

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2008

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 NINETY-EIGHTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 2, 2008

The House of Representatives convened at 9:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by William F. Davnie, Minister, Presbyterian Church U.S.A.

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	Dettmer	Hausman	Lenczewski	Olin	Simpson
Anderson, B.	Dill	Haws	Lesch	Olson	Slawik
Anderson, S.	Dittrich	Heidgerken	Liebling	Otremba	Slocum
Anzelc	Dominguez	Hilstrom	Lieder	Ozment	Smith
Atkins	Doty	Hilty	Lillie	Paulsen	Solberg
Beard	Drazkowski	Holberg	Loeffler	Paymar	Swails
Benson	Eastlund	Hoppe	Madore	Pelowski	Thao
Berns	Eken	Hornstein	Mahoney	Peppin	Thissen
Bigham	Emmer	Hortman	Mariani	Peterson, A.	Tillberry
Bly	Erhardt	Hosch	Marquart	Peterson, N.	Tingelstad
Brod	Erickson	Howes	Masin	Peterson, S.	Tschumper
Brown	Faust	Huntley	McFarlane	Poppe	Urdahl
Brynaert	Finstad	Jaros	McNamara	Rukavina	Wagenius
Buesgens	Fritz	Johnson	Moe	Ruth	Walker
Bunn	Gardner	Kahn	Morgan	Ruud	Ward
Carlson	Garofalo	Kalin	Morrow	Sailer	Wardlow
Clark	Gottwalt	Knuth	Mullery	Scalze	Welti
Cornish	Greiling	Koenen	Murphy, E.	Seifert	Westrom
Davnie	Gunther	Kohls	Murphy, M.	Sertich	Winkler
Dean	Hackbarth	Kranz	Nelson	Severson	Wollschlager
DeLaForest	Hamilton	Laine	Nornes	Shimanski	Zellers
Demmer	Hansen	Lanning	Norton	Simon	Spk. Kelliher

A quorum was present.

Juhnke and Magnus were excused.

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

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

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

H. F. No. 1812, A bill for an act relating to the financing, organization, and operation of state government; providing for programs in education, higher education, environment and natural resources, energy, agriculture, veterans affairs, military affairs, jobs and economic development activities or programs, transportation, public safety, courts, human rights, judiciary, housing, public health, health department, and human services; modifying certain statutory provisions and laws; providing for certain programs for economic and state affairs; regulating certain activities and practices; fixing and limiting fees; providing for the taxation of certain corporations; authorizing rulemaking, requiring studies and reports; providing civil penalties; making technical corrections; providing for fund transfers; appropriating money or reducing appropriations; amending Minnesota Statutes 2006, sections 3.30, subdivision 1; 3.855, subdivision 3; 3.971, subdivision 2; 10A.071, subdivision 3; 13.32, subdivision 3, by adding a subdivision; 13.461, by adding a subdivision; 13.465, subdivision 8; 13.851, by adding a subdivision; 15A.081, subdivision 8; 15A.0815; 16A.133, subdivision 1; 16B.281, subdivision 3; 16B.282; 16B.283; 16B.284; 16B.287, subdivision 2; 16C.16, subdivision 5; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; 17.4988, subdivisions 2, 3; 43A.01, subdivision 3; 43A.17, subdivision 9; 84.788, subdivision 3; 84.82, subdivision 2, by adding a subdivision; 84.922, subdivision 2; 84.9256, subdivision 1; 85.011; 85.012, subdivisions 28, 49a; 85.013, subdivision 1; 85.054, subdivision 3, by adding a subdivision; 86B.401, subdivision 2; 88.15, subdivision 2; 89.715; 93.481, by adding a subdivision; 97A.055, subdivision 4b; 97A.141, subdivision 1; 103A.204; 103A.43; 103B.151, subdivision 1; 103G.291, by adding a subdivision; 103G.615, subdivision 2; 116J.423, by adding a subdivision; 116J.8731, subdivision 4; 116L.17, by adding a subdivision; 116U.26; 119A.03, subdivision 1; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 122A.21; 123B.02, subdivision 21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.10, subdivision 20; 124D.385, subdivision 4; 124D.55; 125A.65, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9; 126C.21, subdivision 1; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; 136A.101, subdivision 8; 136A.121, subdivision 5; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1222, subdivision 1a, by adding subdivisions; 144.1501, subdivision 2; 144.218, subdivision 1; 144.225, subdivision 2; 144.2252; 144.226, subdivision 1; 157.16, as amended; 168.1255, by adding a subdivision; 171.29, subdivision 1; 190.19, subdivision 1, by adding a subdivision; 192.501, by adding subdivisions; 197.585, subdivision 5; 216C.41, subdivision 4; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 256.01, by adding a subdivision; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0917, subdivision 8; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6, by adding subdivisions; 256B.692, subdivision 2, by adding a subdivision; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 259.89, subdivision 1; 260C.317, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 290.01, subdivisions 5, 19c, as amended, 19d, as amended, by adding a subdivision; 290.17, subdivision 4; 298.2214, subdivisions 1, 2, as amended; 298.223, subdivision 2; 298.28, subdivisions 9b, 9d, as added; 298.292, subdivision 2, as amended; 298.2961, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 349A.02, subdivision 1; 446A.12, subdivision 1; 462A.22,

subdivision 1; 473.1565, subdivision 3; 518A.50; 518A.53, subdivision 5; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 3.922, by adding a subdivision; 10A.01, subdivision 35; 16B.328, by adding a subdivision; 80A.28, subdivision 1; 84.8205, subdivision 1; 103G.291, subdivision 3; 116J.575, subdivision 1a; 116L.17, subdivision 1; 120B.021, subdivision 1; 120B.024; 120B.30; 123B.143, subdivision 1; 124D.531, subdivision 1; 126C.21, subdivision 3; 126C.44; 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 190.19, subdivision 2; 214.04, subdivision 3; 216C.052, subdivision 2; 216C.41, subdivision 3; 253B.185, subdivision 1b; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.199; 256B.434, subdivision 19; 256J.621; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 298.227; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 1999, chapter 223, article 2, section 72; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 45, article 2, section 1; Laws 2007, chapter 54, article 1, section 11; Laws 2007, chapter 57, article 1, section 4, subdivisions 3, 4, 6; Laws 2007, chapter 135, article 1, section 3, subdivisions 2, 3; Laws 2007, chapter 144, article 1, sections 3, subdivisions 2, 18; 5, subdivisions 2, 5; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4, 5; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, chapter 147, article 2, section 21; article 19, section 3, subdivisions 1, 4; Laws 2007, chapter 148, article 1, sections 7; 12, subdivision 4; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 1, 2, 6; Laws 2008, chapter 152, article 1, section 6, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 16A; 43A; 115A; 116J; 120B; 121A; 124D; 127A; 136F; 144; 192; 256B; 268; 325F; 341; 446A; repealing Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, 5; 16B.285; 84.961, subdivision 4; 85.013, subdivision 21b; 97A.141, subdivision 2; 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; 168.123, subdivision 2a; 256.741, subdivision 15; 256J.24, subdivision 6; 259.83, subdivision 3; 259.89, subdivisions 2, 3, 4, 5; 290.01, subdivision 6b; 298.28, subdivision 9a; 341.31; 645.44, subdivision 19; Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27; Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended; Laws 2004, chapter 188, section 2; Laws 2006, chapter 263, article 3, section 16; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

Reported the same back with the following amendments:

Page 24, line 20, after "to" insert ": (i)"

Page 24, line 22, after "state" insert "; or (ii) enrollment transfers between Minnesota and a school district in an adjoining state under a board agreement initiated in fiscal year 2009 to serve students in grade levels discontinued by the resident district"

Page 221, line 9, delete "(3,608,000)" and insert "(2,608,000)"

Page 221, after line 9, insert:

"The base is reduced by an additional \$1,000,000 in fiscal year 2010 and each year after."

Page 222, line 18, delete "\$1,000,000" and insert "\$2,000,000"

Page 225, line 32, after the period, insert "The funds received by the commissioner for the confinement and nonconfinement costs are appropriated to the department for these purposes."

Page 234, delete subdivision 3 and insert:

"Sec. 12. **APPROPRIATION TO THE COMMISSIONER OF FINANCE; 2008 BUDGET RESERVE ESCROW ACCOUNT**

**\$-0-**

**\$14,000,000**

\$14,000,000 is appropriated from the budget reserve to the commissioner of finance and shall be placed in the budget reserve escrow account. The commissioner of finance may use this appropriation to support a guarantee by the state of Minnesota that private money will be raised to pay the Minneapolis-St. Paul Host Committee's share of expenses for the 2008 Republican National Convention in St. Paul. The terms of the state guarantee will be negotiated by the commissioner of finance. Any money advanced to the Host Committee under the state guarantee must be repaid by the Host Committee to the commissioner of finance no later than June 30, 2009, and deposited in the budget reserve fund. Any unspent portion of the appropriation cancels to the budget reserve on June 30, 2009."

Page 272, after line 23, insert:

"Sec. 5. **[144.058] INTERPRETER SERVICES QUALITY INITIATIVE.**

(a) The commissioner of health shall establish a voluntary statewide roster, and develop a plan for a registry and certification process for interpreters who provide high quality, spoken language health care interpreter services. The roster, registry, and certification process shall be based on the findings and recommendations set forth by the Interpreter Services Work Group required under Laws 2007, chapter 147, article 12, section 13. By January 1, 2009, the commissioner shall do the following:

(1) establish a roster of all available interpreters to address access concerns, particularly in rural areas;

(2) develop a plan for a registry of spoken language health care interpreters, including:

(i) development of standards for registration that set forth educational requirements, training requirements, demonstration of language proficiency and interpreting skills, agreement to abide by a code of ethics, and a criminal background check;

(ii) recommendations for appropriate alternate requirements in languages for which testing and training programs do not exist;

(iii) recommendations for appropriate fees; and

(iv) recommendations for establishing and maintaining the standards for inclusion in the registry; and

(3) develop a plan for implementing a certification process based on national testing and certification processes for spoken language interpreters 12 months after the establishment of a national certification process.

(b) The commissioner shall consult with the Interpreter Stakeholder Group of the Upper Midwest Translators and Interpreters Association for advice on the standards required to plan for the development of a registry and certification process.

(c) The commissioner shall charge an annual fee of \$50 to include an interpreter in the roster.

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

Page 315, delete section 2

Page 349, line 12, delete "(56,265,000)" and insert "(50,284,000)"

Page 349, line 15, delete "(80,296,000)" and insert "(80,069,000)"

Page 349, line 17, delete "27,323,000" and insert "33,077,000"

Page 349, line 27, delete "25,000,000" and insert "0" and delete "27,039,000" and insert "5,754,000"

Page 350, line 15, delete "(25,947,000)" and insert "(29,959,000)"

Page 350, delete line 20

Page 350, line 21, delete "and" and insert "shall be" and delete "year" and insert "years 2010 and"

Page 350, after line 32, insert:

" <b><u>(d) Children and Community Services Grants</u></b>	<u>0</u>	<u>(5,754,000)</u>
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**Base level adjustment.** This reduction is onetime.

<b><u>(e) Minnesota Supplemental Aid Grants</u></b>	<u>0</u>	<u>201,000</u> "
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Page 352, line 17, delete "(2,254,000)" and insert "(2,292,000)"

Page 353, line 22, delete "100,000" and insert "350,000"

Page 353, after line 22, insert:

**Base level adjustment.** The general fund base shall be reduced by \$210,000 in fiscal years 2010 and 2011 for this activity."

Page 353, line 26, delete "(2,291,000)" and insert "3,463,000"

Page 354, line 16, delete "(4,555,000)" and insert "(4,540,000)"

Page 354, after line 16, insert:

**Base level adjustment.** This reduction is onetime."

Page 354, after line 27, insert:

**Funding Usage.** Up to 75 percent of the fiscal year 2010 appropriation for adult mental health grants may be used to fund calendar year 2009 allocations for these programs, with the resulting calendar year funding pattern continuing into the future."

Page 355, line 32, delete "\$7,633,000" and insert "\$7,275,000"

Page 355, line 33, delete "\$5,332,000" and insert "\$4,881,000"

Page 357, line 5, delete "180" and insert "90"

Page 357, line 9, after the period, insert "The process for withholding funds is governed by Minnesota Statutes, section 256.017."

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

Olson moved that the Committee Report on H. F. No. 1812 be rejected.

A roll call was requested and properly seconded.

#### CALL OF THE HOUSE

On the motion of Olson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dettmer	Hausman	Lesch	Paulsen	Solberg
Anderson, B.	Dill	Haws	Liebling	Paymar	Swails
Anderson, S.	Dittrich	Heidgerken	Lieder	Pelowski	Thao
Anzenc	Dominguez	Hilstrom	Lillie	Peppin	Thissen
Atkins	Doty	Hilty	Loeffler	Peterson, A.	Tillberry
Beard	Drazkowski	Holberg	Madore	Peterson, N.	Tingelstad
Benson	Eastlund	Hoppe	Mahoney	Peterson, S.	Tschumper
Berns	Eken	Hornstein	Mariani	Poppe	Urdahl
Bigham	Emmer	Hortman	Marquart	Rukavina	Wagenius
Bly	Erhardt	Hosch	McFarlane	Ruth	Walker
Brod	Erickson	Howes	McNamara	Ruud	Ward
Brown	Faust	Huntley	Moe	Sailer	Wardlow
Brynaert	Finstad	Jaros	Morgan	Scalze	Welti
Buesgens	Fritz	Johnson	Morrow	Seifert	Westrom
Bunn	Gardner	Kahn	Murphy, E.	Sertich	Winkler
Carlson	Garofalo	Kalin	Murphy, M.	Severson	Wollschlager
Clark	Gottwalt	Knuth	Nelson	Shimanski	Zellers
Cornish	Greiling	Kohls	Nornes	Simon	Spk. Kelliher
Davnie	Gunther	Kranz	Norton	Simpson	
Dean	Hackbarth	Laine	Olson	Slawik	
DeLaForest	Hamilton	Lanning	Otremba	Slocum	
Demmer	Hansen	Lenczewski	Ozment	Smith	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

## LAY ON THE TABLE

Sertich moved that the Olson motion relating to the committee report on H. F. No. 1812 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called.

Sertich moved that those not voting be excused from voting. The motion prevailed.

There were 84 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzelc	Doty	Howes	Lillie	Olin	Slocum
Atkins	Eken	Huntley	Loeffler	Otremba	Solberg
Benson	Faust	Jaros	Madore	Paymar	Swails
Bigham	Fritz	Johnson	Mahoney	Pelowski	Thao
Bly	Gardner	Kahn	Mariani	Peterson, A.	Thissen
Brown	Greiling	Kalin	Marquart	Peterson, S.	Tillberry
Brynaert	Hansen	Knuth	Masin	Poppe	Tschumper
Bunn	Hausman	Koenen	Moe	Rukavina	Wagenius
Carlson	Haws	Kranz	Morgan	Ruud	Walker
Clark	Hilstrom	Laine	Morrow	Sailer	Ward
Davnie	Hilty	Lenczewski	Murphy, E.	Scalze	Welti
Dill	Hornstein	Lesch	Murphy, M.	Sertich	Winkler
Dittrich	Hortman	Liebling	Nelson	Simon	Wollschlager
Dominguez	Hosch	Lieder	Norton	Slawik	Spk. Kelliher

Those who voted in the negative were:

Abeler	Dean	Erickson	Holberg	Ozment	Simpson
Anderson, B.	DeLaForest	Finstad	Hoppe	Paulsen	Smith
Anderson, S.	Demmer	Garofalo	Kohls	Peppin	Tingelstad
Beard	Dettmer	Gottwalt	Lanning	Peterson, N.	Urdahl
Berns	Drazkowski	Gunther	McFarlane	Ruth	Wardlow
Brod	Eastlund	Hackbarth	McNamara	Seifert	Westrom
Buesgens	Emmer	Hamilton	Nornes	Severson	Zellers
Cornish	Erhardt	Heidgerken	Olson	Shimanski	

The motion prevailed and the Olson motion relating to H. F. No. 1812 was laid on the table.

The question recurred on the adoption of the Committee Report on H. F. No. 1812.

A roll call was requested and properly seconded.

The vote was taken on the adoption of the Committee Report on H. F. No. 1812 and the roll was called.

Sertich moved that those not voting be excused from voting. The motion prevailed.

There were 84 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzelc	Doty	Howes	Lillie	Olin	Slocum
Atkins	Eken	Huntley	Loeffler	Otremba	Solberg
Benson	Faust	Jaros	Madore	Paymar	Swails
Bigham	Fritz	Johnson	Mahoney	Pelowski	Thao
Bly	Gardner	Kahn	Mariani	Peterson, A.	Thissen
Brown	Greiling	Kalin	Marquart	Peterson, S.	Tillberry
Brynaert	Hansen	Knuth	Masin	Poppe	Tschumper
Bunn	Hausman	Koenen	Moe	Rukavina	Wagenius
Carlson	Haws	Kranz	Morgan	Ruud	Walker
Clark	Hilstrom	Laine	Morrow	Sailer	Ward
Davnie	Hilty	Lenczewski	Murphy, E.	Scalze	Welti
Dill	Hornstein	Lesch	Murphy, M.	Sertich	Winkler
Dittrich	Hortman	Liebling	Nelson	Simon	Wollschlager
Dominguez	Hosch	Lieder	Norton	Slawik	Spk. Kelliher

Those who voted in the negative were:

Abeler	Dean	Erickson	Holberg	Ozment	Simpson
Anderson, B.	DeLaForest	Finstad	Hoppe	Paulsen	Smith
Anderson, S.	Demmer	Garofalo	Kohls	Peppin	Tingelstad
Beard	Dettmer	Gottwalt	Lanning	Peterson, N.	Urdahl
Berns	Draskowski	Gunther	McFarlane	Ruth	Wardlow
Brod	Eastlund	Hackbarth	McNamara	Seifert	Westrom
Buesgens	Emmer	Hamilton	Nornes	Severson	Zellers
Cornish	Erhardt	Heidgerken	Olson	Shimanski	

The motion prevailed and the Committee Report on H. F. No. 1812 was adopted.

#### CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

#### REPORTS OF STANDING COMMITTEES AND DIVISIONS, Continued

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

H. F. No. 3360, A bill for an act relating to claims against the state; providing for settlement of various claims; appropriating money.

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

The report was adopted.



Carlson from the Committee on Finance to which was referred:

H. F. No. 3391, A bill for an act relating to health care reform; increasing affordability and continuity of care for state health care programs; modifying health care provisions; providing subsidies for employee share of employer-subsidized insurance; establishing the Minnesota Health Insurance Exchange; requiring certain employers to offer Section 125 Plan; establishing the Health Care Transformation Commission; creating an affordability standard; requiring mandated reports; appropriating money; amending Minnesota Statutes 2006, sections 62A.65, subdivision 3; 62E.141; 62L.12, subdivisions 2, 4; 256.01, by adding subdivisions; 256B.061; 256B.69, by adding a subdivision; 256D.03, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 13.46, subdivision 2; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### HEALTH CARE HOMES

Section 1. Minnesota Statutes 2007 Supplement, section 256.01, subdivision 2b, is amended to read:

Subd. 2b. **Performance payments.** (a) The commissioner shall develop and implement a pay-for-performance system to provide performance payments to eligible medical groups and clinics that demonstrate optimum care in serving individuals with chronic diseases who are enrolled in health care programs administered by the commissioner under chapters 256B, 256D, and 256L. The commissioner may receive any federal matching money that is made available through the medical assistance program for managed care oversight contracted through vendors, including consumer surveys, studies, and external quality reviews as required by the federal Balanced Budget Act of 1997, Code of Federal Regulations, title 42, part 438-managed care, subpart E-external quality review. Any federal money received for managed care oversight is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received in either year of the biennium.

(b) Effective July 1, 2009, or upon federal approval, whichever is later, the commissioner shall develop and implement a patient incentive health program to provide incentives and rewards to patients who are enrolled in health care programs administered by the commissioner under chapters 256B, 256D, and 256L, and who have agreed to and have met personal health goals established with the patients' primary care providers to manage a chronic disease or condition, including but not limited to diabetes, high blood pressure, and coronary artery disease. The commissioner shall collaborate with the commissioner of health and with community-based organizations that conduct chronic disease consumer education programs targeted at labor, business, faith-based, and health care constituencies to avoid duplication of efforts.

#### Sec. 2. [256B.0431] ENROLLEE REQUIREMENTS RELATED TO HEALTH CARE HOMES.

Subdivision 1. **Selection of primary care clinic.** Beginning January 1, 2009, the commissioner shall encourage state health care program enrollees eligible for services under the fee-for-service system to select a primary care clinic or medical group, within two months of enrollment. Beginning July 1, 2009, the commissioner shall encourage enrollees who have a complex or chronic condition to select a primary care clinic or medical group with clinicians who have been certified as health care homes under section 256B.0751, subdivision 3. The commissioner

and county social service agencies shall provide enrollees with lists of primary care clinics, medical groups, and clinicians certified as health care homes, and shall establish a toll-free number to provide enrollees with assistance in choosing a clinic, medical group, or health care home.

Subd. 2. **Initial health assessment.** The commissioner shall encourage state health care program enrollees eligible for services under the fee-for-service system to obtain an initial health assessment at their selected primary care clinic or medical group, within one month of selection, in order to identify individuals with complex or chronic health conditions, and to identify preventative health care needs.

Subd. 3. **Education and outreach.** Beginning January 1, 2009, the commissioner shall provide patient education and outreach to state health care program enrollees and applicants related to the importance of choosing a primary care clinic or medical group and a health care home. Education and outreach must be targeted to underserved or special populations. The commissioner shall also develop and implement an outreach program to enroll eligible persons in state health care programs, by providing a per enrollee bonus to licensed producers under chapter 60K and nonprofit health care or social service organizations who provide assistance in enrolling applicants.

Subd. 4. **State health care program.** For purposes of this section, "state health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

**Sec. 3. [256B.0751] HEALTH CARE HOMES; DEFINITIONS; ESTABLISHMENT.**

Subdivision 1. **Definitions.** (a) For purposes of sections 256B.0751 to 256B.0754, the definitions in this subdivision apply.

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of human services and the commissioner of health acting jointly.

(d) "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 2. **Establishment of health care homes.** The commissioners shall establish health care homes for state health care program enrollees who have complex or chronic health conditions. In establishing health care homes, the commissioners shall consider and, when appropriate, incorporate features of the medical home model developed for the provider-directed care coordination program authorized under section 256B.0625, subdivision 51. The commissioner shall study the feasibility of expanding health care homes to all enrollees and report to the legislature by January 1, 2011.

Subd. 3. **Certification.** By July 1, 2009, the commissioners shall begin certification of individual clinicians, who participate as providers in state health care programs and meet the requirements of section 256B.0752, as health care homes. Clinicians may enter into collaborative agreements with other clinicians to develop the components of a health care home. Clinician certification as a health care home is voluntary. Clinicians certified as health care homes shall renew their certification annually, in order to maintain their status as health care homes. The commissioner may waive some requirements in order to certify providers and clinicians with health care home models in existence on March 1, 2008, that serve special patient populations of diverse race, language, or ethnicity.

**Sec. 4. [256B.0752] HEALTH CARE HOME REQUIREMENTS.**

Subdivision 1. **Requirement.** In order to be certified as a health care home, a clinician shall meet the criteria specified in this section.

Subd. 2. **Patient-provider relationship; care teams.** Each patient of a health care home shall have an ongoing, long-term relationship with a provider trained as a personal clinician to provide first contact, continuous, and comprehensive care for all of a patient's health care needs. Appropriate specialists and other health care professionals who do not practice in a traditional primary care field, and advanced practice registered nurses, shall be allowed to serve as personal clinicians, if they provide care according to this section.

Subd. 3. **Care coordination.** The personal clinician, in coordination with other health care providers, is responsible for providing for all the patient's health care needs or for arranging appropriate care with other qualified professionals. Health care must be coordinated across all provider types, all care locations, and the greater community. This requirement applies to care for all stages of life, including preventive care, acute care, chronic care, and end-of-life care. Care coordination must include ongoing planning to prepare for patient transitions across different types of care and provider types. The care team shall also coordinate with those providing for the social service needs of the individual, if this is necessary to ensure a successful health outcome. Care coordination must be provided in a manner appropriate to the patient's race, ethnicity, and language.

Subd. 4. **Care delivery.** (a) A health care home must provide or arrange for access to care 24 hours a day, seven days a week.

(b) Health care homes must encourage the patient, and when authorized and appropriate, the family, to actively participate in decision making as a full member of the primary care team. Health care homes must consider patients and families as partners in decision making, and must provide access to a patient-directed, decision-making process, including appropriate decision aids, when available.

(c) Care delivery must be facilitated by the use of health information technology and through systematic patient follow-up using internal clinic patient registries, according to minimum standards specified by the commissioners.

(d) Care must be provided in a culturally and linguistically appropriate manner.

(e) Within the context of a system of continuous quality improvement, care delivery, whenever possible, must be based on evidence-based medicine and use clinical decision-support tools.

(f) A health care home must provide enhanced access to care, using methods such as open scheduling, expanded hours, and new communication methods, such as e-mail, phone consultations, and e-consults.

(g) Providers certified as health care homes must offer their health care home services to all their patients with complex or chronic health conditions who are interested in participation.

Subd. 5. **Quality of care.** Health care homes must meet process, outcome, and quality standards as developed and specified by the commissioners. Health care homes must measure and publicly report all data necessary for the commissioners to monitor compliance with these standards.

Subd. 6. **Comprehensive care plan.** Health care homes must develop, maintain, and ensure the implementation of a comprehensive care plan for each enrollee who has a complex or chronic condition, based upon health history, tests, assessments, and other information. The comprehensive care plan must meet the criteria specified by the commissioners. The comprehensive care plan must be culturally appropriate.

Subd. 7. **Care coordinators.** Health care homes must employ care coordinators to manage the care provided to patients with complex or chronic conditions. Care coordinators must be trained to provide services that are appropriate for the race, ethnicity, and language of the patient. Care coordination includes:

(1) identifying patients with complex or chronic conditions eligible for care coordination;

- (2) assisting primary care providers in care coordination and education;
- (3) helping patients coordinate their care or access needed services, including preventative care;
- (4) communicating the care needs and concerns of the patient to the health care home;
- (5) collecting data on process and outcome measures;
- (6) overseeing the development, maintenance, and implementation of care plans; and
- (7) meeting other criteria as specified by the commissioner.

Subd. 8. **Health care home collaborative.** Health care homes must participate in the health care home collaborative defined in section 256B.0754, subdivision 4, as required by the commissioners for certification.

**Sec. 5. [256B.0753] CARE COORDINATION FEE.**

Subdivision 1. **Care coordination fee.** (a) The commissioner shall pay each health care home a per-person per-month care coordination fee for providing care coordination services. The fee must be paid for each fee-for-service state health care program enrollee eligible for a health care home, who is served by a personal clinician certified as a health care home.

(b) Payment of the care coordination fee is contingent on the health care home meeting the certification standards for health care homes. The care coordination fee is in addition to reimbursement received by a health care home under the medical assistance fee-for-service payment system for health care services.

Subd. 2. **Amount of fee.** The care coordination fee must be determined by the commissioner in contracts with health care homes, and must vary by thresholds of care complexity, with the highest fees being paid for care provided to individuals requiring the most intensive care coordination, such as those with very complex health care needs or several chronic conditions and those who face racial, ethnic, or language barriers.

Subd. 3. **Cost neutrality.** If initial savings from implementation of health care homes are not sufficient to allow implementation of the care coordination fee in a cost-neutral manner, the commissioner shall reallocate costs within the health care system.

**EFFECTIVE DATE.** Subdivisions 1 and 2 are effective July 1, 2009, or upon federal approval, whichever is later.

**Sec. 6. [256B.0754] DUTIES OF THE COMMISSIONERS.**

Subdivision 1. **Establishment of certification standards and other criteria.** (a) By January 1, 2009, the commissioners shall establish certification standards for health care homes consistent with the criteria in section 256B.0752.

(b) By January 1, 2009, the commissioners shall develop care complexity thresholds and payment amounts for the care coordination fee established under section 256B.0753.

(c) By January 1, 2009, the commissioners shall identify criteria to determine enrollees eligible for and in need of care coordination, and who would benefit from having a comprehensive care plan for their condition.

(d) By January 1, 2009, the commissioners shall establish criteria and data collection procedures for evaluating health care homes.

(e) By January 1, 2009, the commissioners shall develop health care home requirements for managed care plan contracts, performance incentives, and withholds, and shall develop the methodology for identifying and recapturing managed care savings resulting from implementation of the health care home model.

Subd. 2. **Monitoring and evaluation.** The commissioners shall ensure the collection from health care homes of data necessary to monitor implementation of the health care home model, measure and evaluate quality of care and outcomes, measure and evaluate patient experience, and determine cost savings from implementation of the health care home model. The commissioners shall collect and evaluate this data directly, but may contract with an appropriate private sector entity for technical assistance. The commissioners shall provide health care homes with practice profiles measuring utilization, cost, and quality. Quality measures must include measures of disparities in treatment, health status, and outcomes based on race, ethnicity, or language.

Subd. 3. **Care Coordination Advisory Committee.** By July 1, 2008, the commissioners shall establish a Care Coordination Advisory Committee to assist the Departments of Human Services and Health in administering the health care home model, developing the criteria and standards required under subdivision 1, collecting data, and measuring and evaluating health outcomes and cost savings. The commissioners may satisfy this requirement by continuing the advisory committee established for the provider-directed care coordination program. If newly established, the committee must include representatives of: primary care and specialist physicians, advanced practice registered nurses, patients and their families including minority ethnic groups, health plans, providers serving low-income and culturally diverse populations, organizations with expertise in care coordination models, and other relevant entities. If newly established, membership terms and compensation and removal of members are governed by section 15.059. The committee does not expire.

Subd. 4. **Health care home collaborative.** By July 1, 2009, the commissioners shall establish a health care home collaborative to provide an opportunity for health care homes and state agencies to exchange information related to quality improvement and best practices.

Subd. 5. **Patient-directed, decision-making process.** By January 1, 2009, the commissioners, in consultation with the Care Coordination Advisory Committee and the Institute of Clinical Systems Improvement, shall develop a patient-directed, decision-making support model to be used by health care homes. The commissioners shall:

(1) establish protocols that include identifying the use of a patient-directed, culturally appropriate decision-making process and effectively incorporating the use of patient-decision aids, when appropriate;

(2) ensure the quality of the patient-decision aids available to the patient;

(3) ensure accessibility and cultural appropriateness of the patient-decision aids, including the use of translators, when necessary; and

(4) ensure that providers are trained to use patient-decision aids effectively.

Subd. 6. **Report on standards; annual reports.** (a) By November 15, 2008, the commissioners must report drafts of certification standards, care complexity thresholds, and other criteria, procedures, and payment amounts necessary to implement subdivision 1 to the chairs and lead minority members of the legislative committees with jurisdiction over health care policy and finance. These standards, thresholds, criteria, procedures, and payment amount are not subject to chapter 14, and section 14.386 does not apply.

(b) The commissioners shall report annually to the legislature on the implementation and administration of the health care home model for state health care program enrollees in the fee-for-service, managed care, and county-based purchasing sectors, beginning December 15, 2009, and each December 15 thereafter. The report must include: (1) information on the number of state health care program enrollees in health care homes; (2) the number and characteristics of enrollees with complex or chronic conditions, broken down by income, race, ethnicity, and language whenever possible; (3) the number and geographic distribution of health care home providers; (4) the performance and quality of care of health care homes; (5) measures of preventative care; (6) costs related to implementation and payment of care coordination fees; (7) health care home payment arrangements; (8) the estimated impact on health disparities; and (9) estimates of savings from implementation of the health care home model for the fee-for-service, managed care, and county-based purchasing sectors relative to the health care spending baseline calculated under section 62U.07.

Sec. 7. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 29. **Health care home model.** (a) The commissioner shall require demonstration providers, as a condition of contract, to adopt by July 1, 2009, a health care home model for providing care to state health care program enrollees. The health care home model must meet the criteria specified in this section and section 256B.0752. The commissioner, in consultation with the commissioner of health, may waive or modify criteria for demonstration providers if the commissioners of health and human services determine that performance and quality standards would still be met.

(b) The commissioner, as a condition of contract, shall require demonstration providers, as part of their implementation of the health care home model, to pay providers a care coordination fee. The care coordination fee must meet the requirements of section 256B.0753. Demonstration providers shall fund the care coordination fee through savings that result from implementation of the health care home model and, if necessary, through reductions in administrative costs and reallocation of other payment rates within its network. The commissioner shall not adjust current or future capitation rates for costs related to payment of the care coordination fee.

(c) The commissioners of health and human services shall require demonstration providers to: (1) collect from health care homes the data necessary to monitor implementation of the health care home model, measure and evaluate quality of care and outcomes, measure and evaluate patient experience, and determine cost savings from implementation of the health care home model; and (2) submit this data to the commissioners. The commissioners of health and human services shall provide demonstration providers and health care homes with practice profiles measuring utilization, cost, and quality. Before establishing or amending general standards for data collection under this paragraph, the commissioners must report the draft standards to the chairs and lead minority members of the legislative committees with jurisdiction over health care policy and finance. Standards for data collection are not subject to chapter 14 and section 14.386 does not apply.

(d) The commissioner shall study the feasibility and method of calculating savings from the use of health care homes, as required in section 256B.0754, subdivision 6, paragraph (b). The study must consider the methodology for distribution of savings. Under the methodology, the state must retain one-half of the savings, the demonstration providers may retain up to one-fourth of the savings, and at least one-fourth of the savings must be passed on to health care providers in the form of higher payment rates.

(e) Demonstration providers must encourage state health care program enrollees to complete an initial health assessment within three months from the time of enrollment, in order to identify individuals with complex or chronic health conditions, and to identify preventative health care needs.

(f) Beginning July 1, 2009, the commissioner shall require demonstration providers to require health care homes to develop, maintain, and ensure the implementation of a comprehensive care plan, as defined in section 256B.0752, subdivision 6.

(g) Beginning July 1, 2009, the commissioner shall implement financial arrangements for demonstration providers to ensure that plans encourage each enrollee who has a complex or chronic condition to choose a certified primary care clinic or medical group to serve as a health care home.

**Sec. 8. PAYMENT OF CARE COORDINATION FEE UNDER STATE MANAGED CARE PROGRAMS.**

The commissioner of human services shall study the feasibility of paying the care coordination fee required under Minnesota Statutes, section 256B.69, subdivision 29, paragraph (b), directly to health care providers under contract with demonstration providers to serve state health care program enrollees, and shall present recommendations to the legislature by December 15, 2008.

**Sec. 9. WORKFORCE SHORTAGE STUDY.**

To address health care workforce shortages, the Health Care Transformation Commission, in consultation with health licensing boards and professional associations, shall study changes necessary in health professional licensure and regulation to ensure full utilization of advanced practice registered nurses and other licensed health care professionals in the health care home and primary delivery system. The Health Care Transformation Commission shall make recommendations to the legislature by January 15, 2009.

**Sec. 10. HEALTH CARE ACCESS FUND TRANSFER.**

On July 1, 2008, the commissioner of finance shall transfer \$1,390,000 from the health care access fund to the general fund.

## ARTICLE 2

### INCREASING ACCESS; CONTINUITY OF CARE

Section 1. Minnesota Statutes 2007 Supplement, section 256B.056, subdivision 10, is amended to read:

Subd. 10. **Eligibility verification.** (a) The commissioner shall require women who are applying for the continuation of medical assistance coverage following the end of the 60-day postpartum period to update their income and asset information and to submit any required income or asset verification.

(b) The commissioner shall determine the eligibility of private-sector health care coverage for infants less than one year of age eligible under section 256B.055, subdivision 10, or 256B.057, subdivision 1, paragraph (d), and shall pay for private-sector coverage if this is determined to be cost-effective.

(c) The commissioner shall verify ~~assets and~~ income for all applicants, and for all recipients upon renewal. The commissioner shall verify liquid assets for applicants, and for recipients upon renewal, only if the applicant or recipient reports total countable assets. The commissioner may verify nonliquid assets, but is not required to do so. This paragraph does not apply to applicants or recipients applying for or receiving medical assistance payment of long-term care services, including services under section 256B.0915, 256B.092, or 256B.49.

(d) The commissioner shall designate locations where enrollees may submit renewal forms, including but not limited to community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner.

**EFFECTIVE DATE.** The amendment to paragraph (c) is effective January 1, 2009.

Sec. 2. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the federal poverty guidelines for the same size family.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later.

Sec. 3. Minnesota Statutes 2007 Supplement, section 256L.03, subdivision 3, is amended to read:

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant, is subject to an annual limit of ~~\$10,000~~ \$20,000.

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

**EFFECTIVE DATE.** This section is effective January 1, 2009, for single adults and households with no children enrolled under section 256L.07, subdivision 4, and is effective July 1, 2009, or upon federal approval, whichever is later, for adults in families with children enrolled under section 256L.04, subdivision 1. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2007 Supplement, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Co-payments and coinsurance.** (a) Except as provided in paragraphs (b) and (c), the MinnesotaCare benefit plan shall include the following co-payments and coinsurance requirements for all enrollees:

(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual and \$3,000 per family;

(2) \$3 per prescription for adult enrollees;

(3) \$25 for eyeglasses for adult enrollees;

(4) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist; and



(5) \$6 for nonemergency visits to a hospital-based emergency room.

(b) Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21.

(c) Paragraph (a) does not apply to pregnant women and children under the age of 21.

(d) Paragraph (a), clause (4), does not apply to mental health services.

(e) Adult enrollees with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the ~~\$10,000~~ \$20,000 inpatient hospital benefit limit.

(f) When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the ~~\$10,000~~ \$20,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

**EFFECTIVE DATE.** This section is effective January 1, 2009, for single adults and households with no children enrolled under section 256L.04, subdivision 7, and is effective July 1, 2009, or upon federal approval, whichever is later, for adults in families with children enrolled under section 256L.04, subdivision 1. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) Families with children with family income equal to or less than ~~275~~ 300 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) ~~Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.~~

(e) Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.

**EFFECTIVE DATE.** This section is effective July 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2007 Supplement, section 256L.04, subdivision 7, is amended to read:

Subd. 7. **Single adults and households with no children.** The definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than 200 percent of the federal poverty guidelines. Effective July 1, 2009, the definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than ~~215~~ 300 percent of the federal poverty guidelines.

**EFFECTIVE DATE.** This section is effective July 1, 2009.

Sec. 7. Minnesota Statutes 2007 Supplement, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. The commissioner shall designate locations where enrollees may submit renewal forms, including but not limited to community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) For single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, the first period of eligibility begins the month the enrollee submitted the application or renewal for general assistance medical care.

(d) An enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Delayed verification.** On the basis of information provided on the completed application, an applicant whose gross income is less than 90 percent of the applicable income standard and meets all other eligibility requirements, including compliance at the time of application with citizenship or nationality documentation requirements under section 256L.04, subdivision 10, must be determined eligible and enrolled upon payment of premiums according to subdivision 3. The applicant shall provide all required verifications within 60 days' notice of the eligibility determination, or eligibility shall be denied or cancelled. Applicants who are denied or cancelled for failure to provide all required verifications are not eligible for coverage using the delayed verification procedures specified in this subdivision for 12 months.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon both increases and decreases in enrollee income, at the time the change in income is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective ~~for~~ the first day of the calendar month following the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. ~~Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment.~~ The commissioner shall waive premiums for coverage provided under this paragraph to persons disenrolled for nonpayment who reapply under section 256L.05, subdivision 3b. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2007 Supplement, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 ~~and the four-month requirement in subdivision 3~~, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.

Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above ~~275~~ 300 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or ~~245~~ 300 percent of the federal poverty guidelines on or after ~~July~~ January 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(b) Notwithstanding paragraph (a), children may remain enrolled in MinnesotaCare if ten percent of their gross individual or gross family income as defined in section 256L.01, subdivision 4, is less than the annual premium for a policy with a \$500 deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment. The premium for children remaining eligible under this clause shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

~~(c) Notwithstanding paragraphs (a) and (b), parents are not eligible for MinnesotaCare if gross household income exceeds \$50,000 for the 12 month period of eligibility.~~

**EFFECTIVE DATE.** This section is effective July 1, 2009, or upon federal approval, whichever is later, except that the amendment to paragraph (a) related to the four-month requirement is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2006, section 256L.07, subdivision 3, is amended to read:

Subd. 3. **Other health coverage.** (a) Families and individuals enrolled in the MinnesotaCare program must have no health coverage while enrolled ~~or for at least four months prior to application and renewal.~~ Children enrolled in the original children's health plan and children in families with income equal to or less than 150 percent of the federal poverty guidelines, who have other health insurance, are eligible if the coverage:

(1) lacks two or more of the following:

(i) basic hospital insurance;

(ii) medical-surgical insurance;

(iii) prescription drug coverage;

(iv) dental coverage; or

(v) vision coverage;

(2) requires a deductible of \$100 or more per person per year; or

(3) lacks coverage because the child has exceeded the maximum coverage for a particular diagnosis or the policy excludes a particular diagnosis.

The commissioner may change this eligibility criterion for sliding scale premiums in order to remain within the limits of available appropriations. The requirement of no health coverage does not apply to newborns.

(b) Medical assistance, general assistance medical care, and the Civilian Health and Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or health coverage for purposes of ~~the four-month requirement described in~~ this subdivision.

~~(c)~~ For purposes of this subdivision, an applicant or enrollee who is entitled to Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to have health coverage. An applicant or enrollee who is entitled to premium-free Medicare Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility for MinnesotaCare.

~~(d)~~ (c) Applicants who were recipients of medical assistance or general assistance medical care within one month of application must meet the provisions of this subdivision and subdivision 2.

~~(e) Cost-effective health insurance that was paid for by medical assistance is not considered health coverage for purposes of the four-month requirement under this section, except if the insurance continued after medical assistance no longer considered it cost-effective or after medical assistance closed.~~

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2007 Supplement, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. Until December 31, 2008, the sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports increased income after enrollment, premiums shall be adjusted at the time the change in income is reported.

(b) ~~Families~~ Children whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

(c) Beginning July 1, 2009, MinnesotaCare enrollees shall pay premiums according to the affordability scale established in section 62U.08 with the exception that children in families with income at or below 150 percent of the federal poverty guidelines shall pay a monthly premium of \$4.

**EFFECTIVE DATE.** This section is effective July 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

Subd. 5. **First month premium exemption.** New enrollee households are exempt from premiums for the first month of MinnesotaCare enrollment. For purposes of this exemption, a "new enrollee household" is a household which has not been enrolled in MinnesotaCare for at least one year prior to application.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 14. **INSURANCE COVERAGE FOR LONG-TERM CARE WORKERS.**

(a) By December 15, 2008, the commissioner of human services shall study and report to the legislature with recommendations for a rate increase to long-term care employers dedicated to the purchase of employee health insurance in the private market. The commissioner shall collect necessary actuarial data, employment data, current coverage data, and other needed information.

(b) The commissioner shall develop cost estimates for three levels of insurance coverage for long-term care workers:

(1) the coverage provided to state employees;

(2) the coverage provided to MinnesotaCare enrollees; and

(3) the benefits provided under an average private market insurance product, but with a deductible limited to \$100 per person.

Premium cost sharing, waiting periods for eligibility, definitions of full- and part-time employment, and other parameters under the three options must be identical to those under the state employees' health plan.

(c) For purposes of this section, a long-term care worker is a person employed by a nursing facility, an intermediate care facility for persons with developmental disabilities, or a service provider that:

(1) is eligible under Laws 2007, chapter 147, article 7, section 71; and

(2) provides long-term care services.

The commissioner may recommend a different definition of long-term care worker if this definition presents insurmountable implementation issues.

(d) The recommendations must include measures to:

(1) ensure equitable treatment between employers that currently have different levels of expenditure for employee health insurance costs; and

(2) enforce the requirement that the rate increase be expended for the intended purpose.

Sec. 15. **REPEALER.**

Minnesota Statutes 2006, section 256L.15, subdivision 3, is repealed.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval of the amendments to section 11, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. **APPROPRIATION.**

\$804,000 is appropriated from the health care access fund to the commissioner of human services for fiscal year 2009, to study insurance coverage for long-term care workers under section 14.

## ARTICLE 3

## INSURANCE REFORM

Section 1. **UNIFORM OUTCOME MEASURES WORKING GROUP.**

(a) The Health Care Transformation Commission, established under Minnesota Statutes, section 62U.04, shall establish an informal working group to create a standardized limited set of measures by which to measure performance of health care providers for use in establishing statewide health improvement goals and in measuring progress on these goals. The group shall focus first on the most common areas of data collection for pay-for-performance systems.

(b) The working group must be known as the Uniform Outcome Measures Working Group. The commission shall determine its members and the number of members. The working group must include representatives of health care providers, health care purchasers, health insurers, public health agencies, and consumers.

(c) The working group shall attempt to determine uniform definitions, measures, and forms for submission of data, to the greatest extent possible.

(d) The working group shall seek to reduce the administrative burden on health care providers and health care purchasers.

(e) The working group shall invite and use the expertise of existing organizations experienced in health care quality measurement.

(f) The working group shall encourage participation by the public.

(g) The commission shall encourage use of the working group recommendations.

(h) By December 15, 2008, the commission shall provide to the legislature a written report under Minnesota Statutes, section 3.195, summarizing the work of the working group. The report must include recommendations for: (1) a standardized set of health care provider performance measures to be enacted by the legislature; and (2) a payment methodology to reduce capitation rates paid by the commissioner of human services under Minnesota Statutes, section 256B.69, to demonstration providers that use provider performance measures other than those included in the standardized set under clause (1).

(i) The working group expires on June 30, 2009, unless the commission determines that the group's continued existence would be beneficial.

Sec. 2. **COMMUNITY BENEFIT STANDARDS AND REPORTING; NONPROFIT HEALTH PLAN COMPANIES; RECOMMENDATIONS.**

(a) By December 15, 2008, the commissioner of health shall recommend to the legislature community benefit standards to be required by law of nonprofit health plan companies doing business in the state. The expectations of the community benefits provided and reported should be related to the statutory expectations in Minnesota Statutes, sections 62C.01 and 62D.01, and thus focus on advocating public health, improving the art and science of medical care, and addressing the need for financial assistance to access ongoing coverage, and not related to general philanthropic endeavors. The commissioner shall seek public input regarding the range of options to be explored and the accountability measures.

(b) The recommendations must include a procedure by which each nonprofit health plan company would periodically and uniformly report to the state and to the public regarding the company's compliance with the requirements.

(c) The commissioner shall recommend a fair and effective enforcement and remediation mechanism.

#### ARTICLE 4

#### HEALTH INSURANCE PURCHASING AND AFFORDABILITY

##### Section 1. [62U.01] DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this section have the meanings given, unless otherwise specified.

Subd. 2. **Advisory committee.** "Advisory committee" means the Health Benefit Set and Design Advisory Committee established in section 62U.055.

Subd. 3. **Clinically effective.** "Clinically effective" means that the use of a particular health technology or service improves or prevents a decline in patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology or service demonstrates a clinical or outcome advantage over alternative technologies or services.

Subd. 4. **Commission.** "Commission" means the Health Care Transformation Commission established in section 62U.04.

Subd. 5. **Cost-effective.** "Cost-effective" means that the economic costs of using a particular service, device, or health technology to achieve improvement or prevent a decline in a patient's health outcome are justified given the comparison to both the economic costs and the improvement in patient health outcome resulting from the use of an alternative service, device, or technology, or from not providing the service, device, or technology.

Subd. 6. **Health plan.** "Health plan" means a health plan as defined in section 62A.011.

Subd. 7. **Health plan company.** "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

Subd. 8. **Health technology.** "Health technology" means medical and surgical devices and procedures, medical equipment, and diagnostic tests.

Subd. 9. **State health care program.** "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 10. **Third-party administrators.** "Third-party administrators" means a vendor of risk management services or an entity administering a self-insurance or health insurance plan under section 60A.23.

##### Sec. 2. [62U.04] HEALTH CARE TRANSFORMATION COMMISSION.

Subdivision 1. **Creation.** The Health Care Transformation Commission is created for the purpose of coordinating the health care transformation activities within Minnesota.



Subd. 2. **Members.** (a) The Health Care Transformation Commission shall consist of ten members who are appointed as follows:

(1) three nonlegislators appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) three nonlegislators appointed by the speaker of the house of representatives; and

(3) four members appointed by the governor, two of whom shall be state commissioners from the agencies listed in section 15.01.

(b) The appointed members who are not commissioners must have expertise in health care financing, health care delivery, health care quality improvement, health economics, actuarial science, business operations, health disparities, culturally competent care, social services funded through medical assistance and property tax resources, or be an informed consumer representative.

(c) If a member is no longer able or eligible to perform the required duties, a new member shall be appointed by the entity that appointed the outgoing member.

Subd. 3. **Operations of the commission.** (a) The commission shall convene on or before July 1, 2008, following the initial appointment of the members.

(b) The commission shall elect a chair among its members.

(c) The commission members shall not be compensated for commission activities except for actual expenses incurred in the performance of their duties. Expenses shall be compensated according to section 15.0575.

Subd. 4. **Immunity of liability.** No member of the commission shall be held civilly liable for an act or omission by that member if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.

Subd. 5. **Responsibilities of the commission.** The Health Care Transformation Commission shall:

(1) collect data from providers on health care prices and quality, including measures of process, outcomes, and patient satisfaction, and publish comparative price and quality information in a manner that is easily understandable and accessible to consumers;

(2) develop a design and implementation plan for health care payment system reform as required under sections 62U.11 and 62U.12;

(3) establish a uniform definition and methodology for calculating the relative utilization and health care costs for providers in treating patients, including but not limited to patients with coronary artery and heart disease, diabetes, asthma, chronic obstructive pulmonary disease, depression, and other chronic conditions. The methodology must include risk adjustment mechanisms that address at least the following factors:

(i) the health status of the individual in the year the individual enters the provider's care;

(ii) a worsening of the patient's health condition that was not reasonably preventable by action that the provider could have taken;

(iii) socioeconomic and cultural factors that bear directly on the cost of care; and

(iv) the percentage of individuals served by the provider or care system whose care is paid for by public health insurance programs;

(4) provide education, technical assistance, and materials necessary for providers to participate in the restructured payment system;

(5) implement and administer the payment system reform;

(6) make recommendations to the governor and legislature as to additional actions that are needed in order to successfully achieve health care transformation in Minnesota;

(7) consult and coordinate with the commissioners of health and human services, health care providers, health plan companies, organizations that work to improve health care quality in Minnesota, consumers, and employers;

(8) establish a Uniform Outcome Measures Working Group and make recommendations on community benefit standards, as required under article 3, section 2;

(9) establish uniform definitions for packages of services used to provide care to patients, including but not limited to patients with coronary artery and heart disease, diabetes, asthma, chronic obstructive pulmonary disease, depression, and other chronic conditions, for the purpose of establishing package pricing; and

(10) carry out other duties assigned in this chapter and this article.

**Subd. 6. Powers of the commission.** The commission shall have the power to:

(1) advise the commissioner of human services on federal policy changes desirable for furthering transformation of Minnesota's health care system. The commissioner shall also consult with the legislature on any federal changes; and

(2) contract with other organizations to carry out all or part of its responsibilities.

**Subd. 7. Standard benefit set and design.** (a) Based on the recommendations submitted by the Health Benefit Set and Design Advisory Committee, the commission shall establish a standard benefit set and design by July 1, 2009.

(b) The standard health benefit set and design must meet the requirements described in section 62U.055.

(c) Prior to establishing the standard benefit set and design, the commission shall convene public hearings throughout the state.

**Subd. 8. Reports.** Beginning January 15, 2010, and each January 15 thereafter, the commission shall submit an annual report to the governor and legislature on the following:

(1) the extent to which health care providers have reduced their costs and fees;

(2) the extent to which costs and cost growth are likely to be maintained or reduced in future years;

(3) the extent to which the quality of health care services has improved;

(4) the extent to which all Minnesotans have access to quality, affordable health care; and

(5) recommendations on additional actions that are needed in order to successfully achieve health care transformation in Minnesota.

Subd. 9. **Expiration.** The commission shall expire December 31, 2013.

Sec. 3. **[62U.055] STANDARD BENEFIT SET AND DESIGN.**

Subdivision 1. **Creation.** The Health Care Transformation Commission shall convene a health benefit set and design advisory committee to make recommendations to the legislature on a standard benefit set and design. The advisory committee shall consist of seven members. The members shall be appointed by the commission and must have expertise in benefit design and development, actuarial analysis, or knowledge relating to the analysis of the cost impact of coverage of specified benefits.

Subd. 2. **Operations of the committee.** (a) The advisory committee shall convene on or before September 1, 2008, upon the appointment of the initial committee and must meet at least once a year, and at other times as necessary.

(b) The commission shall provide office space, equipment and supplies, and technical support to the committee.

(c) The committee shall be governed by section 15.059, except the committee shall not expire. Upon the expiration of the Health Care Transformation Commission, the Health Benefit Set and Design Advisory Committee shall continue to exist under the oversight of the commissioner of health.

Subd. 3. **Immunity of liability.** No member of the committee shall be held civilly liable for an act or omission by that member if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.

Subd. 4. **Duties of the committee.** (a) By January 1, 2009, the committee shall develop and submit to the legislature a benefit set and design that provides individuals access to a broad range of health care services, including preventive health care, without incurring severe financial loss as a result of serious illness or injury. The benefit set must include necessary health care services, procedures, and diagnostic tests that are scientifically proven to be both clinically effective and cost effective. In establishing the benefit set, the committee may contract with the Institute for Clinical Systems Improvement (ICSI) to assemble existing scientifically based practice standards. The committee shall consider cultural, ethnic, and religious values and beliefs to ensure that the health care needs of all Minnesota residents will be addressed in the benefit set.

(b) The benefit set must identify and include preventive services, chronic care coordination services, and early diagnostic tests that, if included in the benefit set, with minimal or no cost-sharing requirements, would result in savings that are equal to or greater than the cost of providing the services.

(c) The benefit set must include evidence-based outpatient care for asthma, heart disease, diabetes, and depression with no cost-sharing requirements, or with minimal cost-sharing requirements that would not impose an economic barrier to accessing the care. The committee may consult with ICSI in identifying standards for care.

(d) The benefit design must be the only benefit plan eligible for premium subsidies under section 62U.09. In addition, each health plan company that issues coverage in the individual or small employer market in this state must offer at least one health plan that complies with the benefit design in each of these two markets in which it issues coverage. The benefit design must establish a limited number of maximum cost-sharing variations based upon deductibles and maximum out-of-pocket costs. There must be no maximum lifetime benefit.

Subd. 5. **Continued review.** The committee shall review the benefit set and design on an ongoing periodic basis and shall adjust the benefit set and design as necessary, to ensure that the benefit set and design continues to be safe, effective, and scientifically based.

Sec. 4. **[62U.06] GOALS FOR UNIVERSAL COVERAGE; CONTINGENT INDIVIDUAL RESPONSIBILITY REQUIREMENT.**

Subdivision 1. **Phase-in goals.** The state's phase-in goals for progress toward universal health coverage for Minnesota residents are:

- (1) 94 percent insured by end of fiscal year 2009;
- (2) 96 percent insured by end of fiscal year 2011;
- (3) 97 percent insured by end of fiscal year 2012; and
- (4) 98 percent insured by end of fiscal year 2013 and thereafter.

Subd. 2. **Measurement of percent insured.** The determination of the percent of Minnesota residents insured must be based on an annual survey of the Minnesota population younger than age 65 to be conducted or contracted for by the commissioner of health which must include questions related to the type of insurance, amount of cost-sharing, and potential barriers to public program enrollment.

Subd. 3. **Contingent individual responsibility requirement.** (a) If the increased affordability, cost containment, insurance reform, and voluntary efforts provided for under this act fail to achieve universal coverage, an individual responsibility requirement must have been proven to be necessary.

(b) If any one of the phase-in goals specified in subdivision 1 for fiscal year 2011 or later is not met, as determined by the commissioner of health, in spite of implementation of the increased affordability, cost containment, insurance reform, and voluntary efforts provided for under sections 62U.01 to 62U.09, an individual responsibility requirement, requiring every Minnesota resident to obtain and maintain health coverage from a public or private sector source of the person's choice, must become effective 12 months after the end of that fiscal year, provided that the commissioner certifies that health plans that meet the affordability standard under section 62U.08 are available to Minnesotans.

(c) Failure to comply with the individual responsibility requirement is not a crime, but must subject the person to a financial penalty to be specified in law.

(d) An individual need not comply with the individual responsibility requirement if the individual objects to the requirement on the basis of a conscientiously held religious belief or bona fide religious practice. In the case of a minor child, this paragraph applies to the belief or practice of the child's parents. An individual may, but is not required to, apply to the commissioner of health for a written waiver of the requirement based upon this paragraph. The commissioner shall approve the waiver if the applicant provides satisfactory proof of eligibility for the waiver under this paragraph.

(e) An individual with gross household income that exceeds 400 percent of the federal poverty guidelines need not comply with the individual responsibility mandate, if the commissioner certifies that a health plan is not available in the individual's geographic area for which the sum of premiums, deductibles, and other out-of-pocket costs paid for health coverage by the individual does not exceed ten percent of gross income.

Sec. 5. **[62U.07] PROJECTED SPENDING.**

**Subdivision 1. Projected spending baseline.** (a) The commissioner of health shall calculate the annual projected total health care spending for the state and establish a health care spending baseline beginning for the year 2008 and for the next five years based on the annual projected growth in spending.

(b) In establishing the health care spending baseline, the commissioner shall use the Center of Medicare and Medicaid Services forecast for total growth in national health care expenditures, and adjust this forecast to reflect the demographics, health status, and other factors deemed necessary by the commissioner. The commissioner shall contract with an actuarial consultant to make recommendations as to the adjustments needed to specifically reflect projected spending for Minnesota residents.

(c) The commissioner may adjust the projected baseline as necessary to reflect any updated federal projections or account for unanticipated changes in federal policy.

**Subd. 2. Actual spending.** By February 15 of each year, beginning February 15, 2010, the commissioner shall determine the actual private and public health care spending for the calendar year preceding the current calendar year and shall determine the difference between the projected spending as determined under subdivision 1 and the actual spending for that year. The actual spending must be certified by an independent actuarial consultant.

**Subd. 3. Publication of spending.** By February 15 of each year, beginning February 15, 2010, the commissioner shall publish in the State Register the projected spending baseline, including any adjustments, and the actual spending for the preceding year.

Sec. 6. **[62U.08] AFFORDABILITY STANDARD.**

**Subdivision 1. Definition of affordability.** For purposes of this section, coverage is "affordable" if the sum of premiums, deductibles, and other out-of-pocket costs paid by an individual or family for health coverage does not exceed the applicable percentage of the individual or family's gross monthly income specified in subdivision 2.

**Subd. 2. Affordability standard.** The following affordability standard is established for individuals and households with gross family incomes of 400 percent of the federal poverty guidelines or less:

**AFFORDABILITY STANDARD**

<b><u>Federal Poverty Guideline Range</u></b>	<b><u>Percent of Average Gross Monthly Income</u></b>
<u>0-33%</u>	<u>minimum</u>
<u>33-54%</u>	<u>1.1%</u>
<u>55-81%</u>	<u>1.2%</u>
<u>82-109%</u>	<u>1.6%</u>
<u>110-136%</u>	<u>2.4%</u>
<u>137-164%</u>	<u>2.9%</u>
<u>165-191%</u>	<u>3.9%</u>
<u>192-219%</u>	<u>4.6%</u>
<u>220-248%</u>	<u>5.4%</u>
<u>248-274%</u>	<u>6.0%</u>
<u>275-300%</u>	<u>6.0%</u>
<u>301-324%</u>	<u>6.5%</u>
<u>325-349%</u>	<u>7.2%</u>
<u>350-374%</u>	<u>7.8%</u>
<u>375-400%</u>	<u>8.0%</u>

Sec. 7. **[62U.09] EMPLOYEE SUBSIDIES FOR HEALTH COVERAGE.**

Subdivision 1. **Establishment of subsidy program.** The commissioner of human services shall establish a subsidy program for eligible employees and dependents to provide assistance in purchasing health coverage.

Subd. 2. **Eligible employees and dependents; incomes not exceeding 300 percent of the federal poverty guidelines.** In order to be eligible for a subsidy under this section, an employee or dependent with a gross household income that does not exceed 300 percent of the federal poverty guidelines must:

(1) be covered by employer-subsidized health coverage, as defined in section 256L.07, subdivision 2, paragraph (c), that meets the benefits set and design requirements established under section 62U.04; and

(2) meet all eligibility criteria for the MinnesotaCare program established under chapter 256L, except for the requirements related to:

(i) no access to employer-subsidized coverage under section 256L.07, subdivision 2; and

(ii) no other health coverage under section 256L.07, subdivision 3.

Subd. 3. **Eligible employees and dependents; incomes greater than 300 percent but not exceeding 400 percent of the federal poverty guidelines.** In order to be eligible for a subsidy under this section, an employee or dependent with a gross household income that is greater than 300 percent but does not exceed 400 percent of the federal poverty guidelines must:

(1) be covered by health coverage that meets the benefits set and design requirements established under section 62U.04; and

(2) meet all eligibility criteria for the MinnesotaCare program established under chapter 256L, except for the requirements related to:

(i) no access to employer-subsidized coverage under section 256L.07, subdivision 2;

(ii) no other health coverage under section 256L.07, subdivision 3; and

(iii) gross household income under section 256L.04, subdivisions 1 and 7.

Subd. 4. **Amount of subsidy.** The subsidy must equal the amount the employee is required to pay for health coverage for the employee and any dependents, including premiums, deductibles, and other cost sharing, minus an amount based on the affordability standard specified in section 62U.08. The maximum subsidy must not exceed the amount of the subsidy that would have been provided under the MinnesotaCare program, if the employee and any dependents were eligible for that program.

Subd. 5. **Payment of subsidy.** The commissioner shall pay the subsidy amount for an employee and any dependents to the employee's health plan company, and this payment shall be credited toward the employee's share of premium. Any additional amount paid by the commissioner to the employee's health plan company that exceeds the employee's share of premium must be credited first toward the employee deductible and then toward any employee cost-sharing obligation.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 8. **[62U.11] PAYMENT RESTRUCTURING; PAYMENTS BASED ON QUALITY AND EFFICIENCY OF CARE.**

**Subdivision 1. Development.** By January 15, 2009, the Health Care Transformation Commission shall report to the legislature in the manner specified in section 3.195 on rules to implement a payment system that links the level of payments to providers to the quality and efficiency of care. The payment system must incorporate payments to primary care physicians, specialty care physicians, health care clinics, hospitals, and other providers who provide services included in the evidence-based benefit set and design developed under section 62U.04. Before January 1, 2010, the commission must adopt rules necessary to implement this payment system.

**Subd. 2. Payment system criteria.** The payment system must meet the following criteria:

(1) providers meeting specified targets, or who demonstrate a significant amount of improvement over time, must be eligible for quality and efficiency-based payments that are in addition to existing payment levels;

(2) priority must be placed on measures of health care outcomes, rather than process measures, wherever possible;

(3) quality measures for primary care providers must focus on preventive services, coronary artery and heart disease, diabetes, asthma, chronic obstructive pulmonary disease, depression, and other conditions or procedures for which, in the determination of the commission, improved outcomes will lead to significant cost savings;

(4) quality measures for specialty care must be designated by the commission, and initially based on quality indicators measured and reported publicly by specialty societies;

(5) hospital payments must be adjusted for quality and efficiency using existing measures where available, which focus on health conditions or procedures for which, in the determination of the commission, improved outcomes will lead to significant cost savings;

(6) to the greatest extent possible, the quality targets used in clause (1) must be adjusted for variation in patient population to reduce incentives for health care providers to locate outside of areas with high rates of poverty, a low patient base, or racial or cultural diversity;

(7) payment methods must adjust for racial, ethnic, or language factors that affect outcomes; and

(8) other indicators of care quality and efficiency must be incorporated where appropriate. These indicators may include care infrastructure, collection and reporting of results, disparities between racial and ethnic populations, and measures of overall cost of care for individuals.

**Subd. 3. Uniform measures required.** Once the payment system required by this section is established, health plan companies shall not require providers to use and report health plan company-specific quality and outcome measures. This shall not, however, limit the ability of the commissioner of human services to establish by contract and monitor, as part of its quality assurance obligations for state health care programs, outcome and performance measures for nonmedical services and health issues likely to occur in low-income populations or racial or cultural groups disproportionately represented in state health care program enrollment that would likely be underrepresented when using traditional measures that are based on longer-term enrollment.

**Subd. 4. Implementation.** (a) By January 1, 2010, the commissioner of human services shall implement this payment system for all state health care program enrollees served under fee-for-service, and shall require demonstration providers serving state health care program enrollees to implement this payment system by January 1, 2010, for all state health care program enrollees served under managed care and county-based purchasing.

(b) By January 1, 2010, the commissioner of employee relations shall implement this payment system for all participants in the State Employee Group Insurance Program.

(c) By January 1, 2010, all health plan companies shall implement this payment system for all participating providers.

**Sec. 9. [62U.12] PAYMENT RESTRUCTURING; CARE COORDINATION PAYMENTS FOR HEALTH CARE HOMES.**

Subdivision 1. **Development.** The Health Care Transformation Commission, in cooperation with the commissioners of health and human services, shall develop a payment system that provides care coordination payments to health care providers. In order to be eligible for a care coordination payment, a health care provider must be certified as a health care home by the commissioners of human services and health based on the certification standards for health care homes established under section 256B.0754.

Subd. 2. **Care coordination fee.** (a) Under the payment system, health care homes must receive a per-person per-month care coordination fee for providing care coordination services and utilizing care coordinators, as specified in section 256B.0752, subdivisions 3 and 7.

(b) The care coordination payment system must vary the fees paid by thresholds of care complexity, with the highest fees being paid for care provided to individuals requiring the most intensive care coordination, such as those with very complex health care needs or several chronic conditions.

(c) In setting care coordination fees, group purchasers as defined in section 62J.03, subdivision 6, shall consider the additional time and resources needed by patients with limited English-language skills, cultural differences, or other barriers to health care.

(d) Care coordination fees may be phased in, and must be applied first to persons who have complex or chronic health conditions.

Subd. 3. **Quality-based payments.** The quality-based payments under section 62U.11, when established, must also be included in the care coordination payment system.

Subd. 4. **Implementation.** (a) By July 1, 2009, the commissioner of human services shall implement this payment system for all state health care program enrollees served under fee-for-service as provided under section 256B.0753 and shall require demonstration providers serving state health care program enrollees to implement this payment system by July 1, 2009, for all state health care program enrollees served under managed care and county-based purchasing.

(b) By July 1, 2009, the commissioner of employee relations shall implement this payment system for all participants in the State Employee Group Insurance Program.

(c) By July 1, 2009, all health plan companies shall implement this payment system for all participating providers.

**Sec. 10. [62U.13] COORDINATION WITH THE PRIVATE SECTOR.**

In developing the payment systems required under sections 62U.11 and 62U.12, the Health Care Transformation Commission shall consult and coordinate with the commissioners of human services and health, organizations that work to improve health care quality in Minnesota, health care providers, health plan companies, consumers, and employers and other payors. The commissioners shall publicize and promote the payment systems required under sections 62U.11 and 62U.12, and shall make technical assistance available to entities adopting the payment systems.



Sec. 11. **[62U.14] PAYMENT RESTRUCTURING: PROVIDER INNOVATION TO IMPROVE COSTS AND QUALITY.**

Subdivision 1. **Development.** (a) By January 15, 2009, the Health Care Transformation Commission shall report to the legislature recommendations for advancing an innovative payment system for providing necessary services to patients, including but not limited to patients with coronary artery and heart disease, diabetes, asthma, chronic obstructive pulmonary disease, and depression.

(b) By January 1, 2010, the Health Care Transformation Commission shall report to the legislature additional changes necessary to accomplish comprehensive payment reform designed to support an innovative payment system to reduce costs and improve quality.

(c) By January 1, 2010, the Health Care Transformation Commission, in cooperation with the commissioner of human services, shall develop a comparable payment system for nonelderly and nondisabled enrollees in the state's public health care programs. This must include an assessment of the impact on enrollee access to quality care and the financial status of the state's health care programs.

(d) By January 1, 2011, the Health Care Transformation Commission shall develop rules to implement a comprehensive payment system that encourages provider innovation to reduce costs and improve quality.

Subd. 2. **Encounter data.** (a) Beginning September 1, 2009, and every three months thereafter, all health plan companies and third-party administrators shall submit encounter data to the Health Care Transformation Commission. The data shall be submitted in a form and manner specified by the commission subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home; and

(3) except for the identifier described in clause (2), the data must not include information that is not included in a health care claim or equivalent encounter information transaction that is required under section 62J.536.

(b) The commission shall only use the data submitted under paragraph (a) for the purpose of carrying out its responsibilities in designing and implementing a payment restructuring system. If the commission contracts with other organizations or entities to carry out any of its duties or responsibilities described in this chapter, the contract must require that the organization or entity maintain the data that it receives according to the provisions of this section.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. The commission shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commission shall not publish analyses or reports that identify, or could potentially identify, individual patients.

(e) The commission shall report back to providers analyses and reports that identify specific providers. The provider shall have 21 days to review the data for accuracy.

(f) The commission shall establish an appeals process to resolve disputes from providers regarding the accuracy of the analyses and reports.

**Subd. 3. Utilization and health care costs.** (a) The commission shall establish a uniform definition and methodology for calculating the relative utilization and health care costs of providers. The methodology must include risk adjustment mechanisms that address at least the following factors:

(1) the health status of the individual in the year the individual enters the provider's care;

(2) a worsening of the patient's health condition that was not reasonably preventable by action that the provider could have taken;

(3) socioeconomic and cultural factors that bear directly on the cost of care; and

(4) the percentage of individuals served by the provider or care system whose care is paid for by public health insurance programs. The risk adjustment must be developed according to generally accepted risk adjustment methodologies.

(b) Beginning April 1, 2010, the commission shall disseminate information to providers on their utilization and cost in comparison to an appropriate peer group.

(c) The commission shall develop a system to index providers based on their risk-adjusted resource use and on quality of care for the conditions specified in subdivision 1, paragraph (a). In developing this system, the commission shall consult and coordinate with health care providers as defined in section 62J.03, subdivision 8, health plan companies, and organizations that work to improve health care quality in Minnesota.

**Subd. 4. Care package pricing.** (a) The commission shall develop a standard method and format for providers to use for submitting package prices for the conditions specified in subdivision 1, paragraph (a). The method shall be published in the State Register and must be made available to all providers.

(b) Beginning July 1, 2010, using the information developed in subdivision 3, providers may submit package prices to the commission for the cost of providing necessary services for the conditions specified in subdivision 1, paragraph (a), based on their disclosed prices under section 62U.15 combined with their actual risk-adjusted resource use for the most recent analytic period. The package prices submitted must reflect the providers' commitment to manage the providers' treatment of the patients and chronic conditions specified in subdivision 1, paragraph (a).

(c) Until January 1, 2013, no provider shall submit package prices for the risk-adjusted total cost of care for the conditions specified in subdivision 1, paragraph (a), that represents an increase of more than the increase in the previous calendar year's Consumer Price Index for all urban consumers plus two percentage points, or a decrease of more than 15 percent below the providers' risk-adjusted cost of care calculated based on the providers' average pricing levels for the previous calendar year.

(d) Beginning January 1, 2011, the commission shall annually publish the results of the process described in paragraph (b), and shall include only providers who choose to submit package prices. The results that are published must be on a risk-neutral basis.

**Subd. 5. Provider assistance.** The commissioner shall provide education and technical assistance to providers on how to calculate and submit package prices for the risk-adjusted cost of care for the conditions specified in subdivision 1, paragraph (a).

Subd. 6. **Payments.** The commission shall establish a method by which providers who have submitted package prices shall be paid for their cost of care in treating the conditions specified in subdivision 1, paragraph (a), with periodic adjustments to the payment they receive to reflect their actual risk-adjusted cost relative to the package price. The commission shall report to the legislature recommendations on how to implement the adjustments.

Subd. 7. **Implementation.** By January 1, 2012, or upon federal approval, whichever is later:

(1) the commissioner of human services shall pay providers based on their package prices for all enrollees in the state's public health care programs;

(2) the commissioner of employee relations shall pay providers based on their package prices for all participants in the state employee group insurance program;

(3) all political subdivisions, as defined in section 13.02, subdivision 11, that offer health benefits to their employees must pay providers based on their package prices for all participants, or purchase a health plan that uses this payment system;

(4) all health plan companies shall use the information and methods developed under this section to develop health plans that encourage consumers to use high-quality, low-cost providers; and

(5) health plan companies that issue health plans in the individual market or the small employer market must offer at least one health plan that uses the information developed under subdivision 3 to establish financial incentives for consumers to use high-quality, low-cost providers through enrollee cost-sharing or selective provider networks.

**Sec. 12. [62U.15] PROVIDER PRICE AND QUALITY DISCLOSURE.**

(a) By January 1, 2009, and annually thereafter, each physician clinic and hospital shall establish a list of prices for each health care procedure, service, package of services, or basket of care the provider provides and provide this information electronically to the Health Care Transformation Commission in the form and manner specified by the commission, and the commission shall provide this information at no cost to the public, upon request. Providers may update this list periodically to reflect new services, supply cost changes, and other factors.

(b) The commission shall develop a plan to expand the provisions of paragraph (a) to all health care providers by January 1, 2010. Notwithstanding this provision, health plan companies shall submit provider price information to the commission for the purposes of paragraph (a), for providers who do not submit prices to the commission for analysis and provider cost performance purposes.

**Sec. 13. [62U.16] PROVIDER PRICING.**

(a) Effective July 1, 2010, no health care provider subject to the requirements of section 62U.14 shall vary the payment amount that the provider accepts as full payment for a health care service based upon the identity of the payer, a contractual relationship with a payer, the identity of the patient, or whether the patient has coverage through a group purchaser.

(b) This section does not apply to services provided to patients who are enrolled in Medicare, workers' compensation, no fault auto insurance, or a state public health care program.

(c) This section does not affect the right of a provider to provide charity care or care for a reduced price due to financial hardship of the patient or due to the patient being a relative or friend of the provider.

Sec. 14. **AMENDMENTS TO CURRENT HEALTH BENEFIT SETS.**

The commissioners of health, commerce, and employee relations shall report to the legislature under Minnesota Statutes, section 3.195, on necessary changes to current mandated benefit sets to align these with the standard benefit set and design developed by the Health Care Transformation Commission established in Minnesota Statutes, section 62U.04.

Sec. 15. **RISK ADJUSTMENT.**

The Risk Adjustment Advisory Council shall review Minnesota Comprehensive Health Association financing and whether the affordability needs of persons with health problems can be addressed through guaranteed issue, with no premium penalty for health history and not allowing preexisting condition limitations. This must include assessing whether stability of the insurance market could be managed through risk sharing that transfers funds between health plan companies. The goal is to discontinue Minnesota Comprehensive Health Association assessment and replace it with a broader and fairer funding mechanism, preferably one that does not involve a fee-based mechanism. The council shall make recommendations to the legislature by November 1, 2009. The Risk Adjustment Advisory Council shall include representatives of insurance companies, the Minnesota Comprehensive Health Association's board of directors, safety net providers, and consumer representatives. It shall be convened by the commissioner of commerce with staffing from that agency and the Minnesota Department of Health.

Sec. 16. **GLOBAL MODELING OF HEALTH CARE REFORMS.**

To the extent of available appropriations, the commissioner of health shall award a grant to the University of Minnesota School of Public Health, Health Policy and Management Division, to develop a model that will assess the impact of proposed health care reforms or major health care-related legislation on all sectors of the health care system, including access to the full range of health care, public health, public and private health insurance coverage, long-term and continuing care, programs for persons with disabilities, social services, and other sectors related to Minnesotans' health. The model must be:

(1) developed with safeguards to make sure that the model and its assumptions and formulas are based on valid and objective data, research, and expert opinions;

(2) designed to enable policy makers and state agencies to enter into the model and study each component of health care reform, including access to all aspects of health care services, health care homes, payment reforms, populationwide prevention, health status of Minnesotans, and incidence of chronic disease;

(3) capable of assessing the interaction of different legislative and policy changes to determine the net effect on costs, access, and health status within sectors of the health care system, and the net overall impact across all sectors;

(4) designed to identify risks of unpredictable or unintended consequences, cost shifting between or within sectors of the health care system, and opportunities to make changes in one sector that will produce a benefit to other sectors; and

(5) capable of being adjusted based on both the proposed changes and the resulting impact in the following areas:

(i) access to all aspects of health care services;

(ii) health status of Minnesotans, including the incidence of chronic disease, health disparities, and risk factors such as obesity and smoking;

(iii) utilization of preventive care services such as screenings, immunizations, and physical examinations; and

(iv) costs and cost distribution, including costs to individuals and families, businesses, and government, including for total cost of health care, health-related services, and social services.

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

Sec. 17. **ECONOMIC ANALYSIS OF HEALTH CARE REFORM PLANS.**

(a) To the extent of available appropriations, the commissioner of health shall award a grant to the University of Minnesota School of Public Health, Health Policy and Management Division, to conduct a study and economic analysis of costs and benefits of various health care reform proposals, including an analysis of the recommendations of the Legislative Health Care Access Commission, the governor's Health Care Transformation Task Force, and a single statewide plan.

(b) The analysis of each proposal must measure the impact on total public and private health care spending in Minnesota that would result from each proposal, including whether there are savings or additional costs due to:

(1) increased or reduced insurance, billing, underwriting, marketing, and other administrative functions;

(2) timely and appropriate use of medical care;

(3) market-driven or negotiated prices on medical services and products, including pharmaceuticals;

(4) a shortage or excess capacity of medical facilities and equipment;

(5) increased utilization, better health outcomes, increased wellness due to prevention, early intervention, and health-promoting activities;

(6) increases or decreases in administrative expenses and health care expenses due to payment reforms;

(7) increases or decreases in administrative expenses and health care expenses due to coordination of care;

(8) increases or decreases in up-front and long-term utilization due to access to comprehensive medically necessary benefits, including dental care, mental health care, prescription drugs, and other health care; and

(9) non-health care impacts on state and local expenditures such as reduced out-of-home placement or crime costs due to mental health or chemical dependency coverage.

(c) The study must also analyze for each proposal the number of Minnesotans without access to health care, including those lacking access to certain types of medical care, such as dental care, mental health care, and prescription drugs.

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

Sec. 18. **APPROPRIATION.**

\$15,000,000 is appropriated in fiscal year 2009 from the health care access fund to the Health Care Transformation Commission. This is a onetime appropriation.

## ARTICLE 5

## PUBLIC HEALTH

Section 1. **[145.986] STATEWIDE HEALTH IMPROVEMENT PROGRAM.**

Subdivision 1. **Goals.** The initial goals of the public health improvement program are to reduce the percentage of Minnesotans who are obese or overweight to less than 50 percent by the year 2020 and to reduce tobacco smoking by two percent annually starting in 2011. By 2011, and considering available funding, the commissioner of health, in consultation with the State Community Health Advisory Committee established in section 145A.10, subdivision 10, and other stakeholders, may make recommendations as to future goals related to alcohol use and illegal drug use.

Subd. 2. **Funding local communities.** Beginning January 1, 2009, the commissioner of health must provide funding to community health boards to convene, coordinate, and lead locally developed programs targeted at achieving measurable health improvement goals. Funding to each community health board will be distributed based on a per capita formula, with a base allocation of \$50,000 to each community health board that receives funding. By January 15, 2011, the commissioner of health must recommend whether additional funding should be distributed to community health boards based on health disparities demonstrated in the populations served.

Subd. 3. **Outcomes.** (a) The commissioner of health must set measurable outcomes to meet the goals specified in subdivision 1, and annually review the progress of local communities in meeting these outcomes. The commissioner of health must provide technical assistance and corrective action plans to ensure that local communities are making sufficient progress.

(b) The commissioner of health must measure current public health data, using existing measures and data collection systems when available, to determine baseline data against which progress shall be monitored.

Subd. 4. **Evaluation.** The commissioner shall conduct an evaluation of the statewide health improvement program using outcome measures established in subdivision 3. Local communities shall cooperate with the commissioner in the evaluation of this program.

Sec. 2. **APPROPRIATIONS.**

\$20,000,000 is appropriated from the health care access fund in fiscal year 2009 to the commissioner of health to implement the statewide health improvement program under Minnesota Statutes, section 145.986. Beginning January 1, 2009, the commissioner of health shall provide funding to community health boards to implement local public health programs."

Delete the title and insert:

"A bill for an act relating to health care reform; increasing affordability and continuity of care for state health care programs; modifying health care provisions; providing subsidies for employee share of employer-subsidized insurance in certain cases; establishing the Health Care Transformation Commission; creating an affordability standard; implementing a statewide health improvement program; requiring an evaluation of mandated health benefits; requiring a payment system to encourage provider innovation; requiring studies and reports; appropriating money; amending Minnesota Statutes 2006, sections 256B.057, subdivision 8; 256B.69, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a

subdivision; Minnesota Statutes 2007 Supplement, sections 256.01, subdivision 2b; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3."

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

The report was adopted.

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

H. F. No. 3569, A bill for an act relating to workers' health; directing the University of Minnesota to study workers' health including lung health; appropriating money.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3976, A bill for an act relating to state government; making changes to continuing care; agency management; state-operated services; children and family services; health care programs; Department of Health provisions; appropriating money; amending Minnesota Statutes 2006, sections 144.1222, subdivision 1a, by adding subdivisions; 157.16, as amended; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0625, subdivisions 3c, 13e; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.434, by adding a subdivision; 256B.441, by adding a subdivision; 256B.69, subdivisions 5a, 6; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 518A.50; 518A.53, subdivision 5; Minnesota Statutes 2007 Supplement, sections 16A.724, subdivision 2; 256.01, subdivision 2; 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.199; 256J.621; 256L.04, subdivisions 1, 7; 256L.07, subdivision 1; Laws 2006, chapter 282, article 20, section 37, as amended; Laws 2007, chapter 147, article 2, section 21; article 19, sections 3, subdivisions 1, 4, 6; 4, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapters 246B; 256B; repealing Minnesota Statutes 2006, sections 62J.58; 256.741, subdivision 15; 256B.441, subdivision 25; Minnesota Statutes 2007 Supplement, sections 256.962, subdivision 5; 256.969, subdivision 27; 256B.057, subdivision 2c; 256B.441, subdivisions 1, 14a, 30, 31, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58; 256L.07, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### CONTINUING CARE

Section 1. Minnesota Statutes 2006, section 256B.0621, subdivision 2, is amended to read:

Subd. 2. **Targeted case management; definitions.** For purposes of subdivisions 3 to 10, the following terms have the meanings given them:

(1) "home care service recipients" means those individuals receiving the following services under sections 256B.0651 to 256B.0656: skilled nursing visits, home health aide visits, private duty nursing, personal care assistants, or therapies provided through a home health agency;

(2) "home care targeted case management" means the provision of targeted case management services for the purpose of assisting home care service recipients to gain access to needed services and supports so that they may remain in the community;

(3) "institutions" means hospitals, consistent with Code of Federal Regulations, title 42, section 440.10; regional treatment center inpatient services, consistent with section 245.474; nursing facilities; and intermediate care facilities for persons with developmental disabilities;

(4) "relocation targeted case management" includes the provision of both county targeted case management and public or private vendor service coordination services for the purpose of assisting recipients to gain access to needed services and supports if they choose to move from an institution to the community. Relocation targeted case management may be provided during the lesser of:

(i) the last 180 consecutive days of an eligible recipient's institutional stay; or

(ii) the limits and conditions which apply to federal Medicaid funding for this service; and

(5) "targeted case management" means case management services provided to help recipients gain access to needed medical, social, educational, and other services and supports.

Sec. 2. Minnesota Statutes 2006, section 256B.0621, subdivision 6, is amended to read:

Subd. 6. **Eligible services.** (a) Services eligible for medical assistance reimbursement as targeted case management include:

(1) assessment of the recipient's need for targeted case management services and for persons choosing to relocate, the county must provide service coordination provider options at the first contact and upon request;

(2) development, completion, and regular review of a written individual service plan, which is based upon the assessment of the recipient's needs and choices, and which will ensure access to medical, social, educational, and other related services and supports;

(3) routine contact or communication with the recipient, recipient's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan;

(4) coordinating referrals for, and the provision of, case management services for the recipient with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery and engaging in advocacy as needed to ensure quality of services, appropriateness, and continued need;

(6) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;



(7) assisting individuals in order to access needed services, including travel to conduct a visit with the recipient or other relevant person necessary to develop or implement the goals of the individual service plan; and

(8) coordinating with the institution discharge planner ~~in the 180-day period~~ before the recipient's discharge.

(b) Relocation targeted county case management includes services under paragraph (a), clauses (1), (2), and (4). Relocation service coordination includes services under paragraph (a), clauses (3) and (5) to (8). Home care targeted case management includes services under paragraph (a), clauses (1) to (8).

Sec. 3. Minnesota Statutes 2006, section 256B.0621, subdivision 10, is amended to read:

Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted case management under this subdivision. Case managers may bill according to the following criteria:

(1) for relocation targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts, in the lesser of:

(i) 180 days preceding an eligible recipient's discharge from an institution; or

(ii) the limits and conditions which apply to federal Medicaid funding for this service;

(2) for home care targeted case management, case managers may bill for direct case management activities, including face-to-face and telephone contacts; and

(3) billings for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

Sec. 4. Minnesota Statutes 2007 Supplement, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness and children with severe emotional disturbance. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

(c) Medical assistance and MinnesotaCare payment for mental health case management shall be made on a monthly basis. In order to receive payment for an eligible child, the provider must document at least a face-to-face contact with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:

(1) at least a face-to-face contact with the adult or the adult's legal representative; or

(2) at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact with the adult or the adult's legal representative within the preceding two months.

(d) Payment for mental health case management provided by county or state staff shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults.

(e) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

(f) Payment for mental health case management provided by vendors who contract with a county or Indian tribe shall be based on a monthly rate negotiated by the host county or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the county or tribe may negotiate a team rate with a vendor who is a member of the team. The team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or tribe, except to reimburse the county or tribe for advance funding provided by the county or tribe to the vendor.

(g) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

(h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a tribal agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

(i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance, general assistance medical care, and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

(j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

(k) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to:

- (1) the costs of developing and implementing this section; and
- (2) programming the information systems.

(l) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

(m) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

(n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(o) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

Sec. 5. **[256B.0658] HOUSING ACCESS GRANTS.**

The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services, including state plan home care, to access housing. Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to assure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

Sec. 6. Minnesota Statutes 2006, section 256B.0924, subdivision 4, is amended to read:

Subd. 4. **Targeted case management service activities.** (a) For persons with developmental disabilities, targeted case management services must meet the provisions of section 256B.092.

(b) For persons not eligible as a person with a developmental disability, targeted case management service activities include:

(1) an assessment of the person's need for targeted case management services;

(2) the development of a written personal service plan;

(3) a regular review and revision of the written personal service plan with the recipient and the recipient's legal representative, and others as identified by the recipient, to ensure access to necessary services and supports identified in the plan;

(4) effective communication with the recipient and the recipient's legal representative and others identified by the recipient;

(5) coordination of referrals for needed services with qualified providers;

(6) coordination and monitoring of the overall service delivery to ensure the quality and effectiveness of services;

(7) assistance to the recipient and the recipient's legal representative to help make an informed choice of services;

(8) advocating on behalf of the recipient when service barriers are encountered or referring the recipient and the recipient's legal representative to an independent advocate;

(9) monitoring and evaluating services identified in the personal service plan to ensure personal outcomes are met and to ensure satisfaction with services and service delivery;

(10) conducting face-to-face monitoring with the recipient at least twice a year;

(11) completing and maintaining necessary documentation that supports and verifies the activities in this section;

(12) coordinating with the medical assistance facility discharge planner ~~in the 180-day period~~ prior to the recipient's discharge into the community; and

(13) a personal service plan developed and reviewed at least annually with the recipient and the recipient's legal representative. The personal service plan must be revised when there is a change in the recipient's status. The personal service plan must identify:

(i) the desired personal short and long-term outcomes;

(ii) the recipient's preferences for services and supports, including development of a person-centered plan if requested; and

(iii) formal and informal services and supports based on areas of assessment, such as: social, health, mental health, residence, family, educational and vocational, safety, legal, self-determination, financial, and chemical health as determined by the recipient and the recipient's legal representative and the recipient's support network.

Sec. 7. Minnesota Statutes 2006, section 256B.0924, subdivision 6, is amended to read:

**Subd. 6. Payment for targeted case management.** (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate negotiated by the host county. The negotiated rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the county may negotiate a team rate with a vendor who is a member of the team. The team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county, except to reimburse the county for advance funding provided by the county to the vendor.

(d) If the service is provided by a team that includes contracted vendors and county staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, the county must document, in the recipient's file, the need for team targeted case management and a description of the different roles of the team members.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Payments to counties for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county payments for the cost of case management services provided by county staff shall not be made to the commissioner of finance. For the purposes of targeted case management services provided by county staff under this section, the centralized disbursement of payments to counties under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

Sec. 8. Minnesota Statutes 2006, section 256B.19, subdivision 1d, is amended to read:

Subd. 1d. **Portion of nonfederal share to be paid by certain counties.** (a) In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance cost. For purposes of this subdivision, "designated governmental unit" means the counties of Becker, Beltrami, Clearwater, Cook, Dodge, Hubbard, Itasca, Lake, Pennington, Pipestone, Ramsey, St. Louis, Steele, Todd, Traverse, and Wadena.

(b) Beginning in 1994, each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county on that date, with the county named as licensee, multiplied by \$5,723. If two or more counties own and operate a nursing home, the payment shall be prorated. These sums shall be part of the designated governmental unit's portion of the nonfederal share of medical assistance costs.

(c) Beginning in 2002, in addition to any transfer under paragraph (b), each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county on that date, with the county named as licensee, multiplied by \$10,784. The provisions of paragraph (b) apply to transfers under this paragraph.

~~(d) Beginning in 2003, in addition to any transfer under paragraphs (b) and (c), each of the governmental units designated in this subdivision shall transfer before noon on May 31 to the state Medicaid agency an amount equal to the number of licensed beds in any nursing home owned and operated by the county on that date, with the county named as licensee, multiplied by \$2,230. The provisions of paragraph (b) apply to transfers under this paragraph.~~

~~(e) (d)~~ The commissioner may reduce the intergovernmental transfers under ~~paragraphs~~ paragraph (c) and (d) based on the commissioner's determination of the payment rate in section 256B.431, subdivision 23, paragraphs (c); and (d), ~~and (e)~~. Any adjustments must be made on a per-bed basis and must result in an amount equivalent to the total amount resulting from the rate adjustment in section 256B.431, subdivision 23, paragraphs (c); and (d), ~~and (e)~~.

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

Sec. 9. Minnesota Statutes 2006, section 256B.431, subdivision 23, is amended to read:

Subd. 23. **County nursing home payment adjustments.** (a) Beginning in 1994, the commissioner shall pay a nursing home payment adjustment on May 31 after noon to a county in which is located a nursing home that, on that date, was county-owned and operated, with the county named as licensee by the commissioner of health, and had over 40 beds and medical assistance occupancy in excess of 50 percent during the reporting year ending September 30, 1991. The adjustment shall be an amount equal to \$16 per calendar day multiplied by the number of beds licensed in the facility on that date.

(b) Payments under paragraph (a) are excluded from medical assistance per diem rate calculations. These payments are required notwithstanding any rule prohibiting medical assistance payments from exceeding payments from private pay residents. A facility receiving a payment under paragraph (a) may not increase charges to private pay residents by an amount equivalent to the per diem amount payments under paragraph (a) would equal if converted to a per diem.

(c) Beginning in 2002, in addition to any payment under paragraph (a), the commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in an amount equal to \$29.55 per calendar day multiplied by the number of beds licensed in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments under this paragraph.

~~(d) Beginning in 2003, in addition to any payment under paragraphs (a) and (c), the commissioner shall pay to a nursing facility described in paragraph (a) an adjustment in an amount equal to \$6.11 per calendar day multiplied by the number of beds licensed in the facility on that date. The provisions of paragraphs (a) and (b) apply to payments under this paragraph.~~

~~(e) (d)~~ The commissioner may reduce payments under ~~paragraphs~~ paragraph (c) and (d) based on the commissioner's determination of Medicare upper payment limits. Any adjustments must be proportional to adjustments made under section 256B.19, subdivision 1d, paragraph ~~(e) (d)~~.

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 256B.434, subdivision 19, is amended to read:

Subd. 19. **Nursing facility rate increases beginning October 1, 2007, and October 1, 2008.** (a) For the rate year beginning October 1, 2007, the commissioner shall make available to each nursing facility reimbursed under this section operating payment rate adjustments equal to 1.87 percent of the operating payment rates in effect on September 30, 2007. For the rate year beginning October 1, 2008, the commissioner shall make available to each nursing facility reimbursed under this section, operating payment rate adjustments equal to 2.0 percent of the operating payment rates in effect on September 30, 2008.

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the nursing facility or exercises control over the nursing facility; and

(3) persons paid by the nursing facility under a management contract.

(c) Two-thirds of the money available under paragraph (b) must be used for wage increases for all employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except those listed in paragraph (b), clauses (1) to (3). The wage adjustment that employees receive under this paragraph must be paid as an equal hourly percentage wage increase for all eligible employees. All wage increases under this paragraph must be effective on the same date. Only costs associated with the portion of the equal hourly percentage wage increase that goes to all employees shall qualify under this paragraph. Costs associated with wage increases in excess of the amount of the equal hourly percentage wage increase provided to all employees shall be allowed only for meeting the requirements in paragraph (b). This paragraph shall not apply to employees covered by a collective bargaining agreement.

(d) The commissioner shall allow as compensation-related costs all costs for:

(1) wages and salaries;

(2) FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions; and

(4) other benefits provided, subject to the approval of the commissioner.

(e) The portion of the rate adjustment under paragraph (a) that is not subject to the requirements in paragraphs (b) and (c) shall be provided to nursing facilities effective October 1, 2007, or October 1, 2008, as applicable.

(f) Nursing facilities may apply for the portion of the rate adjustment under paragraph (a) that is subject to the requirements in paragraphs (b) and (c). The application must be submitted to the commissioner within six months of the effective date of the rate adjustment, and the nursing facility must provide additional information required by the commissioner within nine months of the effective date of the rate adjustment. The commissioner must respond to all applications within three weeks of receipt. The commissioner may waive the deadlines in this paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain:

- (1) an estimate of the amounts of money that must be used as specified in paragraphs (b) and (c);
  - (2) a detailed distribution plan specifying the allowable compensation-related and wage increases the nursing facility will implement to use the funds available in clause (1);
  - (3) a description of how the nursing facility will notify eligible employees of the contents of the approved application, which must provide for giving each eligible employee a copy of the approved application, excluding the information required in clause (1), or posting a copy of the approved application, excluding the information required in clause (1), for a period of at least six weeks in an area of the nursing facility to which all eligible employees have access; and
  - (4) instructions for employees who believe they have not received the compensation-related or wage increases specified in clause (2), as approved by the commissioner, and which must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.
- (g) The commissioner shall ensure that cost increases in distribution plans under paragraph (f), clause (2), that may be included in approved applications, comply with the following requirements:
- (1) costs to be incurred during the applicable rate year resulting from wage and salary increases effective after October 1, 2006, and prior to the first day of the nursing facility's payroll period that includes October 1, 2007 of each year, shall be allowed if they were not used in the prior year's application;
  - (2) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct care employees;
  - (3) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1, 2007, of the year in which the rate adjustments are effective and prior to April 1, 2008 of the following year; and
  - (4) for nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2007. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this section as having been met in regard to the members of the bargaining unit.
- (h) The commissioner shall review applications received under paragraph (f) and shall provide the portion of the rate adjustment under paragraphs (b) and (c) if the requirements of this subdivision have been met. The rate adjustment shall be effective October 1. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

Sec. 11. Minnesota Statutes 2006, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:



(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees. Notwithstanding section 256B.0621, demonstration providers that provide nursing home and community-based services under this section shall provide relocation service coordination to enrolled persons age 65 and over;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

Sec. 12. Minnesota Statutes 2006, section 256D.44, subdivision 2, is amended to read:

Subd. 2. **Standard of assistance for persons eligible for medical assistance waivers or at risk of placement in a group residential housing facility.** The state standard of assistance for a person who: (1) is eligible for a medical assistance home and community-based services waiver or a person who; (2) has been determined by the local agency to meet the plan requirements for placement in a group residential housing facility under section 256I.04, subdivision 1a; or (3) is eligible for a shelter needy payment under subdivision 5, paragraph (f); is the standard established in subdivision 3, paragraph (a) or (b).

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

Sec. 13. Minnesota Statutes 2006, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility.

(a) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

- (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;
- (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;
- (3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;
- (4) low cholesterol diet, 25 percent of thrifty food plan;

- (5) high residue diet, 20 percent of thrifty food plan;
- (6) pregnancy and lactation diet, 35 percent of thrifty food plan;
- (7) gluten-free diet, 25 percent of thrifty food plan;
- (8) lactose-free diet, 25 percent of thrifty food plan;
- (9) antidumping diet, 15 percent of thrifty food plan;
- (10) hypoglycemic diet, 15 percent of thrifty food plan; or
- (11) ketogenic diet, 25 percent of thrifty food plan.

(b) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipient's gross income or \$25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f) (1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of ~~January~~ July of the ~~previous~~ each year will be added to the standards of assistance established in subdivisions 1 to 4 for ~~individuals~~ adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622, and who are shelter needy; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard

specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

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

## ARTICLE 2

### AGENCY MANAGEMENT

Section 1. Minnesota Statutes 2006, section 13.461, is amended by adding a subdivision to read:

Subd. 24a. **Managed care plans.** Data provided to the commissioner of human services by managed care plans relating to contracts and provider payment rates are classified under section 256B.69, subdivision 9b.

Sec. 2. Minnesota Statutes 2006, section 256.01, is amended by adding a subdivision to read:

Subd. 27. **Automation and coordination for state health care programs.** (a) For purposes of this subdivision, "state health care program" means the medical assistance, MinnesotaCare, or general assistance medical care programs.

(b) By July 1, 2010, the commissioner shall improve coordination between state health care programs and social service programs including but not limited to WIC, free and reduced-price school lunch programs, and food stamps, and shall develop and use automated systems to identify persons served by social service programs who may be eligible for, but are not enrolled in, a state health care program. The system must also permit enrollees to renew state health care program enrollment through these social services programs. By January 15, 2010, the commissioner shall, as necessary, identify and recommend to the legislature statutory changes to state health care and social service programs necessary to improve coordination and automation of outreach and enrollment efforts, and report estimated local and state costs of implementation and evaluate funding alternatives, including possible federal reimbursement.

(c) By January 15, 2010, the commissioner shall establish and implement an automated process to send out state health care program renewal forms in the most common foreign languages to those state health care program enrollees who request renewal forms in those foreign languages. The commissioner, as part of the initial enrollment process, shall inform applicants of the availability of this option.

(d) Beginning July 1, 2010, the commissioner, county social service agencies, and health care providers shall update state health care program enrollee addresses and related contact information at the time of each enrollee contact. The commissioner shall report the costs of automatically updating contact information across programs to health care providers and county agencies.

Sec. 3. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

Sec. 4. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 5i. **Administrative expenses.** (a) Managed care plan and county-based purchasing plan administrative costs for a prepaid health plan provided under this section or section 256B.692 must not exceed by more than five percent that prepaid health plan's or county-based purchasing plan's actual calculated administrative spending for the previous calendar year as a percentage of total revenue. The penalty for exceeding this limit must be the amount of administrative spending in excess of 105 percent of the actual calculated amount. The commissioner may waive this penalty if the excess administrative spending is the result of unexpected shifts in enrollment or member needs or new program requirements.

(b) Capitated rate payments for administrative costs must be reduced to exclude onetime or sporadic expenditures in the prior year unless the managed care plan certifies that the expenditure will recur during the contract year. The commissioner shall verify these certifications on an annual basis and recoup any payments made for onetime or sporadic expenditures that did not occur in the prior year.

(c) Expenses under section 62D.12, subdivision 9a, clause (4), are not allowable administrative expenses for rate-setting purposes under this section, unless approved by the commissioner.

Sec. 5. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 5j. **Treatment of investment earnings.** Capitation rates shall treat investment income and interest earnings as income to the same extent that investment-related expenses are treated as administrative expenditures.

Sec. 6. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 9a. **Administrative expense reporting.** Each managed care plan and county-based purchasing plan must provide to the commissioner detailed information on administrative spending, including:

(1) itemized lists of costs for claims processing and provider network management;

- (2) detailed reports of costs for contracts with providers and third-party administrators;
- (3) a detailed analysis of administrative spending for each Minnesota health care program;
- (4) a detailed analysis of the provider's allocation of administrative expenses among its public and commercial lines of business;
- (5) a detailed analysis of administrative costs by service category; and
- (6) a detailed analysis of onetime and sporadic expenditures included in the administrative spending category.

Sec. 7. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 9b. **Reporting of subcontracts and provider payment rates.** (a) Each managed care plan and county-based purchasing plan must provide to the commissioner:

- (1) detailed information on contracts with health care providers; and
  - (2) detailed information on reimbursement rates paid by the managed care plan to providers under contract with the plan.
- (b) Data provided to the commissioner under this subdivision are nonpublic data as defined in section 13.02.

Sec. 8. Minnesota Statutes 2006, section 256B.692, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance and general assistance medical care in return for a fixed sum without regard to the frequency or extent of services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance and general assistance medical care services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and, effective January 1, 2010, fiscal solvency of chapter 62D, applicable to health maintenance organizations, or chapter 62N, applicable to community integrated service networks, will be met: according to the following schedule:

- (1) for a county-based purchasing plan approved on or before June 30, 2008, the plan must have in reserve:
  - (i) at least 50 percent of the minimum amount required under chapter 62D as of January 1, 2010;
  - (ii) at least 75 percent of the minimum amount required under chapter 62D as of January 1, 2011;
  - (iii) at least 87.5 percent of the minimum amount required under chapter 62D as of January 1, 2012; and
  - (iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and
- (2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;

(ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year;  
and

(iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. A ~~county~~ county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; 62M.01 to 62M.16; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.145; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62M, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance and general assistance medical care services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

Sec. 9. Minnesota Statutes 2006, section 256B.692, is amended by adding a subdivision to read:

Subd. 4a. **Expenditure of revenues.** (a) A county that has elected to participate in a county-based purchasing plan under this section shall use any excess revenues over expenses that are received by the county and are not needed for capital reserves under subdivision 2, to increase payments to providers, or to repay county investments or contributions to the county-based purchasing plan, for prevention, early intervention, and health care programs, services, or activities.

(b) A county-based purchasing plan under this section is subject to the unreasonable expense provisions of section 62D.19.

Sec. 10. Minnesota Statutes 2006, section 256L.12, subdivision 9, is amended to read:

Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2003, to December 31, 2003, the commissioner shall withhold .5 percent of managed care plan payments under this section pending completion of performance targets. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year if performance targets in the contract are achieved. A managed care plan may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(c) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, such as characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

Sec. 11. **REPORT ON FINANCIAL MANAGEMENT OF HEALTH CARE PROGRAMS.**

The commissioner of human services shall report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with the following information regarding financial management of health care programs:

(1) a status report on implementation of the cost containment strategies identified in the 2005 "Strategies for Savings" report. The report must include:

(i) information on progress made towards implementation of cost-saving strategies;

(ii) an explanation of why certain strategies were not implemented; and

(iii) where appropriate, alternative strategies to those recommended in 2005 for containing public health care program costs;

(2) a description of and, to the extent possible, an explanation of recent differences between the health plan net revenue targets established by the commissioner for health plans participating in public health care programs and the actual net revenue realized by the plans from public programs;

(3) the adequacy of public health care programs for fee-for-service rates, including an identification of service areas or geographical regions where enrollees have difficulty accessing providers as the result of inadequate provider payments. This report must include recommendations to increase rates as needed to eliminate identified access problems; and

(4) a progress report on implementation of Minnesota Statutes, section 256B.76, paragraph (e), requiring payments for physician and professional services to be based on Medicare relative value units, and an estimated completion date for implementation of this payment system.

Sec. 12. **HEALTH PLAN AND COUNTY-BASED PURCHASING PLAN REQUIREMENTS.**

(a) The commissioner of health shall develop and report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, guidelines to ensure that health plans, and county-based purchasing plans where applicable, have consistent procedures for allocating administrative expenses and investment income across their commercial and public lines of business and across individual public programs. The guidelines shall be consistent with generally accepted accounting principles and principles from the National Association of Insurance Commissioners. The guidelines shall not have the effect of changing allocation for Medicare-related programs as permitted by federal law and the Centers for Medicare and Medicaid Services.

(b) The commissioner of health, in cooperation with the commissioners of commerce and human services, shall develop and report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, detailed standards and procedures for examining the reasonableness of health plan and county-based purchasing plan administrative expenditures for publicly funded programs. These standards and procedures must include a process for detailed examinations of individual programs and functional areas.

(c) The commissioner of health shall develop and report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, a more efficient method for a health plan, and a county-based purchasing plan where appropriate, to demonstrate to the commissioner that providers in the plan's network have appropriate credentials. The commissioner shall review issues regarding:

(1) the duplicate review of credentials at a health care provider by multiple health plans;

(2) the review of the credentials of all staff of a health care provider when only limited staff will be in the plan network; and

(3) other duplicative credentialing issues.

Sec. 13. **OMBUDSMAN FOR MANAGED CARE STUDY.**

The commissioner of human services, in cooperation with the ombudsman for managed care, shall study and report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with recommendations on whether the duties of the ombudsman should be expanded to include advocating on behalf of public health care programs fee-for-service enrollees. The report must include:

(1) a comparison of recourses available to managed care clients versus fee-for-service clients when service problems occur; and

(2) an estimate of any net cost increase from this change in the ombudsman's duties, taking into account any reduction in the commissioner's duties.

Sec. 14. **REPORTING MANAGED CARE PERFORMANCE DATA.**

The commissioner of human services, in cooperation with the commissioner of health, shall report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with recommendations on the adoption of a single method to compute and publicly report managed health care performance measures in order to avoid confusion about the plans' performance levels. The study must include recommendations regarding coordinated use by the two agencies of the following data sources:

(1) Healthcare Effectiveness Data and Information Set (HEDIS) from managed care organizations;

(2) data that health plans submit to claim reimbursement for health care procedures; and

(3) data collected from medical record reviews of randomly selected individuals.

Sec. 15. **PUBLIC DENTAL COVERAGE PROGRAM STUDY.**

(a) The commissioner of human services shall undertake a study to determine whether alternative approaches to offering dental coverage to public programs enrollees would result in:

(1) improved access to dental care;



(2) cost savings to providers and the department; and

(3) improved quality and outcomes of care.

Alternatives considered must include moving to a single dental plan administrator, retaining the current model, and other innovative approaches. Issues relating to chronic disease management, medical and dental interface, plan payment approaches, and provider payment should also be addressed. The report must make a recommendation on whether to alter the current approach to contracting for dental services, and include a detailed plan on how to implement any changes. The commissioner shall consult with dentists, safety net dental providers, dental plans, health plans and county-based purchasing organizations, patients and advocates, and other interested parties in developing their findings and recommendations.

(b) By December 15, 2008, the commissioner of human services shall report findings and recommendations to the chairs of the house of representatives and senate committees having jurisdiction over health and human services policy and finance.

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

Sec. 16. **WORK GROUP; TARGETED CASE MANAGEMENT.**

(a) The commissioner of human services shall convene a work group and seek information from counties, juvenile court staff, guardians ad litem, and mental health and child welfare advocates on the impact of federal regulations that cut funding for targeted case management services and the child support administrative collection system. The work group shall consider the impact these cuts will have on child protection, mental health, and housing relocation services.

(b) The commissioner shall issue a report from the work group summarizing the impact of the federal budget cuts on persons eligible for targeted case management services and the impact on county budgets. This report shall include budget and policy strategies to restore service levels to that of the year prior to the effective date of the federal regulations. A preliminary report shall be issued on December 15, 2008.

ARTICLE 3

CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2007 Supplement, section 256.741, subdivision 1, is amended to read:

Subdivision 1. **Public assistance Definitions.** (a) The term "direct support" as used in this chapter and chapters 257, 518, 518A, and 518C refers to an assigned support payment from an obligor which is paid directly to a recipient of ~~TANF or MFIP~~ public assistance.

(b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A, and 518C, includes any form of assistance provided under the AFDC program formerly codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K; child care assistance provided through the child care fund under chapter 119B; any form of medical assistance under chapter 256B; MinnesotaCare under chapter 256L; and foster care as provided under title IV-E of the Social Security Act.

(c) The term "child support agency" as used in this section refers to the public authority responsible for child support enforcement.

(d) The term "public assistance agency" as used in this section refers to a public authority providing public assistance to an individual.

(e) The terms "child support" and "arrear" as used in this section have the meanings provided in section 518A.26.

(f) The term "maintenance" as used in this section has the meaning provided in section 518.003.

Sec. 2. Minnesota Statutes 2006, section 256.741, subdivision 2, is amended to read:

Subd. 2. **Assignment of support and maintenance rights.** (a) An individual receiving public assistance in the form of assistance under any of the following programs: the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program formerly codified under chapter 256K is considered to have assigned to the state at the time of application all rights to child support and maintenance from any other person the applicant or recipient may have in the individual's own behalf or in the behalf of any other family member for whom application for public assistance is made. An assistance unit is ineligible for the Minnesota family investment program unless the caregiver assigns all rights to child support and ~~spousal~~ maintenance benefits according to this section.

(1) ~~An~~ The assignment made according to this section is effective as to:

~~(i) any current child support and current spousal maintenance; and~~

~~(ii) any accrued child support and spousal maintenance arrears.~~

(2) ~~An assignment made after September 30, 1997, is effective as to:~~

~~(i) any current child support and current spousal maintenance;~~

~~(ii) any accrued child support and spousal maintenance arrears collected before October 1, 2000, or the date the individual terminates assistance, whichever is later; and~~

~~(iii) any accrued child support and spousal maintenance arrears collected under federal tax intercept.~~

(2) Any child support or maintenance arrears that accrue while an individual is receiving public assistance in the form of assistance under any of the programs listed in this paragraph are permanently assigned to the state.

(3) The assignment of current child support and current maintenance ends on the date the individual ceases to receive or is no longer eligible to receive public assistance under any of the programs listed in this paragraph.

(b) An individual receiving public assistance in the form of medical assistance, including MinnesotaCare, is considered to have assigned to the state at the time of application all rights to medical support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom medical assistance is provided.

(1) An assignment made after September 30, 1997, is effective as to any medical support accruing after the date of medical assistance or MinnesotaCare eligibility.

(2) Any medical support arrears that accrue while an individual is receiving public assistance in the form of medical assistance, including MinnesotaCare, are permanently assigned to the state.

(3) The assignment of current medical support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of medical assistance or MinnesotaCare.

(c) An individual receiving public assistance in the form of child care assistance under the child care fund pursuant to chapter 119B is considered to have assigned to the state at the time of application all rights to child care support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom child care assistance is provided.

~~An (1) The assignment made according to this paragraph is effective as to:~~

~~(1) any current child care support and any child care support arrears assigned and accruing after July 1, 1997, that are collected before October 1, 2000; and,~~

~~(2) any accrued child care support arrears collected under federal tax intercept. Any child care support arrears that accrue while an individual is receiving public assistance in the form of child care assistance under the child care fund in chapter 119B are permanently assigned to the state.~~

(3) The assignment of current child care support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of child care assistance under the child care fund under chapter 119B.

Sec. 3. Minnesota Statutes 2006, section 256.741, subdivision 2a, is amended to read:

Subd. 2a. **Families-first Distribution of child support arrearages.** (a) The state shall distribute current child support and maintenance received by the state to an individual who assigns the right to that support under subdivision 2, paragraph (a).

(b) When the public authority collects child support arrearages on behalf of an individual who is receiving public assistance provided under MFIP or MFIP R under this chapter, MFIP under chapter 256J, or work first under chapter 256K, and the public authority has the option of applying the collection to arrears permanently assigned to the state or to arrears temporarily assigned to the state, the public authority shall first apply the collection to satisfy those arrears that are permanently assigned to the state.

(c) When the public authority collects child support arrearages on behalf of an individual who is not receiving public assistance, the public authority shall first apply the collection to satisfy those arrears that are not permanently assigned to the state.

(d) When the public authority collects child support arrearages certified under the federal tax offset, the public authority shall first apply the collection to satisfy those arrears that are permanently assigned to the state.

Sec. 4. Minnesota Statutes 2006, section 256.741, subdivision 3, is amended to read:

Subd. 3. **Existing assignments.** Assignments based on the receipt of public assistance in existence prior to July 1, 1997, are permanently assigned to the state. Arrears that accrued prior to the receipt of assistance that were assigned to the state between July 1, 1997, and October 1, 2009, must no longer be assigned as of October 1, 2009.

**EFFECTIVE DATE.** This section is effective October 1, 2009.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256J.621, is amended to read:

**256J.621 WORK PARTICIPATION ~~BONUS~~ FOOD BENEFITS.**

(a) ~~Effective March 1, 2010,~~ upon exiting the diversionary work program (DWP) or upon terminating the Minnesota family investment program (MFIP) ~~cash assistance~~ with earnings, a participant who is employed may be eligible for ~~transitional assistance~~ work participation food benefits of \$75 per month to assist in meeting the family's basic needs as the participant continues to move toward self-sufficiency.

(b) To be eligible for a ~~transitional assistance payment~~ work participation food benefits, the participant shall not receive MFIP ~~cash assistance~~ or diversionary work program assistance during the month and the participant or participants must meet the following work requirements:

(1) if the participant is a single caregiver and has a child under six years of age, the participant must be employed at least 87 hours per month;

(2) if the participant is a single caregiver and does not have a child under six years of age, the participant must be employed at least 130 hours per month; or

(3) if the household is a two-parent family, at least one of the parents must be employed an average of at least 130 hours per month.

Whenever a participant exits the diversionary work program or is terminated from MFIP ~~cash assistance~~ and meets the other criteria in this section, ~~transitional assistance is~~ work participation food benefits are available for up to 24 consecutive months.

(c) Expenditures on the program are maintenance of effort state funds for participants under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives ~~transitional assistance~~ work participation food benefits under this section do not count toward the participant's MFIP 60-month time limit.

Sec. 6. Minnesota Statutes 2006, section 518A.50, is amended to read:

**518A.50 PAYMENT TO PUBLIC AGENCY.**

(a) This section applies to all proceedings involving a support order, including, but not limited to, a support order establishing an order for past support or reimbursement of public assistance.

(b) The court shall direct that all payments ordered for maintenance or support be made to the public authority responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support or maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement, including the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments.

(c) Payments made to the public authority ~~other than payments under section 518A.53~~ must be credited as of the date the payment is received by the central collections unit; except that payments made under section 518A.53 may be considered to have been paid as of the date the obligor received the remainder of the income.

(d) Monthly amounts received by the public agency responsible for child support enforcement from the obligor that are greater than the monthly amount of public assistance granted to the obligee must be remitted to the obligee.

**EFFECTIVE DATE.** This section is effective October 1, 2009.

Sec. 7. Minnesota Statutes 2006, section 518A.53, subdivision 5, is amended to read:

Subd. 5. **Payor of funds responsibilities.** (a) An order for or notice of withholding is binding on a payor of funds upon receipt. Withholding must begin no later than the first pay period that occurs after 14 days following the date of receipt of the order for or notice of withholding. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule.

(b) A payor of funds shall withhold from the income payable to the obligor the amount specified in the order or notice of withholding and amounts specified under subdivisions 6 and 9 and shall remit the amounts withheld to the public authority within seven business days of the date the obligor is paid the remainder of the income. The payor of funds shall include with the remittance the Social Security number of the obligor, the case type indicator as provided by the public authority and the date the obligor is paid the remainder of the income. ~~The obligor is considered to have paid the amount withheld as of the date the obligor received the remainder of the income.~~ A payor of funds may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment.

(c) A payor of funds shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of wage or salary withholding authorized by this section. A payor of funds shall be liable to the obligee for any amounts required to be withheld. A payor of funds that fails to withhold or transfer funds in accordance with this section is also liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred. A payor of funds is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. A payor of funds that has failed to comply with the requirements of this section is subject to contempt sanctions under section 518A.73. If the payor of funds is an employer or independent contractor and violates this subdivision, a court may award the obligor twice the wages lost as a result of this violation. If a court finds a payor of funds violated this subdivision, the court shall impose a civil fine of not less than \$500. The liabilities in this paragraph apply to intentional noncompliance with this section.

(d) If a single employee is subject to multiple withholding orders or multiple notices of withholding for the support of more than one child, the payor of funds shall comply with all of the orders or notices to the extent that the total amount withheld from the obligor's income does not exceed the limits imposed under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b), giving priority to amounts designated in each order or notice as current support as follows:

(1) if the total of the amounts designated in the orders for or notices of withholding as current support exceeds the amount available for income withholding, the payor of funds shall allocate to each order or notice an amount for current support equal to the amount designated in that order or notice as current support, divided by the total of the amounts designated in the orders or notices as current support, multiplied by the amount of the income available for income withholding; and

(2) if the total of the amounts designated in the orders for or notices of withholding as current support does not exceed the amount available for income withholding, the payor of funds shall pay the amounts designated as current support, and shall allocate to each order or notice an amount for past due support, equal to the amount designated in that order or notice as past due support, divided by the total of the amounts designated in the orders or notices as past due support, multiplied by the amount of income remaining available for income withholding after the payment of current support.

(e) When an order for or notice of withholding is in effect and the obligor's employment is terminated, the obligor and the payor of funds shall notify the public authority of the termination within ten days of the termination date. The termination notice shall include the obligor's home address and the name and address of the obligor's new payor of funds, if known.

(f) A payor of funds may deduct one dollar from the obligor's remaining salary for each payment made pursuant to an order for or notice of withholding under this section to cover the expenses of withholding.

**EFFECTIVE DATE.** This section is effective October 1, 2009.

Sec. 8. Laws 2007, chapter 147, article 2, section 21, the effective date, is amended to read:

**EFFECTIVE DATE.** Subdivision 1 is effective February 1, 2008, and subdivision 2 is effective ~~May 1, 2008~~ March 1, 2009.

Sec. 9. Laws 2007, chapter 147, article 19, section 3, subdivision 1, is amended to read:

Subdivision 1. <b>Total Appropriation</b>		<b>\$5,294,627,000</b>	<b>\$5,695,458,000</b>
	Appropriations by Fund		
	2008	2009	
General	4,614,727,000	4,940,293,000	
State Government			
Special Revenue	549,000	565,000	
Health Care Access	426,628,000	492,759,000	
Federal TANF	250,537,000	260,051,000	
Lottery Prize Fund	2,185,000	1,790,000	

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

**Receipts for Systems Projects.** Appropriations and federal receipts for information system projects for MAXIS, PRISM, MMIS, and SSIS must be deposited in the state system account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the Minnesota Office of Enterprise Technology, funded by the legislature, and approved by the commissioner of finance, may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.

**Pay for Performance.** (a) Of the general fund appropriation, \$272,000 each year is available to the commissioner of human services only under the following circumstances:

(1) \$272,000 shall be made available by the commissioner of finance on January 1, 2009, only after notification by the commissioner of human services to the commissioner of finance and to the chairs of the relevant house of representatives and senate finance and policy committees that the average number of days from the receipt of a MinnesotaCare application at the state processing unit until the initial eligibility determination of the application was 30 days or less during the period October 1, 2007, to September 30, 2008. Applications transferred from counties to the state processing unit are excluded from this calculation; and

(2) \$272,000 shall be made available by the commissioner of finance on January 1, 2009, only after notification by the commissioner of human services to the commissioner of finance and to the chairs of the relevant house of representatives and senate finance and policy committees that the commissioner initiated a separate treatment program for persons in the Minnesota sex offenders program who are between the ages of 18 and 25 by January 1, 2008.

(b) Regardless of whether these appropriations are made available to the commissioner of human services, they shall be part of base level funding for the biennium beginning July 1, 2009.

**Purchasing Alliance Fund Transfer.** On September 1, 2007, any remaining balance in the purchasing alliance stop-loss fund account established under Minnesota Statutes, section 256.956, shall transfer to the general fund.

**Nonfederal Share Transfers.** The nonfederal share of activities for which federal administrative reimbursement is appropriated to the commissioner may be transferred to the special revenue fund.

**TANF Maintenance of Effort.** (a) In order to meet the basic MOE requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1, the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF/MOE expenditures:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K;

(5) expenditures made on behalf of noncitizen MFIP recipients who qualify for the medical assistance without federal financial participation program under Minnesota Statutes, section 256B.06, subdivision 4, paragraphs (d), (e), and (j); and

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671.

(b) The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's TANF/MOE requirements. For the activities listed in paragraph (a), clauses (2) to (6), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) The commissioner shall ensure that the MOE used by the commissioner of finance for the February and November forecasts required under Minnesota Statutes, section 16A.103, contains expenditures under paragraph (a), clause (1), equal to at least 16 percent of the total required under Code of Federal Regulations, title 45, section 263.1.

(d) For the federal fiscal year beginning October 1, 2007, the commissioner may not claim an amount of TANF/MOE in excess of the 75 percent standard in Code of Federal Regulations, title 45, section 263.1(a)(2), except:

(1) to the extent necessary to meet the 80 percent standard under Code of Federal Regulations, title 45, section 263.1(a)(1), if it is determined by the commissioner that the state will not meet the TANF work participation target rate for the current year;

(2) to provide any additional amounts under Code of Federal Regulations, title 45, section 264.5, that relate to replacement of TANF funds due to the operation of TANF penalties;

(3) to provide any additional amounts that may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess MOE provisions of Code of Federal Regulations, title 45, section 261.43(a)(2); and

(4) for the purposes of clauses (1) to (3), the commissioner may supplement the MOE claim with working family credit expenditures to the extent such expenditures or other qualified expenditures are otherwise available after considering the expenditures allowed in this section.



(e) If allowable by the federal Office of Family Assistance, the commissioner may claim excess MOE with respect to federal fiscal years 2006 and 2007 to the extent that working family credit expenditures are otherwise available to supplement the state's MOE claim for those years after considering the expenditures allowed in this subdivision.

If other qualified expenditures are available, the commissioner may use those expenditures as excess MOE and by April 15, 2009, shall report those expenditures to the chairs of the senate and house of representatives Finance Committees, the senate Health and Human Services Budget Division, and house of representatives Health Care and Human Services Finance Division.

~~(d)~~ (f) Minnesota Statutes, section 256.011, subdivision 3, which requires that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law, does not apply if the grants or aids are federal TANF funds.

~~(e)~~ (g) Notwithstanding any contrary provision in this article, this rider expires June 30, 2011.

**Working Family Credit Expenditures as TANF/MOE.** The commissioner may claim as TANF/MOE up to \$6,707,000 per year for fiscal year 2008 through fiscal year 2011. Notwithstanding any contrary provision in this article, this rider expires June 30, 2011.

**Additional Working Family Credit Expenditures to be Claimed for TANF/MOE.** In addition to the amounts provided in this section, the commissioner may count the following amounts of working family credit expenditure as TANF/MOE:

- (1) fiscal year 2008, ~~\$11,097,000~~ \$28,222,000;
- (2) fiscal year 2009, ~~\$25,401,000~~ \$42,905,000;
- (3) fiscal year 2010, ~~\$20,398,000~~ \$29,026,000; and
- (4) fiscal year 2011, ~~\$19,841,000~~ \$28,361,000.

Notwithstanding any contrary provision in this article, this rider expires June 30, 2011.

**Capitation Rate Increase.** Of the health care access fund appropriations to the University of Minnesota in the higher education omnibus appropriation bill, \$2,157,000 in fiscal year 2008 and \$2,157,000 in fiscal year 2009 are to be used to increase the capitation payments under Minnesota Statutes, section 256B.69.

Sec. 10. **REPEALER.**

Minnesota Statutes 2006, sections 256.741, subdivision 15; and 256J.24, subdivision 6, are repealed.

## ARTICLE 4

## HEALTH CARE

Section 1. Minnesota Statutes 2006, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Operating payment rates.** In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and establish operating payment rates per admission for each hospital based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year. Rates under the general assistance medical care, medical assistance, and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997, ~~and~~ January 1, 2005, and for the first year of the rebased period beginning January 1, 2009. The base year operating payment rate per admission is standardized by the case mix index and adjusted by the hospital cost index, relative values, and disproportionate population adjustment. The cost and charge data used to establish operating rates shall only reflect inpatient services covered by medical assistance and shall not include property cost information and costs recognized in outlier payments.

Sec. 2. Minnesota Statutes 2006, section 256.969, subdivision 20, is amended to read:

Subd. 20. **Increases in medical assistance inpatient payments; conditions.** (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988 and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For purposes of this paragraph, medical assistance does not include general assistance medical care.

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988 and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For purposes of this paragraph, medical assistance does not include general assistance medical care.

(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph exceeds the adjustment under those subdivisions. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient payment rates shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur after September 30, 1992, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9 or 23, the hospital must be paid the adjustment under subdivisions 9 and 23, as applicable, plus any amount by which the adjustment under this paragraph exceeds the adjustment under those subdivisions. For purposes of this paragraph, medical assistance does not include general assistance medical care.

(e) For admissions occurring on or after July 1, 2008, fee-for-service inpatient payments must increase eight percent for a hospital with a medical assistance inpatient utilization rate of 17.95 percent of total patient days as of the base year in effect on July 1, 2005, and nine percent for a hospital with a medical assistance inpatient utilization rate of 59.60 percent of total patient days as of the base year in effect on July 1, 2005. Payments made to managed care plans must not be increased to reflect this increase. For purposes of this paragraph, medical assistance does not include general assistance medical care.

Sec. 3. Minnesota Statutes 2006, section 256B.0571, subdivision 8, is amended to read:

Subd. 8. **Program established.** (a) The commissioner, in cooperation with the commissioner of commerce, shall establish the Minnesota partnership for long-term care program to provide for the financing of long-term care through a combination of private insurance and medical assistance.

(b) An individual who meets the requirements in this paragraph is eligible to participate in the partnership program. The individual must:

(1) be a Minnesota resident at the time coverage first became effective under the partnership policy; and

(2) be a beneficiary of a partnership policy 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 subdivision 8a; ~~and,~~

~~(3) have exhausted all of the benefits under the partnership policy as described in this section. Benefits received under a long-term care insurance policy before July 1, 2006, do not count toward the exhaustion of benefits required in this subdivision.~~

Sec. 4. Minnesota Statutes 2006, section 256B.0571, subdivision 9, is amended to read:

Subd. 9. **Medical assistance eligibility.** (a) Upon application for medical assistance program payment of long-term care services by an individual who meets the requirements described in subdivision 8, the commissioner shall determine the individual's eligibility for medical assistance according to paragraphs (b) to (i).

(b) After determining assets subject to the asset limit under section 256B.056, subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall allow the individual to designate assets to be protected from recovery under subdivisions 13 and 15 up to the dollar amount of the benefits utilized under the partnership policy as of the effective date of eligibility for medical assistance program payment of long-term care services. Benefits utilized under a long-term care insurance policy before July 1, 2006, do not count for the purpose of determining the amount of assets that can be designated. Designated assets shall be disregarded for purposes of determining eligibility for payment of long-term care services. The dollar amount of benefits utilized must be equal to the amount of claims paid by the issuer under the policy as verified by the issuer.

(c) The individual shall identify the designated assets and the full fair market value of those assets and designate them as assets to be protected at the time of ~~initial~~ application for medical assistance payment of long-term care services. The full fair market value of real property or interests in real property shall be based on the most recent full assessed value for property tax purposes for the real property, unless the individual provides a complete professional appraisal by a licensed appraiser to establish the full fair market value. The extent of a life estate in real property shall be determined using the life estate table in the health care program's manual. Ownership of any asset in joint tenancy shall be treated as ownership as tenants in common for purposes of its designation as a disregarded asset. The unprotected value of any protected asset is subject to estate recovery according to subdivisions 13 and 15.

(d) The right to designate assets to be protected is personal to the individual and ends when the individual dies, except as otherwise provided in subdivisions 13 and 15. It does not include the increase in the value of the protected asset and the income, dividends, or profits from the asset. It may be exercised by the individual or by anyone with the legal authority to do so on the individual's behalf. It shall not be sold, assigned, transferred, or given away.

~~(e) If the dollar amount of the benefits utilized under a partnership policy is greater than the full fair market value of all assets protected at the time of the application for medical assistance long-term care services, As the individual continues to utilize benefits under a partnership policy after eligibility for medical assistance payment of long-term care services begins, the individual may designate, for additional protection, an increase in the value of protected assets and additional assets that become available during the individual's lifetime for protection under this section up to the amount of additional benefits utilized. The individual must make the designation in writing to the county agency no later than the last date on which the individual must report a change in circumstances to the county agency, as provided for under the medical assistance program. Any excess used for this purpose shall not be available to the individual's estate to protect assets in the estate from recovery under section 256B.15 or 524.3-1202, or otherwise. The amount used for this purpose must reduce the unused amount of asset protection available to protect assets in the individual's estate from recovery under section 256B.15 or 524.3-1202, or otherwise.~~

(f) This section applies only to estate recovery under United States Code, title 42, section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other provisions of federal law, including, but not limited to, recovery from trusts under United States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of the Deficit Reduction Act of 2005, Public Law 109-171.

(g) An individual's protected assets owned by the individual's spouse who applies for payment of medical assistance long-term care services shall not be protected assets or disregarded for purposes of eligibility of the individual's spouse solely because they were protected assets of the individual.

(h) Assets designated under this subdivision shall not be subject to penalty under section 256B.0595.

(i) The commissioner shall otherwise determine the individual's eligibility for payment of long-term care services according to medical assistance eligibility requirements.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after October 1, 2003, and before January 1, 2009:

(1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3 for eyeglasses;

(3) \$6 for nonemergency visits to a hospital-based emergency room; and

(4) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

(b) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after January 1, 2009:

(1) \$6 for nonemergency visits to a hospital-based emergency room; ~~and~~

(2) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness; and

(3) for individuals identified by the commissioner with income at or below 100 percent of the federal poverty guidelines, total monthly co-payments must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on co-payments.

(c) Recipients of medical assistance are responsible for all co-payments in this subdivision.

Sec. 6. Minnesota Statutes 2007 Supplement, section 256B.0631, subdivision 3, is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment, except that ~~reimbursement for prescription drugs~~ reimbursements shall not be reduced;

(1) once a recipient has reached the \$12 per month maximum or the \$7 per month maximum effective January 1, 2009, for prescription drug co-payments; or

(2) for a recipient identified by the commissioner under 100 percent of the federal poverty guidelines who has met their monthly five percent co-payment limit.

(b) The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of the co-payments effective January 1, 2009.

Sec. 7. **[256B.194] FEDERAL PAYMENTS.**

Subdivision 1. **Payments at actual cost.** Notwithstanding any other statute or rule to the contrary, for providers that are units of government, the commissioner may limit medical assistance and MinnesotaCare payments to a provider's actual cost of providing services, according to the Centers for Medicare and Medicaid Services (CMS) final rule referenced in this subdivision. The commissioner may also require medical assistance and MinnesotaCare providers to provide any information necessary to determine Medicaid-related costs, and require the cooperation of providers in any audit or review necessary to ensure payments are limited to cost. This section does not apply to providers who are exempt from the provisions of the CMS final rule. This subdivision becomes effective when the CMS final rule, published May 29, 2007, at Federal Register, Vol. 72, No. 100, governing payments to providers that are units of government goes into effect at the end of the moratorium imposed by Congress.

**Subd. 2. Loss of federal financial participation.** For all transfers, certified expenditures, and medical assistance payments listed in this subdivision, if the commissioner determines that federal financial participation is no longer available for the medical assistance payments listed, then related obligations for the nonfederal share of payments and the medical assistance payments must terminate. The commissioner shall notify all affected parties of the loss of federal financial participation, and the resulting payments and obligations that are terminated. If the commissioner determines that federal financial participation is no longer available for any medical assistance payments or contributions to the nonfederal share of medical assistance payments that have already been made, the commissioner may collect the medical assistance payments from providers and return contributions of the nonfederal share to its source. The transfers, certified expenditures, and medical assistance payments subject to this section are those specified in section 62J.692, subdivision 7, paragraphs (b) and (c); 256B.19, subdivisions 1c and 1d; 256B.195; 256B.431, subdivision 23; and 256B.69, subdivision 5c, paragraph (a), clauses (2) to (4); Laws 2002, chapter 220, article 17, section 2, subdivision 3; and Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 1.

Sec. 8. Minnesota Statutes 2007 Supplement, section 256B.199, is amended to read:

**256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.**

(a) Effective July 1, 2007, the commissioner shall apply for federal matching funds for the expenditures in paragraphs (b) and (c).

(b) The commissioner shall apply for federal matching funds for certified public expenditures as follows:

(1) Hennepin County, and Hennepin County Medical Center, Ramsey County, Regions Hospital, the University of Minnesota, and Fairview University Medical Center shall report quarterly to the commissioner beginning June 1, 2007, payments made during the second previous quarter that may qualify for reimbursement under federal law;

(2) based on these reports, the commissioner shall apply for federal matching funds. These funds are appropriated to the commissioner ~~for the payments under section 256.969, subdivision 27 to offset medical assistance expenditures;~~ and

(3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform the nonstate entities listed in this paragraph ~~(a)~~ of the amount of federal disproportionate share hospital payment money expected to be available in the current federal fiscal year.

(c) The commissioner shall apply for federal matching funds for general assistance medical care expenditures as follows:

(1) for hospital services occurring on or after July 1, 2007, general assistance medical care expenditures for fee-for-service inpatient and outpatient hospital payments made by the department shall be used to apply for federal matching funds, except as limited below:

(i) only those general assistance medical care expenditures made to an individual hospital that would not cause the hospital to exceed its individual hospital limits under section 1923 of the Social Security Act may be considered; and

(ii) general assistance medical care expenditures may be considered only to the extent of Minnesota's aggregate allotment under section 1923 of the Social Security Act; and

(2) all hospitals must provide any necessary expenditure, cost, and revenue information required by the commissioner as necessary for purposes of obtaining federal Medicaid matching funds for general assistance medical care expenditures.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2007.

Sec. 9. Minnesota Statutes 2006, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B, 256D, and 256L, established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d)(1) Effective for services rendered on or after January 1, 2009, the commissioner shall withhold two percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(2) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph. The return of the withhold under this paragraph is not subject to the requirements of paragraph (c).

Sec. 10. Minnesota Statutes 2006, section 256L.12, subdivision 9, is amended to read:

Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2003, to December 31, 2003, the commissioner shall withhold .5 percent of managed care plan payments under this section pending completion of performance targets. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year if performance targets in the contract are achieved. A managed care plan may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(c) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d) For services rendered on or after January 1, 2009, the commissioner shall withhold two percent of managed care plan payments under this section. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph.

Sec. 11. **FEDERAL APPROVAL FOR INCREASED DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.**

By January 1, 2009, the commissioner of human services, in cooperation with hospitals with high rates of utilization by medical assistance enrollees, shall develop and submit for federal approval a proposal to increase disproportionate share hospital payments to Minnesota hospitals. In developing the proposal, the commissioner shall consider, but is not required to adopt, disproportionate share hospital payment proposals from other states that have received federal approval.

Sec. 12. **REPEALER.**

Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27, is repealed retroactively from July 1, 2007.

ARTICLE 5

HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, or other law to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition or subtraction from appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Supplemental appropriations and reductions for the fiscal year ending June 30, 2008, are effective the day following final enactment.

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

Sec. 2. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

**\$(34,855,000)**

**\$(56,265,000)**



**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	(51,980,000)	(80,296,000)
<u>Health Care Access</u>	0	(3,292,000)
<u>Federal TANF</u>	17,125,000	27,323,000

Subd. 2. Agency Management

<b><u>Financial Operations</u></b>	<u>0</u>	<u>(5,867,000)</u>
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The amounts that may be spent from the appropriation for each purpose are as follows:

**Base Adjustment.** The general fund base is increased \$23,000 in fiscal year 2010 and \$26,000 in fiscal year 2011.

Subd. 3. Revenue and Pass-Through Revenue Expenditures

<u>Federal TANF</u>	<u>25,000,000</u>	<u>27,039,000</u>
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**Additional TANF Transfer to Social Services Block Grant.** In addition to transfers allowed under prior law, \$5,754,000 in fiscal year 2009 is appropriated to the commissioner for the purposes of providing services for families with children whose incomes are at or below 200 percent of the federal poverty guidelines. The commissioner shall authorize a sufficient transfer of funds from the state's federal social services block grant to meet this appropriation. The funds must be distributed to counties for the children and community services grant according to the formula for state appropriations in Minnesota Statutes, chapter 256M.

Subd. 4. Children and Economic Assistance Grants

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

(a) **MFIP/DWP Grants**

Appropriations by Fund

<u>General</u>	<u>(17,125,000)</u>	<u>(25,947,000)</u>
<u>Federal TANF</u>	<u>17,125,000</u>	<u>27,311,000</u>



**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

(2) \$100,000 in fiscal year 2009 from the general fund and \$50,000 in fiscal year 2009 from the health care access fund are for the outreach grants under Minnesota Statutes, section 256.962, subdivision 2. For the biennium beginning July 1, 2009, base level funding for this activity shall be \$90,000 from the general fund and \$40,000 from the health care access fund.

**(b) MA Basic Health Care Grants - Families and Children**

(17,985,000)

(24,848,000)

**Hospital Payment Delay.** Notwithstanding Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 6, payments from the Medicaid Management Information System that would otherwise have been made for inpatient hospital services for medical assistance enrollees are delayed as follows: (1) for fiscal year 2008, the last payments for the month of June must be included in the first payments in fiscal year 2009; and (2) for fiscal year 2009, the last payments in the month of June must be included in the first payment of fiscal year 2010. The provisions of Minnesota Statutes, section 16A.124, shall not apply to these delayed payments.

**(c) MA Basic Health Care Grants - Elderly and Disabled**

(14,028,000)

(2,254,000)

**Minnesota Disability Health Options Rate Setting Methodology.** The commissioner shall develop and implement a methodology for risk adjusting payments for community alternatives for disabled individuals (CADI) and traumatic brain injury (TBI) home and community-based waiver services delivered under the Minnesota disability health options program (MnDHO) effective January 1, 2009. The commissioner shall take into account the weighting system used to determine county waiver allocations in developing the new payment methodology. Growth in the number of enrollees receiving CADI or TBI waiver payments through MnDHO is limited to an increase of 200 enrollees in each calendar year from January 2009 through December 2011. If those limits are reached, additional members may be enrolled in MnDHO for basic care services only as defined under Minnesota Statutes, section 256B.69, subdivision 28, and the commissioner may establish a waiting list for future access of MnDHO members to those waiver services.

**Critical Access Dental Reimbursement.** Effective for fiscal years beginning on or after July 1, 2009, funding for medical assistance critical access dental reimbursement rates must be paid from the health care access fund.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>
<u>(d) <b>General Assistance Medical Care Grants</b></u>	<u>0</u> <u>(3,729,000)</u>

**MinnesotaCare Outreach Grants Special Revenue Account.**

The balance in the MinnesotaCare outreach grants special revenue account at the close of fiscal year 2008 must be transferred to the general fund.

**Subd. 6. Health Care Management**

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

<b><u>Health Care Administration</u></b>	<u>0</u>	<u>100,000</u>
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**Subd. 7. Continuing Care Grants**

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

<b><u>(a) MA Long-Term Care Facilities Grants</u></b>	<u>(2,306,000)</u>	<u>(2,291,000)</u>
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<b><u>(b) MA Long-Term Care Waivers and Home Care Grants</u></b>	<u>0</u>	<u>(5,397,000)</u>
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**Manage Growth in TBI and CADI Waiver.** During the fiscal years beginning on July 1, 2008, July 1, 2009, and July 1, 2010, the commissioner shall allocate money for home and community-based programs covered under Minnesota Statutes, section 256B.49, to ensure a reduction in state spending that is equivalent to limiting the caseload growth of the traumatic brain injury (TBI) waiver to 200 allocations in each year of the biennium and the community alternatives for disabled individuals (CADI) waiver to 1,500 allocations each year of the biennium. Priorities for the allocation of funds must be for individuals anticipated to be discharged from institutional settings or who are at imminent risk of a placement in an institutional setting. Notwithstanding any contrary section in this article, this provision expires June 30, 2011.

<b><u>(c) Mental Health Grants</u></b>	<u>0</u>	<u>(4,555,000)</u>
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**Base Adjustment.** The general fund base is increased \$5,270,000 in fiscal year 2010 and \$5,450,000 in fiscal year 2011 due to the county payment shift for adult mental health grants.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

**Targeted Case Management Work Group.** \$15,000 is appropriated from the general fund for fiscal year 2009 to the commissioner of human services for administrative costs directly related to the operation of the targeted case management work group.

**(d) Chemical Dependency Entitlement Grants**

0                      (1,503,000)

**Payments for Substance Abuse Treatment.** For services provided in fiscal year 2009, county-negotiated rates and provider claims to the consolidated chemical dependency fund must not exceed rates charged for services in excess of those in effect on May 31, 2008. If statutes authorize a cost-of-living adjustment during fiscal year 2009, then notwithstanding any law to the contrary, fiscal year 2009 rates may not exceed those in effect on May 31, 2008, plus any authorized cost-of-living adjustments.

**Chemical Dependency Treatment Fund Special Revenue Account.** The lesser of the balance of the consolidated chemical dependency treatment fund at the close of fiscal year 2008 or \$2,650,000 must be transferred and deposited into the general fund.

**(e) Chemical Dependency Nonentitlement Grants**

0                      2,150,000

**Base Level Adjustment.** The general fund base for chemical dependency nonentitlement treatment grants shall be increased by \$150,000 for fiscal years 2010 and 2011 for increased grants for methamphetamine treatment.

**American Indian Youth Program.** Of the general fund appropriation, \$2,000,000 in fiscal year 2009 is for grants to be awarded competitively to American Indian tribes to purchase or develop one or more culturally specific treatment programs designed to serve youth from native cultures. This appropriation is onetime and available until spent.

**(f) Other Continuing Care Grants**

0                      (4,381,000)

**Base Level Adjustment.** The general fund base is increased \$7,633,000 in fiscal year 2010 and \$5,332,000 in fiscal year 2011, due to the onetime reduction of HIV grants in fiscal year 2009, an increase each year for housing grants under Minnesota Statutes, section 256B.0658, and the adjustment for the county grant payment shift for developmental disability semi-independent services grants and developmental disability family support grants.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

**Housing Access Grants.** Of the general fund appropriation, \$250,000 is appropriated in fiscal year 2009 for housing access grants under Minnesota Statutes, section 256B.0658.

**Funding Usage.** Up to 75 percent of the fiscal year 2010 appropriation for developmental disability semi-independent living services grants and developmental disability family support grants may be used to fund calendar year 2009 allocations for these programs, with the resulting calendar year funding pattern continuing into the future.

Subd. 8. **State-Operated Services**

**County Past Due Receivables.** The commissioner is authorized to withhold county federal administrative reimbursement when the county of financial responsibility for cost-of-care payments due to the state under Minnesota Statutes, section 246.54 or 253B.045, is 180 days past due. The commissioner shall deposit the federal administrative withholding into the general fund to settle the claims with the county of financial responsibility.

**Mental Health Services**

(225,000)

(300,000)

Sec. 3. **Health Department**

**Federally Qualified Health Centers.** Effective for fiscal years beginning on or after July 1, 2009, the general fund appropriation of \$1,500,000 each fiscal year for federally qualified health centers under Minnesota Statutes, section 145.9269, is eliminated and is replaced by a \$1,500,000 appropriation each fiscal year from the health care access fund.

**MERC Federal Compliance.** Effective for fiscal years beginning on or after July 1, 2009, the general fund appropriation of \$2,000,000 each fiscal year to the Mayo Clinic for the purpose of providing transition funding while federal compliance changes are made to the medical education and research cost funding distribution formula is eliminated and is replaced by a \$2,000,000 appropriation each fiscal year from the health care access fund.

## ARTICLE 6

## HEALTH AND HUMAN SERVICES FORECAST CHANGES

**Section 1. SUMMARY OF APPROPRIATIONS; DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

The dollar amounts shown are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2007, chapter 147, from the general fund, or any other fund named, to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2008" used in this article means that the appropriation or appropriations listed are available for the fiscal year ending June 30, 2008. The figure "2009" used in this article means that the appropriation or appropriations listed are available for the fiscal year ending June 30, 2009.

	<u>2008</u>	<u>2009</u>
<u>General</u>	\$6,739,000	\$52,350,000
<u>Health Care Access</u>	(84,156,000)	(96,019,000)
<u>TANF</u>	(28,427,000)	(7,441,000)
<b><u>Total</u></b>	<b><u>\$(105,844,000)</u></b>	<b><u>\$(51,110,000)</u></b>

**Sec. 2. COMMISSIONER OF HUMAN SERVICES**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$(105,844,000)</u></b>	<b><u>\$(51,110,000)</u></b>
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Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	6,739,000	52,350,000
<u>Health Care Access</u>	(84,156,000)	(96,019,000)
<u>TANF</u>	(28,427,000)	(7,441,000)

**Subd. 2. Revenue and Pass-Through**

<u>TANF</u>	1,187,000	1,507,000
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**Subd. 3. Children and Economic Assistance Grants**

<u>General</u>	(4,960,000)	5,925,000
<u>TANF</u>	(29,614,000)	(8,948,000)

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

**(a) MFIP/DWP Grants**Appropriations by Fund

<u>General</u>	<u>25,139,000</u>	<u>11,665,000</u>
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<u>TANF</u>	<u>(29,614,000)</u>	<u>(8,948,000)</u>
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<b><u>(b) MFIP Child Care Assistance Grants</u></b>	<u>(26,141,000)</u>	<u>(10,710,000)</u>
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<b><u>(c) General Assistance Grants</u></b>	<u>2,529,000</u>	<u>6,033,000</u>
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<b><u>(d) Minnesota Supplemental Aid Grants</u></b>	<u>299,000</u>	<u>500,000</u>
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<b><u>(e) Group Residential Housing Grants</u></b>	<u>(6,786,000)</u>	<u>(1,563,000)</u>
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**Subd. 4. Basic Health Care Grants**

<u>General</u>	<u>30,075,000</u>	<u>48,389,000</u>
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<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
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The amounts that may be spent from this appropriation for each purpose are as follows:

**(a) MinnesotaCare**

<u>Health Care Access</u>	<u>(84,156,000)</u>	<u>(96,019,000)</u>
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<b><u>(b) MA Basic Health Care - Families and Children</u></b>	<u>13,525,000</u>	<u>7,005,000</u>
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<b><u>(c) MA Basic Health Care - Elderly and Disabled</u></b>	<u>(2,292,000)</u>	<u>5,479,000</u>
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<b><u>(d) General Assistance Medical Care</u></b>	<u>18,842,000</u>	<u>35,905,000</u>
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<b><u>Subd. 5. Continuing Care Grants</u></b>	<u>(18,376,000)</u>	<u>(1,964,000)</u>
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The amounts that may be spent from this appropriation for each purpose are as follows:

<b><u>(a) MA Long-Term Care Facilities</u></b>	<u>(10,986,000)</u>	<u>(2,148,000)</u>
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<b><u>(b) MA Long-Term Care Waivers</u></b>	<u>(18,484,000)</u>	<u>(13,598,000)</u>
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<b><u>(c) Chemical Dependency Entitlement Grants</u></b>	<u>11,094,000</u>	<u>13,782,000</u>
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## ARTICLE 7

## APPROPRIATIONS AND TRANSFERS

Section 1. **DUPLICATE APPROPRIATIONS.**

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once, even if the provision or a similar provision with the same fiscal effect in the same fiscal year is included in another act. This section applies to laws enacted in the 2008 regular session."

Delete the title and insert:

"A bill for an act relating to state government; making changes to health and human services programs; amending continuing care, agency management, children and family services, and health care; awarding housing access grants; requiring studies and reports; making supplemental appropriations; reducing certain appropriations; making forecast adjustments; clarifying appropriations and transfers; amending Minnesota Statutes 2006, sections 13.461, by adding a subdivision; 256.01, by adding a subdivision; 256.741, subdivisions 2, 2a, 3; 256.969, subdivisions 2b, 20; 256B.0571, subdivisions 8, 9; 256B.0621, subdivisions 2, 6, 10; 256B.0924, subdivisions 4, 6; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256B.69, subdivisions 5a, 6, by adding subdivisions; 256B.692, subdivision 2, by adding a subdivision; 256D.44, subdivisions 2, 5; 256L.12, subdivision 9; 518A.50; 518A.53, subdivision 5; Minnesota Statutes 2007 Supplement, sections 256.741, subdivision 1; 256B.0625, subdivision 20; 256B.0631, subdivisions 1, 3; 256B.199; 256B.434, subdivision 19; 256J.621; Laws 2007, chapter 147, article 2, section 21; article 19, section 3, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2006, sections 256.741, subdivision 15; 256J.24, subdivision 6; Minnesota Statutes 2007 Supplement, section 256.969, subdivision 27."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 4070, A bill for an act relating to capital improvements; appropriating money for public facilities; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Page 2, after line 33, insert:

"Sec. 3. **DUPLICATE APPROPRIATIONS.**

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once even if the provision or a similar provision with the same fiscal effect in the same fiscal year is included in another act. This section applies to laws enacted in the 2008 regular session."

Page 3, line 2, delete "and 2" and insert "to 3"

Renumber the sections in sequence

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 4072, A bill for an act relating to capital improvements; appropriating money for asset preservation at the University of Minnesota and Minnesota State Colleges and Universities; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Sec. 3. **DUPLICATE APPROPRIATIONS.**

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once even if the provision or a similar provision with the same fiscal effect in the same fiscal year is included in another act. This section applies to laws enacted in the 2008 regular session."

Page 1, line 20, delete "and 2" and insert "to 3"

Renumber the sections in sequence

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 2564, A bill for an act relating to human services; modifying TANF maintenance of effort programs; amending Laws 2007, chapter 147, article 19, section 3, subdivision 1.

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

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 1812, 3360 and 3569 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Dill introduced:

H. F. No. 4158, A bill for an act relating to taxation; authorizing St. Louis County to impose a mortgage and deed tax; creating an environmental response fund; proposing coding for new law in Minnesota Statutes, chapter 383C.

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

McFarlane introduced:

H. F. No. 4159, A bill for an act relating to taxation; property; providing that the Vadnais Lake Area Management Organization is a special taxing district; amending Minnesota Statutes 2006, section 275.066, as amended.

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

Koenen and Demmer introduced:

H. F. No. 4160, A bill for an act relating to property taxation; modifying the definition of property classified as agricultural; defining the classification of rural vacant land; modifying the criteria for property to be enrolled in the Minnesota agricultural property tax law; amending Minnesota Statutes 2006, sections 273.11, by adding a subdivision; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.13, subdivision 23, as amended; repealing Minnesota Statutes 2006, section 273.111, subdivision 6.

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

Drazkowski introduced:

H. F. No. 4161, A bill for an act relating to state government; designating English as the official language; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Lenczewski introduced:

H. F. No. 4162, A bill for an act relating to taxation; modifying penalties; extending the time to file certain partnership returns; extending the time for filing certain refund claims; amending Minnesota Statutes 2006, sections 270C.56, subdivisions 1, as amended, 2, 3, by adding subdivisions; 289A.19, subdivision 1; 289A.40, subdivision 1.

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

Thissen introduced:

H. F. No. 4163, A bill for an act relating to health; establishing a health care professionals task force; repealing Minnesota Statutes 2006, sections 147.0001; 147.001; 147.01; 147.011; 147.02, subdivisions 1a, 2a, 5, 6, 6a; 147.025; 147.03; 147.031; 147.032, subdivisions 1, 2, 3; 147.035; 147.037, subdivisions 1a, 2; 147.038; 147.0381; 147.039; 147.0391; 147.04; 147.081; 147.09; 147.091, subdivisions 1a, 1b, 2, 2a, 3, 4, 5, 7, 8; 147.092; 147.111; 147.121; 147.131; 147.141; 147.151; 147.155; 147.161; 147.162; 147.21; 147.22; 147.231; 147.37; 147A.001; 147A.01; 147A.02; 147A.03; 147A.04; 147A.05; 147A.06; 147A.07; 147A.08; 147A.09; 147A.10; 147A.11; 147A.13, subdivisions 2, 3, 4, 5, 7; 147A.14; 147A.15; 147A.155; 147A.16; 147A.17; 147A.18; 147A.19; 147A.20; 147A.21; 147A.22; 147A.23; 147A.24; 147A.26; 147A.27, subdivisions 1, 3; 147B.01; 147B.02; 147B.03; 147B.04; 147B.05, subdivisions 1, 3; 147B.06; 147B.07; 147B.08; 147C.01; 147C.05; 147C.10; 147C.15; 147C.20; 147C.25; 147C.30; 147C.35, subdivisions 1, 3; 147C.40; 147D.01; 147D.03; 147D.05, subdivisions 1, 2, 3, 4; 147D.07; 147D.09; 147D.11; 147D.13; 147D.15; 147D.17; 147D.19; 147D.21; 147D.23; 147D.25, subdivisions 1, 3; 147D.27; 148.01; 148.02; 148.03; 148.031; 148.04; 148.05; 148.06; 148.07; 148.08; 148.09; 148.10, subdivisions 2, 3, 4, 5, 6; 148.102; 148.103; 148.104; 148.105; 148.106; 148.108; 148.171; 148.181; 148.191; 148.211; 148.212; 148.231; 148.232; 148.233; 148.234; 148.235, subdivisions 1, 2, 2a, 4, 4a, 4b, 6, 7, 8, 9, 10; 148.241; 148.251; 148.261, subdivision 4; 148.262; 148.263; 148.264; 148.265; 148.266; 148.267; 148.271; 148.281; 148.283; 148.284; 148.285; 148.511; 148.512; 148.513; 148.514; 148.515, subdivisions 1, 4, 6; 148.516; 148.5161; 148.517; 148.5175; 148.518; 148.519; 148.5191; 148.5192; 148.5193; 148.5194; 148.5195; 148.5196; 148.5197; 148.5198; 148.52; 148.53; 148.54; 148.56; 148.57; 148.571; 148.572; 148.573; 148.574; 148.575; 148.576; 148.577; 148.59; 148.60; 148.603; 148.61; 148.62; 148.621; 148.622; 148.623; 148.624; 148.625; 148.626; 148.627; 148.628; 148.629; 148.630; 148.631; 148.632; 148.633; 148.6401; 148.6402; 148.6403; 148.6404; 148.6405; 148.6408; 148.6410; 148.6412; 148.6415; 148.6418; 148.6420; 148.6423; 148.6425; 148.6428; 148.6430; 148.6432; 148.6435; 148.6438; 148.6440; 148.6443; 148.6445, subdivisions 3, 4, 5, 6, 7, 8, 10, 11; 148.6448; 148.6450; 148.65, subdivisions 1, 4, 5, 6, 7; 148.66; 148.67, subdivision 2; 148.691, subdivisions 1, 2; 148.736, subdivisions 2, 3; 148.737; 148.76, subdivision 2; 148.77; 148.7801; 148.7802; 148.7803; 148.7804; 148.7805; 148.7806; 148.7807; 148.7808; 148.7809; 148.7810; 148.7811; 148.7812; 148.7813; 148.7814; 148.7815; 148.88; 148.881; 148.89; 148.90; 148.905; 148.906; 148.907; 148.908; 148.909; 148.9105; 148.911; 148.915; 148.916; 148.925; 148.941, subdivisions 1, 3, 4, 5, 6, 7, 8; 148.952; 148.96; 148.975; 148.98; Minnesota Statutes 2007 Supplement, sections 147.02, subdivisions 1, 1b; 147.032, subdivision 4; 147.037, subdivision 1; 147.091, subdivisions 1, 6; 147A.13, subdivisions 1, 6; 147A.27, subdivision 2; 147B.05, subdivision 2; 147C.35, subdivision 2; 147D.05, subdivision 5; 147D.25, subdivision 2; 148.10, subdivision 1; 148.235, subdivisions 11, 12; 148.261, subdivisions 1, 5; 148.515, subdivisions 2, 2a; 148.6445, subdivisions 1, 2; 148.65, subdivisions 2, 3, 8; 148.67, subdivision 1; 148.70; 148.705; 148.706; 148.71; 148.715; 148.721; 148.722; 148.723; 148.724; 148.725; 148.73; 148.735; 148.736, subdivision 1; 148.74; 148.75; 148.754; 148.755; 148.76, subdivision 1; 148.78; 148.941, subdivision 2; 148.965; 148.995; 148.996; 148.997.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Eken introduced:

H. F. No. 4164, A bill for an act relating to natural resources; providing for wildlife disease management; providing civil penalties; amending Minnesota Statutes 2006, section 97A.045, subdivision 11.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

### **MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3099.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 3099, A bill for an act relating to health care; establishing a statewide health improvement program; monitoring child obesity; establishing a health improvement fund; establishing a public health improvement assessment; establishing health care homes; increasing continuity of care; modifying outreach efforts; establishing primary care education initiatives; increasing affordability and continuity of care with public health care programs; creating a health insurance exchange; establishing Section 125 Plans; providing for registration of health insurance access brokers; providing for fund transfers; providing for health care payment restructuring system; creating a Health Care Transformation Commission; restructuring the health care payment system; creating a savings reinvestment fund; establishing a savings recapture assessment; establishing cost containment goals; specifying an affordability standard; providing subsidies for employer-subsidized coverage; requiring providers to list prices; establishing an electronic prescription drug program; providing for fees; requiring mandated reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 13.3806, by adding a subdivision; 62A.65, subdivision 3; 62E.141; 62L.12, subdivision 4; 62Q.735, subdivision 1; 144.1501, subdivision 2, by adding a subdivision; 256.01, by adding a subdivision; 256B.69, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 62J.496, by adding a subdivision; 62J.81, subdivision 1; 62J.82, subdivision 1; 256.962, subdivisions 5, 6; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivisions 1, 2; Laws 2007, chapter 147, article 5, section 19; proposing coding for new law in Minnesota Statutes, chapters 16A; 62J; 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, sections 62A.63; 62A.64; 62Q.49; 62Q.65; 62Q.736; 256L.15, subdivision 3.

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 380

A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 116.155, subdivisions 2, 3; 116J.423, by adding a subdivision; 119A.45; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 16A.695, subdivision 3; 103G.222, subdivision 1; Laws 1997, chapter 21, section 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 7, 11, 22; 16, subdivision 5; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A.

March 31, 2008

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 380 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 380 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

**SUMMARY**

<u>University of Minnesota</u>	<u>\$131,166,000</u>
<u>Minnesota State Colleges and Universities</u>	<u>280,935,000</u>
<u>Education</u>	<u>19,740,000</u>
<u>Minnesota State Academies</u>	<u>2,800,000</u>
<u>Perpich Center for Arts Education</u>	<u>355,000</u>

98TH DAY]

WEDNESDAY, APRIL 2, 2008

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<u>Natural Resources</u>	104,805,000
<u>Pollution Control Agency</u>	30,000,000
<u>Board of Water and Soil Resources</u>	30,475,000
<u>Agriculture</u>	20,000
<u>Zoological Garden</u>	2,500,000
<u>Administration</u>	15,725,000
<u>Minnesota Amateur Sports Commission</u>	7,725,000
<u>Military Affairs</u>	6,000,000
<u>Public Safety</u>	13,135,000
<u>Transportation</u>	65,700,000
<u>Metropolitan Council</u>	139,200,000
<u>Human Services</u>	9,505,000
<u>Veterans Affairs</u>	11,282,000
<u>Corrections</u>	32,000,000
<u>Employment and Economic Development</u>	143,125,000
<u>Public Facilities Authority</u>	49,800,000
<u>Housing Finance Agency</u>	1,000,000
<u>Minnesota Historical Society</u>	9,594,000
<u>Bond Sale Expenses</u>	998,000
<b><u>Cancellations</u></b>	<b><u>(27,100,000)</u></b>
<u>Lewis and Clark</u>	5,282,000
<b><u>TOTAL</u></b>	<b><u>\$1,085,767,000</u></b>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	934,098,000
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	72,512,000
<u>Maximum Effort School Loan Fund</u>	16,000,000
<u>State Transportation Fund</u>	2,000,000

<u>Remediation Fund</u>	<u>25,000,000</u>
<u>General Fund</u>	<u>15,057,000</u>
<u>Trunk Highway Fund</u>	<u>48,200,000</u>
<u>Bond Proceeds Cancellations</u>	<u>(27,100,000)</u>

**APPROPRIATIONS**Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **\$131,166,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** 35,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Twin Cities Campus**

(a) **Science Teaching and Student Services** 48,333,000

To design, construct, furnish, and equip a new science teaching and student services building on the Twin Cities campus near the Washington Avenue Bridge. This appropriation includes money to demolish the existing Science Classroom Building and to construct infrastructure required to serve the new building.

(b) **Bell Museum of Natural History** 24,000,000

To complete design and to construct, furnish, and equip a new Bell Museum of Natural History on the St. Paul campus.

Subd. 4. **Duluth Campus**

**Civil Engineering Addition** 10,000,000

To design, construct, furnish, and equip an addition to Voss-Kovach Hall on the University of Minnesota Duluth campus for the Department of Civil Engineering. The addition will include teaching laboratories, research laboratories, classrooms, and administrative offices.

Subd. 5. **Morris Campus**

**Community Services Building Renovation** 5,000,000



**APPROPRIATIONS**

To design, construct, furnish, and equip a renovation of the Community Services Building on the University of Minnesota Morris campus to serve as the campus gateway center. This appropriation includes money to improve infrastructure required to serve the renovated building.

**Subd. 6. Research and Outreach Centers****3,500,000****(a) Northwest Research and Outreach Center, Crookston**

To design, construct, furnish, and equip a new maintenance and farm support facility.

**(b) West Central Research and Outreach Center, Morris**

To construct, furnish, and equip an addition to the administration building for research in renewable energy.

**Subd. 7. Classroom Renewal****2,000,000**

To renovate classrooms, including classroom technology and accessibility, on the Crookston, Duluth, Morris, and Twin Cities campuses.

**Subd. 8. Laboratory Renovation****3,333,000**

To renovate research laboratories on the Crookston, Duluth, Morris, and Twin Cities campuses.

**Subd. 9. University Share**

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

**Subd. 10. Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means and Finance Committees and the senate Finance Committee, on how the remaining money has been allocated or spent.

**APPROPRIATIONS****Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES****Subdivision 1. Total Appropriation****\$280,935,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

**Subd. 2. Higher Education Asset Preservation And Replacement****55,000,000**

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space restoration.

**Subd. 3. Alexandria Technical College****Law Enforcement Center****10,500,000**

To complete design of and construct, furnish, and equip a new Law Enforcement Center and renovate, furnish, and equip classroom and laboratory space.

**Subd. 4. Anoka Ramsey Community College, Coon Rapids****Classrooms and Laboratories****3,800,000**

To design, construct, furnish, and equip an academic addition for classrooms and offices, and to design Phase 2 renovation of the Fine Arts Classroom and Laboratory Building.

**Subd. 5. Bemidji State University****Sattgast Science Building Addition and Renovation****8,900,000**

To construct, furnish, and equip an addition to and renovation of Sattgast Hall for biology and chemistry labs, science classrooms, and associated spaces, and to demolish the Peters Aquatics Lab.

**Subd. 6. Century College****Classroom and Student Support Space Renovation****7,900,000**

To design, renovate, furnish, and equip Phase 2 of the science and library project to renovate existing spaces for classrooms, labs and offices.

**APPROPRIATIONS****Subd. 7. Dakota County Technical College****Transportation and Emerging Technologies Labs**200,000

To design the relocation and renovation of transportation and emerging technologies classrooms, laboratories, and related spaces.

**Subd. 8. Hennepin Technical College****Science Addition and Library and Student Service Design**2,400,000

To design, renovate, furnish, and equip existing space at the Eden Prairie campus for science labs and shared classrooms, and to design a renovation of existing space at the Brooklyn Park and Eden Prairie campuses for a library and student services.

**Subd. 9. Inver Hills Community College****Classroom Addition and Renovation**13,200,000

To construct, furnish, and equip a classroom addition to and renovation of the Fine Arts Building, to include classrooms, teaching labs, and a renovated auditorium. This appropriation includes funding to demolish obsolete space in the building. College funds may be added to this appropriation up to a total project cost of \$13,450,000.

**Subd. 10. Lake Superior Community and Technical College****Health and Science Center Addition**11,000,000

To complete design of and to construct, furnish, and equip an addition to the Health and Science Center and to renovate existing spaces.

**Subd. 11. Mesabi Range Community and Technical College, Eveleth****Carpentry and Industrial Mechanical Technology and Shops**5,000,000

To construct, furnish and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for ADA compliance.

**APPROPRIATIONS****Subd. 12. Metropolitan State University****(a) Smart Classroom Center** 4,980,000

To construct, furnish, and equip renovation of two floors of technology-enhanced classrooms and academic offices in the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

**(b) Law Enforcement Training Center** 13,900,000

To compete design of and to construct, furnish, and equip, in cooperation with Minneapolis Community and Technical College, a colocated Law Enforcement Training Center on the campus of Hennepin Technical College in Brooklyn Park.

**Subd. 13. Minneapolis Community and Technical College****Workforce Program Space** 400,000

To design renovation of instructional space, support space, and infrastructure for workforce programs.

**Subd. 14. Minnesota State University, Mankato****Trafton Science Center Renovation** 25,500,000

To construct, furnish, and equip a renovation of south and center sections of Trafton Science Center. This appropriation includes money to replace the roof and upgrade exterior masonry and an outdoor plaza.

**Subd. 15. Minnesota State University, Moorhead****(a) Lommen Hall Renovation** 13,100,000

To complete design of and to construct, furnish, and equip renovation of Lommen Hall and construct an addition to the basement.

**(b) Livingston Lord Library** 400,000

To design renovation of the Livingston Lord Library.

**Subd. 16. Minnesota West Community and Technical College, Worthington****Fieldhouse Renovation** 450,000

To design renovation of and an addition to the Fieldhouse.

**APPROPRIATIONS****Subd. 17. Moorhead Community and Technology College****Trades Addition and Library Design**2,500,000

To design, construct, furnish and equip an addition for the mechanical construction trades, and to design a classroom-library addition.

**Subd. 18. Normandale Community College****Classroom Addition and Renovation**7,000,000

To complete design of and to construct, furnish, and equip an addition to and renovation of the Health and Wellness Building for classrooms, laboratories, and related offices, and to renovate, furnish, and equip the Athletics Building for classrooms and related space. This appropriation includes funding to install an elevator to make the building ADA accessible.

**Subd. 19. North Hennepin Community College****(a) Center for Business and Technology**13,300,000

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate the center for classrooms and related space.

**(b) Science, Technology, Engineering, and Math Facilities**900,000

To design for construction and renovation of facilities at both North Hennepin Community College and Anoka Ramsey Community College, Coon Rapids, to support Science Technology Engineering and Math (STEM) program initiatives.

**Subd. 20. Northland Community and Technical College, East Grand Forks****Nursing, Health Care, and Learning Resources Center**7,800,000

To construct, furnish, and equip a nursing addition and renovate spaces for allied health laboratories, library, learning resource center, student commons, bookstore, classrooms, ancillary spaces, and boiler system expansion.

**Subd. 21. Owatonna College and University Center****Property Acquisition**3,500,000

To acquire the Owatonna College and University Center Building in Steele County, including the purchase of adjacent vacant land.

**APPROPRIATIONS****Subd. 22. Ridgewater College, Willmar****Technical Instruction Design and Construction**3,500,000

To design, construct, furnish, and equip new instructional space, including "smart" classrooms, and to renovate, furnish, and equip existing instructional space. This appropriation includes money to demolish outdated structures.

**Subd. 23. Rochester Community and Technical College****Workforce Center Colocation**200,000

To design an addition to the Heintz Center for colocation of a workforce center, a career and technical education center, and for classroom renovation. The college may use additional resources to complete the design.

**Subd. 24. South Central College, Faribault****Classroom Renovation and Addition**400,000

To design demolition of obsolete space, a small addition, and renovation of remaining space for classrooms, a learning resource center, and laboratories.

**Subd. 25. St. Cloud State University****(a) Brown Science Hall Renovation**14,800,000

To complete design of and to construct, furnish, and equip a renovation of Brown Hall for classrooms, science laboratories, and other instructional and ancillary spaces. This appropriation includes funding to reglaze the existing skyway from the building and to construct a new skyway to Centennial Hall.

**(b) Science and Engineering Lab**900,000

To design an integrated science and engineering laboratory and student and academic support building.

**Subd. 26. St. Cloud Technical College****Allied Health Center Renovation**200,000

To design renovation of the Allied Health Center.

**APPROPRIATIONS****Subd. 27. St. Paul College****Transportation and Applied Technology Laboratories and Shops**13,500,000

To construct, furnish, and equip the renovation of classrooms, the transportation and applied technology and trades laboratories on the ground floor, and an expansion of the truck mechanics shop.

**Subd. 28. Southwest Minnesota State University****(a) Science and Hotel and Restaurant Laboratories**9,000,000

To complete design of and to construct, furnish, and equip renovation of laboratories in the Science and Technology Building, laboratories and a classroom in the Science and Math Building, and hotel and restaurant industries teaching laboratories in the Individualized Learning Center.

**(b) Science Laboratory Renovation**200,000

To design renovation of the science laboratories and an addition to the Plant Science Learning Center in the Science and Math Building.

**Subd. 29. Winona State University****Memorial Hall**8,400,000

To construct, furnish, and equip an addition to Memorial Hall and renovation of vacated spaces at Gildemeister Hall. The board may use nonstate money for the remainder of the cost of the construction.

**Subd. 30. Systemwide Initiatives****(a) Science Laboratory and Classroom Renovation**5,775,000

To design, renovate, furnish, and equip teaching laboratories and classrooms for science and applied technology. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Alexandria Technical College; Anoka Technical College; Anoka Ramsey Community College, Cambridge; Bemidji State University; Central Lakes College, Brainerd; Century College, White Bear Lake; Inver Hills Community College, Inver Grove Heights; Hennepin Technical College, Brooklyn Park and Eden Prairie; Northeast Higher Education District Vermilion Community College; and Ridgewater Community Technical College, Willmar.

**APPROPRIATIONS****(b) Classroom Renovation**3,625,000

To design, construct, furnish, and equip renovation of classroom and academic space. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Moorhead and Wadena; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine Technical College, Pine City; and Rochester Community Technical College, Rochester.

**(c) Property Acquisition**8,805,000

To acquire real property adjacent to the state college and university campuses or within the boundaries of the campus master plan.

This appropriation may be used only at Bemidji State University; Dakota County Technical College; Fond du Lac Tribal Community College; Minnesota State University Moorhead; and Vermilion Community College.

**Subd. 31. Debt Service**

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement and the expansion of Memorial Hall at Winona State University, and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.



**APPROPRIATIONS****Subd. 32. Anoka Technical College; Anoka-Hennepin School District Partnership**

(a) By June 30, 2008, the Board of Trustees of the Minnesota State Colleges and Universities shall enter into a memorandum of understanding with the Anoka-Hennepin School District on new and expanded joint programs to be offered for the secondary technical education program currently based at the Anoka Technical College campus. The programs may be offered at the site now known as the "horticultural center" in Anoka County and under the control of Anoka Technical College.

(b) By July 31, 2008, the board shall transfer the real property known as the "horticultural center" to the Anoka-Hennepin School District by quit claim deed for \$1. Minnesota Statutes, section 136F.60, subdivision 5, does not apply to the real estate transaction under this subdivision.

**Subd. 33. Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Trustees must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete, is available for higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 23 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 4. EDUCATION****Subdivision 1. Total Appropriation****\$19,740,000**

To the commissioner of education for the purposes specified in this section.

**APPROPRIATIONS****Subd. 2. Independent School District No. 11, Anoka-Hennepin**240,000

For a grant to Independent School District No. 11, Anoka-Hennepin, to acquire land adjacent to Riverview Elementary School and for improvements of a capital nature to develop and restore wetland and native prairie habitat on the land.

**Subd. 3. Independent School District No. 38, Red Lake**16,000,000

From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and equip renovation of existing facilities and construction of new facilities.

The project paid for with this appropriation includes a portion of the renovation and construction identified as Phase 4 in the review and comment performed by the commissioner of education under the capital loan provisions of Minnesota Statutes, section 126C.69. This portion includes part of the renovation of, and an addition to, the high school and middle school to provide classrooms and related facilities for technology education, vocational education, physical education, and community education, and to provide for food services and administrative offices.

As part of this project, the heating plant and piping for the high school and middle school will be upgraded and the motor vehicle fuel and propane tanks may be relocated. Additional renovations to the high school and middle school will be completed to the extent that this appropriation permits.

Before any capital loan contract is approved under this authorization, the district must provide documentation acceptable to the commissioner on how the capital loan will be used.

Notwithstanding the 18-month deadline for contracting in Minnesota Statutes, section 126C.69, subdivision 1, the unexpended balance of the appropriation in Laws 2005, chapter 20, article 1, section 5, subdivision 2, as amended by Laws 2006, chapter 258, section 42, may be obligated by the district for purposes of the capital loan contract at any time before August 1, 2008.

**Subd. 4. Independent School District No. 279, Osseo**2,000,000

For a grant to Independent School District No. 279, Osseo, to predesign, design, construct, furnish, and equip the Northwest Hennepin Family Center in Brooklyn Center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**APPROPRIATIONS**

No later than five years after the facility opens, the school district must report to the commissioner of education on how the facility has improved student achievement and reduced educational disparities.

Subd. 5. **Library Accessibility and Improvement Grants** 1,500,000

For library accessibility and improvement grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation** **\$2,800,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** 2,400,000

For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Frechette Hall** 100,000

For predesign for a new dorm to replace Frechette Hall.

Subd. 4. **Mott Memorial Hall** 100,000

To predesign the renovation of Mott Memorial Hall.

Subd. 5. **Pollard Hall** 200,000

To construct, furnish, and equip the renovation of Pollard Hall to house the Deaf and Hard of Hearing Children's Residential Treatment Center.

Sec. 6. **PERPICH CENTER FOR ARTS EDUCATION** **\$355,000**

To the commissioner of administration for asset preservation at the Perpich Center for Arts Education to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **\$104,805,000**

To the commissioner of natural resources for the purposes specified in this section.

**APPROPRIATIONS**

The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

To the extent possible, prairie restorations funded in whole or in part with this appropriation must be made using best management practices for native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 2.

**Subd. 2. Statewide Asset Preservation**1,000,000

For the renovation of state-owned facilities operated by the commissioner of natural resources, to be spent in accordance with Minnesota Statutes, section 16B.307. The commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.

**Subd. 3. Flood Hazard Mitigation Grants**33,900,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

(a) Ada

(b) Agassiz Valley

(c) Area II of the Minnesota River Basin

(d) Austin

(e) Bois de Sioux Watershed District, North Ottawa project

(f) Breckenridge

(g) Brandt-Angus

(h) Browns Valley

\$3,900,000 is from the general fund for the Browns Valley project.

**APPROPRIATIONS**

(i) Crookston

(j) Canisteo Mine

\$3,500,000 is for a grant to the Western Mesabi Mine Planning Board to construct a conveyance system, and other betterments to accommodate water level and outflow control of the water level in the Canisteo mine pit in Itasca County. This appropriation does not require a local match. The commissioner of natural resources shall be responsible to maintain the betterments after completion of the project.

(k) Dawson

(l) Granite Falls

(m) Hay Creek-Norland

(n) Inver Grove Heights

(o) Malung

(p) Montevideo

(q) Moorhead

(r) Oakport Township

(s) Roseau

The Roseau project includes the state share of land acquisition, engineering and design, and bridge construction costs for the U.S. Army Corps of Engineers East Diversion Flood Control Project, which will protect the city of Roseau from recurring flooding.

(t) Southeast Minnesota

(u) Stillwater

(v) Sweded Grove Lake

(w) Wild Rice River Watershed District, Becker Dam project

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

**APPROPRIATIONS**

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, Granite Falls, Montevideo, Oakport Township, or Roseau exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

**Subd. 4. Red River Digital Elevation Model**600,000

This appropriation is from the general fund to develop and implement a high-resolution digital elevation model for the Red River basin.

**Subd. 5. Ground Water Monitoring and Observation Wells**500,000

To install new ground water level observation wells to monitor and assess ground water for water supply planning, including wells in the metropolitan and adjoining areas and several new monitoring wells in the south central regions of the state to monitor the Mt. Simon aquifer. This appropriation may also be used to seal existing obsolete monitoring wells that are no longer functional.

**Subd. 6. Dam Renovation and Removal**2,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

(a) Clayton Lake, Pine County

(b) Cross Lake, Pine County

(c) Hartley, Saint Louis County

(d) King's Mill, Rice County

(e) Lake Bronson, Kittson County

(f) Luverne, Rock County

(g) Windom, Cottonwood County

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

**APPROPRIATIONS****Subd. 7. Water Control Structures**500,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101; or structures on other waters under Minnesota Statutes, section 103G.505.

**Subd. 8. Mississippi River Aquatic Invasive Species Barrier**500,000

To predesign and design an adequate barrier in the Mississippi River to prevent aquatic invasive species from migrating up river. This money may be used by the commissioner to match available federal money and money from other states. The commissioner must inform and work with affected federal and state agencies and local communities along the Mississippi River before constructing the river barrier.

**Subd. 9. Stream Protection and Restoration**1,000,000

To design and construct stream protection and restoration projects that concentrate on downstream flooding protection. This appropriation may be used only for projects in flood areas on one or more of the following rivers: Rock River near Luverne, Snake River near Cross Lake, Lawndale Creek, and Des Moines River near Windom.

**Subd. 10. Shoreline and Critical Aquatic Habitat Acquisition**1,000,000

To acquire land that is critical for fish and other aquatic life under Minnesota Statutes, section 86A.05, and to make public improvements and betterments of a capital nature to aquatic management areas established under Minnesota Statutes, section 86A.05, subdivision 14.

**Subd. 11. Lake Zumbro Restoration**175,000

For a grant to Olmsted and Wabasha Counties to design and implement the restoration of Lake Zumbro. The design must include public access.

**Subd. 12. Water Access Acquisition, Betterment, and Fishing Piers**650,000

For public water access acquisition, construction, and renovation projects of a capital nature on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

**APPROPRIATIONS****Subd. 13. Fish Hatchery Improvements**1,500,000

For improvements of a capital nature to create ponds and renovate fish culture facilities at hatcheries owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045, subdivision 1, and to design, construct, or acquire drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

**Subd. 14. RIM - Wildlife Area Land Acquisition and Improvement**5,000,000

To acquire land in fee for wildlife management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8.

Not less than five percent of this appropriation must be used for restoration of existing wildlife management areas. Not less than ten percent of this appropriation is for restoration on land acquired with this appropriation. Fifty percent of this appropriation is for acquisition of land in the seven-county metropolitan area.

To the extent possible, prairie restorations funded in whole or in part with this appropriation must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

The commissioner shall submit a plan to the legislature and the chairs of the house and senate committees with jurisdiction over the environment and natural resources on the management of native prairie lands and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions.

**Subd. 15. RIM Critical Habitat Match**3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

**Subd. 16. Native Prairie Conservation and Protection**4,000,000

To acquire native prairie bank easements under Minnesota Statutes, section 84.96, to develop and restore certain tracts of prairie bank lands for which the easement is permanent, and to acquire native prairie for scientific and natural areas, and for the native prairie protection and improvements of a capital nature in scientific and natural areas in the prairie region under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.



**APPROPRIATIONS**

Prairie restorations funded in whole or in part with this appropriation must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

**Subd. 17. Scientific and Natural Area Acquisition And Development**

1,000,000

To acquire land for scientific and natural areas and for protection and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5. Not less than five percent of this appropriation is for restoration.

This appropriation includes money for only the following projects:

- (a) Avon Hills Forest SNA additions in Stearns County
- (b) Big Woods of Cottonwood River in Lyon County
- (c) Clinton Falls Dwarf Trout Lily site in Steele County
- (d) Cooks Lake Forest in Otter Tail and Becker Counties
- (e) Des Moines R forest-prairie complex in Jackson County
- (f) Franconia Bluffs in Chisago County
- (g) Hovland Woods SNA addition in Cook County
- (h) Lester Lake Forest in Hubbard County
- (i) Morton Outcrops in Renville County
- (j) Nopeming Unconformity in Saint Louis County
- (k) Pine Bend Bluffs SNA addition in Dakota County
- (l) Wycoff Balsam Fir SNA addition in Fillmore County

**Subd. 18. Forest Land and Forest Legacy Conservation Easements**

3,000,000

To acquire conservation easements as described under Minnesota Statutes, chapter 84C, on private forest lands and within Forest Legacy Areas established under United States Code, title 16, section 2103c. The conservation easements must guarantee public access, including hunting and fishing.

**APPROPRIATIONS****Subd. 19. State Forest Land Reforestation**3,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and purchasing native seeds and native seedlings.

**Subd. 20. Forest Roads and Bridges**1,000,000

For reconstruction, resurfacing, replacement, and construction of state forest roads and bridges under Minnesota Statutes, section 89.002.

**Subd. 21. Diseased Shade Tree Removal and Replacement**500,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees located on public property that are lost to forest pests or disease. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. The commissioner shall consult with municipalities, park, and recreation boards in cities of the first class, nonprofit organizations, and other interested parties in developing eligibility criteria.

**Subd. 22. State Park and Recreation Area Acquisition, Rehabilitation, and Development**19,041,000

(a) For projects within state parks established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated March 20, 2008. This appropriation includes money for new projects at Bear Head Lake, Beaver Creek Valley, Blue Mounds, Buffalo River, Cuyuna Country State Recreation Area, Flandrau, Fort Ridgely, Frontenac, Glendalough, Itasca, Lake Bemidji, Lake Carlos, Maplewood, Sibley, Soudan Mine, Split Rock Lighthouse, Temperance River, Tettegouche, and William O'Brien State Parks. The commissioner shall determine project priorities as appropriate, based on need.

(b) For infrastructure rehabilitation and the renovation and development of facilities within state parks established under Minnesota Statutes, section 85.012, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated March 20, 2008. This appropriation includes money for Interstate, Itasca, Jay Cooke, Lake Louise, Lake Shetek, Maplewood, Split Rock Lighthouse, St. Croix, and Tettegouche. The commissioner shall determine project priorities as appropriate, based on need.

**APPROPRIATIONS**

\$2,400,000 is to acquire from willing sellers land within the boundaries of Greenleaf Lake State Recreation Area, established under Minnesota Statutes, section 85.013, subdivision 11b.

\$200,000 is to develop campgrounds at Red River State Recreation Area.

**Subd. 23. Big Bog State Recreation Area**1,600,000

For improvements at the Big Bog State Recreation Area, including betterments to the contact station and forest restoration.

**Subd. 24. Fort Snelling Upper Bluff Emergency Building Stabilization**500,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation is not available until the commissioner of finance has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

**Subd. 25. State Park Prairie Reconstruction and Forest Restoration Projects**545,000

\$290,000 is for prairie and savanna reconstruction projects at the following state parks: Big Stone, Blue Mounds, Camden, Crow Wing, Frontenac, Glacial Lakes, Maplewood, Split Rock Creek, Upper Sioux, and William O'Brien.

\$255,000 is for forest restoration projects at the following state parks: Itasca, Lake Bemidji, Nerstrand, and St. Croix.

Prairie restorations, funded in whole or in part with funds from this appropriation, must include planting native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

**Subd. 26. Regional and Local Park Grants**1,621,000

An appropriation in this subdivision is not available unless a covenant is placed, or has been placed, on the land to keep the land as a public park in perpetuity.

\$492,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to acquire 23 acres of land adjacent to Warner Lake Park in Stearns County.

**APPROPRIATIONS**

\$500,000 is for a grant to Chisago City to acquire land for the creation of Ojiketa Regional Park in Chisago County.

\$129,000 is for a grant to the city of Ortonville to construct improvements of a capital nature at the Minnesota River Regional Park in the city of Ortonville.

\$500,000 is for a grant to the city of Sartell to acquire 68 acres of land located along the Sauk River near the confluence of the Mississippi to serve as part of the Central Minnesota Regional Parks and Trails.

**Subd. 27. State Trail Acquisition, Rehabilitation, and Development**

15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$1,500,000 is for the Minnesota River Trail from Appleton to Milan.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$250,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is for the Root River Trail, the eastern extension.

**APPROPRIATIONS**

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

**Subd. 28. Regional Trails****156,000**

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

For a grant to the city of Cambridge to design and construct the Cambridge-Isanti Bike/Walk Trail connecting the city of Cambridge, the city of Isanti, and Isanti Township in Isanti County. The trail will be designed to provide safe biking and walking connections between the cities and township, and is envisioned to become part of the state's larger trail systems. Along with health and recreational benefits, the trail will help protect and provide an opportunity for environmental education and enjoyment of the wetlands in the area.

It is anticipated that the total capital cost of the project will be \$1,080,000, with the federal and local governments contributing \$924,000. Through a joint powers agreement, Cambridge, Isanti, and Isanti Township will share in the maintenance and upkeep of the Cambridge-Isanti Bike/Walk Trail.

**Subd. 29. Trail Connections****697,000**

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$225,000 is for a grant to Clara City to design and construct a walking path in Clara City.

\$100,000 is for a grant to the city of Mora for construction of pedestrian and bicycle trails, bridge restoration and renovation, and other improvements of a capital nature for the Spring Lake Trail, located in the city of Mora.

**APPROPRIATIONS**

\$372,000 is for a grant to the city of Rockville to design and construct the Rocori Trail from Richmond through Cold Spring to Rockville, connecting with the Glacial Lakes Trail, the Beaver Island Trail, and the Lake Wobegon Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another trail connection project in this subdivision. The chairs of the house and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

**Subd. 30. Drill Core Library and Field Office Renovation 500,000**

To design, construct, furnish, and equip an addition to the minerals drill core library facility in Hibbing.

**Subd. 31. Wildlife Rehabilitation Center 500,000**

This appropriation is from the general fund for a grant to the Wildlife Rehabilitation Center of Minnesota to retire loans incurred by the center for construction of its facility in the city of Roseville, and to complete educational technology infrastructure at the center.

**Subd. 32. Bell Museum Landscaping 500,000**

To design and construct an environmental landscape at the new Bell Museum of Natural History.

**Subd. 33. Unspent Appropriations.**

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

**Sec. 8. POLLUTION CONTROL AGENCY**

**Subdivision 1. Total Appropriation \$30,000,000**

To the Pollution Control Agency for the purposes specified in this section

**APPROPRIATIONS****Subd. 2. Albert Lea Landfill**2,500,000

For a grant to the city of Albert Lea to construct remedial systems at the Albert Lea landfill. This includes relocating and incorporating waste from the former Albert Lea dump owned by the city of Albert Lea under Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b).

The appropriation in this subdivision is added to the amounts for the city of Albert Lea landfill funding in Laws 2006, chapter 258, section 8, subdivision 2.

**Subd. 3. Closed Landfill Cleanup Revenue Bonds**25,000,000

From the bond proceeds account in the remediation fund under new Minnesota Statutes, section 116.156.

This appropriation is for action at qualified closed landfill facilities in Albert Lea, Mille Lacs County, Washington County, the Western Lake Superior Sanitary District, and other locations as determined by the commissioner of the Pollution Control Agency.

If the dig and fill option is chosen for remediation of the Washington County landfill, the landfill must have a triple liner.

By January 15, 2009, the commissioner of the Pollution Control Agency shall report to the house and senate Finance Committees and divisions with jurisdiction over the environment on whether the remediation fund needs additional revenue in order to provide timely cleanup of closed landfills in the state without depleting the remediation fund. If the fund needs additional revenue, the commissioner shall include in the report recommendations for revenue sources and amounts that will meet that need.

**Subd. 4. Beneficial Reuse of Wastewater Grant Program**2,500,000

For grants under new Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that demonstrate the beneficial use of wastewater.

**Sec. 9. BOARD OF WATER AND SOIL RESOURCES****Subdivision 1. Total Appropriation****\$30,475,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

**APPROPRIATIONS**

To the extent possible, prairie restorations, funded in whole or in part with funds from this appropriation, must be made using best management practices for native prairie restoration as defined under Minnesota Statutes, section 84.02, subdivision 2.

Funds previously appropriated and waivers previously authorized to the Board of Water and Soil Resources for DR-1717 flood relief and recovery in Minnesota Laws 2007, First Special Session chapter 2, are available and applicable until June 30, 2010.

Subd. 2. **RIM Conservation Reserve**

25,000,000

To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands, restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damages, and other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Of this appropriation, up to ten percent may be used to implement the program.

The board shall give priority to the area designated for relief and recovery from the flooding that occurred on or after August 18, 2007, in the area of Southeast Minnesota designated under Presidential Declaration of Major Disaster, DR-1717.

At least \$2,000,000 of this amount is available for use by the Cedar River and Turtle Creek Watershed Districts in Freeborn, Mower, and Steele Counties to restore wetlands and reduce flooding in the Austin area.

Up to \$8,000,000 of this amount is available for use in Becker, Clay, Kittson, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, Roseau, and Wilkin Counties to restore wetlands and reduce flooding in the Red River Valley area.

The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration, including overseeding and harvesting, of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five percent may be used for restoration, including overseeding.



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The board must submit to the legislative committees with jurisdiction over environment finance and capital investment an interim report on this program by October 1, 2008, and a final report by February 1, 2009.

**Subd. 3. Wetland Replacement Due to Public Road Projects**

4,200,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands.

\$720,000 is to implement the program. The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

**Subd. 4. Clean Water Legacy**

1,275,000

\$1,275,000 is for improving water quality. The board may expend this amount for the following purposes:

(1) \$800,000 for a grant to Kandiyohi County to acquire conservation easements, design and construct water control structures and pumping infrastructure, and plant native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6, in order to restore the Grass Lake prairie wetland basins adjacent to the city of Willmar in Kandiyohi County. This amount must be matched one-to-one by funding from other sources;

(2) \$475,000 for a grant to the city of Gaylord to improve water quality in the Lake Titlow watershed. The funds may be used to predesign and design holding ponds upstream from Lake Titlow. The design must include the best location for the ponds, an estimate of the cost of land acquisition or easements, construction costs of the holding ponds, and the estimated expense of

**APPROPRIATIONS**

maintaining the structures and who will be responsible for the expense. The funds may also be used to construct and reconstruct storm water sewer drains and related facilities to divert water that currently drains into Lake Titlow into holding ponds south of the city. The cost of reconstructing city streets as part of this diversion, and as outlined in the city of Gaylord's street improvement plan, is the responsibility of the city. This diversion will keep phosphorus and other chemicals from entering the lake, and will improve the water quality of Lake Titlow. The city must also coordinate with state and county conservation officials to ensure correct conservation practices and improvements in the watershed. The information gained from this project must be made available for public use.

Sec. 10. **AGRICULTURE****\$20,000**

To the commissioner of administration to replace the roof of the potato inspection unit building located at 312 Fourth Avenue Northeast in East Grand Forks.

Sec. 11. **MINNESOTA ZOOLOGICAL GARDEN****\$2,500,000**

To the Minnesota Zoological Garden for capital asset preservation improvements and betterments, to be spent in accordance with Minnesota Statutes, section 16B.307.

\$1,526,000 is to design and construct improvements to its water management system. The project must be designed to address inflow and infiltration problems associated with the Minnesota Zoo's water discharge flow to the city of Eagan.

Sec. 12. **ADMINISTRATION**Subdivision 1. **Total Appropriation****\$15,725,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Property Acquisition****2,325,000**

To acquire property at 639 Jackson Street in St. Paul adjacent to the Harold E. Stassen Building, to demolish existing structures on the property, and to develop temporary parking on the site and adjacent areas.

Subd. 3. **State Capitol Building Restoration****13,400,000**

For renovation of the State Capitol Building including, but not limited to: site work to stabilize the plaza; replacement and stabilization of the building's exterior envelope; replacement of air handling units at risk of failure; and projects to improve interior emergency lighting, dome lighting, and catwalks.

**APPROPRIATIONS**Sec. 13. **AMATEUR SPORTS COMMISSION**Subdivision 1. **Total Appropriation****\$7,725,000**

To the Minnesota Amateur Sports Commission for the purposes specified in this section.

Subd. 2. **National Sports Center - Blaine**1,400,000

For asset preservation at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **National Volleyball Center - Rochester**3,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the Phase 2 expansion of the National Volleyball Center in Rochester, designated by the Minnesota Amateur Sports Commission as a regional amateur sports center, subject to Minnesota Statutes, section 16A.695.

Subd. 4. **Metro North Regional Sports Center - Arden Hills**125,000

To predesign the renovation of Building 189 located within the Rice Creek Corridor in Ramsey County, formerly the Twin Cities Army Ammunition Plant, to serve as a regional, multiuse recreational amateur sports facility, to be known as the Metro North Regional Sports Facility.

Subd. 5. **Northwestern Minnesota Regional Sports Center - Moorhead**3,000,000

For a grant to the city of Moorhead to design, construct, furnish, and equip the Northwestern Minnesota Regional Sports Center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. The match may include in-kind contributions, and may include contributions made since January 1, 2007.

Subd. 6. **St. Paul Regional Amateur Sports Facility**100,000

To predesign the St. Paul Regional Amateur Sports Facility. The St. Paul facility may include, but is not limited to, facilities for the sports of soccer, lacrosse, football, and baseball.

**APPROPRIATIONS**

**Subd. 7. Southwest Regional Amateur Sports Center - Marshall** **100,000**

For a grant to the city of Marshall to predesign the Southwest Regional Amateur Sports Center at Marshall.

Sec. 14. **MILITARY AFFAIRS**

**Subdivision 1. Total Appropriation** **\$6,000,000**

To the adjutant general for the purposes specified in this section.

**Subd. 2. Asset Preservation** **3,500,000**

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

This appropriation may be used to replace the roof at the Bemidji National Guard Training and Community Center and to replace the roof at the St. Cloud National Guard Training and Community Center.

**Subd. 3. Facility Life Safety Improvements** **1,000,000**

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 4. Facility ADA Compliance** **1,500,000**

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 5. Unspent Appropriations**

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section 16B.307.

Sec. 15. **PUBLIC SAFETY**

**Subdivision 1. Total Appropriation** **\$13,135,000**

To the commissioner of public safety, or other named agency, for the purposes specified in this section.

**APPROPRIATIONS****Subd. 2. Anoka County Forensic Crime Laboratory**3,000,000

Notwithstanding any law to the contrary, this appropriation is for a grant to Anoka County to design, construct, furnish, and equip a regional forensic crime laboratory for the use of Anoka, Sherburne, and Wright Counties, to be located in Anoka County.

This appropriation is not available until the commissioner has determined that at least \$7,500,000 has been committed or will be committed from nonstate sources to the forensic crime laboratory or a public safety facility that will contain the forensic crime laboratory, or both.

**Subd. 3. Camp Ripley Training and Exercising Center**5,000,000

To the commissioner of administration to predesign, design, construct, furnish, and equip Phase 1 of a tier-3 homeland security and emergency management training and exercise center at Camp Ripley, which includes a classroom facility and several facilities for field response training. Any unspent portion of this appropriation may be used to begin predesign for Phase 2 of this project.

Nonmilitary public safety personnel from Minnesota must be given access to the facility.

**Subd. 4. Gonvick Public Safety Training Center**55,000

Notwithstanding any law to the contrary, for a grant to the city of Gonvick to predesign a regional emergency training administration center in Gonvick.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**Subd. 5. Marshall - Minnesota Emergency Response and Industry Training Center**300,000

For a grant to the city of Marshall to predesign Phase 2 of the Minnesota Emergency Response and Industry Training (MERIT) Center, including a wind energy training area, an ethanol fuels training area, and other training facilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources. The match may include in-kind contributions.

**APPROPRIATIONS****Subd. 6. Nassau Public Safety Facility**125,000

From the general fund for a grant to the city of Nassau to predesign, design, construct, furnish, and equip a new public safety facility for fire and other equipment.

**Subd. 7. Scott County Public Safety Training Center**1,000,000

Notwithstanding any law to the contrary, for a grant to Scott County to design, construct, furnish, and equip a regional public safety training center in Scott County.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**Subd. 8. Southeastern Minnesota Regional Public Safety Training Center**3,655,000

Notwithstanding any law to the contrary, for a grant to Olmsted County to design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Olmsted County. The facility must include, but is not limited to, a live burn training simulator, a driving range, and a weapons training facility.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**Subd. 9. Crime Labs Strategic Plan**

The commissioner of public safety must develop a long-term strategic plan for maintenance and staffing of existing state and regional crime labs and creation, maintenance, and staffing of new regional and local crime labs. The strategic plan must include, but is not limited to, the following:

(1) an assessment and explanation of the state's crime lab needs, including the need for additional regional or local crime labs;

(2) specific recommendations for additional regional or local crime labs, including recommendations for locations for new labs, and a ranking of the specific regions, counties, or cities that need a crime lab in order of urgency;

(3) a long-range plan for the training of state crime lab employees, including the possibility of sharing employee training costs with users of the state lab or entities that operate regional or local labs;

**APPROPRIATIONS**

(4) a long-range funding plan for the state crime lab and state owned regional labs;

(5) an assessment of the state crime lab's response times and specific recommendations for improving the lab's response time; and

(6) specific, clearly stated steps for implementing the strategic plan.

The commissioner must submit the strategic plan, as a recommendation, to the house of representatives and senate committees with responsibility for public safety finance by February 1, 2009.

Sec. 16. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

**\$65,700,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Bridge Replacement and Rehabilitation**

2,000,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal money and to replace or rehabilitate local deficient bridges.

For a grant to Ramsey County for the preliminary planning, design, and engineering of the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County to provide a better connection for the campuses of St. Jude Medical on both sides of the highway.

Subd. 3. **Urban Partnership Agreement**

(a) **Technology, Telecommuting, and Outreach**

4,300,000

Appropriations by Fund

General 3,500,000

Trunk Highway 800,000

For expenses related to technology improvements, telecommuting, and outreach efforts for the Urban Partnership Agreement.

**APPROPRIATIONS**

This appropriation is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

This appropriation is onetime and is available until June 30, 2011.

**(b) Federal Grant Appropriation**47,400,000

From the trunk highway fund for the purposes specified in the federal grant implementing the Urban Partnership Agreement. This appropriation is in addition to the appropriations in Laws 2007, chapter 143, article 1, section 3, subdivision 3; and Laws 2008, chapter 152, article 2, section 3, subdivision 4. This appropriation is available until June 30, 2011.

**Subd. 4. Greater Minnesota Transit**1,000,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c. Money from this appropriation may be used to pay up to 80 percent of the nonfederal share of these facilities.

**Subd. 5. Minnesota Valley Railroad Track Rehabilitation**3,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

**Subd. 6. Northshore Express**1,500,000

For a grant to the St. Louis and Lake County Regional Rail Authority for railroad acquisition and track restoration, environmental impact studies, advanced corridor planning, preliminary design and preliminary engineering, station design, analysis of railroad capacity, and easement costs for intercity and passenger rail service between the city of Duluth and the cities of Minneapolis and St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 16, subdivision 5, paragraph (b), as added by this act.

**Subd. 7. St. Paul to Chicago High-Speed Rail Line**4,000,000

For the state's share of environmental analysis of a high-speed rail line connecting Chicago, LaCrescent, Winona, Red Wing, and the Union Depot Concourse Multimodal Transit Hub, located in downtown St. Paul in the area south of Kellogg Boulevard and east of Jackson Street.



**APPROPRIATIONS**

No part of this appropriation may be spent to acquire or better capital improvements that are located outside the state of Minnesota, that may be used from time to time outside the state of Minnesota, or that are part of a rail corridor that is not designated by the Midwest Interstate Passenger Rail Compact.

The commissioner shall work with the Wisconsin Department of Transportation to coordinate application for federal capital assistance for the high-speed rail project.

The commissioner shall develop a comprehensive rail plan, as part of the state transportation plan, including the high-speed rail project. The commissioner shall provide to the chairs of the legislative committees with jurisdiction over transportation policy and finance a copy of the draft state transportation plan for review and comment before the plan is adopted.

**Subd. 8. Southeast Express**500,000

For predesign, preliminary engineering, and alternatives analysis for a transit corridor between Rochester and St. Paul.

**Subd. 9. Port Development Assistance**2,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

**Sec. 17. METROPOLITAN COUNCIL****Subdivision 1. Total Appropriation****\$139,200,000**

To the Metropolitan Council for the purposes specified in this section.

**Subd. 2. Urban Partnership Agreement**16,672,000

(a) \$8,360,000 is to acquire land, design, and construct new or expanded park-and-rides or transit stations in the Interstate 35W and Trunk Highway 77/Cedar Avenue corridors.

(b) \$8,312,000 is for bus lane construction and related street and sidewalk improvements and bus shelters in downtown Minneapolis. Up to \$6,433,000 of this appropriation is for a grant to the city of Minneapolis for bus lane construction and related street and sidewalk improvements in downtown Minneapolis.

**APPROPRIATIONS**

(c) The appropriations in this subdivision are not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

**Subd. 3. Bottineau Boulevard Transit Way**500,000

For a grant to the Hennepin County Regional Rail Authority for preliminary engineering for the Bottineau Transit Way corridor from the Hiawatha light rail and Northstar transit hub in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove.

**Subd. 4. Cedar Avenue Bus Rapid Transit**4,000,000

To acquire land, or an interest in land, and to design the Cedar Avenue Bus Rapid Transit in Dakota County. This appropriation may not be spent for capital improvements within a trunk highway right-of-way. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 3.

**Subd. 5. Central Corridor Transit Way**70,000,000

(a) For one or more of the following activities for the Central Corridor light rail transit line that will connect downtown Minneapolis with downtown St. Paul: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction. No more than \$20,000,000 of the appropriation may be used for preliminary engineering.

(b) Hennepin and Ramsey Counties need not spend their matching money for this project at a rate faster than dollar for dollar with the money from this appropriation.

(c) District heating and district cooling nonprofit corporations organized under Minnesota Statutes, chapter 317A, that are exempt organizations under section 501(c)(3) of the United States Internal Revenue Code that are public right-of-way users under Minnesota Rules, chapter 7819, are eligible to receive grants and federal money for costs of relocating facilities from public rights-of-way to prevent interference with public light rail projects, unless eligibility would impact the project's Federal Transit Authority required cost effectiveness index.

**Subd. 6. I-94 Corridor Transit Way**750,000

For a grant to Washington County to work with the Metropolitan Council for predesign and preliminary engineering of transportation and transit improvements, including busways or rail transit, in the marked Interstate Highway 94 Corridor, from the Minnesota-Wisconsin border extending westward through Washington County to downtown St. Paul and downtown Minneapolis.

**APPROPRIATIONS****Subd. 7. I-494 Corridor Transit Way 500,000**

For predesign and preliminary engineering of light rail transit in the I-494 corridor, on or near marked Interstate Highway 494, from Minneapolis-St. Paul International Airport to a transit station on the proposed Southwest Corridor Transit Way.

**Subd. 8. Red Rock Corridor Transit Way 500,000**

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor Transit Way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

**Subd. 9. Robert Street Corridor Transit Way 500,000**

For environmental studies and engineering of bus rapid transit or light rail transit for the Robert Street Corridor Transit Way along a corridor on or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 6.

**Subd. 10. Rush Line Corridor Transit Way 500,000**

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35W and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

**Subd. 11. Southwest Corridor Transit Way 500,000**

For a grant to the Hennepin County Regional Rail Authority to prepare a draft environmental impact statement (DEIS) and for preliminary engineering for the Southwest Corridor Transit Way, from the Hiawatha light rail transit line in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie.

**Subd. 12. Unspent Transit Way Appropriations**

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a transit way project listed in subdivisions 3 to 11, the Metropolitan Council may transfer the unencumbered balance in the project account to any other transit way project in those subdivisions, or to design and construct public infrastructure for the Fridley station of the Northstar commuter rail. The Metropolitan Council shall obtain approval from the commissioner of finance and the chair of the senate Finance Committee and the chair of the house of representatives Ways and Means Committee before the transfer is made.

**APPROPRIATIONS****Subd. 13. Union Depot**2,000,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to revitalize Union Depot for use as a multimodal transit center in St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 7.

**Subd. 14. Metropolitan Regional Parks Capital Improvements****(a) Metropolitan Council Priorities**10,500,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects. This appropriation must not be used to purchase easements.

**(b) Old Cedar Avenue Bridge**2,000,000

For a grant to the city of Bloomington for removal and replacement of the old Cedar Avenue bridge for bicycle commuters and recreational users. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

**(c) Como Zoo**11,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip Phase 2 renovation of the polar bear and gorilla exhibits at the Como Zoo.

**(d) Coon Rapids 85th Avenue Bicycle Trail**500,000

For a grant to the city of Coon Rapids to predesign, design, and construct a bicycle and pedestrian trail connecting the city of Fridley bicycle and pedestrian trail along 85th Avenue to the Mississippi Regional Trail Corridor in the city of Coon Rapids.

**(e) Dakota County North Urban Regional Trail**1,400,000

For a grant to the city of South St. Paul to design and construct a span arch bridge under 19th Avenue in South St. Paul for connection with the Dakota County North Urban Regional Trail.

**APPROPRIATIONS****(f) Grand Rounds Bridge**600,000

For a grant to the city of Minneapolis to acquire land for and to predesign, design, and construct a bridge for the Grand Rounds Scenic Byway on St. Anthony Parkway over the Northtown Rail Yard.

**(g) Grand Rounds National Scenic Byways**2,000,000

For a grant to the Minneapolis Park and Recreation Board, \$1,000,000 is to purchase, install, and replace lighting fixtures along the routes of the Grand Rounds. Any outdoor lighting fixtures installed, replaced, maintained, or operated with this appropriation must be a full cutoff luminaire, as defined in Minnesota Statutes, section 16B.328, subdivision 1, if the rated output of the outdoor lighting fixture is greater than 1,800 lumens, and be the minimum illuminance adequate for the intended purpose with consideration given to nationally recognized standards. Full consideration must be given to energy conservation and savings, reduction of glare, minimization of light pollution, and preservation of the natural night environment.

This appropriation is not available until the commissioner of finance determines that at least an equal amount has been committed to the project from nonstate sources.

\$1,000,000 is to design a roadway to complete the Grand Rounds National Scenic Byway in the city of Minneapolis between Stinson Boulevard in northeast Minneapolis and southeast Minneapolis at East River Road, and to repair and reconstruct portions of the existing 55-mile Grand Rounds National Scenic Byway.

**(h) Heritage Village Park**100,000

For a grant to the city of Inver Grove Heights to predesign the Heritage Village Park along the Mississippi River in the city.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**(i) Inver Grove Heights - Swing Bridge**100,000

For a grant to the city of Inver Grove Heights to renovate Mississippi River Bridge 5600, the Swing Bridge, between Inver Grove Heights and St. Paul Park.

**APPROPRIATIONS****(j) Lower Afton Road Trail**450,000

For a grant to Ramsey County to design and construct a paved bicycle and pedestrian trail on the north side of Lower Afton Road between McKnight Road and Point Douglas Road.

**(k) Minnehaha Creek**2,900,000

For a grant to the Minneapolis Park and Recreation Board to be used in conjunction with the Minnehaha Creek Watershed District's plan to renovate Works Projects Administration projects in the glen area of Minnehaha Creek, to restore and stabilize the shoreline and cavernous banks of Minnehaha Creek as it flows past Minnehaha Falls, to restore fish and other natural habitat, and to provide storm water retention and creek bank management at or below the Minnesota Veterans Home.

This appropriation is not available until the commissioner of finance determines that at least \$1,600,000 has been committed to the project from nonstate sources.

**(l) National Great River Park**2,000,000

For a grant to the city of St. Paul to acquire blighted properties, clean up, remediate, and improve properties, predesign and design facilities, and develop a master plan for the National Great River Park along the Mississippi River in St. Paul.

**(m) Upper Landing Shoreline Protection**3,800,000

For a grant to the city of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

The appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

**(n) Rice Creek North Regional Trail**2,183,000

For a grant to Anoka County as the local share to match federal money, to design and develop the Rice Creek North Regional Trail, extending from Rice Creek Chain of Lakes Park Reserve in Lino Lakes to the Ramsey County trail system in Shoreview.

**APPROPRIATIONS****(o) Springbrook Nature Center****2,500,000**

For a grant to the city of Fridley to predesign, design, construct, and equip the redevelopment and expansion of the Springbrook Nature Center. No nonstate match is required.

**(p) Tamarack Nature Center****745,000**

For a grant to Ramsey County to design and construct a nature play area, woodland play stream, children's garden, and outdoor multiuse pavilion with restrooms, as well as associated parking lot expansion and access improvements for the Tamarack Nature Center located within the Bald Eagle-Otter Lakes Regional Park.

Sec. 18. **HUMAN SERVICES**Subdivision 1. **Total Appropriation****\$9,505,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. **Asset Preservation****3,000,000**

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Systemwide Campus Redevelopment, Reuse, or Demolition****3,400,000**

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Up to \$400,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. If the campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

**APPROPRIATIONS****Subd. 4. Early Childhood Learning and Child Protection Facilities**2,000,000

To the commissioner of human services for grants to construct and rehabilitate facilities for programs under Minnesota Statutes, section 119A.45.

**Subd. 5. West Central Multicounty Secured Treatment Facility**150,000

To the commissioner of human services for a grant to Pope County to predesign a multicounty regional secured treatment facility in west central Minnesota. The commissioner shall prepare a report to the legislature assessing the need for and the viability of the facility and the benefits derived from a coordinated multicounty, regional approach to local chemical dependency needs in west central Minnesota. The report is due to the legislature by February 1, 2009.

**Subd. 6. Hennepin County Medical Center**820,000

For a grant to Hennepin County to predesign and design an outpatient clinic and health education facility at Hennepin County Medical Center that includes teaching clinics and an education center.

**Subd. 7. Remembering with Dignity**135,000

For grave markers or memorial monuments for unmarked graves of deceased residents of state hospitals or regional treatment centers.

**Sec. 19. VETERANS AFFAIRS****Subdivision 1. Total Appropriation****\$11,282,000**

To the commissioner of administration for the purposes specified in this section.

**Subd. 2. Asset Preservation**4,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Fergus Falls Veterans Home**2,700,000

To construct, furnish, and equip a 21-bed special care unit to treat individuals with Alzheimer's disease or dementia.



**APPROPRIATIONS****Subd. 4. Minneapolis Veterans Home Campus****Building 17 HVAC Replacement****3,955,000**

To replace the sections of the campus-wide heating, ventilation, and air conditioning system that serve Building 17.

**Subd. 5. Silver Bay Campus Master Plan Renovation****227,000**

For the state share of the cost to design, construct, furnish, and equip an addition to and renovation of the nursing care facility. This appropriation is added to the appropriation to the Veterans Homes Board in Laws 2006, chapter 258, section 19, subdivision 7, for this project.

**Subd. 6. Veterans Memorial, Eden Prairie****100,000**

For a grant to the city of Eden Prairie to design and construct improvements of a capital nature for a veterans memorial in Purgatory Creek Recreation Area in the city of Eden Prairie.

**Subd. 7. All Wars Memorial, Minneapolis****100,000**

For a grant to the Minneapolis Park and Recreation Board to construct an All Wars Memorial at Sheridan Memorial Park on the Mississippi River.

**Subd. 8. All Veterans Memorial, Richfield****100,000**

For a grant to the city of Richfield to design and construct the All Veterans Memorial, to be built in the city-owned Veterans Memorial Park. The All Veterans Memorial will acknowledge the six branches of military service at the first American flag raising of the battle of Iwo Jima, and will feature a bronze bust of Charles "Chuck" W. Lindberg, who helped raise the first flag on February 23, 1945, and was the last flag raiser of both Iwo Jima flag raisings to pass away. It is anticipated that the total cost of the project is \$711,500, with the city and nonprofit organizations contributing \$611,500.

This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed from nonstate sources.

**Subd. 9. Veterans Memorial, Virginia****100,000**

For a grant to the city of Virginia to acquire a bronze statue to complete an Iron Range Veterans Memorial in City Center Park. Any expenditures by the city for development and construction of the veterans memorial and City Center Park are considered the city's match for this project.

**APPROPRIATIONS**Sec. 20. **CORRECTIONS**Subdivision 1. **Total Appropriation****\$32,000,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation**10,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota Correctional Facility - Faribault****Expansion Phase 3**16,000,000

To design, construct, furnish, and equip a building to serve as a secure intake, receiving, warehouse, and security watch center at the Minnesota Correctional Facility - Faribault, including, but not limited to, a secure vehicle sally port for processing offenders and a receiving and distribution area to process and search incoming supplies. This appropriation includes funding to demolish two existing buildings on the site of this new building and remodel existing buildings and infrastructure as required to accommodate the new facility operations.

Subd. 4. **Minnesota Correctional Facility - Red Wing****Vocational Education Building**6,000,000

To construct, furnish, and equip a new vocational education building with a combined classroom and shop complex.

Sec. 21. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**Subdivision 1. **Total Appropriation****\$143,125,000**

To the commissioner of employment and economic development or other named agency for the purposes specified in this section.

Subd. 2. **Greater Minnesota Business Development Infrastructure Grant Program**7,500,000

For grants under Minnesota Statutes, section 116J.431.

**APPROPRIATIONS**

Notwithstanding Minnesota Statutes, section 116J.431, \$500,000 is for a grant to the city of Floodwood for acquisition of land and site preparation and to construct or install public infrastructure to support development of a business park. This appropriation is not available until the commissioner of finance has determined that at least an equal amount is committed to the project from nonstate sources.

For the first 120 days after the effective date of this section, up to \$1,750,000 of this appropriation is reserved for grants and loans to Minnesota school districts, municipalities, and counties to build infrastructure improvements that use Minnesota biomass energy products to conserve energy and reduce reliance on electricity, oil, and natural gas.

**Subd. 3. Bioscience Business Development Public Infrastructure Grant Program**

9,000,000

For grants under Minnesota Statutes, section 116J.435.

\$3,500,000 is for public infrastructure, including land acquisition, to support a private research park within a designated bioscience subzone that is adjacent to and complementary to research facilities of a college or university.

\$1,000,000 is for a grant to the city of Worthington for public infrastructure to support an agricultural-based bioscience training and testing center for incubator firms developing new agricultural processes and products.

**Subd. 4. Redevelopment Account**

8,500,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$1,890,000 is for a grant to Cass County to redevelop the Ah-Gwah-Ching site in Walker. If this project does not proceed prior to January 1, 2009, these funds shall be available for other grants under Minnesota Statutes, section 116J.571.

The commissioner may require that grant money not committed by contract for approved project activities within 120 days after the grant agreement was signed be returned and credited to the redevelopment account.

\$750,000 is for a grant to St. Louis County to design, construct, and install public infrastructure from the city of Chisholm to the regional competition and exhibit center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**APPROPRIATIONS****Subd. 5. Bemidji Regional Event Center**20,000,000

For a grant to the city of Bemidji to acquire land, predesign, design, construct, furnish, and equip a regional event center.

The appropriation is added to the appropriation in Laws 2006, chapter 258, section 21, subdivision 11.

This appropriation is not available until the commissioner of finance determines that at least \$25,000,000 is has been committed to the project from nonstate sources.

**Subd. 6. Crookston**10,000,000

For a grant to the city of Crookston to design, construct, furnish, and equip an ice arena complex to replace an existing facility that is being relocated to accommodate a planned flood control project.

This appropriation is not available until the commissioner has determined that the city of Crookston has committed at least \$1,720,825 to the project.

**Subd. 7. Duluth - DECC Arena**38,000,000

For a grant to the Duluth Entertainment and Convention Center Authority to design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center. The capital improvements and renovations must include an arena of at least 200,000 square feet with an ice sheet of at least 200 feet by 85 feet; trade show and concert space; seating capacity of at least 6,500 with suites, club seats, and concessions; updated locker and training facilities; and accessible and expanded media space.

**Subd. 8. Hibbing - Memorial Building**250,000

For a grant to the city of Hibbing to design, renovate, furnish, and equip the Memorial Building.

**Subd. 9. Itasca County - Steel Plant Infrastructure**28,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and in cooperation with Nashwauk Municipal Utility, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

**APPROPRIATIONS****Subd. 10. Mankato - Theater and Hockey Center**975,000

For a grant to the city of Mankato to predesign and design a performing arts theater and Southern Minnesota Women's Hockey Exposition Center attached to the Mankato Civic Center for use by Minnesota State University, Mankato.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

**Subd. 11. Minneapolis - Orchestra Hall**3,000,000

For a grant to the city of Minneapolis to predesign the renovation of Orchestra Hall and Peavey Plaza at its current downtown Minneapolis location, subject to Minnesota Statutes, section 16A.695

**Subd. 12. Rochester - Mayo Civic Center Complex**3,500,000

For a grant to the city of Rochester to design the renovation and expansion of the Mayo Civic Center Complex.

**Subd. 13. Roseville - Guidant John Rose Minnesota Oval**600,000

For a grant to the city of Roseville to predesign, design, construct, or install, furnish, and equip multiple improvements to the Guidant John Rose Minnesota Oval including a geothermal heating and cooling system for the facility.

**Subd. 14. St. Cloud Civic Center Expansion**2,000,000

For a grant to the city of St. Cloud to acquire land for and for pre-engineering, engineering, and design for an expansion of the St. Cloud Civic Center. The expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. This appropriation is not available until the commissioner of finance determines that at least \$2,000,000 is committed to the project from nonstate sources.

**Subd. 15. St. Cloud State University - National Hockey Center**6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of the National Hockey Center.

**APPROPRIATIONS****Subd. 16. St. Paul****(a) Asian Pacific Cultural Center****5,000,000**

For a grant to the Housing and Redevelopment Authority of the city of St. Paul, to construct, furnish, and equip an Asian Pacific Cultural Center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**(b) Gillette Children's Specialty Healthcare****300,000**

From the general fund for a grant to Ramsey County to predesign and design renovations for surgical suites and the pediatric intensive care unit at Gillette Children's Specialty Healthcare, which until 1989 was a state institution housed in a state building that served the medical needs of children with disabilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**Sec. 22. PUBLIC FACILITIES AUTHORITY****Subdivision 1. Total Appropriation****\$49,800,000**

To the Public Facilities Authority for the purposes specified in this section.

**Subd. 2. State Match For Federal Grants****30,000,000**

(a) To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) \$6,000,000 of this appropriation shall provide matching funds for the drinking water revolving fund to match the 2009 and 2010 federal grants, with the balance to be made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects.

**Subd. 3. Wastewater Infrastructure Funding Program****15,300,000**

(a) For grants and loans to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

**APPROPRIATIONS**

To the greatest practical extent, the authority must use the appropriation for projects on the 2008 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development by June 30, 2009, or for projects on the 2009 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by June 30, 2010.

Of this appropriation, \$300,000 is to implement the wastewater infrastructure funding program.

(b) Up to \$2,000,000 may be used for corrective action on wastewater treatment systems listed in Laws 2005, chapter 20, article 1, section 23, subdivision 3, paragraph (b). Grants under this paragraph are not subject to the 2008 or 2009 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

(c) Notwithstanding the limitations and conditions on loans under Minnesota Statutes, section 446A.072, subdivisions 5a, paragraph (b); 9; and 12, from any amounts appropriated for the wastewater infrastructure funding program, the Minnesota Public Facilities Authority shall provide loans not to exceed \$6,000,000 to the city of Litchfield to design and construct wastewater treatment facility improvements to meet more stringent effluent limits required by the Pollution Control Agency, and not to exceed \$7,000,000 to the city of Willmar to design, construct, furnish, and equip a new wastewater treatment facility. Loans under this paragraph are in addition to any other grants and loans for which the cities of Litchfield and Willmar qualify for from the Public Facilities Authority.

**Subd. 4. Upper Sioux Community Water System****750,000**

This appropriation is from the general fund for a grant to the Upper Sioux Community to improve the current water system to ensure continuity of service to the entire population of the community and to meet the demands of the planned community expansion over the next 20 years.

This appropriation is not available until the Public Facilities Authority has determined that at least \$375,000 has been committed from nonstate sources.

**APPROPRIATIONS****Subd. 5. Total Maximum Daily Load (TMDL) Grants****2,000,000**

For total maximum daily load grants under Minnesota Statutes, section 446A.073.

**Subd. 6. Small Community Wastewater Grants****1,500,000**

For transfer to the small community wastewater treatment account for loans and grants under Minnesota Statutes, section 446A.075.

**Subd. 7. Streamlined Infrastructure Financing****100,000**

From the general fund for staff and consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects.

**Subd. 8. Bayport Storm Sewer****150,000**

For a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River. This appropriation is in addition to the appropriations in Laws 2000, chapter 492, article 1, section 21, subdivision 8, to the commissioner of corrections and in Laws 2005, chapter 20, article 1, section 23, subdivision 3, to the Public Facilities Authority, for the same project.

**Sec. 23. MINNESOTA HOUSING FINANCE AGENCY****\$1,000,000**

To the Minnesota Housing Finance Agency for transfer to the housing development fund for the purposes specified in this section.

This appropriation is for loans or grants: (1) for publicly owned emergency shelter; (2) for publicly owned temporary or transitional housing under Minnesota Statutes, section 462A.202, subdivision 2; and (3) for publicly owned permanent rental housing under Minnesota Statutes, section 462A.202, subdivision 3a, for persons who have been without a permanent residence either for at least 12 months or on at least four occasions in the last three years, or who were at significant risk of lacking a permanent residence for at least 12 months or on at least four occasions in the last three years. Loans or grants under Minnesota Statutes, section 462A.202, subdivision 3a, must be for housing that provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.



**APPROPRIATIONS**Sec. 24. **MINNESOTA HISTORICAL SOCIETY**Subdivision 1. **Total Appropriation****\$9,594,000**

To the Minnesota Historical Society for the purposes specified in this section

Subd. 2. **Historic Sites Asset Preservation**4,000,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. **Historic Fort Snelling Museum and Visitor Center**3,000,000

For projects of a capital nature at historic Fort Snelling to preserve historic structures and to enhance visitor services.

Subd. 4. **County and Local Preservation Grants**2,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in new Minnesota Statutes, section 138.0525. This appropriation includes money for grants to the city of Hokah to renovate the Hokah City Hall building; and the Houston County Historical Society to renovate existing space and to predesign, design, and construct an addition to the Houston County Historical Society building located in the city of Caledonia.

\$400,000 is for a grant to the city of Chatfield to predesign, design, construct, furnish, and equip a community center that will, among other uses, house the Chatfield Brass Band Music Lending Library.

\$100,000 is for a grant to the city of Wells to renovate the historic Wells Train Depot. No match is required for this grant.

Subd. 5. **Oliver H. Kelley Farm Historic Site**300,000

For predesign and design for the renovation of the Oliver H. Kelley Farm Historic Site. Any unexpended funds may be used for the construction of visitor amenities including rest room and picnic facilities.

Subd. 6. **Heritage Trails**294,000

To complete development of the educational interpretive trail system at the Fort Ridgely historic site.

**APPROPRIATIONS**Sec. 25. **BOND SALE EXPENSES****\$998,000**

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 26. **BOND SALE SCHEDULE**

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2009, no more than \$871,424,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,006,610,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$16,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. **Transportation fund bond proceeds account.** To provide the money appropriated in this article from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$2,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 28. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) \$17,262,000 of the appropriation in Laws 2002, chapter 393, section 19, subdivision 2, to the Metropolitan Council for the Northwest busway, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, is reduced by \$17,262,000.

(b) \$2,571,000 of the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 2, subdivision 2, paragraph (c), for the teaching and technology center, is canceled. The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$2,571,000.

(c) The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$1,500,000.

(d) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by \$2,000,000.

(e) The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by \$3,767,000.

Sec. 29. Minnesota Statutes 2006, section 16B.32, is amended by adding a subdivision to read:

Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two-percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two-percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not. The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given by the agency for not meeting the two-percent requirement were supported by evidence in the record.

Sec. 30. Minnesota Statutes 2006, section 16B.325, is amended to read:

#### **16B.325 SUSTAINABLE BUILDING GUIDELINES.**

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed ~~existing~~ the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings and major renovations. The guidelines shall define "major renovations" for purposes of this section. The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the complete replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

Subd. 3. **Development of guidelines; applicability.** In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.

Sec. 31. Minnesota Statutes 2006, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chair of the senate Finance Committee, the chair of the house Capital Investment Committee, and the chair of the house Ways and Means Committee that the work is ready

to begin. Notice is not required for capital projects needed to comply with the Americans with Disabilities Act, for asset preservation projects to which section 16A.307 applies, or for projects funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education capital asset preservation and ~~renewal~~ replacement account under section 135A.046.

Sec. 32. Minnesota Statutes 2006, section 103D.335, subdivision 17, is amended to read:

Subd. 17. **Borrowing funds.** The managers may borrow funds from an agency of the federal government, a state agency, a county where the watershed district is located in whole or in part, or a financial institution authorized under chapter 47 to do business in this state. A county board may lend the amount requested by a watershed district. A watershed district may not have more than a total of ~~\$200,000~~ \$600,000 in loans from counties and financial institutions under this subdivision outstanding at any time.

Sec. 33. Minnesota Statutes 2007 Supplement, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

- (1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;
- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) If a wetland is drained under section 103G.2241, subdivision 2, paragraphs (b) and (e), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years unless the drained wetland is replaced as provided under this section. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on-site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 34. Minnesota Statutes 2006, section 115A.908, subdivision 2, is amended to read:

Subd. 2. **Deposit of revenue.** ~~(a) From July 1, 2003, through June 30, 2007, revenue collected shall be credited to the general fund.~~

(b) After June 30, 2007, From the revenue collected under this section, the amount necessary to make debt service payments on revenue bonds issued under section 116.156 is annually appropriated to the commissioner of finance. Any remaining revenue collected shall be credited to the environmental fund.

Sec. 35. Minnesota Statutes 2006, section 116.155, subdivision 3, is amended to read:

Subd. 3. **Revenues.** The following revenues shall be deposited in the general portion of the remediation fund:

(1) response costs and natural resource damages related to releases of hazardous substances, or pollutants or contaminants, recovered under sections 115B.17, subdivisions 6 and 7, 115B.443, 115B.444, or any other law;

(2) money paid to the agency or the Agriculture Department by voluntary parties who have received technical or other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(3) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants; ~~and~~

(4) money received from revenue bonds sold under section 116.156 and placed in a special bond proceeds account; and

(5) interest accrued on the fund.

Sec. 36. **116.156] CLOSED LANDFILL CLEANUP REVENUE BONDS.**

Subdivision 1. **Bonding authority.** (a) The commissioner of finance, if requested by the commissioner of the Pollution Control Agency, shall sell and issue state revenue bonds for the following purposes:

(1) to take actions related to hazardous substances, pollutants, or contaminants at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed \$25,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

Subd. 2. **Procedure.** The commissioner of finance may sell and issue the bonds on the terms and conditions the commissioner of finance determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner of finance may enter any agreements or pledges the commissioner of finance determines necessary or useful to sell the bonds that are not inconsistent with this section. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special bond proceeds account in the remediation fund and are appropriated to the commissioner of the Pollution Control Agency for the purposes specified in subdivision 1.

Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the following sources:

(1) the motor vehicle transfer fee under section 115A.908; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. **Refunding bonds.** The commissioner of finance may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner of finance, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner of finance.

Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a trustee for bondholders. The trustee has the powers and authority vested in it by the commissioner of finance under the bond and trust indentures.

Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner of finance is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner of finance at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

Sec. 37. **[116.195] BENEFICIAL USE OF WASTEWATER; CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.**

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

(b) "Agency" means the Pollution Control Agency.



(c) "Beneficial use of wastewater" means use of the effluent from a wastewater treatment plant that replaces use of groundwater.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature for the treatment of wastewater intended for beneficial use. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater. The maximum amount for a grant under this subdivision is \$500,000. The grant agreement must provide that the predesign and design work being funded is public information and available to anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

Subd. 4. **Application form; procedures.** The agency shall develop an application form and procedures.

Subd. 5. **Reports.** The agency shall report by February 1 of each year to the chairs of the house and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater supply, the quality of treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

Sec. 38. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision to read:

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

Sec. 39. Minnesota Statutes 2006, section 119A.45, is amended to read:

**119A.45 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.**

Subdivision 1. Grant authority. The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, ~~with priority to centers in counties or municipalities with the highest percentage of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries, or parenting time centers. The following requirements apply:~~

(a) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(b) A grant for an individual facility must not exceed ~~\$200,000~~ \$300,000 for each program that is housed in the facility, up to a maximum of ~~\$500,000~~ \$750,000 for a facility that houses three programs or more. Programs include Head Start, ~~early childhood and family education programs~~ School Readiness, Early Childhood Family Education, ~~licensed child care~~, and other early childhood intervention programs.

(c) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

Subd. 2. Grant priority. (a) The commissioner must give priority to:

(1) projects in counties or municipalities with the highest percentage of children living in poverty;

(2) grants that involve collaboration among sponsors of programs under this section; and

(3) where feasible, grants for programs that utilize Youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor portion of the construction, whichever is less, if:

(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and the local Youthbuild program, considering safety and skills needed;

(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall cost of the project; and

(iii) eligible programs consult with appropriate labor organizations to deliver education and training.

(b) The commissioner may give priority to:

(1) projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, and programs that include services to refugee and immigrant families. ~~The commissioner may give priority to; and~~

(2) grants for programs that will increase their child care workers' wages as a result of the grant. ~~If there is work that is appropriate for youthbuild, as mutually agreed upon by the grantee and the local youthbuild program, considering safety and skills needed, and if it is demonstrated by youthbuild that using youthbuild will not increase the overall cost of the project, then priority must be given to grants for programs that utilize youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000, whichever is less, of the labor portion of the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply programwide and not to individual grants.~~

Sec. 40. Minnesota Statutes 2006, section 136F.10, is amended to read:

**136F.10 DESIGNATION.**

The following are designated as the Minnesota State Colleges and Universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge ~~and~~, Duluth, and Owatonna; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona, and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

Sec. 41. Minnesota Statutes 2006, section 136F.60, subdivision 5, is amended to read:

Subd. 5. **Disposition of surplus property.** (a) The board may declare state lands or improvements under its control that are no longer needed by the Minnesota State Colleges and Universities system to be surplus and may offer them for public sale in a manner consistent with the procedures set forth in sections 16B.282 to 16B.286 for disposition of state lands by the commissioner of administration. The parcels must not be exchanged or transferred for no or nominal consideration.

(b) Proceeds from the sale or disposition of land or improvements under this subdivision, after paying all expenses incurred in selling or disposing of the land and then paying any amounts due under section 16A.695, are appropriated to the board for use for capital projects at the institution that was responsible for management of the land or improvements.

Sec. 42. Minnesota Statutes 2006, section 136F.64, subdivision 1, is amended to read:

Subdivision 1. **General authority; construction; improvements.** (a) Specific legislative authority is not required for repairs or minor capital projects financed with operating appropriation or institutional receipts that:

- (1) are undertaken for asset preservation or code compliance purposes; or
- (2) do not materially increase the net square footage of the institution; and
- (3) do not materially increase the costs of instructional programs.

For any project under this section with a cost in excess of ~~\$50,000~~ \$1,500,000, unless the Board of Trustees determines that an emergency exists, the board must notify the chair of the Finance Committee of the senate, and the chairs of the Ways and Means Committee and the Capital Investment Committee of the house in writing before incurring any contractual obligations.

(b) The board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of state college and university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Sec. 43. Minnesota Statutes 2006, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$150,000,000~~ \$200,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

Sec. 44. **[137.61] PURPOSE.**

Sections 137.61 to 137.65 provide for a biomedical science research funding program to further the investment in biomedical science research facilities in Minnesota to benefit the state's economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University of Minnesota and other private and public institutions in this state.

Sec. 45. **[137.62] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 137.61 to 137.65.

Subd. 2. **Biomedical science research facility.** "Biomedical science research facility" means a facility located on the campus of the University of Minnesota to be used as a research facility and laboratory for biomedical science and biomedical technology. A hospital licensed under sections 144.50 to 144.56 is not a biomedical science research facility.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of finance.

Subd. 4. **Project costs.** "Project costs" means the sum of all obligations incurred, paid, or to be paid that are reasonably required for the design, construction, and completion of the project, including, but not limited to:

(1) site acquisition;

(2) soil and environmental testing, surveys, estimates, plans and specifications, supervision of construction, and other engineering and architectural services;

(3) payments under construction contracts and payments for performance bonds; and

(4) purchase and installation of furniture, fixtures, and equipment.

Subd. 5. **Project.** "Project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of a structure, facility, infrastructure, or equipment necessary for a biomedical science research facility approved by the Board of Regents.

Sec. 46. **[137.63] BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING PROGRAM.**

Subdivision 1. **Program established.** A biomedical science research facilities funding program is established to provide appropriations to the Board of Regents of the University of Minnesota for up to 75 percent of the project costs for each of four projects approved by the Board of Regents under section 137.64.

Subd. 2. **Project requirements.** The Board of Regents of the University of Minnesota, either acting on its own or in collaboration with another private or public entity, must pay at least 25 percent of the project costs for each of four projects. The board must not use tuition revenue to pay for the university's share of the costs for the projects approved under section 137.64.

Sec. 47. **[137.64] CONDITIONS FOR PAYMENTS TO UNIVERSITY.**

Subdivision 1. **Certifications.** Before the commissioner may make any payments authorized in this section to the Board of Regents for a biomedical science research facility project, the commissioner must certify that the board has, by board resolution, approved the maximum project cost for the project and complied with the requirements of section 137.63, subdivision 2. For each project approved by the board, the board must certify to the commissioner the amount of the annual payments of principal and interest required to service each series of bonds issued by the University of Minnesota for the project, and the actual amount of the state's annual payment to the University of Minnesota under subdivision 2. The annual payment must not exceed the amount required to pay debt service on the bonds issued to finance 75 percent of the project costs.

Subd. 2. **Payments.** On July 15 of each year after the certification under subdivision 1, but no earlier than July 15, 2009, and for so long thereafter as any bonds issued by the board for the construction of a project are outstanding, the state must transfer to the board annual payments as certified under subdivision 1, up to the maximum amounts in the appropriation schedule under subdivision 3. Payments under this section are to reimburse the Board of Regents for the state's share of the project costs for the biomedical science research facility projects, provided that the principal amount of bonds issued by the University of Minnesota to pay the state's share of the costs must not exceed \$219,000,000.

Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to the commissioner of finance for transfer to the Board of Regents, as follows:

- (1) up to \$850,000 is appropriated in fiscal year 2010;
- (2) up to \$3,650,000 is appropriated in fiscal year 2011;
- (3) up to \$7,825,000 is appropriated in fiscal year 2012;
- (4) up to \$12,100,000 is appropriated in fiscal year 2013;
- (5) up to \$14,825,000 is appropriated in fiscal year 2014; and

(6) up to \$15,550,000 is appropriated in fiscal year 2015 and each year thereafter, up to 25 years following the certification of the last project by the commissioner.

Subd. 4. **Report to legislature.** The Board of Regents must report to the committees of the legislature with responsibility for capital investment by January 15 of each even-numbered year on the biomedical science research facility projects authorized under this section. The report must at a minimum include for each project, the total cost, the number of researchers, research grants, and the amount of debt issued by the Board.

Subd. 5. **Reinvestment.** The Board of Regents must, to the extent permitted under federal law and University of Minnesota policies, place a priority on reducing the state's share of project costs by dedicating a share of the proceeds from any commercialization or licensing revenues attributable to research conducted in the biomedical science facilities to reducing the appropriations needed under subdivision 3.

Subd. 6. **Services to individuals and firms.** Consistent with its mission and governing policies and the requirements for tax exempt bonds, the university shall make available laboratory and other services on a fee-for-service basis to individuals and firms in the bioscience industry in Minnesota. The university will not assert patent rights when providing services that do not involve its innovative intellectual contributions.

Sec. 48. **[137.65] NO FULL FAITH AND CREDIT.**

Any bonds or other obligations issued by the board under sections 137.61 to 137.65, are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged for their payment, or of any payments that the state agrees to make under sections 137.61 to 137.65.

Sec. 49. **[138.0525] COUNTY AND LOCAL HISTORIC PRESERVATION CAPITAL GRANTS.**

Subdivision 1. **Historic preservation capital grant program established.** The Minnesota Historical Society may make grants to political subdivisions to pay up to 50 percent of the eligible project capital costs to restore an historic structure owned by the political subdivision, as incurred according to the project grant agreement and state law governing the project.

Subd. 2. **Match requirement.** The political subdivision receiving a grant must provide for the remainder of the costs of the project.

Subd. 3. **Criteria.** The Minnesota Historical Society may set criteria for program priorities and standards of review.

Sec. 50. Minnesota Statutes 2006, section 462A.21, is amended by adding a subdivision to read:

Subd. 32. **Nonprofit housing bonds account.** The agency may establish a nonprofit housing bond account as a separate account within the housing development fund. Proceeds of nonprofit housing bonds and payments made by the state under section 462A.36 may be credited to the account. The agency may transfer the proceeds of nonprofit housing bonds to another account within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.36.

Sec. 51. **[462A.36] NONPROFIT HOUSING BONDS; AUTHORIZATION; STANDING APPROPRIATION.**

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

(b) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on nonprofit housing bonds and the fees, charges, and expenses related to the bonds.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(c) "Nonprofit housing bonds" means bonds issued by the agency under chapter 462A that are "qualified 501(c)(3) bonds" (within the meaning of Section 145(a) of the Internal Revenue Code) or are not "private activity bonds" (within the meaning of Section 141(a) of the Internal Revenue Code), for the purpose of financing or refinancing affordable housing authorized under chapter 462A.

(d) "Permanent supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 2. **Authorization.** (a) The agency may issue up to \$30 million of nonprofit housing bonds in one or more series to which the payments made under this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(b) An insubstantial portion of the bond proceeds may be used for permanent supportive housing for individuals and families experiencing homelessness who do not meet the criteria of paragraph (a).

Subd. 3. **No full faith and credit.** The nonprofit housing bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the nonprofit housing bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to that effect.

Subd. 4. **Appropriation; payment to the agency or trustee.** (a) The agency must certify annually to the commissioner of finance the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds issued under subdivision 2 remain outstanding, the commissioner of finance must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary to make the transfers is appropriated from the general fund to the commissioner of finance.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 52. Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3, is amended to read:

**Subd. 3. Wastewater Infrastructure Funding Program**

~~45,000,000~~ 13,500,000

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority should use the grants for projects on the 2002 project priority list in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2003.

~~\$1,500,000 is for grants to the Larsmont portion of the Knife River Larsmont sanitary district. This appropriation must be used to reduce the amount of the municipality's loan from the water pollution revolving fund that exceeds five percent of the market value of the properties in the project service area. This appropriation is in addition to grants from other appropriations.~~

Sec. 53. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. **State Park and Recreation Area Acquisition**

2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

\$500,000 is to purchase land within the boundaries of Greenleaf Lake state ~~park~~ recreation area in Meeker county.

Sec. 54. Laws 2005, chapter 20, article 1, section 17, is amended to read:

Section 1. **PUBLIC SAFETY**

642,000

To the commissioner of public safety for a grant to the Economic Development Authority in and for the city of Blue Earth to acquire land for and to predesign, design, construct, furnish, and equip a fire and police station. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

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

Sec. 55. Laws 2005, chapter 20, article 1, section 23, subdivision 3, is amended to read:

Subd. 3. **Wastewater Infrastructure Funding Program**

29,900,000

(a) To the Public Facilities Authority for the purposes specified in this subdivision. \$29,300,000 of this appropriation is for grants and loans to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority must use the appropriation for projects on the 2005 project priority list in priority order to qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development before December 1, 2006.

\$600,000 of this appropriation is to implement the wastewater infrastructure program.

(b) The grants listed in this paragraph are not subject to the 2005 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.



\$1,500,000 is for a grant to the city of Aurora to reconstruct its wastewater treatment plant, damaged in an explosion May 5, 2004.

\$1,700,000 is for a grant to the Central Iron Range Sanitary Sewer District Authority to predesign and design the necessary facilities to collect, treat, and dispose of sewage in the district, including a pump-storage facility and a wind-energy facility.

Up to \$5,000,000 may be used as grants to the cities of Dunnell, Dumont, Henriette, Lewisville, McGrath, and Ostrander to undertake corrective action on systems built since 2001 with federal money from USDA Rural Economic and Community Development. A grant must not exceed the amount of federal money used in the construction of systems that incorporated sand filter treatment, fixed activated sludge treatment, or mechanical package plant treatment technologies.

\$4,950,000 is for a grant to the city of Duluth for design and construction of sanitary sewer overflow storage facilities at selected locations in the city of Duluth. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

\$1,700,000 is for a grant to the city of Eagle Bend to predesign, design, construct, furnish, and equip a wastewater collection and treatment system.

\$1,500,000 is for a grant to the city of Two Harbors to retire loans, whether interfund or otherwise, incurred to acquire land for, design, construct, furnish, and equip a 2,500,000 gallon equalization basin and a chlorine-contact tank of at least 100,000 gallon capacity, adjacent to the city's wastewater treatment plant. The equalization basin is required under the city's National Pollution Discharge Elimination System permit. This appropriation is not available until the commissioner of finance determines that \$325,000 has been committed to the project from nonstate sources.

\$1,550,000 for a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until December 31, 2011.

\$2,000,000 is to the commissioner of employment and economic development for a grant to the city of New Brighton to relocate a sanitary sewer interceptor in the Northwest Quadrant to allow for redevelopment of that area.

Sec. 56. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

Subd. 8. **Lewis and Clark Rural Water System, Inc.**

2,000,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the ~~city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system~~ Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip ~~one or more~~ water transmission and storage facilities ~~to accommodate the connection with~~ of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc., must be awarded to ~~projects~~ approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~for each \$1 of state money to be used to reimburse costs incurred on eligible projects.~~

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 57. Laws 2005, chapter 20, article 1, section 23, subdivision 11, as amended by Laws 2006, chapter 171, section 1, is amended to read:

Subd. 11. **Redevelopment Account**

15,000,000

For purposes of the redevelopment account created in Minnesota Statutes, section 116J.571.

\$5,000,000 cumulatively is for grants to the counties of Ramsey and Anoka for public improvements to the portions of County Road J located within each county, including predesign and design, the acquisition of interests in land, and the repayment of loans the proceeds of which were used for the public improvements. The grants to the individual counties shall be in amounts proportionate to the individual counties' costs associated with the public improvements. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$1,000,000 is for a grant to the city of Willmar to pay part of the cost of acquiring land for the new city airport and to construct or acquire, furnish, and equip hangars ~~and a precision lighting system~~ at the airport, to renovate facilities to house RCO communications equipment and to relocate RCO communications equipment from the old airport to the new airport and for a perimeter security fencing and monitoring system. This appropriation may be used to design and construct ramp and taxiway expansions. Notwithstanding Minnesota Statutes, section 116J.575, no match is required for this project.

\$600,000 is for a grant to the city of Rushford to acquire real property for, and to design, construct, and renovate, furnish, and equip a facility for the Institute of Nanotechnology.

Sec. 58. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to read:

Subd. 16. **Minneapolis**

(a) Minnesota Planetarium 22,000,000

For a grant to ~~the city of Minneapolis~~ Hennepin County to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center 1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Sec. 59. Laws 2006, chapter 258, section 7, subdivision 3, as amended by Laws 2007, chapter 122, section 4, is amended to read:

Subd. 3. **Flood Hazard Mitigation Grants** 25,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

(a) Austin

(b) Albert Lea

(c) Browns Valley

(d) Crookston

(e) Canisteo Mine

- (f) Delano
- (g) East Grand Forks
- (h) Golden Valley
- (i) Grand Marais Creek
- (j) Granite Falls
- (k) Inver Grove Heights
- (l) Manston Slough
- (m) Oakport Township
- (n) Riverton Township
- (o) Roseau
- (p) Shell Rock Watershed District
- ~~(q)~~ (q) St. Vincent
- ~~(r)~~ (r) Wild Rice River Watershed District

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project. The local share for the St. Vincent dike may not exceed \$30,000.

Sec. 60. Laws 2006, chapter 258, section 7, subdivision 7, is amended to read:

Subd. 7. **Lake Superior safe harbors**

3,000,000

To design and construct capital improvements to public accesses and small craft harbors on Lake Superior in accordance with Minnesota Statutes, sections 86A.20 to 86A.24, and in cooperation with the United States Army Corps of Engineers.

This appropriation may be used to develop the harbor of refuge and marina at Two Harbors and is added to the appropriations in Laws 1998, chapter 404, section 7, subdivision 24; and Laws 2000, chapter 492, article 1, section 7, subdivision 21, as amended by Laws 2005, chapter 20, article 1, section 42. Notwithstanding those laws, the commissioner may proceed with the Two Harbors project by providing up to \$1,500,000 to complete the design specifications and environmental work currently underway. The commissioner may spend the remaining money for the project upon securing an agreement with the U.S. Army Corps of Engineers that commits federal expenditures of at least \$4,000,000 to the project.

Sec. 61. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

Subd. 11. **Water control structures** 1,000,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101.

Sec. 62. Laws 2006, chapter 258, section 7, subdivision 22, is amended to read:

Subd. 22. **Regional trails** ~~1,133,000~~ 648,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

\$648,000 is for the Agassiz Recreational ATV Trail. Snowmobile trail grant money received under Minnesota Statutes, section 84.83, subdivision 3, and all-terrain vehicle trail grant money received under Minnesota Statutes, section 84.927, subdivision 2, may be counted as part of the county's required 50 percent nonstate match.

~~\$485,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to design, engineer, and construct 6.3 miles of trail and two parking areas along the Mississippi River in Sherburne County, to be known as Xcel Energy Great River Woodland Trail.~~

Sec. 63. Laws 2006, chapter 258, section 16, subdivision 5, is amended to read:

Subd. 5. **Northeast Minnesota rail initiative** 1,300,000

(a) Heritage and Arts Center 400,000

For a grant to St. Louis County to renovate the St. Louis County Heritage and Arts Center (the Duluth Depot).

(b) Passenger Rail Service900,000

~~and to match federal money for~~ For a grant to the St. Louis and Lake County Regional Rail Authority for Phase 1 of preliminary engineering, environmental studies, and construction of the rail line, railway stations, park-and-ride lots, and other railroad appurtenances necessary to facilitate the return of intercity and commuter/passenger rail service within Duluth and the Duluth/Twin Cities rail corridor.

Sec. 64. Laws 2006, chapter 258, section 17, subdivision 8, is amended to read:

**Subd. 8. Metropolitan Regional Parks Capital Improvements**

35,362,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects.

\$300,000 is for a grant to the city of Bloomington to renovate the old Cedar Avenue bridge to serve as a hiking and bicycling trail connection.

\$6,000,000 is ~~for a grant to the county of Dakota to acquire land for a regional park and wildlife area adjacent to the Empire Wetlands~~ Vermillion Highlands Research, Recreation, and Wildlife Management Area and Regional Park in Dakota County.

\$1,800,000 is for a grant to the city of Minneapolis to complete land acquisition for and construction of the Cedar Lake Trail.

\$3,500,000 is for a grant to the Minneapolis Park and Recreation Board to design, construct, furnish, and equip a new cultural and community center in the East Phillips neighborhood in Minneapolis.

\$250,000 is for a grant to the Minneapolis Park and Recreation Board to predesign completion of the Grand Rounds National Scenic Byway by providing a link between northeast Minneapolis on Stinson Avenue and Southeast Minneapolis at East River Road.

\$2,500,000 is for a grant to the Minneapolis Park and Recreation Board to mitigate flooding at Lake of the Isles in the city of Minneapolis. The grant must be used for shoreline stabilization and restoration, dredging, wetland replacement, and other infrastructure improvements necessary to deal with the 1997 flood damage and to prevent future flooding.

\$321,000 is for a grant to Ramsey County to construct a bicycle and pedestrian trail on the north side of Lower Afton Road between Century Avenue and McKnight Road in the city of Maplewood. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

\$9,000,000 is for a grant to the city of St. Paul to predesign, design, construct, furnish, equip, and redevelop infrastructure at the Como Zoo.

\$2,500,000 is for a grant to the city of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

\$2,000,000 is for a grant to the city of South St. Paul for the closure, capping, and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul, as the fifth phase of converting the land into parkland, and to restore approximately 80 acres of riverfront land along the Mississippi River.

\$191,000 is for a grant to the city of White Bear Lake to construct the Lake Avenue Regional Trail connecting Highway 96 Regional Trail with Ramsey Beach.

**EFFECTIVE DATE.** This section is effective retroactively from June 2, 2006.

Sec. 65. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

Subd. 6. **Redevelopment Account**

9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$250,000 is for a grant to the city of Winona to predesign facilities for a multipurpose events center and arena to be used for the Shakespeare Festival as part of the riverfront redevelopment plan, Beethoven Festival, and Winona State University events. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 66. Laws 2006, chapter 258, section 21, subdivision 14, is amended to read:

Subd. 14. **Itasca County - infrastructure**

12,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County ~~or an innovative energy project in Itasca County under Minnesota Statutes, section 216B.1694, that uses clean energy technology as defined in Minnesota Statutes, section 216B.1693, or both~~ and economic development projects in the surrounding area. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and, in cooperation with ~~municipal public utilities~~ Nashwauk Municipal Utility, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

Up to \$4,000,000 of this appropriation may be spent before the full financing for either project has been closed.

Sec. 67. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

Subd. 15. **Lewis and Clark Rural Water System, Inc.**

3,282,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip ~~one or more~~ water transmission and storage facilities ~~to accommodate the connection with~~ of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc. must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~to reimburse the system for costs incurred on eligible projects.~~

Sec. 68. Laws 2006, chapter 258, section 23, subdivision 3, is amended to read:

Subd. 3. **Historic Fort Snelling Museum and Visitor Center**

1,100,000

To design ~~the restoration and renovation of the 1904 Cavalry Barracks Building for~~ the historic Fort Snelling Museum and Visitor Center and other site improvements to revitalize historic Fort Snelling.



Sec. 69. Laws 2006, chapter 282, article 11, section 2, subdivision 6, is amended to read:

Subd. 6. **Itasca County infrastructure** 11,500,000

For transfer to the Minnesota minerals 21st century fund for a grant to Itasca County to design, construct, and equip roads, rail lines, and in cooperation with Nashwauk Municipal Utility to predesign, design, construct, and equip electric infrastructure, natural gas pipelines, water supply systems, or wastewater collection and treatment systems for a steel plant in Itasca County. Of this amount, up to \$500,000 may be used for other mineral related projects in the taconite relief area. This is a onetime appropriation.

Sec. 70. Laws 2007, chapter 148, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. **Legislative Coordinating Commission** 16,188,000 16,121,000

Appropriations by Fund

General	16,010,000	15,943,000
Health Care Access	178,000	178,000

The base general fund budget for the Legislative Coordinating Commission shall be \$15,893,000 in fiscal year 2010 and \$15,893,000 in fiscal year 2011.

(a) \$5,624,000 the first year and \$5,469,000 the second year are for the Office of the Revisor of Statutes.

(b) \$1,257,000 the first year and \$1,254,000 the second year are for the Legislative Reference Library.

(c) \$5,719,000 the first year and \$5,720,000 the second year are for the Office of the Legislative Auditor.

(d) \$250,000 ~~the first year~~ is to the Legislative Coordinating Commission for a facilitated planning process relating to the Capitol building and the Capitol complex. The process must be conducted in cooperation with the Capitol Area Architectural and Planning Board and the commissioner of administration, and must include consideration of issues relating to renovation and possible expansion of the Capitol building, phasing strategies relating to renovation of the Capitol, and related Capitol complex planning issues. The process must include consideration of as many options as feasible relating to renovation of the Capitol and related Capitol complex buildings. ~~The process must be completed by September 30, 2007. Beginning October 1, 2007, the Legislative Coordinating Commission may transfer any unexpended balance from this appropriation to the commissioner of administration for additional planning and design for the renovation of the Capitol complex. This appropriation is available until June 30, 2009.~~

(e) All legislative offices should, whenever possible, implement information technology systems that are compatible and work seamlessly across the legislature. Wherever possible, single systems should be implemented to avoid unnecessary duplication and inefficiency. The directors of information technology for the senate, house of representatives, and the Legislative Coordinating Commission must submit a written report describing their efforts to collaborate on implementing shared information technology systems. The report must be submitted to the chairs of the house of representatives and senate committees with jurisdiction over rules and to the Legislative Coordinating Commission on January 15, 2008, and January 15, 2009.

Sec. 71. **NASHWAUK GAS UTILITY.**

In addition to the authority granted in, and notwithstanding any limitation in, Laws 1997, chapter 21, section 1, the city of Nashwauk may establish a municipal gas utility under Minnesota Statutes, section 412.321, without the election required under Minnesota Statutes, section 412.321, subdivision 2, for the purpose of constructing, owning, and operating distribution and transmission gas pipelines, and providing gas to retail and wholesale customers within or without the municipal boundaries of Nashwauk, and exercising any other power or authority available to municipal gas utilities under law.

**EFFECTIVE DATE.** This section is effective the day after compliance by the city of Nashwauk with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 72. **STAKEHOLDER CONSULTATION; REPORT.**

(a) The Minnesota Housing Finance Agency shall meet with the stakeholders described in paragraph (b) for the following purposes:

(1) to consider the use of 501(c)(3) bonds as a means to prevent residential mortgage foreclosures and to address the effects of widespread residential mortgage foreclosures;

(2) to consider means to make community activity set aside (CASA) mortgages more accessible to neighborhood land trusts; and

(3) to consider alternative tax classifications for neighborhood land trust properties to make taxation of such properties more equitable and to provide an incentive for greater utilization of neighborhood land trusts.

(b) The stakeholders referenced in paragraph (a) must include individuals with experience in community land trusts, providers of mortgage foreclosure prevention services, bankers, individuals who have experienced mortgage foreclosure, legal aid attorneys, and a representative of the property tax division of the Department of Revenue.

(c) The Minnesota Housing Finance Agency shall report the results and recommendations of the meetings under paragraph (a) to the legislative committees with jurisdiction over housing policy and finance by January 1, 2009.

Sec. 73. **REPORT ON EAST PHILLIPS CULTURAL AND COMMUNITY CENTER.**

The Metropolitan Council shall report by January 1, 2009, to the legislative committees with jurisdiction over capital investment on the terms of the grant agreement and progress on design and construction of the East Phillips Cultural and Community Center by the Minneapolis Park and Recreation Board with the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

Sec. 74. **PUBLIC FACILITIES AUTHORITY.**

To the greatest practical extent, projects on the Public Facilities Authority's 2008 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority list, shall be carried over to the 2009 intended use plan for potential funding from the clean water revolving fund.

Sec. 75. **CALCULATION OF DEBT SERVICE.**

In calculating the debt service limits under the Department of Finance's guidelines, the commissioner of finance must assume that the bonding amount in future odd-numbered years will be at the same amount assumed in the budget forecast and assume a bonding amount in future even-numbered years will be an amount that will allow general fund debt service payments to meet the guidelines.

Sec. 76. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 115A.908, subdivision 2; 116.155, subdivision 3; 116J.423, by adding a subdivision; 119A.45; 136F.10; 136F.60, subdivision 5; 136F.64, subdivision 1; 136F.98, subdivision 1; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 103G.222, subdivision 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 3, 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 3, as amended, 7, 11, 22; 16, subdivision 5; 17, subdivision 8; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; Laws 2007, chapter 148, article 1, section 3, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 138; 462A."

We request the adoption of this report and repassage of the bill.

House Conferees: ALICE HAUSMAN, JEAN WAGENIUS, LOREN SOLBERG, BEV SCALZE AND KATHY TINGELSTAD.

Senate Conferees: KEITH LANGSETH, SANDRA L. PAPPAS, DAVID J. TOMASSONI, LINDA SCHEID AND PAUL E. KOERING.

Hausman moved that the report of the Conference Committee on H. F. No. 380 be adopted and that the bill be repassed as amended by the Conference Committee.

Seifert moved that the House refuse to adopt the Conference Committee report on H. F. No. 380, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Seifert motion and the roll was called. There were 50 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Finstad	Kahn	Paymar	Urdahl
Anderson, B.	Demmer	Garofalo	Kohls	Peppin	Wardlow
Anderson, S.	Dettmer	Gottwalt	Lanning	Peterson, N.	Westrom
Beard	Drazkowski	Gunther	McFarlane	Ruth	Wollschlager
Berns	Eastlund	Hackbarth	McNamara	Seifert	Zellers
Brod	Emmer	Hamilton	Nornes	Severson	
Buesgens	Erhardt	Heidgerken	Olson	Shimanski	
Cornish	Erickson	Holberg	Ozment	Simpson	
Dean	Faust	Hoppe	Paulsen	Smith	

Those who voted in the negative were:

Anzelc	Doty	Huntley	Mahoney	Pelowski	Thao
Atkins	Eken	Johnson	Mariani	Peterson, A.	Thissen
Benson	Fritz	Kalin	Marquart	Peterson, S.	Tillberry
Bigham	Gardner	Knuth	Masin	Poppe	Tingelstad
Bly	Greiling	Koenen	Moe	Rukavina	Tschumper
Brown	Hansen	Kranz	Morgan	Ruud	Wagenius
Brynaert	Hausman	Laine	Morrow	Sailer	Walker
Bunn	Haws	Lenczewski	Mullery	Scalze	Ward
Carlson	Hilstrom	Lesch	Murphy, E.	Sertich	Welti
Clark	Hilty	Liebling	Murphy, M.	Simon	Winkler
Davnie	Hornstein	Lieder	Nelson	Slawik	Spk. Kelliher
Dill	Hortman	Lillie	Norton	Slocum	
Dittrich	Hosch	Loeffler	Olin	Solberg	
Dominguez	Howes	Madore	Otremba	Swails	

The motion did not prevail.

The question recurred on the Hausman motion that the report of the Conference Committee on H. F. No. 380 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 380, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 116.155, subdivisions 2, 3; 116J.423, by adding a subdivision; 119A.45; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 16A.695, subdivision 3; 103G.222, subdivision 1; Laws 1997, chapter 21, section 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 7, 11, 22; 16, subdivision 5; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 90 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Huntley	Madore	Otremba	Swails
Atkins	Faust	Johnson	Mahoney	Paymar	Thao
Benson	Fritz	Kahn	Mariani	Pelowski	Thissen
Bigham	Gardner	Kalin	Marquart	Peterson, A.	Tillberry
Bly	Gottwalt	Knuth	Masin	Peterson, S.	Tingelstad
Brown	Greiling	Koenen	Moe	Poppe	Tschumper
Brynaert	Hansen	Kranz	Morgan	Rukavina	Urdahl
Bunn	Hausman	Laine	Morrow	Ruud	Wagenius
Carlson	Haws	Lanning	Mullery	Sailer	Walker
Clark	Hilstrom	Lenczewski	Murphy, E.	Scalze	Ward
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Welti
Dill	Hornstein	Liebling	Nelson	Simon	Westrom
Dittrich	Hortman	Lieder	Nornes	Slawik	Winkler
Dominguez	Hosch	Lillie	Norton	Slocum	Wollschlager
Doty	Howes	Loeffler	Olin	Solberg	Spk. Kelliher

Those who voted in the negative were:

Abeler	Cornish	Emmer	Hamilton	McNamara	Seifert
Anderson, B.	Dean	Erhardt	Heidgerken	Olson	Severson
Anderson, S.	DeLaForest	Erickson	Holberg	Ozment	Shimanski
Beard	Demmer	Finstad	Hoppe	Paulsen	Simpson
Berns	Dettmer	Garofalo	Jaros	Peppin	Smith
Brod	Drazkowski	Gunther	Kohls	Peterson, N.	Wardlow
Buesgens	Eastlund	Hackbarth	McFarlane	Ruth	Zellers

The bill was repassed, as amended by Conference, and its title agreed to.

### CONSENT CALENDAR

Sertich moved that the Consent Calendar be continued. The motion prevailed.

### CALENDAR FOR THE DAY

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

### MOTIONS AND RESOLUTIONS

Faust moved that his name be stricken as an author on H. F. No. 863. The motion prevailed.

Thissen moved that the name of Tillberry be added as an author on H. F. No. 1189. The motion prevailed.

Hortman moved that the name of Tillberry be added as an author on H. F. No. 1499. The motion prevailed.

Norton moved that the name of Gottwalt be added as an author on H. F. No. 2628. The motion prevailed.

Bigham moved that the name of Tillberry be added as an author on H. F. No. 2782. The motion prevailed.

Thao moved that the name of Tillberry be added as an author on H. F. No. 2837. The motion prevailed.

Pelowski moved that the name of Tillberry be added as an author on H. F. No. 2904. The motion prevailed.

Gunther moved that the name of Tillberry be added as an author on H. F. No. 3428. The motion prevailed.

Tingelstad moved that the name of Tillberry be added as an author on H. F. No. 3448. The motion prevailed.

Tingelstad moved that the name of Tillberry be added as an author on H. F. No. 3449. The motion prevailed.

Winkler moved that the name of Tillberry be added as an author on H. F. No. 3470. The motion prevailed.

Kohls moved that the name of Tillberry be added as an author on H. F. No. 3476. The motion prevailed.

Norton moved that the name of Tillberry be added as an author on H. F. No. 3885. The motion prevailed.

Hausman moved that the name of Tillberry be added as an author on H. F. No. 4034. The motion prevailed.

Thissen moved that the name of Slocum be added as an author on H. F. No. 4143. The motion prevailed.

Marquart moved that the name of Lenczewski be added as an author on H. F. No. 4146. The motion prevailed.

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place H. F. No. 1812 on the Fiscal Calendar for Thursday, April 3, 2008.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, April 3, 2008. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, April 3, 2008.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives