

STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2006

EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 4, 2006

The House of Representatives convened at 12:00 noon and was called to order by Gregory M. Davids, Speaker pro tempore.

Prayer was offered by the Reverend Andrea Bowe, Chaplain, Fairview Ridges Hospital, Burnsville, Minnesota.

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 | Dempsey | Hausman | Krinkie | Nornes | Sieben |
| Abrams | Dill | Haws | Lanning | Olson | Simon |
| Anderson, B. | Dittrich | Heidgerken | Larson | Otremba | Simpson |
| Anderson, I. | Dorman | Hilstrom | Latz | Paulsen | Slawik |
| Atkins | Dorn | Hilty | Lenczewski | Paymar | Smith |
| Beard | Eastlund | Holberg | Lesch | Pelowski | Soderstrom |
| Bernardy | Eken | Hoppe | Liebling | Penas | Solberg |
| Blaine | Ellison | Hornstein | Lieder | Peppin | Sykora |
| Bradley | Emmer | Hortman | Lillie | Peterson, A. | Thao |
| Brod | Entenza | Hosch | Loeffler | Peterson, N. | Thissen |
| Buesgens | Erhardt | Huntley | Magnus | Peterson, S. | Tingelstad |
| Carlson | Erickson | Jaros | Mahoney | Poppe | Urdahl |
| Charron | Finstad | Johnson, J. | Mariani | Powell | Vandever |
| Clark | Fritz | Johnson, R. | Marquart | Rukavina | Wagenius |
| Cornish | Garofalo | Johnson, S. | McNamara | Ruth | Walker |
| Cox | Gazelka | Juhnke | Meslow | Ruud | Wardlow |
| Cybart | Goodwin | Kahn | Moe | Sailer | Welti |
| Davids | Greiling | Kelliher | Mullery | Samuelson | Westerberg |
| Davnie | Gunther | Klinzing | Murphy | Scalze | Westrom |
| Dean | Hackbarth | Knoblach | Nelson, M. | Seifert | Wilkin |
| DeLaForest | Hamilton | Koenen | Nelson, P. | Sertich | Spk. Sviggum |
| Demmer | Hansen | Kohls | Newman | Severson | |

A quorum was present.

Howes, Ozment and Zellers were excused.

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

PETITIONS AND COMMUNICATIONS

The following communication was received:

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2006 Session of the State Legislature has been received from the Office of the Governor and is 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 2006</i> | <i>Date Filed 2006</i> |
|----------------------|----------------------|-------------------------------------|--|----------------------------|
| 1878 | | 173 | 6:04 p.m. March 31 | April 3 |

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 2832, A bill for an act relating to health; providing a statewide health insurance program for Minnesota employees; modifying private sector health coverages; requiring a medical malpractice insurance report; authorizing service cooperatives to operate health reinsurance programs; authorizing participation by certain political subdivisions; appropriating money; amending Minnesota Statutes 2004, sections 43A.317; 62D.095, subdivisions 3, 4, by adding a subdivision; 123A.21, subdivision 7; 471.61, by adding a subdivision; 471.617, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reported the same back with the following amendments:

Page 1, delete article 1

Page 8, line 30, before "A" insert "(a)"

Page 9, after line 2, insert:

"(b) The comprehensive health insurance plan is available under section 62E.14, subdivision 4c, paragraph (a), to those meeting the lifetime maximum benefit, without providing evidence of rejection."

Page 9, line 7, delete "report cards" and insert "reports" and delete "these report" and insert "these reports"

Page 9, line 8, delete "cards"

Page 9, delete section 5

Page 10, line 16, delete everything after "legislature" and insert "annually"

Page 10, line 17, delete everything before "a"

Page 10, line 21, after "possible" insert "using definitions developed by the commissioner"

Page 10, line 27, delete "April" and insert "June"

Page 10, line 28, after "commissioner" insert "and using definitions developed by the commissioner"

Page 10, line 30, delete "the categories of coverage provided to" and insert "various categories of coverages including, if possible,"

Page 11, lines 29 and 30, delete the new language

Page 12, delete lines 1 to 10

Page 12, line 11, delete "(d)" and insert "(b)"

Page 12, line 16, delete "; and" and insert ". The contracts may be regional or statewide in the discretion of the SC."

Page 12, line 19, after the period, insert "A service cooperative shall not terminate coverage, exclude an employer from future coverage, or otherwise penalize an employer for seeking bids from other sources of health coverage; and

(4) may determine premiums for its health coverage individually for specific employers or may determine them on a pooled or other basis established by the SC."

Pages 12 to 13, delete sections 2 to 4

Page 13, line 16, delete "Sections 1 to 4 are" and insert "Section 1 is"

Renumber the articles and sections in sequence

Delete the title and insert:

"A bill for an act relating to health; modifying certain private sector health coverages; requiring an annual medical malpractice insurance report; authorizing service cooperatives to provide a health care program for certain nursing homes and boarding care homes;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3179, A bill for an act relating to education; providing for general education revenue, education excellence, special programs, nutrition and accounting, self-sufficiency and lifelong learning, and state agencies; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2004, sections 119A.50, subdivision 1; 119A.52; 119A.53; 119A.545; 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.023; 123A.06, subdivision 2; 124D.10, subdivision 16; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61; 124D.68, subdivision 3; 125A.091, subdivisions 5, 7, 9, 10, 12, 13, 14, 15, 19, 20; 125A.27, subdivision 11; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.63, subdivision 4; 125A.69, subdivision 3; 125A.75, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 6; 126C.44; Minnesota Statutes 2005 Supplement, sections 120B.131, subdivision 2; 121A.53, subdivision 1; 122A.415, subdivisions 1, 3; 123B.76, subdivision 3; 124D.095, subdivision 4; 124D.68, subdivision 2; 125A.11, subdivision 1; 125A.28; 126C.43, subdivision 2; 127A.45, subdivision 10; Laws 2005, First Special Session chapter 5, article 2, sections 81; 84, subdivision 13; article 7, section 20, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 2004, sections 119A.51; 120A.20, subdivision 3; 123B.10; 125A.10; 125A.515, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 2004, section 120A.20, subdivision 1, is amended to read:

Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or in part by state funds are public schools. Admission to a public school is free to any person who: (1) resides within the district that operates the school, who; (2) is under 21 years of age; or who meet the requirements of paragraph (c); and who (3) satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school is governed by a single set of reasonable rules and regulations promulgated by the school board.

~~No~~ (b) A person shall not be admitted to ~~any~~ a public school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a 1st grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school enrollment until at least one of the following occurs: (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4) the end of the school year.

Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

(e) The revenue must be maintained in a reserve account within the general fund.

Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is amended to read:

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) For applications approved under this section before August 1 of the fiscal year for which the aid is paid, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006 and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of \$3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for ~~the second previous year~~ fiscal year 2006. Additional basic alternative

teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts and intermediate school districts based on applications approved by August 1 does not expend the remaining amount under the limit.

Sec. 4. Minnesota Statutes 2004, section 123A.06, subdivision 2, is amended to read:

Subd. 2. **People to be served.** A center shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the center to assist them in being successful in school. A center shall use research-based best practices for serving limited English proficient students and their parents. An individual education plan team may identify a center as an appropriate placement to the extent a center can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those ~~age five to adults 22 and older~~ who qualify under the graduation incentives program in section 124D.68, subdivision 2, those enrolled under section 124D.02, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Sec. 5. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is amended to read:

Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building" means education site as defined in section 123B.04, subdivision 1.

(b) Each district shall maintain separate accounts to identify general fund expenditures for each building. All expenditures for regular instruction, secondary vocational instruction, and school administration must be reported to the department separately for each building. All expenditures for special education instruction, instructional support services, and pupil support services provided within a specific building must be reported to the department separately for each building. Salary expenditures reported by building must reflect actual salaries for staff at the building and must not be based on districtwide averages. All other general fund expenditures may be reported by building or on a districtwide basis.

(c) The department must annually report information showing school district general fund expenditures per pupil by program category for each building and estimated school district general fund revenue generated by pupils attending each building on its Web site. For purposes of this report:

- (1) expenditures not reported by building shall be allocated among buildings on a uniform per pupil basis;
- (2) basic skills revenue shall be allocated according to section 126C.10, subdivision 4;
- (3) secondary sparsity revenue and elementary sparsity revenue shall be allocated according to section 126C.10, subdivisions 7 and 8;
- (4) alternative teacher compensation revenue shall be allocated according to section 122A.415, subdivision 1;
- (5) other general education revenue shall be allocated on a uniform per pupil unit basis;
- ~~(5)~~ (6) first grade preparedness aid shall be allocated according to section 124D.081;
- ~~(6)~~ (7) state and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building; and

~~(7)~~ (8) other general fund revenues shall be allocated on a uniform per pupil basis, except that the department may allocate other revenues attributable to specific buildings directly to those buildings.

Sec. 6. Minnesota Statutes 2004, section 124D.02, subdivision 2, is amended to read:

Subd. 2. **Secondary school programs.** The board may permit a person who is over the age of 21 or who has graduated from high school to enroll ~~as a part-time student~~ in a class or program at a secondary school if there is space available. In determining if there is space available, ~~full-time~~ public school students, eligible for free enrollment under section 120A.20, subdivision 1, and shared-time students shall be given priority over students seeking enrollment pursuant to this subdivision, and students returning to complete a regular course of study shall be given priority over ~~part-time other~~ students seeking enrollment pursuant to this subdivision. The following are not prerequisites for enrollment:

(1) residency in the school district;

(2) United States citizenship; or

(3) for a person over the age of 21, a high school diploma or equivalency certificate. A person may enroll in a class or program even if that person attends evening school, an adult or continuing education, or a postsecondary educational program or institution.

Sec. 7. Minnesota Statutes 2004, section 124D.02, subdivision 4, is amended to read:

Subd. 4. **Part-time student fee.** Notwithstanding the provisions of sections 120A.20 and 123B.37, a board may charge a ~~part-time~~ student enrolled pursuant to subdivision 2 a reasonable fee for a class or program.

Sec. 8. Minnesota Statutes 2005 Supplement, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** ~~The following pupils are~~ A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program:

~~(a) any pupil under the age of 21 who, if the pupil:~~

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or has limited English proficiency; or

(11) has withdrawn from school or has been chronically truant; ~~or,~~

~~(b) any person who is at least 21 years of age and who:~~

~~(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;~~

~~(2) has not completed the requirements for a high school diploma; and~~

~~(3) at the time of application, (i) is eligible for unemployment benefits or has exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support services, as defined in section 116L.19, subdivision 5, or (iii) is eligible for services under the displaced homemaker program or any programs under the federal Jobs Training Partnership Act or its successor.~~

Sec. 9. Minnesota Statutes 2004, section 124D.68, subdivision 3, is amended to read:

Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2 may enroll in area learning centers under sections 123A.05 to 123A.08.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in postsecondary courses under section 124D.09.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. ~~However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.~~

(d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124D.52 and operated under the community education program contained in section 124D.19.

Sec. 10. Minnesota Statutes 2004, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c). in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a pupil unit for fiscal year 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.3 pupil units.

Sec. 11. Minnesota Statutes 2004, section 126C.10, subdivision 6, is amended to read:

Subd. 6. **Definitions.** The definitions in this subdivision apply only to subdivisions 7 and 8.

(a) "High school" means a public secondary school, except a charter school under section 124D.10, that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary high school in the district ~~that has pupils enrolled in at least the 10th, 11th, and 12th grades,~~ and the school is at least 19 miles from the next nearest school, the commissioner must designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of pupils served in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of pupils served in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means ~~an~~ a public elementary school, except a charter school under section 124D.10, that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of pupils served in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of pupils served in kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 12. Minnesota Statutes 2005 Supplement, section 126C.43, subdivision 2, is amended to read:

Subd. 2. **Payment to unemployment insurance program trust fund by state and political subdivisions.** (a) A district may levy the amount necessary ~~(i)~~ (1) to pay the district's obligations under section 268.052, subdivision 1, and ~~(ii)~~ (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

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

Sec. 13. Minnesota Statutes 2004, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$27 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; or (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the school district. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. ~~The levy authorized under this section is not included in determining the school district's levy limitations.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 14. Minnesota Statutes 2005 Supplement, section 127A.45, subdivision 10, is amended to read:

Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the

preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2004, section 120A.20, subdivision 3, is repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2004, section 120A.22, subdivision 3, is amended to read:

Subd. 3. **Parent defined; residency determined.** (a) In this section and sections 120A.24 and 120A.26, "parent" means a parent, guardian, or other person having legal custody of a child.

(b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian, or other person having legal custody of a child under age 18. For an unmarried pupil age 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator.

(c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and who is placed in a center for care and treatment, shall be the school district in which the pupil's biological or adoptive parent or designated guardian resides.

(d) For a married pupil age 18 or over, the school district of residence is the school district in which the married pupil resides.

(e) If a district suspects that a student does not meet the residency requirements of the school district in which the student is attending school, the student may be removed from the school only after the district sends the student's parents written notice of the district's suspicion, including the facts upon which the suspicion is based, and an opportunity to provide documentary evidence of residency in person to the superintendent or designee, or, at the option of the parents, by sending the documentary evidence to the superintendent or a designee, who will then make a determination as to the residency status of the student.

Sec. 2. Minnesota Statutes 2004, section 120B.023, is amended to read:

120B.023 BENCHMARKS.

Subdivision 1. **Benchmarks implement, supplement statewide academic standards.** (a) The commissioner must supplement required state academic standards with grade-level benchmarks. High school benchmarks may cover more than one grade. The benchmarks must implement statewide academic standards by specifying the academic knowledge and skills that schools must offer and students must achieve to satisfactorily complete a state standard. The commissioner must publish benchmarks ~~are published~~ to inform and guide parents, teachers, school districts, and other interested persons and ~~for~~ to use in developing tests consistent with the benchmarks.

(b) The commissioner shall publish benchmarks in the State Register and transmit the benchmarks in any other manner that makes them accessible to the general public. The commissioner may charge a reasonable fee for publications.

(c) Once established, the commissioner may change the benchmarks only with specific legislative authorization and after completing a review under ~~paragraph (d)~~ subdivision 2.

(d) The commissioner must develop and implement a system for reviewing ~~on a four year cycle~~ each of the required academic standards and related benchmarks and elective standards ~~beginning in the 2006-2007 school year~~ on a periodic cycle, consistent with subdivision 2.

(e) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

Subd. 2. Revisions and reviews required. (a) The education commissioner must revise and appropriately embed technology and information literacy standards into the state's academic standards and graduation requirements and implement a six-year review cycle for state academic standards and related benchmarks, consistent with this subdivision.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2008-2009 school year. Under the revised standards:

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

(2) students scheduled to graduate in the 2012-2013 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 beginning in the 2008-2009 school year are aligned with the state academic standards in mathematics. The statewide grade 11 math test administered to students under clause (2) beginning in the 2011-2012 school year, must include algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in mathematics beginning in the 2013-2014 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2009-2010 school year. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in language arts beginning in the 2014-2015 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2010-2011 school year. Under the revised standards, students scheduled to graduate in the 2013-2014 school year or later must satisfactorily complete a chemistry credit. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in science beginning in the 2015-2016 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2011-2012 school year. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in social studies beginning in the 2016-2017 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2012-2013 school year. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in arts beginning in the 2017-2018 school year.

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

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

Sec. 3. Minnesota Statutes 2004, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

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

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard and beginning in the 2008-2009 school year for students scheduled to graduate in the 2012-2013 school year or later, one algebra II credit or its equivalent;

(3) three credits of science, including at least one credit in biology and for the 2010-2011 school year and later, one credit in chemistry;

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

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

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

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

Sec. 4. Minnesota Statutes 2005 Supplement, section 121A.53, subdivision 1, is amended to read:

Subdivision 1. **Exclusions and expulsions.** The school board must report through the department electronic reporting system each exclusion ~~or~~, expulsion, or other removal for greater than 15 consecutive days taken in lieu of an exclusion or expulsion within 30 days of the effective date of the action to the commissioner of education. This report must include a statement of alternative educational services given the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion. The report must also include the student's age, grade, gender, race, and special education status.

Sec. 5. Minnesota Statutes 2005 Supplement, section 124D.095, subdivision 4, is amended to read:

Subd. 4. **Online learning parameters.** (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student must be counted toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the teacher contact time of an online learning student in proportion to the number of online learning courses the student takes from an online learning provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll during a single school year in a maximum of 12 semester-long courses or their equivalent delivered by an online learning provider or the enrolling district;

(2) complete course work at a grade level that is different from the student's current grade level; and

(3) enroll in additional courses with the online learning provider under a separate agreement that includes terms for payment of any tuition or course fees.

~~(e) A student with a disability may enroll in an online learning course or program if the student's IEP team determines that online learning is appropriate education for the student.~~

~~(d)~~ (c) An online learning student has the same access to the computer hardware and education software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software for online learning purposes.

~~(e)~~ (d) An enrolling district may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. An enrolling district that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license.

~~(f)~~ (e) An online learning provider that is not the enrolling district is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

Sec. 6. Minnesota Statutes 2004, section 124D.10, subdivision 16, is amended to read:

Subd. 16. **Transportation.** (a) ~~By July 1 of each year, a charter school~~ A charter school by March 1 of each fiscal year after its first fiscal year of operation and a charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education if it will provide ~~transportation for pupils enrolled in the school~~ its own transportation or use the transportation services of the district in which it is located for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124D.11, subdivision 2.

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

Sec. 7. Minnesota Statutes 2004, section 124D.61, is amended to read:

124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.

A district ~~which receives aid pursuant to section 124D.65 must comply with that~~ enrolls one or more children of limited English proficiency must implement an educational program that includes at a minimum the following ~~program~~ requirements:

(1) identification and reclassification criteria for children of limited English proficiency and program entrance and exit criteria for children with limited English proficiency must be documented by the district, applied uniformly to children of limited English proficiency, and made available to parents and other stakeholders upon request;

(2) a written plan of services that describes programming by English proficiency level made available to parents upon request. The plan must articulate the amount and scope of service offered to children of limited English proficiency through an educational program for children of limited English proficiency;

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with children of limited English proficiency which are: (i) coordinated with the district's professional development activities; (ii) related to the needs of children of limited English proficiency; and (iii) ongoing;

(4) to the extent possible, ~~the district must~~ avoid isolating children of limited English proficiency for a substantial part of the school day; and

(~~2~~) (5) in predominantly nonverbal subjects, such as art, music, and physical education, permit pupils of limited English proficiency ~~shall be permitted~~ to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

Sec. 8. Laws 2005, First Special Session chapter 5, article 2, section 81, is amended to read:

Sec. 81. **BOARD OF SCHOOL ADMINISTRATORS; RULEMAKING AUTHORITY.**

On or before June 30, 2007, the Board of School Administrators may adopt ~~expedited~~ rules ~~under Minnesota Statutes, section 14.389,~~ to reflect the changes in duties, responsibilities, and roles of school administrators, and to make technical revisions and clarifications to Minnesota Rules, chapter 3512.

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

Sec. 9. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 13, is amended to read:

Subd. 13. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

| | | |
|-------------|-------|------|
| \$4,500,000 | | 2006 |
| \$4,500,000 | | 2007 |

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) ~~Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy. Teachers shall apply for teacher training scholarships to prepare for teaching in the advanced placement or international baccalaureate program. Any reserved funding not expended for teacher training may be used for exam fees and other support programs for each program.~~

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

Any balance in the first year does not cancel but is available in the second year.

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

Sec. 10. SCIENCE TEACHERS.

(a) A science teacher holding a Minnesota professional license in grades 7 through 12 or 9 through 12 who receives a qualifying score on the appropriate Praxis II test in a grade 9 through 12 science field other than the currently licensed science field must be licensed to teach in the new subject area. The qualifying scores are the same scores used for new science teachers established by the Board of Teaching. The science teacher who seeks licensure in another science subject area under this paragraph is responsible for the costs of the required testing.

(b) For the purposes of paragraph (a), science subject areas include chemistry, physics, biology, and earth and space science.

(c) By December 31, 2010, the Department of Education and Board of Teaching must submit a report, including at least the effects of this section on science teacher quality and developing highly qualified teachers, to the committees of the house of representatives and senate having jurisdiction over kindergarten through grade 12 education.

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

Sec. 11. 2006 SCHOOL ACCOUNTABILITY REPORT.

Notwithstanding Minnesota Statutes, section 120B.36, for 2006 reporting only, the Department of Education may delay the release to the public and the posting of the 2006 school performance report cards and adequate yearly progress data on its public Web site to no later than November 30, 2006.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2004, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

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

Sec. 2. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the

pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside the regular classroom. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or request a written statement from each board, giving each board at least ten days' notice, and after the hearing or review of the written statements the commissioner must make an order fixing the tuition rate, which is binding on both school districts. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education and referendum revenue per adjusted pupil unit.

(b) For fiscal year 2007 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraph (e), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to that pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside the regular classroom. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum aid per adjusted pupil unit. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7, paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, an intermediate district, or a special education cooperative may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

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

Sec. 3. Minnesota Statutes 2004, section 125A.27, subdivision 11, is amended to read:

Subd. 11. **Interagency child find systems.** "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups using rigorous standards to actively seek out, identify, and refer infants and young children, with, or at risk of, disabilities, and their families, including a child under the age of three who: (1) is involved in a substantiated case of abuse or neglect, or (2) is identified as affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure, to reduce children's need for future services.

Sec. 4. Minnesota Statutes 2004, section 125A.29, is amended to read:

125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.

(a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with:

(1) an IFSP for each eligible infant and toddler from birth through age two and ~~its~~ the infant's or toddler's family; including:

(i) American Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the state;

(ii) infants and toddlers with disabilities who are homeless children and their families; and

(iii) infants and toddlers with disabilities who are wards of the state; or

(2) an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four.

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under section 125A.33, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to section 125A.39, service responsibilities for children birth through age two are as follows:

(1) school boards must provide, pay for, and facilitate payment for special education and related services required under sections 125A.05 and 125A.06;

(2) county boards must provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to section 125A.39 to establish agency responsibility that assures early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards must jointly determine the primary agency in this cooperative effort and must notify the commissioner of the state lead agency of their decision.

Sec. 5. Minnesota Statutes 2004, section 125A.30, is amended to read:

125A.30 INTERAGENCY EARLY INTERVENTION COMMITTEES.

(a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, must establish an Interagency Early Intervention Committee for children with disabilities under age five and their families under this section, and for children with disabilities ages three to 22 consistent with the requirements under sections

125A.023 and 125A.027. Committees must include representatives of local health, education, and county human service agencies, county boards, school boards, early childhood family education programs, Head Start, parents of young children with disabilities under age 12, child care resource and referral agencies, school readiness programs, current service providers, and may also include representatives from other private or public agencies and school nurses. The committee must elect a chair from among its members and must meet at least quarterly.

(b) The committee must develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families, especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, of available programs and services;

(2) to reduce families' need for future services, and especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities ~~and their families, including a child under the age of three who: (i) is involved in a substantiated case of abuse or (ii) is identified as affected by illegal substance abuse or with withdrawal symptoms resulting from prenatal drug exposure;~~

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies;

~~(5) encourage agencies to develop individual family service plans for children with disabilities, age three and older;~~

~~(6)~~ implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

~~(7)~~ (6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services;

~~(8)~~ (7) identify the current services and funding being provided within the community for children with disabilities under age five and their families;

~~(9)~~ (8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law 89-313); and

~~(10)~~ (9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families; and

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, the section on children with special needs in the county child care fund plan, sections in Head Start plans on coordinated planning and services for children with special needs, any relevant portions of early childhood education plans, such as early childhood family education or school readiness, or other applicable coordinated school and community plans for early childhood programs and services, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities.

Sec. 6. Minnesota Statutes 2004, section 125A.32, is amended to read:

125A.32 INDIVIDUALIZED FAMILY SERVICE PLAN.

(a) A team must participate in IFSP meetings to develop the IFSP. The team shall include:

(1) a parent or parents of the child;

(2) other family members, as requested by the parent, if feasible to do so;

(3) an advocate or person outside of the family, if the parent requests that the person participate;

(4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP and coordination with other agencies including transition services; and

(5) a person or persons involved in conducting evaluations and assessments.

(b) The IFSP must include:

(1) information about the child's developmental status;

(2) family information, with the consent of the family;

(3) measurable results or major outcomes expected to be achieved by the child and the family, with the family's assistance, that include the developmentally appropriate preliteracy and language skills, and criteria, procedures, and timelines related to the results or outcomes;

(4) specific early intervention services based on peer-reviewed research, to the extent practicable, necessary to meet the unique needs of the child and the family to achieve the outcomes;

(5) payment arrangements, if any;

(6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;

(7) dates and duration of early intervention services;

(8) name of the service coordinator;

(9) steps to be taken to support a child's transition from early intervention services to other appropriate services, including convening a transition conference at least 90 days, or at the discretion of all parties, not more than nine months before the child is eligible for preschool services; and

(10) signature of the parent and authorized signatures of the agencies responsible for providing, paying for, or facilitating payment, or any combination of these, for early intervention services.

Sec. 7. Minnesota Statutes 2004, section 125A.33, is amended to read:

125A.33 SERVICE COORDINATION.

(a) The team developing the IFSP under section 125A.32 must select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:

(1) coordinating the performance of evaluations and assessments;

(2) facilitating and participating in the development, review, and evaluation of individualized family service plans;

(3) assisting families in identifying available service providers;

(4) coordinating and monitoring the delivery of available services;

(5) informing families of the availability of advocacy services;

(6) coordinating with medical, health, and other service providers;

(7) facilitating the development of a transition plan at least 90 days before the time the child is no longer eligible for early intervention services, or at the discretion of all parties, not more than nine months before the child is eligible for preschool services, if appropriate;

(8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and

(9) notifying a local primary agency when disputes between agencies impact service delivery required by an IFSP.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Sec. 8. Minnesota Statutes 2004, section 125A.48, is amended to read:

125A.48 STATE INTERAGENCY AGREEMENT.

(a) The commissioners of the Departments of Education, Health, and Human Services must enter into an agreement to implement this section and Part H.C., Public Law ~~402-419~~ 108-446, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families and to ensure the meaningful involvement of underserved groups, including children with disabilities from minority, low-income, homeless, and rural families, and children with disabilities who are wards of the state. The agreement must be reviewed annually.

(b) The state interagency agreement must outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H.C., Public Law ~~402-419~~ 108-446, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

(5) fiscal responsibilities of the state and local agencies;

(6) intraagency and interagency dispute resolution;

(7) payor of last resort;

(8) maintenance of effort;

(9) procedural safeguards, including mediation;

(10) complaint resolution;

(11) quality assurance;

(12) data collection;

(13) an annual summary to the state Interagency Coordinating Council regarding conflict resolution activities including disputes, due process hearings, and complaints; and

(14) other components of the state and local early intervention system consistent with Public Law ~~402-419~~ 108-446.

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 9. Minnesota Statutes 2004, section 125A.515, subdivision 1, is amended to read:

Subdivision 1. **Approval of education programs.** The commissioner shall approve education programs for placement of children and youth in ~~care and treatment~~ residential facilities including detention centers, before being licensed by the Department of Human Services ~~under Minnesota Rules, parts 9545.0905 to 9545.1125 and 9545.1400 to 9545.1480,~~ or the Department of Corrections ~~under Minnesota Rules, chapters 2925, 2930, 2935, and 2950.~~ Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in residential facilities licensed by the Department of Human Services or the Department of Corrections.

Sec. 10. Minnesota Statutes 2004, section 125A.515, subdivision 3, is amended to read:

Subd. 3. **Responsibilities for providing education.** (a) The district in which the residential facility is located must provide education services, including special education if eligible, to all students placed in a facility ~~for care and treatment.~~

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

~~(c) Placement for care and treatment does not automatically make a student eligible for special education. A student placed in a care and treatment facility is eligible for special education under state and federal law including the Individuals with Disabilities Education Act under United States Code, title 20, chapter 33.~~

Sec. 11. Minnesota Statutes 2004, section 125A.515, subdivision 5, is amended to read:

Subd. 5. **Education programs for students placed in residential facilities ~~for care and treatment.~~** (a) When a student is placed in a ~~care and treatment~~ facility approved under this section that has an on-site education program, the providing district, upon notice from the care and treatment facility, must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individualized education plan (IEP) and evaluation report, and to determine if the student has been identified as a student with a disability. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed ~~for care and treatment~~ under this section has been identified as having a disability and has an individual education plan in the resident district:

(1) the providing agency must conduct an individualized education plan meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education plan goals and objectives and to determine if additional evaluations are necessary; and

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education plan meeting:

(i) the person or agency placing the student;

(ii) the resident district;

(iii) the appropriate teachers and related services staff from the providing district;

(iv) appropriate staff from the ~~care and treatment~~ residential facility;

(v) the parents or legal guardians of the student; and

(vi) when appropriate, the student.

(c) For a student who has not been identified as a student with a disability, a screening must be conducted by the providing districts as soon as possible to determine the student's educational and behavioral needs and must include a review of the student's educational records.

Sec. 12. Minnesota Statutes 2004, section 125A.515, subdivision 6, is amended to read:

Subd. 6. **Exit report summarizing educational progress.** If a student has been placed in a ~~care and treatment~~ facility under this section for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, educational progress, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Sec. 13. Minnesota Statutes 2004, section 125A.515, subdivision 7, is amended to read:

Subd. 7. **Minimum educational services required.** When a student is placed in a facility approved under this section, at a minimum, the providing district is responsible for:

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.

Sec. 14. Minnesota Statutes 2004, section 125A.515, subdivision 9, is amended to read:

Subd. 9. **Reimbursement for education services.** (a) Education services provided to students who have been placed ~~for care and treatment~~ under this section are reimbursable in accordance with special education and general education statutes.

(b) Indirect or consultative services provided in conjunction with regular education prereferral interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Sec. 15. Minnesota Statutes 2004, section 125A.515, subdivision 10, is amended to read:

Subd. 10. **Students unable to attend school but not ~~placed in care and treatment facilities covered under this section~~.** Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, and placed at home or in facilities not licensed by the ~~Departments~~ Department of Corrections or Human Services are ~~not students placed for care and treatment~~ entitled to regular and special education services, consistent with applicable law and rule. These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center. ~~These students are entitled to education services through their district of residence.~~

Sec. 16. Minnesota Statutes 2004, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** The ~~Special Education Advisory Council~~ commissioner shall establish an advisory committee for each resource center. The advisory committees shall develop recommendations regarding the resource centers and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

Sec. 17. Minnesota Statutes 2004, section 125A.75, subdivision 1, is amended to read:

Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum actually expended by a district, based on mileage, for necessary travel of essential personnel providing home-based services to children with a disability under age five and their families.

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

Sec. 18. **RULE ON VISUALLY IMPAIRED TO INCLUDE REFERENCES TO "BLIND" AND "BLINDNESS."**

The commissioner of education, where appropriate, must incorporate references to "blind" and "blindness" into the definition of visually impaired under Minnesota Rules, part 3525.1345, and amend the rule title to include the word "blind."

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

Sec. 19. **DEPARTMENT OF EDUCATION RULES.**

Before July 1, 2007, the Department of Education shall amend Minnesota Rules, part 3525.2325, to conform with Minnesota Statutes, section 125A.515.

Sec. 20. **REPEALER.**

Minnesota Statutes 2004, sections 125A.10; and 125A.515, subdivision 2, are repealed.

ARTICLE 4

ACCOUNTING

Section 1. Minnesota Statutes 2004, section 123B.10, subdivision 1, is amended to read:

Subdivision 1. **Budgets.** By ~~October 4~~ November 30, every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the commissioner. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances must be published in a qualified newspaper of general circulation in the district or on the district's official Web site. If published on the district's official Web site, the district must also publish an announcement in a qualified newspaper of general circulation in the district that includes the Internet address where the information has been posted.

ARTICLE 5

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2004, section 124D.518, subdivision 4, is amended to read:

Subd. 4. **First prior program year.** "First prior program year" means the ~~period from May 1 of the second prior fiscal year through April 30 of the first prior fiscal year~~ specific time period defined by the commissioner that aligns to a program academic year.

Sec. 2. Minnesota Statutes 2004, section 124D.52, subdivision 1, is amended to read:

Subdivision 1. **Program requirements.** (a) An adult basic education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate.

(b) Notwithstanding any law to the contrary, a school board or the governing body of a consortium offering an adult basic education program may adopt a sliding fee schedule based on a family's income, but must waive the fee for participants who are under the age of 21 or unable to pay. The fees charged must be designed to enable individuals of all socioeconomic levels to participate in the program. A program may charge a security deposit to assure return of materials, supplies, and equipment.

(c) Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. The memorandum of understanding must describe how the adult basic education program and the workforce development centers will cooperate and coordinate services to provide unduplicated, efficient, and effective services to clients.

(d) Adult basic education aid must be spent for adult basic education purposes as specified in sections 124D.518 to 124D.531.

(e) A state-approved adult basic education program must count and submit student contact hours for a program that offers high school credit toward an adult high school diploma according to student eligibility requirements and competency demonstration requirements established by the commissioner.

ARTICLE 6

EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2004, section 119A.50, subdivision 1, is amended to read:

Subdivision 1. **Department of Education.** The Department of Education is the state agency responsible for administering the Head Start program. The commissioner of education ~~may make grants~~ shall allocate funds according to the formula in section 119A.52 to public or private nonprofit agencies for the purpose of providing supplemental funds for the federal Head Start program.

Sec. 2. Minnesota Statutes 2004, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION ~~AND PROGRAM COORDINATION.~~

The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start program grantees programs to expand services and to serve additional low-income children. ~~Money must be allocated to each project Head Start grantee in existence on the effective date of Laws 1989, chapter 282.~~

Migrant and Indian reservation grantees programs must be initially allocated money based on the grantees' programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start grantee must be funded at a per child rate equal to its contracted, federally funded base level ~~for program accounts 20, 22, and 25~~ at the start of the fiscal year. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start grantee program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that grantee program in fiscal year 1993. ~~The commissioner may provide additional funding to grantees for start-up costs incurred by grantees due to the increased number of children to be served.~~ Before paying money to the grantees programs, the commissioner must notify each grantee program of its initial allocation, how the money must be used, and the number of low-income children ~~that must~~ to be served with the allocation based upon the federally funded per-child rate. Each grantee program must present a ~~work plan to the commissioner for approval.~~ The work plan must include the estimated number of low income children and families it will be able to serve, a description of the program design and service delivery area which meets the needs of and encourages access by low income working families, a program design that ensures fair and equitable access to Head Start services for all populations and parts of the service area, and a plan for coordinating services to maximize assistance for child care costs available to families under chapter 119B, under section 119A.535. For any grantee that cannot utilize its full allocation, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible grantees.

Sec. 3. Minnesota Statutes 2004, section 119A.53, is amended to read:

119A.53 FEDERAL REQUIREMENTS.

Grantees Programs and the commissioner shall comply with federal regulations governing the federal Head Start program, except for funding for innovative initiatives under section ~~119A.52~~ 119A.535 as approved by the commissioner, which may be used to operate differently than federal Head Start regulations. If a state statute or rule conflicts with a federal statute or regulation, the state statute or rule prevails.

Sec. 4. 119A.535 APPLICATION REQUIREMENTS.

Eligible Head Start organizations must submit a plan to the department for approval on a form and in the manner prescribed by the commissioner. The plan must include:

- (1) the estimated number of low-income children and families the program will be able to serve;
- (2) a description of the program design and service delivery area which meets the needs of and encourages access by low-income working families;
- (3) a program design that ensures fair and equitable access to Head Start services for all populations and parts of the service area;
- (4) a plan for coordinating services to maximize assistance for child care costs available to families under chapter 119B; and
- (5) identification of regular Head Start, early Head Start, and innovative services based upon demonstrated needs to be provided.

Sec. 5. Minnesota Statutes 2004, section 119A.545, is amended to read:

119A.545 AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of education may waive requirements under sections 119A.50 to ~~119A.53~~ 119A.535, for up to nine months after the disaster, for Head Start ~~grantees programs~~ in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the ~~appropriate senate Family and Early Childhood Education Budget Division, the senate Education Finance Committee, the and house Family and Early Childhood Education Finance Division, the house Education Committee, and the house Ways and Means Committee~~ of representatives committees ten days before the effective date of any waiver granted under this section.

Sec. 6. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision 5, is amended to read:

Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

| | | |
|--------------|-------|------|
| \$19,100,000 | | 2006 |
| \$19,100,000 | | 2007 |

Any balance in the first year does not cancel but is available in the second year.

Sec. 7. **REPEALER.**

Minnesota Statutes 2004, section 119A.51, is repealed.

ARTICLE 7

STATE AGENCIES

Section 1. Minnesota Statutes 2004, section 125A.69, subdivision 3, is amended to read:

Subd. 3. **Out-of-state admissions.** An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The board of the Minnesota State Academies must obtain reimbursement from the other state for the costs of the out-of-state admission. The state board may enter into an agreement with the appropriate authority in the other state for the reimbursement. Money received from another state must be deposited in the ~~general~~ special revenue fund and credited to the general operating account of the academies. The money is appropriated to the academies.

EFFECTIVE DATE. This section is effective retroactively from fiscal year 2001."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, education excellence, special programs, accounting, self-sufficiency and lifelong learning, and state agencies; authorizing rulemaking; amending Minnesota Statutes 2004, sections 119A.50, subdivision 1; 119A.52; 119A.53; 119A.545; 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.023; 120B.024; 123A.06, subdivision 2; 123B.10, subdivision 1; 124D.02, subdivisions 2, 4; 124D.10, subdivision 16; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61; 124D.68, subdivision 3; 125A.02, subdivision 1; 125A.27, subdivision 11; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.63, subdivision 4; 125A.69, subdivision 3; 125A.75, subdivision 1;

126C.05, subdivision 1; 126C.10, subdivision 6; 126C.44; Minnesota Statutes 2005 Supplement, sections 121A.53, subdivision 1; 122A.415, subdivisions 1, 3; 123B.76, subdivision 3; 124D.095, subdivision 4; 124D.68, subdivision 2; 125A.11, subdivision 1; 126C.43, subdivision 2; 127A.45, subdivision 10; Laws 2005, First Special Session chapter 5, article 2, sections 81; 84, subdivision 13; article 7, section 20, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 2004, sections 119A.51; 120A.20, subdivision 3; 125A.10; 125A.515, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 3185, A bill for an act relating to high pressure piping; classifying data relating to bioprocess piping and equipment as nonpublic; including bioprocess piping in the definition of high pressure piping; amending Minnesota Statutes 2004, sections 16B.61, subdivisions 2, 3; 326.461, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3237, A bill for an act relating to education; authorizing an election to form two separate school districts from the area currently within Independent School District No. 728, Elk River.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. VOLUNTARY LOCAL TASK FORCE TO EXAMINE THE GOVERNANCE, FACILITIES, AND PROGRAMMING OF THE ELK RIVER SCHOOL DISTRICT.

Notwithstanding other law to the contrary, the superintendent of Independent School District No. 128, Elk River, must convene a local task force composed of the district superintendent, school board members, district and school administrators, licensed and nonlicensed district and school staff, parents of students enrolled in district schools and interested district residents and representatives of community-based entities appointed by the superintendent to voluntarily examine and make recommendations regarding the governance, facilities, and programming of the Elk River school district. Task force members may elect to create subcommittees to accomplish this task. Task force members may not be reimbursed or receive compensation for their participation. The task force must submit a written report to the Elk River school board by September 1, 2006, containing its findings and recommendations. The Elk River school board must submit the task force report and any school board recommendations to the education policy and finance committees of the legislature by January 15, 2007. The local task force expires on September 2, 2006.

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

Delete the title and insert:

"A bill for an act relating to education; authorizing a local task force to examine the governance, facilities, and programming of the Elk River school district."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 3283, A bill for an act relating to insurance; conforming regulation of qualified long-term care insurance to requirements for state participation in the federal long-term care partnership program; amending state long-term care partnership program requirements; amending Minnesota Statutes 2004, sections 62S.05, by adding a subdivision; 62S.08, subdivision 3; 62S.081, subdivision 4; 62S.10, subdivision 2; 62S.13, by adding a subdivision; 62S.14, subdivision 2; 62S.15; 62S.20, subdivision 1; 62S.24, subdivisions 1, 3, 4, by adding subdivisions; 62S.25, subdivision 6, by adding a subdivision; 62S.26; 62S.266, subdivision 2; 62S.29, subdivision 1; 62S.30; Minnesota Statutes 2005 Supplement, section 256B.0571; proposing coding for new law in Minnesota Statutes, chapter 62S.

Reported the same back with the following amendments:

Page 11, after line 20, insert:

"Sec. 14. Minnesota Statutes 2004, section 62S.24, is amended by adding a subdivision to read:

Subd. 8. Exchange for long-term care partnership policy; addition of policy rider. (a) If federal law is amended or a federal waiver is granted with respect to the long-term care partnership program referenced in section 256B.0571, issuers of long-term care policies may voluntarily exchange a current long-term care insurance policy for a long-term care partnership policy that meets the requirements of Public Law 109-171, section 6021, after the effective date of the state plan amendment implementing the partnership program in this state.

(b) If federal law is amended or a federal waiver is granted with respect to the long-term care partnership program referenced in section 256B.0571 allowing an existing long-term care insurance policy to qualify as a partnership policy by addition of a policy rider, the issuer of the policy is authorized to add the rider to the policy after the effective date of the state plan amendment implementing the partnership program in this state.

(c) The commissioner, in cooperation with the commissioner of human services, shall pursue any federal law changes or waivers necessary to allow the implementation of paragraphs (a) and (b)."

Page 17, lines 34 and 35, delete "issued no earlier than July 1, 2006" and insert "that (i) is issued on or after the effective date of the state plan amendment implementing the partnership program in Minnesota, or (ii) qualifies as a partnership policy under the provisions of section 62S.24, subdivision 8"

Page 19, line 11, delete "1496p" and insert "1396p"

Renumber the sections in sequence and correct internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health Policy and Finance.

The report was adopted.

Smith from the Committee on Public Safety Policy and Finance to which was referred:

H. F. No. 3308, A bill for an act relating to public safety; encouraging legal immigration; establishing a human trafficking task force; increasing penalties for trafficking crimes; increasing penalties for unlawful acts relating to drivers' licenses; creating the crime of fraudulent identification cards; establishing a Minnesota illegal immigration enforcement team to implement an illegal immigration strategy; requiring law enforcement to collect citizenship and immigration status data; requiring the Bureau of Criminal Apprehension to maintain a citizenship and immigration data field in the bureau's criminal history database; requiring the Bureau of Criminal Apprehension superintendent to periodically supply the Minnesota illegal immigration enforcement team with statistics on crimes committed by individuals with illegal alien status; providing tax credits for immigrants seeking citizenship; codifying the administration rule regarding drivers' licenses for temporary visitors requiring status checks; providing a fine against a Minnesota employer found to have knowingly hired an illegal immigrant for employment; providing that tribal identification cards shall be an equivalent form of identification; providing criminal penalties for concealing the commission of crimes by use of encryption, gaining unauthorized access through a computer to financial personal data, and facilitating access to computer security systems for purposes of aiding another to commit a crime; prohibiting local governments from enacting sanctuary laws; appropriating money; amending Minnesota Statutes 2004, sections 171.22, subdivision 2; 299C.10, by adding a subdivision; 609.527, by adding a subdivision; 609.652, subdivisions 1, 3; 609.87, subdivisions 1, 11, by adding subdivisions; 609.891, subdivisions 1, 3; Minnesota Statutes 2005 Supplement, sections 299A.78, subdivisions 1, 2, 3; 299C.10, subdivision 1; 299C.11, subdivision 1; 609.282; 609.283; 609.527, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 171; 181; 290; 299A; 299C; 609.

Reported the same back with the following amendments:

Page 3, line 5, delete everything after the period

Page 3, delete line 6

Page 5, delete section 1

Page 6, line 17, before "A" insert "(a)"

Page 6, line 20, delete "gross"

Page 6, after line 20, insert:

"(b) A person convicted of a second or subsequent violation of paragraph (a) is guilty of a gross misdemeanor."

Page 6, delete section 4 and insert:

"Sec. 3. Minnesota Statutes 2004, section 609.652, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section:

(1) ~~"driver's license or identification card" means a driver's license or identification card issued by the Driver and Vehicle Services Division of the Department of Public Safety or receipts issued by its authorized agents or those of any state as defined in section 171.01 that issues licenses recognized in this state for the operation of a motor vehicle or that issues identification cards recognized in this state for the purpose of indicating a person's legal name and age;~~ "identification document" has the meaning given it in section 609.527, subdivision 1, paragraph (d);

(2) ~~"fraudulent driver's license or identification card" means a document purporting to be a driver's license or identification card, but that is not authentic; and "fraudulent identification document" means a document purporting to be an identification document, but that is not authentic; and~~

(3) "sell" means to sell, barter, deliver, exchange, distribute, or dispose of to another.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 609.652, subdivision 2, is amended to read:

Subd. 2. **Criminal acts.** (a) A person who does any of the following for consideration and with intent to manufacture, sell, issue, publish, or pass more than one fraudulent ~~driver's license or identification card~~ document or to cause or permit any of the items listed in clauses (1) to (5) to be used in forging or making more than one false or counterfeit ~~driver's license or identification card~~ document is guilty of a crime:

(1) has in control, custody, or possession any plate, block, press, stone, digital image, computer software program, encoding equipment, computer optical scanning equipment, or digital photo printer, or other implement, or any part of such an item, designed to assist in making a fraudulent ~~driver's license or identification card~~ document;

(2) engraves, makes, or amends, or begins to engrave, make, or amend, any plate, block, press, stone, or other implement for the purpose of producing a fraudulent ~~driver's license or identification card~~ document;

(3) uses a photocopier, digital camera, photographic image, or computer software to generate a fraudulent ~~driver's license or identification card~~ document;

(4) has in control, custody, or possession or makes or provides paper or other material adapted and designed for the making of a fraudulent ~~driver's license or identification card~~ document; or

(5) prints, photographs, or in any manner makes or executes an engraved photograph, print, or impression purporting to be a ~~driver's license or identification card~~ document.

(b) Notwithstanding section 171.22, a person who manufacturers or possesses more than one fraudulent ~~driver's license or identification card~~ document with intent to sell is guilty of a crime.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date."

Pages 7 to 10, delete article 3

Page 12, delete article 5

Page 13, line 2, after "officers" insert "who are assigned to the special crimes unit"

Page 13, line 7, delete "Minnesota illegal immigration enforcement team." and insert "Special crimes unit." and delete "The Minnesota illegal" and insert "The special crimes unit"

Page 13, line 8, delete everything before "is"

Page 13, line 9, delete "enforcement team. MIIET" and insert "unit. The unit"

Page 13, line 11, delete "MIJET" and insert "the unit"

Page 13, delete line 13

Page 13, line 14, delete everything before "shall" and insert "The unit"

Page 13, line 15, after the period, insert "Upon request from a law enforcement agency, the unit may assist the agency in investigating and apprehending illegal immigrants involved in felony level criminal activity."

Page 14, line 29, delete "If" and insert "The officer may rely upon a valid Minnesota driver's license or identification card as proof of citizenship and immigration status. If an arrestee's driver's license or identification card is labeled status check or if"

Page 16, line 5, delete "a" and after "immigration" insert "status" and delete "field"

Page 16, line 7, delete "field" and after "immigration" insert "status" and delete "field"

Page 16, line 12, delete "law enforcement" and insert "criminal justice" and delete "Minnesota" and insert "special crimes unit"

Page 16, line 13, delete "illegal immigration enforcement team"

Page 16, line 14, after "citizenship" insert "and immigration status" and delete "field"

Page 16, line 15, delete "Minnesota illegal immigration" and insert "the special crimes unit"

Page 16, line 16, delete "enforcement team"

Page 16, line 18, delete "enforcement team" and insert "special crimes unit"

Page 16, after line 19, insert:

"(d) The Bureau of Criminal Apprehension is immune from any civil or criminal liability that might otherwise arise under this section, based on the accuracy or completeness of any records it receives from law enforcement agencies, if the bureau acts in good faith.

(e) Data collected under this subdivision is regulated by section 13.87."

Page 20, after line 14, insert:

"Subd. 4. Exception. The commissioner may not fine an employer who is actively cooperating with and using the United States Immigration and Customs Enforcement Agency to screen workers."

Page 20, before line 15, insert:

"ARTICLE 7

IMMIGRATION TASK FORCE

Section 1. **IMMIGRATION TASK FORCE.**

Subdivision 1. **Establishment.** The commissioner of administration shall establish and convene a task force to study immigration issues.

Subd. 2. **Membership.** The task force shall consist of the following:

(1) two members from the house of representatives, who are not in the same political party, appointed by the speaker of the house in consultation with the minority leader;

(2) two members of the senate, who are not in the same political party, appointed by the majority leader in consultation with the minority leader;

(3) the commissioner of public safety or the commissioner's designee;

(4) a representative from the Minnesota Supreme Court;

(5) the commissioner of the Department of Employment and Economic Development or the commissioner's designee;

(6) the commissioner of health or the commissioner's designee;

(7) the commissioner of human services or the commissioner's designee;

(8) the commissioner of labor and economic development or the commissioner's designee;

(9) the commissioner of human rights or the commissioner's designee;

(10) the commissioner of corrections or the commissioner's designee;

(11) the commissioner of education or the commissioner's designee;

(12) the commissioner of finance or the commissioner's designee;

(13) the commissioner of agriculture or the commissioner's designee;

(14) a representative from the Attorney General's Office;

(15) two members appointed by the League of Minnesota Cities, one of whom must live outside of the seven-county metropolitan area;

(16) a representative of the Minnesota Police and Peace Officer's Association;

(17) a representative of the Police Chiefs Association;

(18) a representative of the Sheriffs Association;

(19) a county attorney selected by the County Attorney's Association;

(20) a representative of the United States Attorney's Office;

(21) a representative of the United States Department of Homeland Security;

(22) a representative of Minnesota Advocates for Human Rights;

(23) a representative of the Immigrant Law Center of Minnesota;

(24) three representatives of immigrant communities appointed by the commissioner; and

(25) any other persons deemed necessary by the commissioner of administration.

Subd. 3. **Recommendations.** The task force shall convene no later than September 1, 2006. The task force shall examine and make recommendations on the following issues:

(1) determine, to the extent data is available, the immigrant population and the distribution of immigrants by region of the state;

(2) determine, to the extent data is available, the size and growth of the immigrant workforce in the state, identify the industries that rely on immigrant workers, assess the impact that immigrant workers have on industries that rely upon them, and otherwise assess the impact of immigration on the state's economy;

(3) determine the services that immigrants need, the cost to provide those services, and the public and private sector agencies or organizations that provide the needed services;

(4) identify programs and initiatives intended to ease the integration of lawful immigrants into the community, focusing on the following areas: housing, education, healthcare, identification, and citizenship;

(5) determine the amount of crime that is committed by illegal immigrants and the cost of the crimes to the state and local units of government;

(6) recommend the role that the state of Minnesota and state law enforcement officers should play in enforcing federal immigration laws;

(7) identify and describe the pending federal immigration reform proposals and make recommendations on which proposals, or parts of the proposals, are most favorable to the state; and

(8) identify what the state can do to encourage lawful immigrants to settle in the state.

Subd. 4. **Report.** The task force shall submit a report and recommendations to speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, and the governor by February 1, 2007."

Renumber the articles and sections in sequence

Delete the title and insert:

"A bill for an act relating to public safety; encouraging legal immigration; establishing a human trafficking task force; increasing penalties for trafficking crimes; increasing penalties for unlawful acts relating to drivers' licenses; creating the crime of fraudulent identification cards; establishing a special crimes unit to implement an illegal immigration enforcement strategy; requiring law enforcement to collect citizenship and immigration status data; requiring the Bureau of Criminal Apprehension to maintain citizenship and immigration data in the bureau's criminal history database; requiring the Bureau of Criminal Apprehension superintendent to periodically supply the special crimes unit with statistics on crimes committed by individuals with illegal alien status; providing tax credits for immigrants seeking citizenship; providing a fine against a Minnesota employer found to have knowingly hired an illegal immigrant for employment; providing criminal penalties for concealing the commission of crimes by use of encryption, gaining unauthorized access through a computer to financial personal data, and facilitating access to computer security systems for purposes of aiding another to commit a crime; establishing an immigration task force to examine immigration data, determine service needs and crimes committed by illegal immigrants, and recommend law enforcement's role in enforcing federal immigration laws, and to make a report; appropriating money;"

Correct the title numbers accordingly

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.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3326, A bill for an act relating to education; granting qualified teachers licensure in additional subject areas; amending Minnesota Statutes 2004, section 122A.09, subdivision 4.

Reported the same back with the following amendments:

Page 3, line 4, after "license" insert ", including secondary career and technical teaching licenses, is recommended by the superintendent of the district in which the teacher is employed to pursue licensure in an additional subject area."

Page 3, line 5, after the period, insert "A license to teach in an additional subject area is valid only for the grade levels for which the teacher was licensed to teach before taking a Praxis II exam under this paragraph unless the superintendent recommends to the board that the additional subject area license allows the teacher to teach other grade levels."

Page 3, line 9, before the period, insert "and excludes special education, English language learning, and any other license not specifically listed in this paragraph"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education Finance.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3411, A bill for an act relating to education; establishing a grant program to promote professional teaching standards; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 122A.

Reported the same back with the following amendments:

Page 2, delete lines 1 to 13 and insert:

"Subd. 4. **Grant awards.** The commissioner, in consultation with teachers who have received National Board for Professional Teaching Standards certification and school administrators, shall develop criteria and a process to award grants and determine the amount of each award and how recipients may use the awards."

Page 2, delete lines 18 to 32 and insert:

">\$750,000 2007

This appropriation must be used for the grant awards to eligible teachers. The commissioner of education may use this appropriation to pay facilitators for assistance and support and other program costs."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education Finance.

The report was adopted.

Olson from the Committee on Local Government to which was referred:

H. F. No. 3451, A bill for an act relating to municipal planning; providing standards for dedication of land to the public in a proposed development; amending Minnesota Statutes 2004, section 462.358, subdivision 2b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 462.358, subdivision 2b, is amended to read:

Subd. 2b. **Dedication.** (a) The regulations may require that a reasonable portion of the buildable land, as defined by municipal ordinance, of any proposed subdivision be dedicated to the public or preserved for public use as streets, roads, sewers, electric, gas, and water facilities, storm water drainage and holding areas or ponds and similar utilities and improvements, parks, recreational facilities as defined in section 471.191, playgrounds, trails, wetlands, or open space. The requirement must be imposed by ordinance or under the procedures established in section 462.353, subdivision 4a.

~~(b) In addition, the regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for conservation purposes or for public use as parks, recreational facilities as defined and outlined in section 471.191, playgrounds, trails, wetlands, or open space; provided that (1) the municipality may choose to accept an equivalent amount in cash from the applicant for part or all of the portion required to be dedicated to such public uses or purposes based on the fair market value of the land no later than at the time of final~~

~~approval, (2) any cash payments received shall be placed in a special fund by the municipality used only for the purposes for which the money was obtained, and may not be used for ongoing operation or maintenance, (3) in establishing the reasonable portion to be dedicated, the regulations may consider the open space, park, recreational, or common areas and facilities which the applicant proposes to reserve for the subdivision, and (4) the municipality reasonably determines that it will need to acquire that portion of land for the purposes stated in this paragraph as a result of approval of the subdivision. The basis for calculating the amount to be dedicated or preserved must be established by ordinance or pursuant to the procedures established in section 462.353, subdivision 4a. (b) If a municipality adopts the ordinance or proceeds under section 462.353, subdivision 4a, as required by paragraph (a), the municipality must adopt a capital improvement budget and have a parks and open space plan or have a parks, trails, and open space component in its comprehensive plan subject to the terms and conditions in this paragraph and paragraphs (c) to (i).~~

(c) The municipality may choose to accept a cash fee as set by ordinance from the applicant for some or all of the new lots created in the subdivision, based on fair market value of the land, no later than at the time of final approval.

(d) In establishing the portion to be dedicated or preserved or the cash fee, the regulations shall give due consideration to the open space, recreational, or common areas and facilities open to the public that the applicant proposes to reserve for the subdivision.

(e) The municipality must reasonably determine that it will need to acquire that portion of land for the purposes stated in this subdivision as a result of approval of the subdivision.

(f) Cash payments received must be placed by the municipality in a special fund to be used only for the purposes for which the money was obtained.

(g) Cash payments received must be used only for the acquisition and development or improvement of parks, recreational facilities, playgrounds, trails, wetlands, or open space based on the approved park systems plan. Cash payments must not be used for ongoing operation or maintenance of parks, recreational facilities, playgrounds, trails, wetlands, or open space.

(h) The municipality must not deny the approval of a subdivision based solely on an inadequate supply of parks, open spaces, trails, or recreational facilities within the municipality.

(i) Previously subdivided property from which a park dedication has been received, being resubdivided with the same number of lots, is exempt from park dedication requirements. If, as a result of resubdividing the property, the number of lots is increased, then the park dedication or per-lot cash fee must apply only to the net increase of lots."

Delete the title and insert:

"A bill for an act relating to municipal planning; providing standards for dedication of land to the public in a proposed development; amending Minnesota Statutes 2004, section 462.358, subdivision 2b."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sykora from the Committee on Education Finance to which was referred:

H. F. No. 3744, A bill for an act relating to forecast adjustments; making forecast adjustments for prekindergarten through grade 12, and early childhood, family, and adult education; appropriating money; amending Laws 2005, First Special Session chapter 5, article 1, section 54, subdivisions 2, 3, 5, 6, 7, 8; article 2, section 84, subdivisions 2, 3, 4, 6, 7, 10; article 3, section 18, subdivisions 2, 3, 4, 5, 6, 7; article 4, section 25, subdivisions 2, 3, 4; article 5, section 17, subdivisions 2, 3; article 6, section 1, subdivisions 2, 3, 5; article 7, section 20, subdivisions 2, 3, 4; article 8, section 8, subdivisions 2, 3, 5; article 9, section 4, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3783, A bill for an act relating to education; extending the period of time covered by a renewed contract for a sponsor's authorization for a charter school; amending Minnesota Statutes 2005 Supplement, section 124D.10, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3908, A bill for an act relating to education; authorizing schools to use an interdisciplinary teaching and learning program model; providing for an interdisciplinary teaching license; providing for rulemaking; proposing coding for new law in Minnesota Statutes, chapter 122A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Education Finance.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3914, A bill for an act relating to child protection; clarifying investigative and reporting responsibilities under the child maltreatment reporting act; amending Minnesota Statutes 2004, section 626.556, subdivisions 3b, 3c; Minnesota Statutes 2005 Supplement, section 626.556, subdivisions 2, 3.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 7, line 14, after "facility" insert "or a school under subdivision 3b"

Page 8, line 4, delete "120A.22, subdivision 4," and insert "120A.05, subdivisions 9, 11, 13, and 17,"

Page 8, line 6, delete "facility" and insert "school-age care program, Head Start program, early childhood family education program, school district-administered day treatment facility, or other program licensed or administered by the education commissioner that provides services for minors and is"

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education Finance.

The report was adopted.

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

S. F. No. 2750, A bill for an act relating to eminent domain; defining public use or purpose; prohibiting the use of eminent domain for economic development; requiring clear and convincing evidence for certain takings; providing for attorney fees and other additional elements of compensation; making other changes in the exercise of eminent domain; amending Minnesota Statutes 2004, sections 117.025; 117.036; 117.055; 117.075, subdivision 1, by adding a subdivision; 117.085; 117.51; 117.52, subdivision 1, by adding a subdivision; 163.12, subdivisions 1a, 1b; proposing coding for new law in Minnesota Statutes, chapter 117.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[117.012] PREEMPTION; NO IMPLIED AUTHORITY.**

Subdivision 1. **Preemption.** Notwithstanding any other provision of law, including any charter provision, ordinance, statute, or special law, all condemning authorities, including home rule charter cities and all other political subdivisions of the state, must exercise the power of eminent domain in accordance with the provisions of this chapter, including all procedures, definitions, remedies, and limitations. Additional procedures, remedies, or limitations that do not deny or diminish the substantive and procedural rights and protections of owners under this chapter may be provided by other law, ordinance, or charter.

Subd. 2. **Requirement of public use or public purpose.** Eminent domain may only be used for a public use or public purpose.

Subd. 3. **Extraterritorial use prohibited.** No condemning authority may exercise the power of eminent domain outside of its jurisdictional boundaries unless the governing body of the local unit of government where the property proposed to be condemned is located consents to the proposed use of eminent domain powers by the condemning authority.

Sec. 2. Minnesota Statutes 2004, section 117.025, is amended to read:

117.025 DEFINITIONS.

Subdivision 1. **Words, terms, and phrases.** ~~Unless the language or context clearly indicates that a different meaning is intended, For the purposes of this chapter and any other general or special law authorizing the exercise of the power of eminent domain,~~ the words, terms, and phrases defined in this section have the meanings given them.

Subd. 2. **Taking.** "Taking" and all words and phrases of like import include every interference, under the right of eminent domain, with the possession, enjoyment, or value of private property.

Subd. 3. **Owner.** "Owner" includes all persons ~~interested in such~~ with any interest in the property subject to a taking, whether as proprietors, tenants, life estate holders, encumbrancers, beneficial interest holders, or otherwise.

Subd. 4. **Condemning authority.** "Condemning authority" means any person or entity with the power of eminent domain.

Subd. 5. **Abandoned property.** "Abandoned property" means property not occupied or used for any commercial or residential purpose by a person with a legal or equitable right to occupy it and for which the condemning authority is unable to identify and contact the owner despite making reasonable efforts.

Subd. 6. **Blighted area.** (a) "Blighted area" means, exclusively, at the time of condemnation, an area:

(1) that is in urban use; and

(2) where more than 50 percent of the buildings located in the area are dilapidated.

Subd. 7. **Dilapidated building.** "Dilapidated building" means, exclusively, a building:

(1) that was inspected by the appropriate local government and cited for one or more building code violations at least 12 months before the condemnation is commenced;

(2) in which the building code violations cited have not been remedied, as determined by at least one reinspection that finds noncompliance after the due date for compliance with an order to correct a building code violation; and

(3) that, as of the date the condemnation is commenced, is structurally substandard. A local government is authorized to seek from a judge or magistrate a search warrant to gain access to inspect a specific building in a proposed development or redevelopment area upon showing of probable cause that a specific code violation has occurred and that the violation has not been cured, and that the owner has denied the local government access to the property. Items of evidence that may support a conclusion of probable cause may include recent fire or police inspections, housing inspection, exterior evidence of deterioration, or other similar reliable evidence of structural deterioration in the specific building.

Subd. 8. **Environmentally contaminated area.** "Environmentally contaminated area" means an area:

(1) where more than 50 percent of the parcels contain any substance or substances defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment under state or federal law or regulation; and

(2) for which the estimated costs of investigation, monitoring and testing, and remedial action or removal, as defined in section 115B.02, subdivisions 16 and 17, respectively, including any state costs of remedial actions, exceed 100 percent of the assessor's estimated market value for the contaminated parcel, as determined under section 273.11, for property taxes payable in the year in which the condemnation commenced or for which a court of competent jurisdiction has issued an order under laws or regulations adopted by Minnesota or the United States that cleanup or remediation of a contaminated site occur and the property owner has failed to comply with the court's order within a reasonable time.

Subd. 9. Public nuisance. "Public nuisance" means a public nuisance under section 609.74.

Subd. 10. Public service corporation. "Public service corporation" means a public utility; gas, electric, telephone, or cable communications company; cooperative association; natural gas pipeline company; crude oil, or petroleum products pipeline company; municipal utility; municipality when operating its municipally owned utilities; or municipal power agency. "Public service corporation" also means a municipality or public corporation when operating an airport under chapter 360 or 473, a common carrier, a watershed district, or a drainage authority.

Subd. 11. Public use; public purpose. (a) "Public use" or "public purpose" means, exclusively:

(1) the possession, occupation, ownership, and enjoyment of the land by the general public, or by public agencies;

(2) the creation or functioning of a public service corporation; or

(3) mitigation of a blighted area, remediation of an environmentally contaminated area, reduction of abandoned property, or removal of a public nuisance.

(b) The public benefits of economic development, including an increase in tax base, tax revenues, employment, or general economic health, do not by themselves constitute a public use or public purpose.

Subd. 12. Structurally substandard. (a) "Structurally substandard" means building code violations related exclusively to the building's:

(1) roof and roof framing elements;

(2) support walls, beams, and headers;

(3) foundation, footings, and subgrade conditions;

(4) light and ventilation;

(5) fire protection including egress;

(6) internal utilities, including electricity, gas, and water;

(7) flooring and flooring elements; and

(8) walls, insulation, and exterior envelope.

(b) A building is not structurally substandard if the estimated costs of satisfying the cited structural building code violations do not exceed 50 percent of the assessor's estimated market value for the building, as determined under section 273.11, for property taxes payable in the year in which the condemnation commenced.

Sec. 3. **[117.027] CONDEMNATION FOR BLIGHT MITIGATION, CONTAMINATION REMEDIATION.**

Subdivision 1. **Nondilapidated buildings in areas of blight mitigation; absolute necessity.** In taking property to mitigate blight, a condemning authority must not take nondilapidated buildings in the area unless there is no feasible alternative to the taking of the parcels on which the buildings are located in order to remediate the blight and all possible steps are taken to minimize the taking of nondilapidated buildings.

Subd. 2. **Uncontaminated property in environmental contamination remediation areas; absolute necessity.** In taking property to remediate environmental contamination, a condemning authority must not take uncontaminated parcels in the area unless there is no feasible alternative to the taking of the uncontaminated parcel in order to complete remediation of the contaminated parcel and all possible steps are taken to minimize the taking of the uncontaminated parcels.

Subd. 3. **Contribution to condition by developer disallowed.** If a developer involved in the redevelopment of the project area contributed to the blight or environmental contamination within the project area, the condition contributed to by the developer must not be used in the determination of blight or environmental contamination.

Sec. 4. **[117.031] ATTORNEY FEES.**

(a) If the final judgment or award for damages, as determined at any level in the eminent domain process, is more than 20 percent greater than the last written offer of compensation made by the condemning authority prior to the filing of the petition, the court shall award the owner reasonable attorney fees, litigation expenses, appraisal fees, other experts fees, and other related costs in addition to other compensation and fees authorized by this section. The final judgment or award of damages shall be determined as of the date of taking. No attorney fees shall be awarded under this paragraph if the final judgment or award of damages does not exceed \$5,000.

(b) In any case where the court determines that a taking is not for a public use or is unlawful, the court shall award the owner reasonable attorney fees and other related expenses, fees, and costs in addition to other compensation and fees authorized by this section.

Sec. 5. Minnesota Statutes 2004, section 117.075, subdivision 1, is amended to read:

Subdivision 1. **Hearing on taking; evidentiary standard.** (a) Upon proof being filed of the service of such notice, the court, at the time and place therein fixed or to which the hearing may be adjourned, shall hear all competent evidence offered for or against the granting of the petition, regulating the order of proof as it may deem best.

(b) If the taking is for the mitigation of a blighted area, remediation of an environmentally contaminated area, reducing abandoned property, or removing a public nuisance, then, notwithstanding any other provision of general or special law, a condemning authority must show by clear and convincing evidence to the district court that the taking is necessary and for the designated public use.

Sec. 6. **[117.184] COMPENSATION FOR REMOVAL OF LEGAL NONCONFORMING USE.**

Notwithstanding any law to the contrary, an ordinance or regulation of a political subdivision of the state or local zoning authority that requires the removal of a legal nonconforming use as a condition or prerequisite for the issuance of a permit, license, or other approval for any use, structure, development, or activity constitutes a taking and is prohibited without the payment of just compensation. This section does not apply if the permit, license, or other approval is requested for the construction of a building or structure that cannot be built without physically moving the nonconforming use. This section does not apply to regulations or ordinances relating to adult uses.

Sec. 7. **[117.1845] OTHER REGULATORY TAKINGS.**

A state or local government preservation designation adopted on or after August 1, 2002, that reduced the fair market value of real property or interferes with the owner's use and quiet enjoyment of the property, constitutes a regulatory taking for which the owner must be paid just compensation. The state or local government may repeal or amend the official control or historic preservation designation to eliminate the adverse impact on the property instead of paying damages.

Sec. 8. **[117.186] COMPENSATION FOR LOSS OF GOING CONCERN.**

Subdivision 1. **Going concern defined.** For purposes of this section, "going concern" means the benefits that accrue to a business or trade as a result of its location, reputation for dependability, skill or quality, customer base, good will, or any other circumstances resulting in probable retention of old or acquisition of new patronage.

Subd. 2. **Compensation for loss of going concern.** If a business or trade is destroyed by a taking, the owner shall be compensated for loss of going concern, unless the condemning authority establishes any of the following by clear and convincing evidence:

(1) the loss is not caused by the taking of the property or the injury to the remainder;

(2) the loss can be reasonably prevented by relocating the business or trade in the same or a similar and reasonably suitable location as the property that was taken, or by taking steps and adopting procedures that a reasonably prudent person of a similar age and under similar conditions as the owner, would take and adopt in preserving the going concern of the business or trade; or

(3) compensation for the loss of going concern will be duplicated in the compensation otherwise awarded to the owner.

Subd. 3. **Procedure.** In all cases where an owner will seek compensation for loss of a going concern, the damages, if any, shall in the first instance be determined by the commissioners under section 117.105 as part of the compensation due to the owner. The owner shall notify the condemning authority of the owner's intent to claim compensation for loss of going concern within 60 days of the first hearing before the court, as provided in section 117.075. The commissioner's decision regarding any award for loss of going concern may be appealed by any party, in accordance with section 117.145.

Subd. 4. **Use of appraisal at commissioners' hearing.** An appraisal of the going concern must not be used or considered in a condemnation commissioner's hearing, nor may the appraiser who prepared the appraisal testify, unless a copy of the appraiser's written report is provided to the opposing party at least five days before the hearing.

Sec. 9. **[117.1865] COMPENSATION FOR LOSS OF ACCESS.**

An owner, as defined in section 117.025, may bring an action for damages and must be compensated by the governmental entity if the owner establishes that the governmental entity's action permanently eliminated 51 percent or more of the driveway access into and out of the place of business, and that as a result the owner has a loss of revenues of 51 percent or more. Determination of the loss must be based on a comparison of revenues in the year immediately prior to the project resulting in the loss of access.

A claim for compensation under this section must be made no later than one year after the completion of the project that eliminated the driveway access. Compensation must not exceed (1) the addition of revenue from the two previous years, minus (2) the addition of cost of goods sold from the two previous years.

Sec. 10. **[117.187] MINIMUM COMPENSATION.**

When an owner must relocate, the amount of damages payable, at a minimum, must be sufficient for an owner to purchase a comparable property in the community and not less than the condemning authority's payment or deposit under section 117.042, to the extent the damages will not be duplicated in the compensation otherwise awarded to the owner of the property.

Sec. 11. **[117.188] LIMITATIONS.**

The condemning authority may not require the owner to accept as part of the compensation due any substitute or replacement property. Nor shall the condemning authority require the owner to accept the return of property acquired or any portion thereof.

Sec. 12. **[117.189] PUBLIC SERVICE CORPORATION EXCEPTION.**

Sections 117.031, 117.186, 117.187, and 117.188 do not apply to public service corporations.

Sec. 13. **[117.1905] PUBLIC HEARING.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, "local government" means the elected governing body of a statutory or home rule charter city, county, or township.

(b) For the purposes of this section, "agency" means any subdivision, agency, authority, or other entity of the local government, including a port authority, economic development authority, housing and redevelopment authority, or other similar entity established under general or special law.

Subd. 2. **Public hearing; vote by local government governing body.** Before a local government or agency acquires property by the exercise of the power of eminent domain, the local government must notify each affected property owner in writing of a public hearing on the proposed taking, post the public hearing information on the local government's Web site, if any, and publish notice of the public hearing in the official newspaper. Notice must be provided at least 30 days but not more than 60 days before the hearing. Any interested person must be allowed reasonable time to present testimony at the public hearing. The proceedings of the hearing must be recorded and available to the public for review and comment at reasonable times and a reasonable place. At the next regular meeting of the local government that is at least 30 days after the public hearing, the local government must vote on the question of whether to authorize the local government or agency to use eminent domain to acquire the property.

Subd. 3. **Resolution.** If the taking is for the mitigation of a blighted area, remediation of an environmentally contaminated area, reducing abandoned property, or removing a public nuisance, then the resolution of a local government or agency authorizing the use of eminent domain must:

(1) identify and describe the public costs and benefits that are known or expected to result from the program or project for which the property interest is proposed to be acquired; and

(2) address how the acquisition of the property interest serves one or more identified public uses or public purposes and why the acquisition of the property is needed to accomplish those purposes.

Sec. 14. **[117.226] FIRST RIGHT OF REFUSAL.**

(a) Notwithstanding section 161.23, 161.43, or 161.44, if the governing body of the condemning authority determines that publicly owned property acquired under this chapter has not been used and is no longer needed for a public use, the authority must offer to sell the property to the owner from whom it was acquired, if the former owner can be located, at the original price determined by the condemnation process or the current fair market value of the property, whichever is lower.

(b) If the former owner cannot be located after a due and diligent search or declines to repurchase the property, the attorney for the condemning authority shall prepare a certificate attesting to the same and record the certificate in the office of the county recorder or county registrar of titles, as appropriate, to evidence the termination of the right of first refusal. A recorded certificate to that effect is prima facie evidence that the right of first refusal has terminated.

Sec. 15. **[117.58] INFORMATION ON OWNERS RIGHTS AND PROCEDURES.**

The attorney general shall prepare and make available to the public a statement that summarizes the significant legal rights and obligations of condemning authorities, owners, and tenants. The statement shall describe the significant provisions of this chapter and any applicable federal law and provide an overview of the procedures and time frames involved in an eminent domain action. The statement shall include information for owners and tenants on where else they may get information on how to protect their interests in eminent domain. The attorney general shall revise the statement annually to ensure that it continues to describe accurately the statutory and case law governing the rights and obligations of condemning authorities, owners, and tenants.

Sec. 16. **[160.042] CONDEMNATION FOR ACCESS TO PRIVATE PROPERTY LIMITED.**

A road authority must not acquire property by eminent domain to establish a road for access to property unless it is landlocked or it can be shown that the road is necessary to mitigate ongoing safety concerns. A property that has no other access than over a navigable waterway is landlocked.

Sec. 17. **REVISOR'S INSTRUCTION.**

The revisor shall change the phrase "right of eminent domain" where found in Minnesota Statutes and Minnesota Rules to "power of eminent domain."

Sec. 18. **EFFECTIVE DATE.**

This act is effective the day following final enactment and applies to condemnation proceedings commenced on or after March 1, 2006."

Delete the title and insert:

"A bill for an act relating to eminent domain; defining public use or purpose; prohibiting the use of eminent domain for economic development; requiring clear and convincing evidence for certain takings; providing for attorney fees and other additional elements of compensation; making other changes in the exercise of eminent domain; amending Minnesota Statutes 2004, sections 117.025; 117.075, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 117; 160."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2832, 3179, 3185, 3237, 3451, 3744 and 3783 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2750 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Peterson, S.; Newman and Soderstrom introduced:

H. F. No. 4085, A bill for an act relating to public safety; requiring parental notice when predatory offenders are working or volunteering in schools; amending Minnesota Statutes 2005 Supplement, section 244.052, subdivision 4.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Dorman, Davids and Mullery introduced:

H. F. No. 4086, A bill for an act relating to taxation; extending a sales tax exemption on construction materials for low-income housing to limited partnerships in which the sole general partner is a nonprofit corporation; amending Minnesota Statutes 2004, section 297A.71, subdivision 23.

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

Simon introduced:

H. F. No. 4087, A bill for an act relating to taxation; creating an income tax credit for filing fees associated with naturalization; appropriating money; amending Minnesota Statutes 2004, section 290.06, by adding a subdivision.

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

Beard and Lieder introduced:

H. F. No. 4088, A bill for an act relating to the military; authorizing deferment of special assessments for certain members of the armed forces; clarifying that grants from the Support Our Troops account may be made to eligible individuals to pay special assessments; amending Minnesota Statutes 2004, section 435.193; Minnesota Statutes 2005 Supplement, section 190.19, subdivision 2.

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

Thisen introduced:

H. F. No. 4089, A bill for an act relating to taxation; providing for deduction of the special property tax refund on the property tax statement; appropriating money; amending Minnesota Statutes 2004, sections 270A.03, subdivision 7; 290A.03, subdivision 13; 290A.04, subdivision 2h; 290A.07, subdivisions 1, 3; 290A.15; 290A.18; Minnesota Statutes 2005 Supplement, sections 273.124, subdivision 13; 276.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 276.

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

Ellison and Smith introduced:

H. F. No. 4090, A bill for an act relating to public safety; appropriating money to expand the downtown security collaborative in Minneapolis.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Hamilton introduced:

H. F. No. 4091, A bill for an act relating to rural public water and sewer systems; conforming the maturity date for bonds issued for rural public water or sewer systems to the maturity date for bonds issued for municipal water and wastewater treatment systems; amending Minnesota Statutes 2004, section 116A.20, subdivision 3.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Westerberg; Urdahl; Heidgerken; Marquart; Erickson; Vandever; Simpson; Peppin; Eastlund; Atkins; Olson; Blaine; Anderson, B.; Wardlow; Severson; Emmer and Cybart introduced:

H. F. No. 4092, A bill for an act relating to military; appropriating money to the adjutant general for the purchase of body armor for members of the Minnesota National Guard being deployed to combat service.

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

Samuelson introduced:

H. F. No. 4093, A resolution memorializing Congress to recognize the state of Minnesota's authority under the Tenth Amendment of the U.S. Constitution to regulate noncommercial drivers' licenses and state identification cards and to repeal certain sections of the "Real I. D. Act."

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Seifert, Finstad, Charron, Erickson and Soderstrom introduced:

H. F. No. 4094, A bill for an act relating to state government; limiting fees imposed by state agencies; amending Minnesota Statutes 2004, section 16A.1283.

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

Abrams, Lanning and Lenczewski introduced:

H. F. No. 4095, A bill for an act relating to estate taxation; allowing Minnesota qualified terminable interest elections; amending Minnesota Statutes 2005 Supplement, section 291.03, subdivision 1.

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

Olson, Abeler and Huntley introduced:

H. F. No. 4096, A bill for an act relating to human services; modifying service plan provisions; amending Minnesota Statutes 2004, section 256M.30, subdivisions 1, 4, 5, 6, 7; Minnesota Statutes 2005 Supplement, section 256M.30, subdivision 2.

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

Gunther and Thissen introduced:

H. F. No. 4097, A bill for an act relating to human services; expanding eligibility for the chemical dependency treatment fund; amending Minnesota Statutes 2004, section 254B.04, subdivision 1.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

Soderstrom introduced:

H. F. No. 4098, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for a water treatment facility and water tower in Brook Park.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

CALENDAR FOR THE DAY

Paulsen moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Clark moved that the name of Kelliher be added as an author on H. F. No. 1382. The motion prevailed.

Peterson, A., moved that the names of Bernardy and Peterson, S., be added as authors on H. F. No. 1798. The motion prevailed.

Mariani moved that the names of Bernardy and Peterson, S., be added as authors on H. F. No. 2780. The motion prevailed.

Abrams moved that the name of Demmer be added as an author on H. F. No. 3079. The motion prevailed.

Seifert moved that the names of Bernardy and Paulsen be added as authors on H. F. No. 3169. The motion prevailed.

Entenza moved that the name of Bernardy be added as an author on H. F. No. 3193. The motion prevailed.

Hornstein moved that the names of Bernardy; Peterson, S., and Slawik be added as authors on H. F. No. 3718. The motion prevailed.

Mariani moved that the names of Bernardy and Peterson, S., be added as authors on H. F. No. 3770. The motion prevailed.

Latz moved that the name of Moe be added as an author on H. F. No. 3785. The motion prevailed.

Latz moved that the name of Newman be added as an author on H. F. No. 3829. The motion prevailed.

Moe moved that the names of Kelliher and Eken be added as authors on H. F. No. 3915. The motion prevailed.

Abrams moved that the name of Hoppe be added as an author on H. F. No. 4068. The motion prevailed.

Ruth moved that the name of Dorn be added as an author on H. F. No. 4070. The motion prevailed.

Marquart moved that the name of Wardlow be added as an author on H. F. No. 4076. The motion prevailed.

Sieben moved that the name of Tingelstad be added as an author on H. F. No. 4079. The motion prevailed.

Abrams moved that H. F. No. 3127 be recalled from the Committee on Taxes and be re-referred to the Committee on Transportation Finance. The motion prevailed.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 3:00 p.m., Wednesday, April 5, 2006. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and Speaker pro tempore Davids declared the House stands adjourned until 3:00 p.m., Wednesday, April 5, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

