

STATE OF MINNESOTA

EIGHTY-SEVENTH SESSION — 2012

 NINETY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 28, 2012

The House of Representatives convened at 1:00 p.m. and was called to order by Nora Slawik, Speaker pro tempore.

Prayer was offered by the Reverend Grady St. Dennis, House Chaplain.

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

The roll was called and the following members were present:

Abeler	Dean	Hansen	Lanning	Mullery	Schomacker
Allen	Dettmer	Hausman	Leidiger	Murdock	Scott
Anderson, B.	Dill	Hilstrom	LeMieur	Murphy, E.	Shimanski
Anderson, D.	Dittrich	Hilty	Lenczewski	Murphy, M.	Simon
Anderson, P.	Doepke	Holberg	Lesch	Murray	Slawik
Anderson, S.	Downey	Hoppe	Liebling	Myhra	Slocum
Anzelc	Drazkowski	Hornstein	Lillie	Nelson	Smith
Atkins	Eken	Hortman	Loeffler	Nornes	Stensrud
Banaian	Erickson	Hosch	Lohmer	Norton	Swedzinski
Barrett	Fabian	Howes	Loon	O'Driscoll	Thissen
Beard	Falk	Huntley	Mack	Paymar	Tillberry
Benson, J.	Franson	Johnson	Mahoney	Pelowski	Torkelson
Benson, M.	Fritz	Kahn	Mariani	Peppin	Urdahl
Bills	Garofalo	Kath	Marquart	Persell	Vogel
Brynaert	Gauthier	Kelly	Mazorol	Petersen, B.	Wagenius
Buesgens	Gottwalt	Kieffer	McDonald	Peterson, S.	Ward
Carlson	Greiling	Kiel	McElfrick	Poppe	Wardlow
Clark	Gruenhagen	Kiffmeyer	McFarlane	Quam	Westrom
Cornish	Gunther	Knuth	McNamara	Rukavina	Winkler
Crawford	Hackbarth	Koenen	Melin	Runbeck	Woodard
Daudt	Hamilton	Kriesel	Moran	Sanders	Spk. Zellers
Dauids	Hancock	Laine	Morrow	Scalze	

A quorum was present.

Greene was excused until 2:00 p.m. Champion was excused until 2:40 p.m. Davnie was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

IN MEMORIAM

The members of the House of Representatives paused for a moment of silence in memory of former Representative Larry Haws, of St. Cloud, Minnesota, who served from 2006 through 2010, who passed away on Tuesday, March 27, 2012.

The Speaker assumed the Chair.

REPORTS OF CHIEF CLERK

S. F. No. 1993 and H. F. No. 2354, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sanders moved that the rules be so far suspended that S. F. No. 1993 be substituted for H. F. No. 2354 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2183 and H. F. No. 2596, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Doepke moved that S. F. No. 2183 be substituted for H. F. No. 2596 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2184 and H. F. No. 2763, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Westrom moved that the rules be so far suspended that S. F. No. 2184 be substituted for H. F. No. 2763 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2342 and H. F. No. 2749, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Abeler moved that the rules be so far suspended that S. F. No. 2342 be substituted for H. F. No. 2749 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Davids from the Committee on Taxes to which was referred:

H. F. No. 2093, A bill for an act relating to labor and industry; clarifying employee classification of independent contractors; providing pilot project for contractor registration; providing for penalties; amending Minnesota Statutes 2010, sections 181.723, subdivisions 1, 3, 4, 7, 15, 16, by adding subdivisions; 289A.31, subdivision 5; 326B.081,

subdivision 3; Minnesota Statutes 2011 Supplement, section 181.723, subdivision 5; repealing Minnesota Statutes 2010, sections 181.723, subdivisions 6, 8, 9, 10, 11, 12, 14, 17; 290.92, subdivision 31; Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; 5202.0160.

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.

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

H. F. No. 2294, A bill for an act relating to state government; making adjustments to health and human services appropriations; making changes to provisions related to health care, the Department of Health, children and family services, continuing care, chemical dependency, child support, background studies, homelessness, and vulnerable children and adults; providing for data sharing; requiring eligibility determinations; requiring the University of Minnesota to request funding for rural primary care training; providing appointments; providing grants; requiring studies and reports; appropriating money; amending Minnesota Statutes 2010, sections 62D.02, subdivision 3; 62D.05, subdivision 6; 62D.12, subdivision 1; 62J.496, subdivision 2; 62Q.80; 62U.04, subdivisions 1, 2, 4, 5; 119B.13, subdivision 3a; 144.1222, by adding a subdivision; 144.292, subdivision 6; 144.293, subdivision 2; 144A.351; 145.906; 245.697, subdivision 1; 245A.03, by adding a subdivision; 245A.11, subdivision 7; 245B.07, subdivision 1; 245C.04, subdivision 6; 245C.05, subdivision 7; 252.27, subdivision 2a; 254A.19, by adding a subdivision; 256.01, by adding subdivisions; 256B.056, subdivision 1a; 256B.0625, subdivisions 9, 28a, by adding subdivisions; 256B.0659, by adding a subdivision; 256B.0751, by adding a subdivision; 256B.0754, subdivision 2; 256B.0915, subdivision 3g; 256B.092, subdivisions 1b, 7; 256B.0943, subdivision 9; 256B.431, subdivision 17e, by adding a subdivision; 256B.441, by adding a subdivision; 256B.69, subdivision 9, by adding subdivisions; 256D.06, subdivision 1b; 256D.44, subdivision 5; 256E.37, subdivision 1; 256I.05, subdivision 1e; 256J.08, by adding a subdivision; 256J.26, subdivision 1, by adding a subdivision; 256J.45, subdivision 2; 256J.50, by adding a subdivision; 256J.521, subdivision 2; 462A.29; 518A.40, subdivision 4; Minnesota Statutes 2011 Supplement, sections 62U.04, subdivisions 3, 9; 119B.13, subdivision 7; 245A.03, subdivision 7; 256.045, subdivision 3; 256.987, subdivisions 1, 2, by adding subdivisions; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0625, subdivision 38; 256B.0911, subdivisions 3a, 3c; 256B.0915, subdivisions 3e, 3h; 256B.097, subdivision 3; 256B.49, subdivisions 14, 15, 23; 256B.5012, subdivision 13; 256B.69, subdivisions 5a, 5c; 256E.35, subdivisions 5, 6; 256I.05, subdivision 1a; 256J.49, subdivision 13; 256L.12, subdivision 9; 256M.40, subdivision 1; Laws 2010, chapter 374, section 1; Laws 2011, First Special Session chapter 9, article 7, section 54; article 9, section 18; article 10, section 3, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 144; 256B.

Reported the same back with the following amendments:

Page 3, after line 9, insert:

"(1) house calls or extended care facility calls for on-site delivery of covered services;"

Page 3, line 10, delete "(1)" and insert "(2)"

Page 3, line 12, delete "(2)" and insert "(3)"

Page 3, line 18, delete "17-member"

Page 5, line 10, after "psychotherapy" insert ", diagnostic assessments,"

Page 5, line 21, delete "doctoral-prepared professionals" and insert "psychiatrists"

Page 7, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2011 Supplement, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 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 and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B 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 and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program 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. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the population served, and must be developed with input from external clinical experts and stakeholders, including managed care plans and providers. 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.

(d) Effective for services rendered on or after January 1, 2009, through December 31, 2009, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. 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.

(e) Effective for services provided on or after January 1, 2010, the commissioner shall require that managed care plans use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659.

(f) Effective for services rendered on or after January 1, 2010, through December 31, 2010, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. 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.

(g) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for state health care program enrollees for the previous calendar year. Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar measurement year, until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a plan's membership in the baseline year compared to the measurement year and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year ~~2011~~ 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(h) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent

hospital admission performance target under paragraph (i). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(i) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding ~~Medicare~~ enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding ~~Medicare~~ enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(j) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. 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.

(k) Effective for services rendered on or after January 1, 2012, through December 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. 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.

(l) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. 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.

(m) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. 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.

(n) 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 section that is reasonably expected to be returned.

(o) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

(p) The return of the withhold under paragraphs (d), (f), and (j) to (m) is not subject to the requirements of paragraph (c)."

Page 14, line 10, after the period, insert "The pilot program operating in Hennepin County under the authority of section 256B.0756 shall continue to be exempt from competitive bid."

Page 14, delete section 14 and insert:

"Sec. 14. Minnesota Statutes 2011 Supplement, 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, 2004, the commissioner shall withhold five percent of managed care plan payments and county-based purchasing 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. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions, when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans and providers. 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.

(c) For services rendered on or after January 1, 2011, the commissioner shall withhold an additional three percent of managed care plan or county-based purchasing 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. The return of the withhold under this paragraph is not subject to the requirements of paragraph (b).

(d) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for the previous calendar year. Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's utilization rate for medical assistance and MinnesotaCare enrollees, excluding ~~Medicare~~ enrollees in programs described in section 256B.69, subdivisions 23 and 28, compared to the

previous ~~calendar~~ measurement year, until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year ~~2011~~ 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding ~~Medicare~~ enrollees in programs described in section 256B.69, subdivisions 23 and 28, compared to the previous calendar year, until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospitals admission rate compared to the hospital admission rate for calendar year 2011 as determined by the commissioner. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (f).

(f) Effective for services provided on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization rate for a subsequent hospitalization within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospital admissions rate for medical assistance and MinnesotaCare enrollees, excluding ~~Medicare~~ enrollees in programs described in section 256B.69, subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(g) 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 section that is reasonably expected to be returned."

Page 18, line 8, delete "shall issue, by July 1, 2012," and insert "may issue"

Page 18, line 18, delete "the" and insert "any"

Page 36, line 15, delete "organize" and insert "reorganize"

Page 36, line 18, delete the first "and"

Page 36, line 20, before the period, insert ": and (iii) for long-term care regulated in both departments, evaluate and make recommendations for reasonable client risk assessments, planning for client risk reductions, and determining reasonable assumptions of client risks in relation to directing health care, client health care rights, provider liabilities, and provider responsibilities to provide minimum standards of care"

Page 37, after line 5, insert:

"Sec. 20. **LICENSED HOME CARE PROVIDERS.**

By February 1, 2013, the commissioner of health must report recommendations to the legislature as to development of a comprehensive home care plan to increase inspection and oversight of licensed home care providers under Minnesota Statutes, chapter 144A."

Page 38, after line 7, insert:

EFFECTIVE DATE. This section is effective September 3, 2012."

Page 42, after line 6, insert:

EFFECTIVE DATE. This section is effective March 1, 2013."

Page 43, after line 20, insert:

EFFECTIVE DATE. This section is effective October 1, 2012."

Page 48, line 18, delete "July" and insert "October"

Page 50, line 12, reinstate the stricken "provide" and insert "the legislature with" and reinstate the stricken "written recommendations" and delete "develop" and strike "legislation"

Page 50, line 15, after the period, insert "The recommendations may include draft legislation."

Page 50, after line 36, insert:

"Sec. 19. Laws 2011, First Special Session chapter 9, article 10, section 3, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$6,259,280,000	\$6,212,085,000
Appropriations by Fund		
	2012	2013
General	5,657,737,000	5,584,471,000
State Government		
Special Revenue	3,565,000	3,565,000
Health Care Access	330,435,000	353,283,000
Federal TANF	265,378,000	268,101,000
Lottery Prize	1,665,000	1,665,000
Special Revenue	500,000	1,000,000

Receipts for Systems Projects. Appropriations and federal receipts for information systems projects for MAXIS, PRISM, MMIS, and SSIS must be deposited in the state systems 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 management and budget, 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.

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 maintenance of effort (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 legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

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

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674.

(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 (7), 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) For fiscal years beginning with state fiscal year 2003, the commissioner shall assure that the maintenance of effort used by the commissioner of management and budget 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) 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, do not apply if the grants or aids are federal TANF funds.

(e) For the federal fiscal years beginning on or after 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; and

(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).

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

(f) Notwithstanding any contrary provision in this article, paragraphs (a) to (e) expire June 30, 2015.

Working Family Credit Expenditures as TANF/MOE. The commissioner may claim as TANF maintenance of effort up to \$6,707,000 per year of working family credit expenditures for fiscal years 2012 and 2013.

Working Family Credit Expenditures to be Claimed for TANF/MOE. The commissioner may count the following amounts of working family credit expenditures as TANF/MOE:

- (1) fiscal year 2012, \$23,692,000;
- (2) fiscal year 2013, \$44,969,000;
- (3) fiscal year 2014, \$32,579,000; and
- (4) fiscal year 2015, \$32,476,000.

Notwithstanding any contrary provision in this article, this rider expires June 30, 2015.

TANF Transfer to Federal Child Care and Development Fund.

(a) The following TANF fund amounts are appropriated to the commissioner for purposes of MFIP/Transition Year Child Care Assistance under Minnesota Statutes, section 119B.05:

- (1) fiscal year 2012, \$10,020,000;
- (2) fiscal year 2013, ~~\$28,020,000~~ \$28,599,000;
- (3) fiscal year 2014, ~~\$14,020,000~~ \$15,488,000; and
- (4) fiscal year 2015, ~~\$14,020,000~~ \$15,479,000.

(b) The commissioner shall authorize the transfer of sufficient TANF funds to the federal child care and development fund to meet this appropriation and shall ensure that all transferred funds are expended according to federal child care and development fund regulations.

Food Stamps Employment and Training Funds. (a) Notwithstanding Minnesota Statutes, sections 256D.051, subdivisions 1a, 6b, and 6c, and 256J.626, federal food stamps employment and training funds received as reimbursement for child care assistance program expenditures must be deposited in the general fund. The amount of funds must be limited to \$500,000 per year in fiscal years 2012 through 2015, contingent upon approval by the federal Food and Nutrition Service.

(b) Consistent with the receipt of these federal funds, the commissioner may adjust the level of working family credit expenditures claimed as TANF maintenance of effort. Notwithstanding any contrary provision in this article, this rider expires June 30, 2015.

ARRA Food Support Benefit Increases. The funds provided for food support benefit increases under the Supplemental Nutrition Assistance Program provisions of the American Recovery and Reinvestment Act (ARRA) of 2009 must be used for benefit increases beginning July 1, 2009.

Supplemental Security Interim Assistance Reimbursement Funds. \$2,800,000 of uncommitted revenue available to the commissioner of human services for SSI advocacy and outreach services must be transferred to and deposited into the general fund by October 1, 2011."

Page 53, after line 17, insert:

"Subd. 4. **Work group convening and facilitation.** The work group must be organized, scheduled, and facilitated by the staff of a nonprofit child advocacy, outreach, research, and youth development organization focusing on a wide range of issues affecting children who are vulnerable, and a nonprofit organization working to provide safe, affordable, and sustainable homes for children and families in the seven-county metropolitan area through partnerships with the public and private sector. These two organizations will also be responsible for preparing and submitting the work group's recommendations."

Renumber the subdivisions in sequence

Page 55, line 29, delete the second "and" and insert a comma and after "disability" insert ", and mental health"

Page 56, line 3, after "services" insert "and mental illnesses"

Page 56, after line 10, insert:

"Sec. 3. Minnesota Statutes 2010, section 144D.04, subdivision 2, is amended to read:

Subd. 2. **Contents of contract.** A housing with services contract, which need not be entitled as such to comply with this section, shall include at least the following elements in itself or through supporting documents or attachments:

- (1) the name, street address, and mailing address of the establishment;
- (2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners is not a natural person, identification of the type of business entity of the owner or owners;
- (3) the name and mailing address of the managing agent, through management agreement or lease agreement, of the establishment, if different from the owner or owners;
- (4) the name and address of at least one natural person who is authorized to accept service of process on behalf of the owner or owners and managing agent;
- (5) a statement describing the registration and licensure status of the establishment and any provider providing health-related or supportive services under an arrangement with the establishment;
- (6) the term of the contract;
- (7) a description of the services to be provided to the resident in the base rate to be paid by resident, including a delineation of the portion of the base rate that constitutes rent and a delineation of charges for each service included in the base rate;
- (8) a description of any additional services, including home care services, available for an additional fee from the establishment directly or through arrangements with the establishment, and a schedule of fees charged for these services;
- (9) a description of the process through which the contract may be modified, amended, or terminated, including whether a move to a different room or sharing a room would be required in the event that the tenant can no longer pay the current rent;
- (10) a description of the establishment's complaint resolution process available to residents including the toll-free complaint line for the Office of Ombudsman for Long-Term Care;
- (11) the resident's designated representative, if any;
- (12) the establishment's referral procedures if the contract is terminated;
- (13) requirements of residency used by the establishment to determine who may reside or continue to reside in the housing with services establishment;
- (14) billing and payment procedures and requirements;
- (15) a statement regarding the ability of residents to receive services from service providers with whom the establishment does not have an arrangement;
- (16) a statement regarding the availability of public funds for payment for residence or services in the establishment; and

(17) a statement regarding the availability of and contact information for long-term care consultation services under section 256B.0911 in the county in which the establishment is located."

Page 59, line 7, after "section" insert "256B.092, subdivision 1e, paragraph (d), or"

Page 59, line 9, reinstate the stricken "for the"

Page 59, line 10, reinstate the stricken "home" and delete the new language

Page 59, line 11, delete everything before the second "the" and insert ". If"

Page 59, line 13, delete everything after "limits" and insert ". the commissioner shall delicense ... beds by June 30, 2013, using the needs determination process. Under this paragraph, the commissioner has the authority to reduce unused licensed capacity of a current foster care program to accomplish the consolidation or closure of settings"

Page 59, delete line 14

Page 59, line 15, delete the new language

Page 59, line 19, delete "paragraph (e)" and insert "Laws 2011, First Special Session chapter 9, article 7, sections 1 and 40"

Page 68, line 27, after "256B.0659" insert ", or home and community-based services waivers under sections 256B.092 and 256B.49,"

Page 78, delete lines 18 to 20

Page 81, delete lines 23 to 25

Page 82, after line 27, insert:

"Sec. 22. Minnesota Statutes 2010, section 256B.092, is amended by adding a subdivision to read:

Subd. 1h. Commissioner's authority to reduce licensed capacity of adult foster care. At the time of reassessment, lead agency case managers shall assess each recipient of home and community-based services waivers for individuals with developmental disabilities currently residing in a licensed adult foster care home that is not the primary residence of the license holder, or in which the license holder is not the primary caregiver, to determine if that resident could appropriately be served in a community-living setting. If appropriate for the recipient, the case manager shall offer the recipient, through a person-centered planning process, the option to receive alternative housing and service options. In the event that the recipient chooses to transfer from the adult foster care home, the vacated bed shall not be filled with another recipient of waiver services and group residential housing, unless provided under section 245A.03, subdivision 7, paragraph (a), clauses (3) and (4), and the licensed capacity shall be reduced accordingly. If the adult foster care home becomes no longer viable due to these transfers, the county agency, with the assistance of the commissioner, shall facilitate a consolidation of settings or closure. This reassessment process shall be completed by July 1, 2013."

Page 84, after line 2, insert:

"Sec. 24. Minnesota Statutes 2010, section 256B.092, is amended by adding a subdivision to read:

Subd. 13. **Appeals.** A recipient who is adversely affected by the reduction, suspension, denial, or termination of services under this section may appeal the decision according to section 256.045. The notice of the reduction, suspension, denial, or termination of services from the lead agency to the applicant or recipient must be made in plain language and must include a form for written appeal. The commissioner may provide lead agencies with a model form for written appeal. The appeal must be in writing and identify the specific issues the recipient would like to have considered in the appeal hearing and a summary of the basis, with supporting professional documentation if available, for contesting the decision."

Page 89, line 36, strike everything after the period

Page 90, strike line 1

Page 90, line 2, strike "residential housing" and delete "and"

Page 90, after line 32, insert:

"Sec. 31. Minnesota Statutes 2010, section 256B.49, is amended by adding a subdivision to read:

Subd. 24. **Appeals.** A recipient who is adversely affected by the reduction, suspension, denial, or termination of services under this section may appeal the decision according to section 256.045. The notice of the reduction, suspension, denial, or termination of services from the lead agency to the applicant or recipient must be made in plain language and must include a form for written appeal. The commissioner may provide lead agencies with a model form for written appeal. The appeal must be in writing and identify the specific issues the recipient would like to have considered in the appeal hearing and a summary of the basis, with supporting professional documentation if available, for contesting the decision."

Page 91, line 18, after "public" insert "or private"

Page 91, delete lines 30 to 35

Page 92, delete lines 1 and 2, and insert:

"(c) The provisions of this section do not apply to any setting in which residents receive services under a home and community-based waiver as of June 30, 2013, and which have been delivering those services for at least one year.

(d) Notwithstanding paragraph (c), a program in Hennepin County established as part of a Hennepin County demonstration project by January 1, 2013, is qualified for the exception allowed under paragraph (c)."

Page 92, line 6, after the first comma, insert "and if the commissioner has not received federal approval before July 1, 2013, of the Long-Term Care Realignment Waiver application submitted under Laws 2011, First Special Session chapter 9, article 7, section 52," and after "section" insert "for services provided from July 1, 2013, through December 31, 2013"

Page 94, after line 22, insert:

"Sec. 35. Laws 2011, First Special Session chapter 9, article 7, section 52, is amended to read:

Sec. 52. IMPLEMENT NURSING HOME LEVEL OF CARE CRITERIA.

The commissioner shall seek any necessary federal approval in order to implement the changes to the level of care criteria in Minnesota Statutes, section 144.0724, subdivision 11, on or after July 1, 2012, for adults and children.

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

Page 94, line 26, after the comma, insert "if the commissioner of human services has not received federal approval before July 1, 2013, of the long-term care realignment waiver application submitted under Laws 2011, First Special Session chapter 9, article 7, section 52," and strike "of"

Page 94, line 27, strike "human services"

Page 94, line 29, strike "on or after those dates" and insert "from July 1, 2013, through December 31, 2013"

Page 95, line 27, strike "2.34" and insert "1.67"

Page 95, line 28, strike everything after "of"

Page 95, line 29, strike everything before the second comma and insert "July 1, 2013, through December 31"

Page 105, line 17, after "\$400,000" insert ", \$250,000 of which carries forward from fiscal year 2012,"

Page 107, line 25, delete "(a)"

Page 107, delete lines 32 to 34

Page 108, delete section 38, and insert:

"Sec. 43. COMMISSIONER TO SEEK AMENDMENT FOR EXCEPTION TO CONSUMER-DIRECTED COMMUNITY SUPPORTS BUDGET METHODOLOGY.

By July 1, 2012, the commissioner shall request an amendment to the home and community-based services waivers authorized under Minnesota Statutes, sections 256B.092 and 256B.49, to establish an exception to the consumer-directed community supports budget methodology to provide up to 20 percent more funds for those participants who have their 21st birthday and graduate from high school during 2013 and are authorized for more services under consumer-directed community supports prior to graduation than what they are eligible to receive under the current consumer-directed community supports budget methodology. The exception is limited to those who can demonstrate that they will have to leave consumer-directed community supports and use other waiver services because their need for day or employment supports cannot be met within the consumer-directed community supports budget limits. The commissioner shall consult with the stakeholder group authorized under Minnesota Statutes, section 256B.0657, subdivision 11, to implement this provision. The exception process shall be effective upon federal approval for persons eligible during 2013 and 2014.

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

Page 113, after line 26, insert:

"Sec. 7. **DIRECTION TO COMMISSIONER.**

The commissioner of human services may phase in the change in terminology from "Minnesota Family Investment Program" to "Minnesota Children and Family Investment Program" as the commissioner exhausts supplies of printed materials."

Page 124, delete section 11

Page 124, after line 21, insert:

"Sec. 12. **RELEASE OF MEDICAL ASSISTANCE LIEN.**

Notwithstanding Minnesota Statutes, section 514.981, the commissioner of human services shall release and discharge the medical assistance lien in full, pursuant to Minnesota Statutes, section 514.981, subdivision 5, for any person who:

(1) purchased a home in St. Louis County that was subject to a medical assistance lien;

(2) hired Scenic Title and Abstract, Inc. in Duluth to handle the closing on the home;

(3) satisfied the purchase price of the home by securing a mortgage; and

(4) obtained a warranty deed for the home that was signed and notarized on December 3, 2007, and recorded in St. Louis County on December 28, 2007."

Page 124, line 28, delete "305,000" and insert "301,000" and delete "(305,000)" and insert "(301,000)"

Page 124, line 29, delete "4,028,000" and insert "3,996,000" and delete "4,028,000" and insert "3,996,000"

Page 124, line 32, delete "305,000" and insert "301,000" and delete "4,286,000" and insert "4,258,000" and delete "4,591,000" and insert "4,559,000"

Page 125, line 17, delete "305,000" and insert "301,000" and delete "3,448,000" and insert "3,420,000"

Page 125, line 24, delete "4,000" and insert "-0-" and delete "171,000" and insert "1,085,000"

Page 125, line 27, delete "\$100,000" and insert "\$64,000"

Page 126, after line 16, insert:

"Minnesota Specialty Health Services - Willmar. \$549,000 in fiscal year 2012 and \$2,713,000 in fiscal year 2013 is appropriated from the account established under Minnesota Statutes, section 246.18, subdivision 8, for continued operation of the Minnesota Specialty Health Services - Willmar. These appropriations are onetime. Closure of the facility shall not occur prior to June 30, 2013."

Page 126, line 19, delete "(1,811,000)" and insert "(1,821,000)"

Page 126, line 20, delete "607,000" and insert "579,000"

Page 127, after line 15, insert:

"Long-Term Care Realignment Waiver Conformity. Notwithstanding Minnesota Statutes, section 256B.0916, subdivision 14, and upon federal approval of the long-term care realignment waiver application, essential community support grants must be made available in a manner that is consistent with the state's long-term care realignment waiver application submitted on February 13, 2012. The commissioner is authorized to use increased federal matching funds resulting from approval of the long-term care realignment waiver as necessary to meet the fiscal year 2013 demand for essential community support grants administered in a manner that is consistent with the terms and conditions of the long-term care realignment waiver, and that amount of federal funds is appropriated to the commissioner for this purpose."

Page 127, delete lines 32 to 36

Page 128, delete lines 1 to 27, and insert:

"Continuing Care Provider Payment Delay. The commissioner of human services shall delay the last payment or payments in fiscal year 2013 to providers listed in Minnesota Statutes 2011 Supplement, section 256B.5012, subdivision 13, and Laws 2011, First Special Session chapter 9, article 7, section 54, paragraph (b), by up to \$22,854,000. In calculating the actual payment amounts to be delayed, the commissioner must reduce the \$22,854,000 figure by any cash basis state share savings to be realized in fiscal year 2013 from implementing the long-term care realignment waiver before July 1, 2013. The commissioner shall make the delayed payments in July 2013. Notwithstanding any contrary provision in this article, this provision expires on August 1, 2013."

Page 129, line 25, delete "3,340,000" and insert "3,336,000"

Page 129, delete lines 27 to 35

Page 130, delete lines 1 to 22

Page 131, delete lines 1 to 12

Page 131, after line 13, insert:

"Long-Term Homeless Supportive Services. \$500,000 is appropriated in fiscal year 2013 from the TANF fund for long-term homeless supportive services for low-income families under Minnesota Statutes, section 256K.26. This is a onetime appropriation and is not added to the base.

Healthy Community Initiatives. \$300,000 in fiscal year 2013 is appropriated from the TANF fund to the commissioner of human services for contracting with the Search Institute to promote healthy community initiatives. The commissioner may expend up to five percent of the appropriation to provide for the program evaluation. This appropriation must be used to serve families with incomes below 200 percent of the federal poverty guidelines and minor children in the household. This is a onetime appropriation and is available until expended.

Circles of Support. \$400,000 in fiscal year 2013 is appropriated from the TANF fund to the commissioner of human services for the purpose of providing grants to three community action agencies for circles of support initiatives. This appropriation must be used to serve families with incomes below 200 percent of the federal poverty guidelines and minor children in the household. This is a onetime appropriation and is available until expended.

Transitional Housing Services. \$1,000,000 is appropriated in fiscal year 2013 to the commissioner of human services from the TANF fund for transitional housing services, including the provision of up to four months of rental assistance under Minnesota Statutes, section 256E.33. This appropriation must be used for homeless families with children with incomes below 115 percent of the federal poverty guidelines, and must be coordinated with family stabilization services under Minnesota Statutes, section 256J.575."

Page 132, delete lines 7 to 14 and insert:

"TANF Transfer to Federal Child Care and Development Fund. (a) In addition to the amount provided in this section, the commissioner shall transfer TANF funds to basic sliding fee child care assistance under Minnesota Statutes, section 119B.03:

(1) fiscal year 2013, \$436,000; and

(2) fiscal year 2014 and ongoing, \$1,135,000.

(b) The commissioner shall authorize the transfer of sufficient TANF funds to the federal child care and development fund to meet this appropriation and shall ensure that all transferred funds are expended according to federal child care and development fund regulations."

Page 132, line 23, after "689" insert ", article 2, section 251"

Page 133, after line 16, insert:

"Aliveness Project. \$100,000 in fiscal year 2013 is for a grant to the Aliveness Project, a statewide nonprofit, for providing the health and wellness services it has provided to individuals

throughout Minnesota since its inception in 1985. The activities and proposed outcomes supported by this onetime appropriation must further the comprehensive plan of the Department of Human Services, HIV/AIDS program. This is a onetime appropriation and is available until expended."

Page 133, delete lines 22 and 23

Page 133, line 33, delete "2013" and insert "2014"

Page 134, line 3, after the period, insert "This appropriation is available until June 30, 2014."

Page 134, delete lines 7 to 15

Page 135, delete lines 8 to 20

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title as follows:

Page 1, line 8, after the first semicolon, insert "providing for the release of medical assistance liens;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2754, A bill for an act relating to capital investment; appropriating money for repair and restoration improvements of the State Capitol; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Page 1, line 7, before "\$221,000,000" insert "(a)"

Page 1, after line 21, insert:

"(b) \$225,000 is appropriated from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8."

Page 1, line 24, delete "\$221,000,000" and insert "\$221,225,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2792, A bill for an act relating to education; authorizing a lease levy for administrative space for Independent School District No. 284, Wayzata.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not exceed \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease."

Delete the title and insert:

"A bill for an act relating to education; expanding lease levy to include administrative space; amending Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1."

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

The report was adopted.

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

H. F. No. 2939, A bill for an act relating to education finance; modifying certain petition requirements for proposals for detachment and annexation; amending Minnesota Statutes 2010, section 123A.45, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 17, delete "If, at the" and insert "Consent of the board of the district where the area proposed for detachment lies is not required if the area proposed for detachment at the time the petition is filed:

(1) lies in the seven-county metropolitan area;

(2) is located in a city;

(3) is not served by a resident school district school building located within that city; and

(4) is located in a city where the district proposed for annexation operates a school."

Page 1, delete lines 18 to 20

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2949, A bill for an act relating to education finance; modifying certain education finance provisions; amending Minnesota Statutes 2011 Supplement, sections 120B.07; 120B.08; 120B.09; 120B.12, subdivision 2; 124D.98, subdivisions 2, 3; 126C.126.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 120B.07, is amended to read:

120B.07 EARLY GRADUATION.

(a) Notwithstanding any law to the contrary, any secondary school student who has completed all required courses or standards may, with the approval of the student, the student's parent or guardian, and local school officials, graduate before the completion of the school year.

~~(b) General education revenue attributable to the student must be paid as though the student was in attendance for the entire year unless the student participates in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.09.~~

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 2. Minnesota Statutes 2011 Supplement, section 120B.08, is amended to read:

120B.08 EARLY GRADUATION ACHIEVEMENT SCHOLARSHIP PROGRAM.

Subdivision 1. **Participation.** A student who qualifies for early graduation under section 120B.07, who meets the criteria in subdivision 1a and who has not participated in the early graduation military service award program under section 120B.09, is eligible to participate in the early graduation achievement scholarship program.

Subd. 1a. **Eligible student.** For purposes of this section, an eligible student is a secondary student enrolled in a Minnesota public school who, at the time of graduation, generated Minnesota general education revenue and who graduates prior to the end of the fourth school year after first enrolling in ninth grade.

Subd. 2. **Scholarship amounts.** A student who participates in the early graduation achievement scholarship program is eligible for a scholarship of \$2,500 if the student ~~qualifies for graduation~~ graduates one semester or two trimesters early, \$5,000 if the student ~~qualifies for graduation~~ graduates two semesters or three or four trimesters early, or \$7,500 if the student ~~qualifies for graduation~~ graduates three or more semesters or five or more trimesters early. Participation in the optional summer term, extended day sessions, and intersessions of a state-approved learning year program under section 124D.128 are considered a quarter for purposes of computing scholarship amounts.

Subd. 3. **Scholarship uses.** An early graduation achievement scholarship may be used at any ~~accredited~~ institution of higher education accredited by an accrediting agency recognized by the United States Department of Education.

Subd. 4. **Application.** A qualifying student may apply to the commissioner of education for an early graduation achievement scholarship. The application must be in the form and manner specified by the commissioner and must be received at the department within two calendar years of the date of graduation. Upon verification of the qualifying student's course completion necessary for graduation, the department must issue the student a certificate showing the student's scholarship amount.

Subd. 5. **Enrollment verification.** A student who qualifies under this section and enrolls in an accredited higher education institution must submit a form to the commissioner verifying the student's enrollment in the higher education institution and the tuition charges for that semester. Within ~~15~~ 45 days of receipt of a student's enrollment and tuition verification form, the commissioner must issue a scholarship check to the ~~student~~ higher education institution in the lesser of the tuition amount for that semester or the maximum amount of the student's early graduation achievement scholarship. A student may continue to submit enrollment verification forms to the commissioner until the student has used the full amount of the student's graduation achievement scholarship or six years from the date of the student's graduation, whichever occurs first. The scholarship cannot be renewed.

Subd. 6. **General education money transferred.** The commissioner must transfer the amounts necessary to fund the early graduation achievement scholarships from the general education aid appropriation for that year.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 3. Minnesota Statutes 2011 Supplement, section 120B.09, is amended to read:

120B.09 EARLY GRADUATION MILITARY SERVICE AWARD PROGRAM.

Subdivision 1. **Eligibility.** For purposes of this section, "eligible person" means a secondary student enrolled in any Minnesota public school who, at the time of graduation, generated Minnesota general education revenue, who qualifies for early graduation under section 120B.07, who graduated prior to the end of the fourth school year after first enrolling in ninth grade, who has not participated in the early graduation achievement scholarship program under section 120B.08, and who, before the end of the calendar year of the student's graduation, enters into active service in either the active or reserve component of the United States armed forces and deploys for 60 days or longer to a military base or installation outside Minnesota for the purpose of attending basic military training or military school and, if required by the military, performing other military duty. The active service may be in accordance with United States Code, title 10 or title 32.

Subd. 2. **Application.** An eligible person may apply to the commissioner of education for an early graduation military service bonus. The application must be in the form and manner specified by the commissioner and must be received at the department within two calendar years of the date of graduation.

Subd. 3. **Verification and award.** The request for payment must be received at the department by the end of the fiscal year following the fiscal year in which the student graduated. Upon verification of the qualifying student's course completion necessary for graduation and eligibility for the military service bonus, the commissioner must issue payment to that person. Payment amounts must be determined according to section 120B.08, subdivision 2. Once the original amount of the award has been paid, it cannot be renewed.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 4. Minnesota Statutes 2010, section 120B.13, subdivision 4, is amended to read:

Subd. 4. **Rigorous course taking information; AP, IB, and PSEO.** The commissioner shall submit the following information on rigorous course taking to the education committees of the legislature each year by February 1:

(1) the number of pupils enrolled in postsecondary enrollment options under section 124D.09, including concurrent enrollment, advanced placement, and international baccalaureate courses in each school district;

(2) the number of teachers in each district attending training programs offered by the college board ~~or~~, International Baccalaureate North America, Inc., or Minnesota concurrent enrollment programs;

(3) the number of teachers in each district participating in support programs;

(4) recent trends in the field of postsecondary enrollment options under section 124D.09, including concurrent enrollment, advanced placement, and international baccalaureate programs;

(5) expenditures for each category in this section and under sections 124D.09 and 124D.091; and

(6) other recommendations for the state program or the postsecondary enrollment options under section 124D.09, including concurrent enrollment.

EFFECTIVE DATE. This section is effective for the 2012-2013 school year and later.

Sec. 5. Minnesota Statutes 2011 Supplement, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance report cards.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

(b) The commissioner shall develop, annually update, and post on the department Web site school performance report cards as described in paragraph (f).

(c) The commissioner must make available performance report cards by the beginning of each school year.

(d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance report card data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance report cards to the department's public Web site no later than September 1, except that in years when the report card reflects new performance standards, the commissioner shall post the school performance report cards no later than October 1.

(f) The commissioner, for each school district and each school required to report under this subdivision, must at least:

(1) title the commissioner's report "School Performance Report Card";

(2) display all required information on a single, easily accessible and understandable Web page;

(3) using longitudinal data to display results over time, compare and display corresponding state and local indicators on student proficiency in reading and math by grade, school and district value-added ratings, the number and percentage of schools and districts making or not making adequate yearly progress by student categories, a state and local growth-based performance index, a school or district identified for improvement and years in improvement status, and state and local attendance and graduation rates by student categories; and

(4) display any accountability measures or ratings required by federal law or a federally approved waiver of that law.

EFFECTIVE DATE. This section is effective for the 2012-2013 school year and later.

Sec. 6. Minnesota Statutes 2010, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs. ~~With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue must be used to make grants to school sites for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site professional development team. The site professional development team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.~~

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 7. **[123B.022] PROHIBITIONS ON POLITICAL ACTIVITIES BY PUBLIC SCHOOL EMPLOYEES.**

Local school boards shall develop and implement policies to ensure that publicly funded resources, including but not limited to time, materials, equipment, facilities, and e-mail and other forms of technology used to communicate, are not used or authorized for use by public employees to:

(1) advocate the election or defeat of any candidate for elective office;

(2) advocate the passage or defeat of any referendum question; or

(3) solicit funds for political purposes.

Such policies shall not prohibit public employees from engaging in political activities except when they are performing duties assigned to them under their employment contract with the district or representing their employer in an official capacity.

Such policies shall not prohibit the use of public funds for disseminating factual information about a proposition appearing on a local ballot, if such information is factual and does not advocate for or against the proposition.

All school districts must make these policies readily accessible to the public in paper copy at the district office or on the district Web site.

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

Sec. 8. Minnesota Statutes 2011 Supplement, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** (a) Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian academic and career and technical courses offered by that postsecondary institution.

(b) Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian academic and career and technical courses offered under subdivision 10, if after all 11th and 12th grade students have applied for a course, additional students are necessary to offer the course.

(c) If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

EFFECTIVE DATE. This section is effective for the 2012-2013 school year and later.

Sec. 9. Minnesota Statutes 2010, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its postsecondary students when enrolling 11th and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent, ~~but it may not advertise or otherwise recruit or~~

~~solicit the participation of secondary pupils to enroll in its programs on financial grounds.~~ An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level. Once a pupil has been enrolled in a postsecondary course under this section, the pupil shall not be displaced by another student.

Sec. 10. Minnesota Statutes 2010, section 124D.09, subdivision 10, is amended to read:

Subd. 10. **Courses according to agreements.** (a) An eligible pupil, according to subdivision 5, may enroll in a nonsectarian academic or career and technical course taught by a secondary teacher or a postsecondary faculty member and offered at a secondary school, or another location, according to an agreement between a public school board and the governing body of an eligible public postsecondary system or an eligible private postsecondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, public school board, district, and the governing body of a postsecondary institution, except as otherwise provided.

(b) Participating public school boards, districts, and eligible institutions may enter into an academic and career and technical education joint partnership with local or regional businesses or other entrepreneurs to help interested students pursue both academic and career and technical courses leading to an industry credential and a successful transition to postsecondary career and college education.

EFFECTIVE DATE. This section is effective for the 2012-2013 school year and later.

Sec. 11. Minnesota Statutes 2010, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits.** ~~A pupil may enroll in a course under this section for either secondary credit or postsecondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or postsecondary credit. A pupil taking several courses may designate some for secondary credit and some for postsecondary credit. A pupil must not audit a course under this section.~~

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions should, award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10.

Sec. 12. Minnesota Statutes 2010, section 124D.09, subdivision 24, is amended to read:

Subd. 24. **Limit; state obligation.** The provisions of subdivisions 13, 19, ~~and 22, and 23~~ shall not apply for any postsecondary courses in which a pupil is enrolled in addition to being enrolled full time in that pupil's district or for any postsecondary course in which a pupil is enrolled for postsecondary credit. The pupil is enrolled full time if the pupil attends credit-bearing classes in the high school or high school program for all of the available hours of instruction.

EFFECTIVE DATE. This section is effective for the 2012-2013 school year and later.

Sec. 13. Minnesota Statutes 2011 Supplement, section 126C.126, is amended to read:

126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.

~~(a) In order to provide additional revenue for an optional all-day kindergarten program, a district may reallocate general education revenue attributable to 12th grade students who have graduated early under section 120B.07 and who do not participate in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.09.~~

~~(b)~~ A school district may spend general education revenue on extended time kindergarten and prekindergarten programs.

Sec. 14. Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not exceed \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

Sec. 15. Minnesota Statutes 2010, section 135A.101, subdivision 1, is amended to read:

Subdivision 1. **Requirements for participation.** To participate in the postsecondary enrollment options program, a college or university must abide by the provisions in this section. The institution may provide information about its programs to a secondary school or to a pupil or parent, ~~but may not recruit or solicit participation on financial grounds.~~

Sec. 16. Minnesota Statutes 2010, section 471.975, is amended to read:

471.975 MAY PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.

(a) Except as provided in paragraph (b), a statutory or home rule charter city, county, town, or other political subdivision may pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's base active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose base active duty military salary is less than the salary the person would be paid as an active political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(b) Subject to the limits under paragraph (g), each school district shall pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's base active duty military salary and the salary the member would be paid as an active school district employee, including any adjustments the member would have received if not on leave of absence. The pay differential must be based on a comparison between the member's daily base rate of active duty pay, calculated by dividing the member's base military monthly salary by the number of paid days in the month, and the member's daily rate of pay for the member's school district salary, calculated by dividing the member's total school district salary by the number of contract days. The member's salary as a school district employee must include the member's basic salary and any additional salary the member earns from the school district for cocurricular and extracurricular activities. The differential payment under this paragraph must be the difference between the daily base rates of military pay times the number of school district contract days the member misses because of military active duty. This payment may be made only to a person whose daily base rate of active duty pay is less than the person's daily rate of pay as an active school district employee. Payments may be made at the intervals at which the member received pay as a school district employee. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(c) An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member reported for active service on or after May 29, 2003, or who is on active service on May 29, 2003.

(d) Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a statutory or home rule charter city, county, town, or other political subdivision has total discretion regarding employee benefit continuation for a member who reports for active service and the terms and conditions of any benefit.

(e) A school district must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee is covered by health and dental coverage provided by the armed forces. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, a school district must offer the employee the option to continue the dependent coverage at the employee's own expense. A school district must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose.

(f) For purposes of this section, "active service" has the meaning given in section 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

- (1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;
- (2) special training periodically made available to reserve members; and
- (3) service performed in accordance with section 190.08, subdivision 3.

~~(g) A school district making payments under paragraph (b) shall place a sum equal to any difference between the amount of salary that would have been paid to the employee who is receiving the payments and the amount of salary being paid to substitutes for that employee into a special fund that must be used to pay or partially pay the deployed employee's payments under paragraph (b). A school district is required to pay only this amount to the deployed school district employee.~~ When an employee of a school district who, as a member of the National Guard or any other reserve unit of the United States armed forces, reports for active service as defined in section 190.05, subdivision 5, the district must place into a special service member's aggregate salary savings account a sum equal to the positive difference between the amount of salary the district would have paid to the employee and the amount of salary paid to any substitute for the employee's position during the employee's leave for military service. The district must use the combined proceeds in the account only to fully pay, or partially pay in proportionate amounts, the salary differentials of all eligible deployed employees in the district, as determined under paragraph (b). A school district's obligation to make payments under this section is limited to the amount of money in the account.

EFFECTIVE DATE. This section is effective July 1, 2012, for school district employees serving in active military duty on or after that date.

Sec. 17. Laws 2011, First Special Session chapter 11, article 5, section 11, is amended to read:

Sec. 11. **FUND TRANSFER; FISCAL YEARS 2012 AND 2013 THROUGH 2015 ONLY.**

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2012 ~~and 2013~~ through 2015 only, the commissioner must approve a request for a fund transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund or the food service fund.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

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

Sec. 18. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8, is amended to read:

Subd. 8. **Early childhood education scholarships.** For grants to early childhood education scholarships for public or private early childhood preschool programs for children ages 3 to 5:

\$4,000,000	2013
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(a) All children whose parents or legal guardians meet the eligibility requirements of paragraph (b) established by the commissioner are eligible to receive early childhood education scholarships under this section.

(b) A parent or legal guardian is eligible for an early childhood education scholarship, to be used for a program provider of the parents' or legal guardians' choice, if the parent or legal guardian:

(1) has a child three or four years of age on September 1, beginning in calendar year 2012; and

(2)(i) has income equal to or less than 47 percent of the state median income in the current calendar year; or

(ii) can document their child's identification through another public funding eligibility process, including the Free and Reduced Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; and child care assistance programs under chapter 119B.

(c) Of the amount appropriated under this section, \$250,000 is for a grant to the parent-child home program.

(d) Each year, the Department of Education must award one-half of the early childhood education scholarship money to parents and legal guardians who reside in the seven-county metropolitan area and the other half to parents and legal guardians who live in greater Minnesota. If any money remains from either half after the initial applications, the commissioner may use that money to make early education scholarships in the other region. If this appropriation is insufficient to provide early childhood education scholarships to all eligible children, the Department of Education shall make scholarships available on a first-come, first-served basis within each of the two geographic regions of the state.

(e) The commissioner of education shall submit a written report to the education committees of the legislature by January 15, 2012, describing its plan for implementation of scholarships under this subdivision for the 2012-2013 school year.

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

(g) The base for this program is \$2,000,000 each year.

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

Sec. 19. **CAREER AND TECHNICAL EDUCATION ADVISORY TASK FORCE.**

(a) A career and technical education advisory task force is established to develop recommendations for better integrating career and technical education into kindergarten through grade 12 curriculum and instruction, improving teachers' ability to help students prepare for college and careers by measures that include increasing the number of teachers with a master's degree in a content area directly related to the teachers' teaching assignment, and successfully meeting 21st century challenges through a more comprehensive approach to kindergarten through grade 12 education that includes expanded work-based learning opportunities and opportunities for 9th and 10th grade students to participate in postsecondary enrollment options under Minnesota Statutes, section 124D.09. The advisory task force must at least examine the role of school administrators, teachers, policy makers, and others in:

(1) expecting career and technical education to provide students with high levels of skills and academic proficiency;

(2) using career and technical education to improve students' mathematics scores;

(3) understanding how the federal No Child Left Behind Act limits a student's ability to pursue career and technical education; and

(4) remedying the absence of and need for access to tools and equipment to provide students with hands-on learning.

(b) Advisory task force members must include representatives of the following entities selected by that entity: the Minnesota Association of Career and Technical Administrators; the Minnesota Association for Career and Technical Education; University of Minnesota and Minnesota State Colleges and Universities faculty working to develop career and technical educators in Minnesota; the National Research Center for Career and Technical Education; the Department of Education; the Board of Teaching; the Minnesota Association of Colleges for Teacher Education; and any other representatives selected by the task force members. The education commissioner, or the commissioner's designee, must convene the task force. Task force members are not eligible for compensation or reimbursement for expenses related to task force activities.

(c) The commissioner, upon request, must provide technical assistance to the task force.

(d) The task force must submit its recommendations under this section to the legislative committees with jurisdiction over kindergarten through grade 12 education by February 15, 2013.

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

Sec. 20. **REPORT; NO CHILD LEFT BEHIND ACT 2012 WAIVER IMPLEMENTATION COST.**

The commissioner of education must submit to the K-12 education committees of the legislature by February 15, 2013, a written report containing an up-to-date plan for fully implementing the federally approved 2012 No Child Left Behind Act waiver, a summary of state and local costs and all public and nonpublic expenditures to-date related to that implementation, and a projected estimate of all remaining future costs related to fully implementing the federal waiver.

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

Sec. 21. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums shown are added to or, if shown in parentheses, subtracted from, the appropriations in Laws 2011, First Special Session chapter 11, or any appropriation that replaces those appropriations, to the Department of Education for the purposes specified. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose.

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

<u>\$(340,000)</u>	<u>.....</u>	<u>2012</u>
<u>\$(669,000)</u>	<u>.....</u>	<u>2013</u>

Subd. 3. **Bemidji pupil transportation grant.** For a pupil transportation grant to Independent School District No. 31, Bemidji:

<u>\$250,000</u>	<u>.....</u>	<u>2013</u>
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This is a onetime appropriation.

Subd. 4. **Department of Education.** For the Department of Education for additional support and staffing related to digital and online learning:

<u>\$51,000</u>	<u>.....</u>	<u>2013</u>
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EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2010, section 127A.095, subdivision 3, is repealed.

(b) Minnesota Statutes 2010, section 124D.09, subdivision 23, is repealed effective for the 2012-2013 school year and later.

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

Delete the title and insert:

"A bill for an act relating to education; modifying certain early childhood and kindergarten through grade 12 policy and finance provisions; requiring reports; appropriating money; amending Minnesota Statutes 2010, sections 120B.13, subdivision 4; 122A.61, subdivision 1; 124D.09, subdivisions 9, 10, 12, 24; 135A.101, subdivision 1; 471.975; Minnesota Statutes 2011 Supplement, sections 120B.07; 120B.08; 120B.09; 120B.36, subdivision 1; 124D.09, subdivision 5; 126C.126; 126C.40, subdivision 1; Laws 2011, First Special Session chapter 11, article 5, section 11; article 7, section 2, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 123B; repealing Minnesota Statutes 2010, sections 124D.09, subdivision 23; 127A.095, 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.

Dean from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 1420, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2010, section 171.306, subdivision 5.

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

The report was adopted.

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

S. F. No. 2493, A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund; modifying requirements for outdoor heritage fund appropriations; appropriating money for clean water; appropriating money for an Aquatic Invasive Species Cooperative Research Center; modifying prior appropriations; modifying certain parks and trails grant program provisions; amending Minnesota Statutes 2010, sections 85.535, subdivision 3; 97A.056, by adding subdivisions; Laws 2009, chapter 172, article 3, section 3; Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 9; Laws 2011, First Special Session chapter 6, article 2, section 7.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2294, 2754 and 2939 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1993, 2183, 2184, 2342, 1420 and 2493 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Beard introduced:

H. F. No. 2973, A bill for an act relating to transportation capital improvements; authorizing spending to acquire and better public land and buildings for trunk highway purposes; authorizing the sale and issuance of trunk highway bonds; appropriating money.

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

Dean introduced:

H. F. No. 2974, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; preserving the freedom to choose health care and health care coverage.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Carlson introduced:

H. F. No. 2975, A bill for an act relating to motor vehicles; providing for transfer-on-death of title to motor vehicle; proposing coding for new law in Minnesota Statutes, chapter 168A.

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

Swedzinski, Schomacker and Hamilton introduced:

H. F. No. 2976, A bill for an act relating to capital investment; appropriating money for wastewater treatment improvements in the city of Tracy; authorizing the sale and issuance of state bonds.

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

Hansen introduced:

H. F. No. 2977, A bill for an act relating to natural resources; establishing administrative authority to address certain aquaculture license violations; increasing and establishing certain civil penalties, fees, and surcharges; establishing an aquatic invasive species prevention program; requiring portable boat lifts and docks to be licensed; requiring reports; providing criminal penalties; appropriating money; amending Minnesota Statutes 2010, sections 13.7931, by adding a subdivision; 17.4998, subdivision 3, by adding a subdivision; 86B.401, by adding a subdivision; 86B.415, subdivision 7; 97A.485, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 84D.10, subdivision 4; 84D.13, subdivisions 3, 5; proposing coding for new law in Minnesota Statutes, chapter 86B.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

Paymar introduced:

H. F. No. 2978, A bill for an act relating to health; modifying the spoken language health care interpreter roster; amending Minnesota Statutes 2010, section 144.058.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Erickson introduced:

H. F. No. 2979, A bill for an act relating to tribal-state compacts; requiring compliance; requiring reports; amending Minnesota Statutes 2010, sections 3.9221, by adding a subdivision; 299L.07, by adding a subdivision.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 382, A bill for an act relating to commerce; amending statutes regarding receiverships, assignments for the benefit of creditors, and nonprofit corporations; amending Minnesota Statutes 2010, sections 302A.753, subdivisions 2, 3; 302A.755; 302A.759, subdivision 1; 302A.761; 308A.945, subdivisions 2, 3; 308A.951; 308A.961, subdivision 1; 308A.965; 308B.935, subdivisions 2, 3; 308B.941; 308B.951, subdivision 1; 308B.955; 316.11; 317A.255, subdivision 1; 317A.753, subdivisions 3, 4; 317A.755; 317A.759, subdivision 1; 322B.836, subdivisions 2, 3; 322B.84; 462A.05, subdivision 32; 469.012, subdivision 2i; 540.14; 559.17, subdivision 2; 576.04; 576.06; 576.08; 576.09; 576.11; 576.121; 576.123; 576.144; 576.15; 576.16; proposing coding for new law

in Minnesota Statutes, chapters 576; 577; repealing Minnesota Statutes 2010, sections 302A.759, subdivision 2; 308A.961, subdivision 2; 308B.951, subdivisions 2, 3; 317A.759, subdivision 2; 576.01; 577.01; 577.02; 577.03; 577.04; 577.05; 577.06; 577.08; 577.09; 577.10.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2083, A bill for an act relating to education; providing funding and modifying certain early, adult, and kindergarten through grade 12 education provisions, including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, and prevention; providing education forecast adjustments; appropriating money; amending Minnesota Statutes 2010, sections 122A.40, subdivisions 10, 11, 13, 19; 122A.41, subdivisions 14, 15; 123A.75, subdivision 1; 123B.41, by adding a subdivision; 123B.42; 123B.43; 124D.111, subdivision 3; 124D.518, subdivision 3, by adding a subdivision; 124D.531, by adding a subdivision; 126C.10, subdivision 28; Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision 1; 122A.41, subdivision 6; 123B.41, subdivision 2; 124D.11, subdivision 9; 127A.33; 127A.45, subdivision 2; Laws 2011, First Special Session chapter 11, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 10; article 2, section 50, subdivisions 2, 3, 4, 5, 6, 7, 9; article 3, section 11, subdivisions 2, 3, 4, 5, 6; article 4, section 10, subdivisions 2, 3, 4, 6; article 5, section 12, subdivisions 2, 3, 4; article 6, section 2, subdivisions 2, 3, 5; article 7, section 2, subdivisions 2, 3, 4; article 8, section 2, subdivisions 2, 3; article 9, section 3, subdivision 2; repealing Minnesota Statutes 2010, sections 124D.135, subdivisions 8, 9; 124D.16, subdivisions 6, 7; 124D.20, subdivisions 11, 12.

The Senate has appointed as such committee:

Senators Olson, Daley, Kruse, Pederson and Lillie.

Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2078, A bill for an act relating to education finance; expanding use of nonpublic pupil textbook aid; amending Minnesota Statutes 2010, sections 123B.41, by adding a subdivision; 123B.42; 123B.43; Minnesota Statutes 2011 Supplement, section 123B.41, subdivision 2.

CAL R. LUDEMAN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dittrich moved that the House concur in the Senate amendments to H. F. No. 2078 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2078, A bill for an act relating to education finance; expanding use of nonpublic pupil textbook aid; amending Minnesota Statutes 2010, sections 123B.41, by adding a subdivision; 123B.42; 123B.43; Minnesota Statutes 2011 Supplement, section 123B.41, subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hansen	Lanning	Mullery	Schomacker
Allen	Dettmer	Hausman	Leidiger	Murdock	Scott
Anderson, B.	Dill	Hilstrom	LeMieur	Murphy, E.	Shimanski
Anderson, D.	Dittrich	Hilty	Lenczewski	Murphy, M.	Simon
Anderson, P.	Doepke	Holberg	Lesch	Murray	Slawik
Anderson, S.	Downey	Hoppe	Liebling	Myhra	Slocum
Anzelc	Drazkowski	Hornstein	Lillie	Nelson	Smith
Atkins	Eken	Hortman	Loeffler	Nornes	Stensrud
Banaian	Erickson	Hosch	Lohmer	Norton	Swedzinski
Barrett	Fabian	Howes	Loon	O'Driscoll	Thissen
Beard	Falk	Huntley	Mack	Paymar	Tillberry
Benson, J.	Franson	Johnson	Mahoney	Pelowski	Torkelson
Benson, M.	Fritz	Kahn	Mariani	Peppin	Urdahl
Bills	Garfalo	Kath	Marquart	Persell	Vogel
Brynaert	Gauthier	Kelly	Mazorol	Petersen, B.	Wagenius
Buesgens	Gottwalt	Kieffer	McDonald	Peterson, S.	Ward
Carlson	Greiling	Kiel	McElfatrick	Poppe	Wardlow
Clark	Gruenhagen	Kiffmeyer	McFarlane	Quam	Westrom
Cornish	Gunther	Knuth	McNamara	Rukavina	Winkler
Crawford	Hackbarth	Koenen	Melin	Runbeck	Woodard
Daudt	Hamilton	Kriesel	Moran	Sanders	Spk. Zellers
Davids	Hancock	Laine	Morrow	Scalze	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1140, 2173, 1815, 1835, 1860, 1911, 1948, 2014 and 2334.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1140, A bill for an act relating to public safety; clarifying special plates for firefighters; providing special license plates for retired firefighters; clarifying placement of certain motor vehicle license plates; amending Minnesota Statutes 2010, sections 168.12, by adding a subdivision; 169.79, subdivision 6; Minnesota Statutes 2011 Supplement, section 168.12, subdivision 2b.

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

S. F. No. 2173, A bill for an act relating to health; providing for a limited service pharmacy license; authorizing automated drug distribution systems; amending Minnesota Statutes 2010, section 151.01, by adding subdivisions; Minnesota Statutes 2011 Supplement, section 151.19, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 151.

The bill was read for the first time.

Lohmer moved that S. F. No. 2173 and H. F. No. 2626, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1815, A bill for an act relating to energy; establishing rights of incumbent transmission line owners regarding certain federally approved transmission lines; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the first time.

Hackbarth moved that S. F. No. 1815 and H. F. No. 1989, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1835, A bill for an act relating to human services; modifying residency requirements; amending Minnesota Statutes 2010, sections 256D.02, by adding a subdivision; 256J.12, subdivisions 1a, 2; repealing Minnesota Statutes 2010, sections 256D.02, subdivision 12a; 256J.12, subdivision 2a.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

S. F. No. 1860, A bill for an act relating to environment; modifying the definition of solid waste to exempt certain highway construction, improvement, or repair activities; amending Minnesota Statutes 2010, section 116.06, subdivision 22.

The bill was read for the first time.

Sanders moved that S. F. No. 1860 and H. F. No. 2316, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1911, A bill for an act relating to natural resources; enacting the Freedom to Hunt and Fish Act of 2012; requiring the availability of game and fish licenses by electronic transaction; appropriating money; amending Minnesota Statutes 2010, section 84.027, subdivision 15.

The bill was read for the first time.

Howes moved that S. F. No. 1911 and H. F. No. 2343, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1948, A bill for an act relating to human services; modifying nursing facility rate equalization; amending Minnesota Statutes 2010, section 256B.48, subdivision 1.

The bill was read for the first time.

Kiffmeyer moved that S. F. No. 1948 and H. F. No. 2374, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2014, A bill for an act relating to metropolitan government; providing for staggered, four-year terms for members of the Metropolitan Council; providing for removal of members under certain conditions; amending Minnesota Statutes 2010, section 473.123, subdivision 2a.

The bill was read for the first time.

Scott moved that S. F. No. 2014 and H. F. No. 2404, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2334, A bill for an act relating to lobbying; modifying principal reports; amending Minnesota Statutes 2010, section 10A.04, subdivision 6.

The bill was read for the first time.

Peppin moved that S. F. No. 2334 and H. F. No. 2684, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 1816, A bill for an act relating to public safety; authorizing federally licensed firearms importers, manufacturers, and dealers to possess and sell firearm silencers to government agencies, the military, and other licensed firearms importers, manufacturers, and dealers; amending Minnesota Statutes 2011 Supplement, section 609.66, subdivision 1h.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 91 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler	Barrett	Davids	Eken	Hackbarth	Howes
Anderson, B.	Beard	Dean	Erickson	Hamilton	Kath
Anderson, D.	Benson, M.	Dettmer	Fabian	Hancock	Kelly
Anderson, P.	Bills	Dill	Franson	Hilstrom	Kieffer
Anderson, S.	Buesgens	Dittrich	Garofalo	Holberg	Kiel
Anzelc	Cornish	Doepke	Gottwalt	Hoppe	Kiffmeyer
Atkins	Crawford	Downey	Gruenhagen	Hortman	Koenen
Banaian	Daudt	Draskowski	Gunther	Hosch	Kriesel

Laine	Mazorol	Murray	Poppe	Smith	Westrom
Lanning	McDonald	Myhra	Quam	Stensrud	Woodard
Leidiger	McElpatrick	Nornes	Runbeck	Swedzinski	Spk. Zellers
LeMieur	McFarlane	O'Driscoll	Sanders	Torkelson	
Lohmer	McNamara	Pelowski	Schomacker	Urdahl	
Loon	Morrow	Peppin	Scott	Vogel	
Mack	Murdock	Petersen, B.	Shimanski	Ward	
Marquart	Murphy, M.	Peterson, S.	Simon	Wardlow	

Those who voted in the negative were:

Allen	Gauthier	Johnson	Loeffler	Nelson	Slocum
Benson, J.	Greiling	Kahn	Mahoney	Norton	Thissen
Brynaert	Hansen	Knuth	Mariani	Paymar	Tillberry
Carlson	Hausman	Lenczewski	Melin	Persell	Wagenius
Clark	Hilty	Lesch	Moran	Rukavina	Winkler
Falk	Hornstein	Liebling	Mullery	Scalze	
Fritz	Huntley	Lillie	Murphy, E.	Slawik	

The bill was passed and its title agreed to.

H. F. No. 2149, A bill for an act relating to public safety; expanding the definition of qualified domestic violence-related offense; amending Minnesota Statutes 2010, section 609.02, subdivision 16.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hausman	Leidiger	Murdock	Scott
Allen	Dettmer	Hilstrom	LeMieur	Murphy, E.	Shimanski
Anderson, B.	Dittrich	Hilty	Lenczewski	Murphy, M.	Simon
Anderson, D.	Doepke	Holberg	Lesch	Murray	Slawik
Anderson, P.	Downey	Hoppe	Liebling	Myhra	Slocum
Anderson, S.	Drazkowski	Hornstein	Lillie	Nelson	Smith
Anzelc	Eken	Hortman	Loeffler	Nornes	Stensrud
Atkins	Erickson	Hosch	Lohmer	Norton	Swedzinski
Banaian	Fabian	Howes	Loon	O'Driscoll	Thissen
Barrett	Falk	Huntley	Mack	Paymar	Tillberry
Beard	Franson	Johnson	Mahoney	Pelowski	Torkelson
Benson, J.	Fritz	Kahn	Mariani	Peppin	Urdahl
Benson, M.	Garofalo	Kath	Marquart	Persell	Vogel
Bills	Gauthier	Kelly	Mazorol	Petersen, B.	Wagenius
Brynaert	Gottwalt	Kieffer	McDonald	Peterson, S.	Ward
Buesgens	Greiling	Kiel	McElpatrick	Poppe	Wardlow
Carlson	Gruenhagen	Kiffmeyer	McFarlane	Quam	Westrom
Clark	Gunther	Knuth	McNamara	Rukavina	Winkler
Cornish	Hackbarth	Koenen	Melin	Runbeck	Woodard
Crawford	Hamilton	Kriesel	Moran	Sanders	Spk. Zellers
Daudt	Hancock	Laine	Morrow	Scalze	
Davids	Hansen	Lanning	Mullery	Schomacker	

The bill was passed and its title agreed to.

H. F. No. 2508, A bill for an act relating to public safety; aligning state-controlled substance schedules with federal controlled substance schedules; modifying the authority of the Board of Pharmacy to regulate controlled substances; providing for penalties; amending Minnesota Statutes 2010, section 152.02, as amended; Minnesota Statutes 2011 Supplement, section 152.027, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hausman	Lanning	Mullery	Schomacker
Anderson, B.	Dill	Hilstrom	Leidiger	Murdock	Scott
Anderson, D.	Dittrich	Hilty	LeMieur	Murphy, E.	Shimanski
Anderson, P.	Doepke	Holberg	Lenczewski	Murphy, M.	Simon
Anderson, S.	Downey	Hoppe	Liebling	Murray	Slawik
Anzelc	Eken	Hornstein	Lillie	Myhra	Slocum
Atkins	Erickson	Hortman	Loeffler	Nelson	Smith
Banaian	Fabian	Hosch	Lohmer	Nornes	Stensrud
Barrett	Falk	Howes	Loon	Norton	Swedzinski
Benson, J.	Franson	Huntley	Mack	O'Driscoll	Thissen
Benson, M.	Fritz	Johnson	Mahoney	Paymar	Tillberry
Bills	Garofalo	Kath	Mariani	Pelowski	Torkelson
Brynaert	Gauthier	Kelly	Marquart	Persell	Urdahl
Carlson	Gottwalt	Kieffer	Mazorol	Petersen, B.	Vogel
Clark	Greene	Kiel	McDonald	Peterson, S.	Wagenius
Cornish	Greiling	Kiffmeyer	McElfatrick	Poppe	Ward
Crawford	Gruenhagen	Knuth	McFarlane	Quam	Westrom
Daudt	Gunther	Koenen	McNamara	Runbeck	Winkler
Davids	Hamilton	Kriesel	Moran	Sanders	Woodard
Dean	Hansen	Laine	Morrow	Scalze	Spk. Zellers

Those who voted in the negative were:

Allen	Buesgens	Hackbarth	Kahn	Peppin	Wardlow
Beard	Drazkowski	Hancock	Melin	Rukavina	

The bill was passed and its title agreed to.

The Speaker called Lanning to the Chair.

H. F. No. 329 was reported to the House.

Atkins offered an amendment to H. F. No. 329, the second engrossment.

POINT OF ORDER

Dean raised a point of order pursuant to rule 3.21 that the Atkins amendment was not in order. Speaker pro tempore Lanning ruled the point of order well taken and the Atkins amendment out of order.

Atkins appealed the decision of Speaker pro tempore Lanning.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Lanning stand as the judgment of the House?" and the roll was called. There were 74 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gruenhagen	Lanning	Murray	Stensrud
Anderson, B.	Davids	Gunther	Leidiger	Myhra	Swedzinski
Anderson, D.	Dean	Hackbarth	LeMieur	Nornes	Torkelson
Anderson, P.	Dettmer	Hamilton	Lesch	O'Driscoll	Urdahl
Anderson, S.	Dill	Hancock	Lohmer	Peppin	Vogel
Banaian	Doepke	Holberg	Loon	Petersen, B.	Wardlow
Barrett	Downey	Hoppe	Mack	Quam	Westrom
Beard	Drazkowski	Howes	Mazorol	Runbeck	Woodard
Benson, M.	Erickson	Kelly	McDonald	Sanders	Spk. Zellers
Bills	Fabian	Kieffer	McElpatrick	Schomacker	
Buesgens	Franson	Kiel	McFarlane	Scott	
Cornish	Garofalo	Kiffmeyer	McNamara	Shimanski	
Crawford	Gottwalt	Kriesel	Murdock	Smith	

Those who voted in the negative were:

Allen	Fritz	Hosch	Lillie	Murphy, M.	Simon
Anzelc	Gauthier	Huntley	Loeffler	Nelson	Slawik
Atkins	Greene	Johnson	Mahoney	Norton	Slocum
Benson, J.	Greiling	Kahn	Mariani	Paymar	Thissen
Brynaert	Hansen	Kath	Marquart	Pelowski	Tillberry
Carlson	Hausman	Knuth	Melin	Persell	Wagenius
Clark	Hilstrom	Koenen	Moran	Peterson, S.	Ward
Dittrich	Hilty	Laine	Morrow	Poppe	Winkler
Eken	Hornstein	Lenczewski	Mullery	Rukavina	
Falk	Hortman	Liebling	Murphy, E.	Scalze	

So it was the judgment of the House that the decision of Speaker pro tempore Lanning should stand.

H. F. No. 329, A bill for an act relating to education; prohibiting public school employees from using public funds and resources to advocate to pass, elect, or defeat a political candidate, ballot question, or pending legislation; proposing coding for new law in Minnesota Statutes, chapter 123B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 73 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gunther	Lanning	Myhra	Swedzinski
Anderson, B.	Dauids	Hackbarth	Leidiger	Nornes	Torkelson
Anderson, D.	Dean	Hamilton	LeMieur	O'Driscoll	Urdahl
Anderson, P.	Dettmer	Hancock	Lohmer	Peppin	Vogel
Anderson, S.	Doepke	Holberg	Loon	Petersen, B.	Wardlow
Banaian	Downey	Hoppe	Mack	Quam	Westrom
Barrett	Drazkowski	Howes	Mazorol	Runbeck	Woodard
Beard	Erickson	Kath	McDonald	Sanders	Spk. Zellers
Benson, M.	Fabian	Kelly	McElfatrick	Schomacker	
Bills	Franson	Kieffer	McFarlane	Scott	
Buesgens	Garofalo	Kiel	McNamara	Shimanski	
Cornish	Gottwalt	Kiffmeyer	Murdock	Smith	
Crawford	Gruenhagen	Kriesel	Murray	Stensrud	

Those who voted in the negative were:

Allen	Eken	Hornstein	Lesch	Mullery	Rukavina
Anzelc	Falk	Hortman	Liebling	Murphy, E.	Scalze
Atkins	Fritz	Hosch	Lillie	Murphy, M.	Simon
Benson, J.	Gauthier	Huntley	Loeffler	Nelson	Slawik
Brynaert	Greene	Johnson	Mahoney	Norton	Slocum
Carlson	Greiling	Kahn	Mariani	Paymar	Thissen
Champion	Hansen	Knuth	Marquart	Pelowski	Tillberry
Clark	Hausman	Koenen	Melin	Persell	Wagenius
Dill	Hilstrom	Laine	Moran	Peterson, S.	Ward
Dittrich	Hilty	Lenczewski	Morrow	Poppe	Winkler

The bill was passed and its title agreed to.

Peppin was excused for the remainder of today's session.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2455, A bill for an act relating to the city of Montgomery; authorizing the city to convey property for less than market value.

CAL R. LUDEMAN, Secretary of the Senate

Gruenhagen moved that the House refuse to concur in the Senate amendments to H. F. No. 2455, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 201, 248, 1626, 1717, 1875, 1964, 2069, 2084, 2137, 2273, 2297, 2392 and 2394.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 201, A bill for an act relating to crimes; defining gross negligence in the criminal vehicular operation law; amending Minnesota Statutes 2010, section 609.21, subdivision 5, by adding a subdivision.

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

S. F. No. 248, A bill for an act relating to health; establishing criteria that must be met before a new radiation therapy facility can be constructed; requiring a study of radiation therapy facilities capacity; amending Minnesota Statutes 2010, section 144.5509.

The bill was read for the first time.

Hamilton moved that S. F. No. 248 and H. F. No. 383, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1626, A bill for an act relating to human services; creating a volunteer agreement form for volunteer dentists to enroll as a medical assistance provider if certain criteria are met; amending Minnesota Statutes 2010, sections 256B.0644; 256B.76, by adding a subdivision.

The bill was read for the first time.

Norton moved that S. F. No. 1626 and H. F. No. 2094, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1717, A bill for an act relating to labor and industry; making changes to the State Building Code; amending Minnesota Statutes 2010, sections 178.01; 178.03, subdivisions 3, 4; 178.05, subdivisions 1, 2; 178.06; 178.07; 178.08; 178.09, subdivisions 1, 2; 299F.011, by adding a subdivision; 326B.092, subdivisions 2, 7;

326B.103, subdivision 3; 326B.809; Minnesota Statutes 2011 Supplement, sections 326B.0981, subdivision 4; 326B.46, subdivision 1a; 326B.49, subdivision 1; repealing Minnesota Rules, parts 1300.0230, subpart 4; 1301.1201; 1302.0600; 3801.3640; 3801.3650; 3801.3660; 3801.3670; 3801.3680; 3801.3690; 3801.3700; 3801.3710; 3801.3720; 3801.3730; 3801.3740; 3801.3760; 3801.3790; 3801.3800.

The bill was read for the first time.

LeMieur moved that S. F. No. 1717 and H. F. No. 2087, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1875, A bill for an act relating to insurance; property and casualty; permitting a written disclosure of guaranty association coverage when a policy is delivered; expanding access to accident reports to include all parties involved; permitting an insurance identification card to be provided in an electronic format; amending Minnesota Statutes 2010, sections 65B.482, subdivision 1; 169.09, subdivision 13; Minnesota Statutes 2011 Supplement, section 60C.21, subdivision 1.

The bill was read for the first time.

Daudt moved that S. F. No. 1875 and H. F. No. 2307, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1964, A bill for an act relating to labor and industry; implementing window cleaning safety measures; amending Minnesota Statutes 2010, section 326B.106, subdivision 4.

The bill was read for the first time.

Stensrud moved that S. F. No. 1964 and H. F. No. 2263, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2069, A bill for an act relating to insurance; regulating the offer and dissemination of travel insurance; amending Minnesota Statutes 2010, sections 60K.36, subdivision 2; 60K.38, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 60K.

The bill was read for the first time.

Loon moved that S. F. No. 2069 and H. F. No. 2544, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2084, A bill for an act relating to public safety; eliminating a Department of Corrections report on performance measures and targets; authorizing the fugitive apprehension unit to apply for search warrants; establishing a gardening program for inmates at each correctional facility; restoring the commissioner of corrections' discretion in selecting inmates to participate in the challenge incarceration program and requiring the commissioner to report to the legislature on how close to capacity the program is being operated; permitting victim notification

regarding offenders by Department of Corrections to include electronic notification in addition to written notification; amending Minnesota Statutes 2010, sections 241.016, subdivision 1; 241.025, subdivision 2; 244.17, subdivisions 1, 2; 253B.18, subdivision 5a; 253B.185, subdivision 10; 611A.06, subdivisions 1, 2; 626.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 241.

The bill was read for the first time.

Cornish moved that S. F. No. 2084 and H. F. No. 2415, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2137, A bill for an act relating to insurance; regulating certain claims practices; amending Minnesota Statutes 2010, section 326B.081, subdivision 3; Minnesota Statutes 2011 Supplement, section 325E.66, subdivision 1.

The bill was read for the first time.

Hoppe moved that S. F. No. 2137 and H. F. No. 2553, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2273, A bill for an act relating to public safety; motor vehicles; motor vehicle dealer regulations; expanding the class of eligible buyers for junked vehicles; amending Minnesota Statutes 2010, sections 168.27, subdivisions 2, 3, 3c; 168A.151, subdivision 6.

The bill was read for the first time.

Swedzinski moved that S. F. No. 2273 and H. F. No. 2736, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2297, A bill for an act relating to crime victims; establishing Jacob's law; requiring notification by law enforcement to social services if a child is neglected or abused outside the home; amending parental rights under custody orders to include police reports on minor children; amending Minnesota Statutes 2010, sections 518.17, subdivision 3; 626.556, subdivision 10a.

The bill was read for the first time.

Vogel moved that S. F. No. 2297 and H. F. No. 1899, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2392, A bill for an act relating to liquor; modifying liquor regulation; authorizing liquor licenses; amending Minnesota Statutes 2010, sections 340A.315, by adding a subdivision; 340A.404, subdivision 4a; 340A.412, subdivision 14; 340A.419, subdivision 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time.

Atkins moved that S. F. No. 2392 and H. F. No. 2784, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2394, A bill for an act relating to transportation; traffic regulations; amending brake requirements for towed implements of husbandry; amending Minnesota Statutes 2010, section 169.801, subdivision 10.

The bill was read for the first time.

Fabian moved that S. F. No. 2394 and H. F. No. 2775, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 1983, A bill for an act relating to education finance; repealing annual management and budget report on fiscal impact of not implementing No Child Left Behind Act; repealing Minnesota Statutes 2010, section 127A.095, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Hancock	Lanning	Murdock	Simon
Allen	Dean	Hansen	Leidiger	Murphy, E.	Slawik
Anderson, B.	Dettmer	Hausman	LeMieur	Murphy, M.	Slocum
Anderson, D.	Dill	Hilstrom	Lenczewski	Murray	Smith
Anderson, P.	Dittrich	Hilty	Lesch	Myhra	Stensrud
Anderson, S.	Doepke	Holberg	Liebling	Nelson	Swedzinski
Anzelc	Downey	Hoppe	Lillie	Nornes	Thissen
Atkins	Drazkowski	Hornstein	Loeffler	Norton	Tillberry
Banaian	Eken	Hortman	Lohmer	O'Driscoll	Torkelson
Barrett	Erickson	Hosch	Loon	Paymar	Urdahl
Beard	Fabian	Howes	Mack	Pelowski	Vogel
Benson, J.	Falk	Huntley	Mahoney	Persell	Wagenius
Benson, M.	Franson	Johnson	Mariani	Petersen, B.	Ward
Bills	Fritz	Kahn	Marquart	Peterson, S.	Wardlow
Brynaert	Garofalo	Kath	Mazorol	Poppe	Westrom
Buesgens	Gauthier	Kelly	McDonald	Quam	Winkler
Carlson	Gottwalt	Kieffer	McElpatrick	Rukavina	Woodard
Champion	Greene	Kiel	McFarlane	Runbeck	Spk. Zellers
Clark	Greiling	Kiffmeyer	McNamara	Sanders	
Cornish	Gruenhagen	Knuth	Melin	Scalze	
Crawford	Gunther	Koenen	Moran	Schomacker	
Daudt	Hackbarth	Kriesel	Morrow	Scott	
Davids	Hamilton	Laine	Mullery	Shimanski	

The bill was passed and its title agreed to.

S. F. No. 1917 was reported to the House.

Davnie moved to amend S. F. No. 1917, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2293, the first engrossment:

"Section 1. Minnesota Statutes 2010, section 125A.0941, is amended to read:

125A.0941 DEFINITIONS.

(a) The following terms have the meanings given them.

(b) "Emergency" means a situation where immediate intervention is needed to protect a child or other individual from physical injury or to prevent serious property damage.

(c) "Physical holding" means physical intervention intended to hold a child immobile or limit a child's movement ~~and~~, where body contact is the only source of physical restraint, and where immobilization is used to effectively gain control of a child in order to protect the child or other person from injury. The term physical holding does not mean physical contact that:

- (1) helps a child respond or complete a task;
- (2) assists a child without restricting the child's movement;
- (3) is needed to administer an authorized health-related service or procedure; or
- (4) is needed to physically escort a child when the child does not resist or the child's resistance is minimal.

(d) "Positive behavioral interventions and supports" means interventions and strategies to improve the school environment and teach children the skills to behave appropriately.

(e) "Prone restraint" means placing a child in a face down position.

(f) "Restrictive procedures" means the use of physical holding or seclusion in an emergency.

~~(g)~~ (g) "Seclusion" means confining a child alone in a room from which egress is barred. Removing a child from an activity to a location where the child cannot participate in or observe the activity is not seclusion.

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

Sec. 2. Minnesota Statutes 2011 Supplement, section 125A.0942, subdivision 3, is amended to read:

Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

- (1) the physical holding or seclusion must be the least intrusive intervention that effectively responds to the emergency;
- (2) physical holding or seclusion must end when the threat of harm ends and the staff determines that the child can safely return to the classroom or activity;
- (3) staff must directly observe the child while physical holding or seclusion is being used;

(4) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion shall document, as soon as possible after the incident concludes, the following information:

- (i) a description of the incident that led to the physical holding or seclusion;
- (ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;
- (iii) the time the physical holding or seclusion began and the time the child was released; and
- (iv) a brief record of the child's behavioral and physical status;

(5) the room used for seclusion must:

- (i) be at least six feet by five feet;
- (ii) be well lit, well ventilated, adequately heated, and clean;
- (iii) have a window that allows staff to directly observe a child in seclusion;
- (iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;
- (v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and

(vi) not contain objects that a child may use to injure the child or others;

(6) before using a room for seclusion, a school must:

- (i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and
- (ii) register the room with the commissioner, who may view that room; and

(7) until August 1, ~~2012~~ 2013, a school district may use prone restraints with children age five or older under the following conditions:

(i) a district has provided to the department a list of staff who have had specific training on the use of prone restraints;

(ii) a district provides information on the type of training that was provided and by whom;

(iii) prone restraints may only be used by staff who have received specific training;

(iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department ~~or on a district's restrictive procedure documentation form~~; and

(v) a district, prior to using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

The department will report back to the chairs and ranking minority members of the legislative committees with primary jurisdiction over education policy by February 1, ~~2012~~ 2013, on the use of prone restraints in the schools. Consistent with item (iv), the department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.

(b) The department must develop a statewide plan by February 1, 2013, to reduce districts' use of restrictive procedures that includes: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The department must convene interested stakeholders to develop the statewide plan and identify the need for technical assistance, including representatives of advocacy organizations, special education directors, intermediate school districts, school boards, day treatment providers, state human services department staff, mental health professionals, and autism experts. To assist the department and stakeholders under this paragraph, school districts must report summary data to the department by July 1, 2012, on districts' use of restrictive procedures during the 2011-2012 school year, including data on the number of incidents involving restrictive procedures, the total number of students on which restrictive procedures were used, the number of resulting injuries, relevant demographic data on the students and school, and other relevant data collected by the district.

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

Sec. 3. Minnesota Statutes 2010, section 125A.0942, subdivision 4, is amended to read:

Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

- (1) engaging in conduct prohibited under section 121A.58;
- (2) requiring a child to assume and maintain a specified physical position, activity, or posture that induces physical pain;
- (3) totally or partially restricting a child's senses as punishment;
- (4) presenting an intense sound, light, or other sensory stimuli using smell, taste, substance, or spray as punishment;
- (5) denying or restricting a child's access to equipment and devices such as walkers, wheelchairs, hearing aids, and communication boards that facilitate the child's functioning, except when temporarily removing the equipment or device is needed to prevent injury to the child or others or serious damage to the equipment or device, in which case the equipment or device shall be returned to the child as soon as possible;
- (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or physical abuse under section 626.556;
- (7) withholding regularly scheduled meals or water;
- (8) denying access to bathroom facilities; and
- (9) physical holding that restricts or impairs a child's ability to breathe, restricts or impairs a child's ability to communicate distress, places pressure or weight on a child's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in straddling a child's torso.

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

The motion prevailed and the amendment was adopted.

S. F. No. 1917, A bill for an act relating to education; extending for one additional year school districts' ability to use prone restraints under some conditions; requiring data collection and reporting; amending Minnesota Statutes 2010, sections 125A.0941; 125A.0942, subdivision 4; Minnesota Statutes 2011 Supplement, section 125A.0942, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hansen	Kriesel	Morrow	Schomacker
Allen	Davnie	Hausman	Laine	Mullery	Simon
Anderson, B.	Dean	Hilstrom	Lanning	Murdock	Slawik
Anderson, D.	Dettmer	Hilty	Leidiger	Murphy, E.	Slocum
Anderson, P.	Dill	Holberg	LeMieur	Murphy, M.	Smith
Anzelc	Dittrich	Hoppe	Lenczewski	Murray	Stensrud
Atkins	Doepke	Hornstein	Lesch	Myhra	Swedzinski
Banaian	Drazkowski	Hortman	Liebling	Nelson	Thissen
Beard	Eken	Hosch	Lillie	Nornes	Tillberry
Benson, J.	Erickson	Howes	Loeffler	Norton	Torkelson
Benson, M.	Fabian	Huntley	Mack	Paymar	Urdahl
Bills	Falk	Johnson	Mahoney	Pelowski	Wagenius
Brynaert	Fritz	Kahn	Mariani	Persell	Ward
Buesgens	Garofalo	Kath	Marquart	Petersen, B.	Westrom
Carlson	Gottwalt	Kelly	Mazorol	Peterson, S.	Winkler
Champion	Greene	Kieffer	McDonald	Poppe	Spk. Zellers
Clark	Greiling	Kiel	McElfrick	Quam	
Cornish	Gunther	Kiffmeyer	McFarlane	Rukavina	
Crawford	Hackbarth	Knuth	McNamara	Sanders	
Daudt	Hamilton	Koenen	Melin	Scalze	

Those who voted in the negative were:

Anderson, S.	Franson	Lohmer	O'Driscoll	Shimanski	Woodard
Barrett	Gruenhagen	Loon	Runbeck	Vogel	
Downey	Hancock	Moran	Scott	Wardlow	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2239 was reported to the House.

Benson, M., moved to amend H. F. No. 2239, the first engrossment, as follows:

Page 1, line 10, delete "and is totally original."

Page 1, line 16, delete the new language and reinstate the stricken language

Page 2, line 11, delete "1936" and insert "1919"

Page 3, delete lines 6 to 12 and insert:

"(b) As part of the application for certificate of title on a restored pioneer vehicle, the applicant shall supply evidence of the manufacturer's year, make, and model, and identifying number of the vehicle. A manufacturer's identifying number is valid under this paragraph if it matches a number permanently affixed, stamped, or otherwise assigned to at least one essential part of the motor vehicle, including but not limited to the engine block or the vehicle body. In the case of an insufficient application, the commissioner may require additional documentation to confirm the manufacturer's identifying number on the vehicle, including but not limited to photographic proof, copies of original vehicle catalogs, or certification letters from antique car collector organizations."

Page 3, delete section 5

Page 4, lines 7 to 8, delete the new language

Page 5, after line 10, insert:

"Sec. 8. Minnesota Statutes 2010, section 325F.6644, subdivision 2, is amended to read:

Subd. 2. **Title branding.** Section 325F.6642 does not apply to (1) commercial motor vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles, other than reconstructed vehicles, as defined in section 168A.01, subdivision 16; and (2) restored pioneer vehicles, as defined in section 168A.01, subdivision 16a."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2239, A bill for an act relating to motor vehicles; amending and clarifying requirements governing titling and license plates for pioneer vehicles; amending Minnesota Statutes 2010, sections 168.10, subdivision 1a; 168A.01, subdivision 16, by adding a subdivision; 168A.04, subdivision 5; 168A.05, subdivision 3; 168A.09, by adding a subdivision; 168A.15, subdivision 2; 325F.6644, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Crawford	Drazkowski	Greene	Hilty
Allen	Benson, J.	Daudt	Eken	Greiling	Holberg
Anderson, B.	Benson, M.	Davids	Erickson	Gruenhagen	Hoppe
Anderson, D.	Bills	Davnie	Fabian	Gunther	Hornstein
Anderson, P.	Brynaert	Dean	Falk	Hackbarth	Hortman
Anderson, S.	Buesgens	Dettmer	Franson	Hamilton	Hosch
Anzelc	Carlson	Dill	Fritz	Hancock	Howes
Atkins	Champion	Dittrich	Garofalo	Hansen	Huntley
Banaian	Clark	Doepke	Gauthier	Hausman	Johnson
Barrett	Cornish	Downey	Gottwalt	Hilstrom	Kahn

Kath	Lesch	McFarlane	Norton	Schomacker	Vogel
Kelly	Liebling	McNamara	O'Driscoll	Scott	Wagenius
Kieffer	Lillie	Melin	Paymar	Shimanski	Ward
Kiel	Loeffler	Moran	Pelowski	Simon	Wardlow
Kiffmeyer	Lohmer	Morrow	Persell	Slawik	Westrom
Knuth	Loon	Mullery	Petersen, B.	Slocum	Winkler
Koenen	Mack	Murdock	Peterson, S.	Smith	Woodard
Kriesel	Mahoney	Murphy, E.	Poppe	Stensrud	Spk. Zellers
Laine	Mariani	Murphy, M.	Quam	Swedzinski	
Lanning	Marquart	Murray	Rukavina	Thissen	
Leidiger	Mazorol	Myhra	Runbeck	Tillberry	
LeMieur	McDonald	Nelson	Sanders	Torkelson	
Lenczewski	McElfattrick	Nornes	Scalze	Urdahl	

The bill was passed, as amended, and its title agreed to.

Tillberry was excused for the remainder of today's session.

H. F. No. 2187 was reported to the House.

Vogel moved to amend H. F. No. 2187, the first engrossment, as follows:

Page 1, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2187, A bill for an act relating to public safety; vehicle titles; clarifying requirements pertaining to bonds and issuance of title; amending Minnesota Statutes 2010, sections 168.27, subdivision 28; 168A.20, subdivision 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Atkins	Bills	Cornish	Dettmer	Eken
Allen	Banaian	Brynaert	Crawford	Dill	Erickson
Anderson, B.	Barrett	Buesgens	Daudt	Dittrich	Fabian
Anderson, P.	Beard	Carlson	Davids	Doepke	Falk
Anderson, S.	Benson, J.	Champion	Davnie	Downey	Franson
Anzelc	Benson, M.	Clark	Dean	Drazkowski	Fritz

Garofalo	Hornstein	Lanning	McElfatrick	Paymar	Slocum
Gauthier	Hortman	Leidiger	McFarlane	Pelowski	Smith
Gottwalt	Hosch	LeMieur	McNamara	Persell	Stensrud
Greene	Howes	Lenczewski	Melin	Petersen, B.	Swedzinski
Greiling	Huntley	Lesch	Moran	Peterson, S.	Thissen
Gruenhagen	Johnson	Liebling	Morrow	Poppe	Torkelson
Gunther	Kahn	Lillie	Mullery	Quam	Urdahl
Hackbarth	Kath	Loeffler	Murdock	Rukavina	Vogel
Hamilton	Kelly	Lohmer	Murphy, E.	Runbeck	Wagenius
Hancock	Kieffer	Loon	Murphy, M.	Sanders	Ward
Hansen	Kiel	Mack	Murray	Scalze	Wardlow
Hausman	Kiffmeyer	Mahoney	Myhra	Schomacker	Westrom
Hilstrom	Knuth	Mariani	Nelson	Scott	Winkler
Hilty	Koenen	Marquart	Nornes	Shimanski	Woodard
Holberg	Kriesel	Mazorol	Norton	Simon	Spk. Zellers
Hoppe	Laine	McDonald	O'Driscoll	Slawik	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1813, A bill for an act relating to state government; providing for availability of contractors to assist state agencies in certain reorganization.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hackbarth	Lanning	Murray	Simon
Anderson, B.	Dettmer	Hamilton	Leidiger	Myhra	Stensrud
Anderson, D.	Dittrich	Hancock	LeMieur	Nornes	Swedzinski
Anderson, P.	Doepke	Hoppe	Lenczewski	O'Driscoll	Torkelson
Anderson, S.	Downey	Hortman	Lohmer	Pelowski	Urdahl
Banaian	Drazkowski	Howes	Loon	Petersen, B.	Vogel
Barrett	Eken	Kath	Mack	Poppe	Wardlow
Beard	Erickson	Kelly	Marquart	Quam	Westrom
Benson, M.	Fabian	Kieffer	Mazorol	Runbeck	Winkler
Bills	Franson	Kiel	McDonald	Sanders	Woodard
Cornish	Garofalo	Kiffmeyer	McElfatrick	Scalze	Spk. Zellers
Crawford	Gottwalt	Knuth	McFarlane	Schomacker	
Daudt	Gruenhagen	Kriesel	McNamara	Scott	
Dauids	Gunther	Laine	Murdock	Shimanski	

Those who voted in the negative were:

Allen	Davnie	Hilstrom	Liebling	Murphy, E.	Slocum
Anzelc	Dill	Hilty	Lillie	Murphy, M.	Smith
Atkins	Falk	Hornstein	Loeffler	Nelson	Thissen
Benson, J.	Fritz	Hosch	Mahoney	Norton	Wagenius
Brynaert	Gauthier	Huntley	Mariani	Paymar	Ward
Buesgens	Greene	Johnson	Melin	Persell	
Carlson	Greiling	Kahn	Moran	Peterson, S.	
Champion	Hansen	Koenen	Morrow	Rukavina	
Clark	Hausman	Lesch	Mullery	Slawik	

The bill was passed and its title agreed to.

Dean moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Gottwalt moved that the name of Dettmer be added as an author on H. F. No. 1945. The motion prevailed.

Hoppe moved that the name of Torkelson be added as an author on H. F. No. 2475. The motion prevailed.

Barrett moved that the names of Lanning and Dettmer be added as authors on H. F. No. 2508. The motion prevailed.

Peppin moved that the name of Petersen, B., be added as an author on H. F. No. 2675. The motion prevailed.

Howes moved that the name of Dettmer be added as an author on H. F. No. 2676. The motion prevailed.

Persell moved that the name of Simon be added as an author on H. F. No. 2934. The motion prevailed.

Anderson, S., moved that the name of Lillie be added as an author on H. F. No. 2966. The motion prevailed.

Abeler moved that H. F. No. 1191 be recalled from the Committee on Health and Human Services Reform and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2455:

Gruenhagen, Sanders and Winkler.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place H. F. Nos. 2294 and 2754 on the Fiscal Calendar for Thursday, March 29, 2012.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, March 29, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and Speaker pro tempore Lanning declared the House stands adjourned until 1:00 p.m., Thursday, March 29, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives