Westfall
Bishop	Fuller	Kielkucki	Nornes	Smith	Westrom
Boudreau	Gerlach	Knoblach	Olson	Stanek	Wilkin
Bradley	Goodno	Krinkie	Osskopp	Stang	Wolf
Broecker	Gunther	Kubly	Ozment	Storm	Workman
Buesgens	Haake	Kuisle	Paulsen	Swapinski	Spk. Sviggum
Cassell	Haas	Larsen, P.	Pawlenty	Swenson	
Clark, J.	Hackbarth	Leighton	Pelowski	Sykora	
Daggett	Harder	Leppik	Reuter	Tingelstad	
Davids	Hasskamp	Lindner	Rhodes	Trimble	
Dehler	Holberg	Mahoney	Rifenberg	Tuma	
Dempsey	Holsten	Mares	Rostberg	Van Dellen	
Dorman	Howes	McElroy	Schumacher	Vandever	

The motion did not prevail.

Carlson moved to amend H. F. No. 3618, the first engrossment, as amended, as follows:

Page 1, line 21, delete "; MORATORIUM REPEAL"

Page 1, line 27, delete the colon

Page 1, line 28, delete "(1)"

Page 1, line 31, delete "; and"

Page 1, delete line 32

Page 2, delete lines 1 and 2 up to the period on line 2

Page 11, line 7, delete "moratorium under section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

Page 11, line 20, delete "moratorium under section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

Page 11, line 34, delete "moratorium under section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

Page 12, line 3, delete "moratorium under section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

Page 12, line 9, delete "moratorium under section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

Page 12, line 11, delete "moratorium under section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

Page 12, line 17, delete " clause (1)."

Page 13, line 7, delete " clause (1)."

Page 16, line 6, delete "after which the moratorium under"

Page 16, line 7, delete "section 1 is repealed" and insert "the legislature receives the commissioner's certification under section 1, paragraph (b)."

A roll call was requested and properly seconded.

The Speaker called Abrams to the Chair.

The question was taken on the Carlson amendment and the roll was called.

Pugh moved that those not voting be excused from voting. The motion prevailed.

There were 57 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Kalis	Mariani	Otremba	Swapinski
Bakk	Gray	Kelliher	Marko	Paymar	Tomassoni
Biernat	Greenfield	Koskinen	McCollum	Peterson	Trimble
Carlson	Greiling	Kubly	McGuire	Pugh	Tunheim
Carruthers	Hausman	Larson, D.	Milbert	Rest	Wagenius
Chaudhary	Hilty	Leighton	Mullery	Rukavina	Wejcman
Clark, K.	Huntley	Lenczewski	Murphy	Schumacher	Winter
Dorn	Jennings	Lieder	Opatz	Skoe	
Entenza	Johnson	Luther	Orfield	Skoglund	
Folliard	Kahn	Mahoney	Osthoff	Solberg	

Those who voted in the negative were:

Abeler	Dehler	Harder	Mares	Rhodes	Tuma
Abrams	Dempsey	Hasskamp	McElroy	Rifenberg	Van Dellen
Anderson, B.	Dorman	Holberg	Molnau	Rostberg	Vandever
Bishop	Erhardt	Holsten	Mulder	Seagren	Wenzel
Boudreau	Erickson	Howes	Ness	Seifert, J.	Westerberg
Bradley	Finseth	Juhnke	Nornes	Seifert, M.	Westfall
Broecker	Fuller	Kielkucki	Olson	Smith	Westrom
Buesgens	Gerlach	Knoblach	Osskopp	Stanek	Wilkin
Cassell	Goodno	Krinkie	Ozment	Stang	Wolf
Clark, J.	Gunther	Kuisle	Paulsen	Storm	Workman
Daggett	Haake	Larsen, P.	Pawlenty	Swenson	Spk. Sviggum
Dauids	Haas	Leppik	Pelowski	Sykora	
Dawkins	Hackbarth	Lindner	Reuter	Tingelstad	

The motion did not prevail and the amendment was not adopted.

Reuter moved to amend H. F. No. 3618, the first engrossment, as amended, as follows:

Page 18, line 36, delete "this act" and insert "sections 1 to 21"

Page 18, after line 36, insert:

"Sec. 21. [TEST RESULTS RETURNED; PROMPT ELIMINATED.]

(a) A school district must return to students their written response to the January 26, 2000, test prompt from the state's basic skills test for written composition under Minnesota Statutes, section 120B.02, within 15 calendar days of receiving the students' scored responses. District personnel shall not have access to the students' responses for any purpose except to return the responses to the students.

(b) The test prompt for the state's basic skills test for written composition administered on January 26, 2000, shall no longer be administered to students."

Page 19, line 8, delete "21" and insert "22"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Reuter amendment and the roll was called.

McElroy moved that those not voting be excused from voting. The motion prevailed.

There were 59 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Fuller	Johnson	Mulder	Rifenberg	Tingelstad
Anderson, B.	Gerlach	Kalis	Nornes	Rostberg	Tomassoni
Broecker	Gunther	Kielkucki	Olson	Seagren	Van Dellen
Buesgens	Haake	Krinkie	Osskopp	Seifert, J.	Vandever
Clark, J.	Haas	Kuise	Osthoff	Seifert, M.	Westerberg
Davids	Hackbarth	Larsen, P.	Ozment	Smith	Westfall
Dawkins	Harder	Lindner	Paulsen	Stanek	Westrom
Dorn	Hasskamp	Marko	Pawlenty	Storm	Wolf
Erickson	Holberg	Milbert	Peterson	Swenson	Workman
Finseth	Holsten	Molnau	Reuter	Sykora	

Those who voted in the negative were:

Abeler	Dehler	Howes	Lieder	Otremba	Trimble
Anderson, I.	Dempsey	Huntley	Luther	Paymar	Tuma
Bakk	Dorman	Jennings	Mahoney	Pelowski	Tunheim
Biernat	Entenza	Juhnke	Mares	Pugh	Wagenius
Bishop	Erhardt	Kahn	Mariani	Rest	Wejcman
Boudreau	Folliard	Kelliher	McCollum	Rhodes	Wenzel
Bradley	Gleason	Knoblach	McElroy	Rukavina	Wilkin
Carlson	Goodno	Koskinen	McGuire	Schumacher	Winter
Carruthers	Gray	Kubly	Mullery	Skoe	Spk. Sviggum
Cassell	Greenfield	Larson, D.	Murphy	Skoglund	
Chaudhary	Greiling	Leighton	Ness	Solberg	
Clark, K.	Hausman	Lenczewski	Opatz	Stang	
Daggett	Hilty	Leppik	Orfield	Swapinski	

The motion did not prevail and the amendment was not adopted.

Folliard moved to amend H. F. No. 3618, the first engrossment, as amended, as follows:

Page 5, delete lines 25 to 36

Page 6, delete lines 1 to 6 and insert:

"(4) distributed among the ten learning areas, high school students in grades 9 to 12 must complete 18 content standards including 12 required and six elective content standards, middle school students in grades 6 to 8 must complete 18 content standards, intermediate school students in grades 4 and 5 must complete ten content standards, and primary school students in kindergarten to grade 3 must complete eight content standards; and"

Page 6, line 7, delete "(6)" and insert "(5)"

Page 10, reinstate the stricken language on lines 34 to 36 except do not reinstate on line 35 "(c) or (d)" and after "(c) or (d)" insert "(b) or (c)"

Page 11, line 1, reinstate the stricken language

Page 11, lines 9 to 18, delete the new language and reinstate the stricken language

Page 11, lines 21 to 32, delete the new language and reinstate the stricken language

Page 12, lines 1 to 5, delete the new language

Page 12, line 7, delete the new language and reinstate the stricken language

Page 13, line 18, before "A" insert "In order to receive approval from the commissioner," and after "document" insert "why the approval is needed,"

A roll call was requested and properly seconded.

The question was taken on the Folliard amendment and the roll was called. There were 15 yeas and 119 nays as follows:

Those who voted in the affirmative were:

Carruthers	Entenza	Gray	Johnson	McGuire
Chaudhary	Folliard	Greiling	Kahn	Orfield
Clark, K.	Gleason	Hausman	Mariani	Wejman

Those who voted in the negative were:

Abeler	Dorn	Jennings	Marko	Peterson	Swenson
Abrams	Erhardt	Juhnke	McCollum	Pugh	Sykora
Anderson, B.	Erickson	Kalis	McElroy	Rest	Tingelstad
Anderson, I.	Finseth	Kelliher	Milbert	Reuter	Tomassoni
Bakk	Fuller	Kielkucki	Molnau	Rhodes	Trimble
Biernat	Gerlach	Knoblach	Mulder	Rifenberg	Tuma
Bishop	Goodno	Koskinen	Mullery	Rostberg	Tunheim
Boudreau	Greenfield	Krinkie	Murphy	Rukavina	Van Dellen
Bradley	Gunther	Kubly	Ness	Schumacher	Vandever
Broecker	Haake	Kuisle	Nornes	Seagren	Wagenius
Buesgens	Haas	Larsen, P.	Olson	Seifert, J.	Wenzel
Carlson	Hackbarth	Larson, D.	Opatz	Seifert, M.	Westerberg
Cassell	Harder	Leighton	Osskopp	Skoe	Westfall
Clark, J.	Hasskamp	Lenczewski	Osthoff	Skoglund	Westrom
Daggett	Hilty	Leppik	Otremba	Smith	Wilkin
Davids	Holberg	Lieder	Ozment	Solberg	Winter
Dawkins	Holsten	Lindner	Paulsen	Stanek	Wolf
Dehler	Howes	Luther	Pawlenty	Stang	Workman
Dempsey	Huntley	Mahoney	Paymar	Storm	Spk. Sviggum
Dorman	Jaros	Mares	Pelowski	Swapinski	

The motion did not prevail and the amendment was not adopted.

Olson moved to amend H. F. No. 3618, the first engrossment, as amended, as follows:

Page 7, after line 28, insert "(i) Districts are encouraged not to allow students in kindergarten through grade 5 to use electronic calculators while taking tests."

A roll call was requested and properly seconded.

The question was taken on the Olson amendment and the roll was called. There were 9 yeas and 125 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Hackbarth	Lindner	Mulder	Tuma
Dawkins	Knoblach	Mahoney	Olson	

Those who voted in the negative were:

Abeler	Dorn	Holsten	Luther	Paymar	Swapinski
Abrams	Entenza	Howes	Mares	Pelowski	Swenson
Anderson, I.	Erhardt	Huntley	Mariani	Peterson	Sykora
Bakk	Erickson	Jaros	Marko	Pugh	Tingelstad
Biernat	Finseth	Jennings	McCollum	Rest	Tomassoni
Bishop	Folliard	Johnson	McElroy	Reuter	Trimble
Boudreau	Fuller	Juhnke	McGuire	Rhodes	Tunheim
Bradley	Gerlach	Kahn	Milbert	Rifenberg	Van Dellen
Broecker	Gleason	Kalis	Molnau	Rostberg	Vandever
Buesgens	Goodno	Kelliher	Mullery	Rukavina	Wagenius
Carlson	Gray	Kielkucki	Murphy	Schumacher	Wejzman
Carruthers	Greenfield	Koskinen	Ness	Seagren	Wenzel
Cassell	Greiling	Krinkie	Nornes	Seifert, J.	Westerberg
Chaudhary	Gunther	Kubly	Opatz	Seifert, M.	Westfall
Clark, J.	Haake	Kuisle	Orfield	Skoe	Westrom
Clark, K.	Haas	Larsen, P.	Osskopp	Skoglund	Wilkin
Daggett	Harder	Larson, D.	Osthoff	Smith	Winter
Davids	Hasskamp	Leighton	Otremba	Solberg	Wolf
Dehler	Hausman	Lenczewski	Ozment	Stanek	Workman
Dempsey	Hilty	Leppik	Paulsen	Stang	Spk. Svinggum
Dorman	Holberg	Lieder	Pawlenty	Storm	

The motion did not prevail and the amendment was not adopted.

Olson moved to amend H. F. No. 3618, the first engrossment, as amended, as follows:

Page 7, delete lines 25 to 28 and insert "(h) State or state agencies must not accept federal funds limiting state or local educational autonomy unless specifically authorized by law to accept the funds."

A roll call was requested and properly seconded.

The question was taken on the Olson amendment and the roll was called.

McElroy moved that those not voting be excused from voting. The motion prevailed.

There were 12 yeas and 121 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dehler	Gerlach	Kielkucki	Mulder	Osskopp
Buesgens	Erickson	Holberg	Lindner	Olson	Reuter

Those who voted in the negative were:

Abeler	Entenza	Jaros	Mariani	Pugh	Trimble
Abrams	Erhardt	Jennings	Marko	Rest	Tuma
Anderson, I.	Finseth	Johnson	McCollum	Rhodes	Tunheim
Bakk	Folliard	Juhnke	McElroy	Rifenberg	Van Dellen
Biernat	Fuller	Kahn	McGuire	Rostberg	Vandever
Bishop	Gleason	Kalis	Milbert	Rukavina	Wagenius
Boudreau	Goodno	Kelliher	Molnau	Schumacher	Wejzman
Bradley	Gray	Knoblach	Mullery	Seagren	Wenzel
Broecker	Greenfield	Koskinen	Murphy	Seifert, J.	Westerberg
Carlson	Greiling	Krinkie	Ness	Seifert, M.	Westfall
Carruthers	Gunther	Kubly	Nornes	Skoe	Westrom
Cassell	Haake	Kuisle	Opatz	Skoglund	Wilkin
Chaudhary	Haas	Larsen, P.	Orfield	Solberg	Winter
Clark, J.	Hackbarth	Larson, D.	Osthoff	Stanek	Wolf
Clark, K.	Harder	Leighton	Otremba	Stang	Workman
Daggett	Hasskamp	Lenczewski	Ozment	Storm	Spk. Sviggum
Davids	Hausman	Leppik	Paulsen	Swapinski	
Dawkins	Hilty	Lieder	Pawlenty	Swenson	
Dempsey	Holsten	Luther	Paymar	Sykora	
Dorman	Howes	Mahoney	Pelowski	Tingelstad	
Dorn	Huntley	Mares	Peterson	Tomassoni	

The motion did not prevail and the amendment was not adopted.

H. F. No. 3618, as amended, was read for the third time.

The Speaker resumed the Chair.

Davids was excused for the remainder of today's session.

LAY ON THE TABLE

Ness moved to lay H. F. No. 3618, as amended, on the table. The motion prevailed and H. F. No. 3618, as amended, was laid on the table.

Pawlenty moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mares moved that the names of Murphy and Ozment be added as authors on H. F. No. 2827. The motion prevailed.

Abeler moved that the names of Harder and Westerberg be added as authors on H. F. No. 4109. The motion prevailed.

Holsten moved that H. F. No. 3426 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Taxes. The motion prevailed.

Sykora moved that S. F. No. 2615 be recalled from the Committee on Health and Human Services Policy and together with H. F. No. 2945, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Tomassoni moved that S. F. No. 3529 be recalled from the Committee on Jobs and Economic Development Policy and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Mulder moved that H. F. No. 2477 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2569:

Haas, Davids and Pugh.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Haas announced his intention to place H. F. No. 2699 on the Fiscal Calendar for Monday, March 20, 2000.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, March 20, 2000. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, March 20, 2000.

EDWARD A. BURDICK, Chief Clerk, House of Representatives