

## STATE OF MINNESOTA

## EIGHTY-EIGHTH SESSION — 2013

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 THIRTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 17, 2013

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

Prayer was offered by the Reverend Runney D. Patterson, Sr., New Hope Baptist Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dettmer	Hausman	Liebling	Newberger	Scott
Albright	Dill	Hertaus	Lien	Newton	Selcer
Allen	Dorholt	Hilstrom	Lillie	Nornes	Simon
Anderson, P.	Drazkowski	Holberg	Loeffler	Norton	Simonson
Anderson, S.	Erhardt	Hoppe	Lohmer	O'Driscoll	Slocum
Anzenc	Erickson, R.	Hornstein	Loon	O'Neill	Sundin
Atkins	Erickson, S.	Hortman	Mack	Paymar	Swedzinski
Barrett	Fabian	Howe	Mahoney	Pelowski	Theis
Beard	Falk	Huntley	Mariani	Peppin	Torkelson
Benson, J.	Fischer	Isaacson	Masin	Persell	Uglen
Benson, M.	FitzSimmons	Johnson, B.	McDonald	Petersburg	Urdahl
Bernardy	Franson	Johnson, C.	McNamar	Poppe	Wagenius
Bly	Freiberg	Johnson, S.	McNamara	Pugh	Ward, J.A.
Brynaert	Fritz	Kahn	Melin	Quam	Ward, J.E.
Carlson	Garofalo	Kelly	Metsa	Radinovich	Wills
Clark	Green	Kieffer	Moran	Rosenthal	Winkler
Cornish	Gruenhagen	Kiel	Morgan	Runbeck	Woodard
Daudt	Gunther	Kresha	Mullery	Sanders	Yarusso
Davids	Hackbarth	Laine	Murphy, E.	Savick	Zellers
Davnie	Halverson	Leidiger	Murphy, M.	Sawatzky	Zerwas
Dean, M.	Hamilton	Lenczewski	Myhra	Schoen	Spk. Thissen
Dehn, R.	Hansen	Lesch	Nelson	Schomacker	

A quorum was present.

Anderson, M., and Marquart were excused.

Faust was excused until 1:30 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.

**REPORTS OF CHIEF CLERK**

S. F. No. 671 and H. F. No. 724, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Paymar moved that the rules be so far suspended that S. F. No. 671 be substituted for H. F. No. 724 and that the House File be indefinitely postponed. The motion prevailed.

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 80, A bill for an act relating to judgments; regulating assigned consumer debt default judgments; proposing coding for new law in Minnesota Statutes, chapter 548.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

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

H. F. No. 136, A bill for an act relating to public disclosure; expanding the definition of public official in campaign finance and public disclosure law; providing clarifying changes; amending Minnesota Statutes 2012, sections 10A.01, subdivision 35; 10A.07; 10A.071, subdivision 1; 10A.08; 10A.09, subdivision 6a, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 270, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; authorizing the Housing Finance Agency to issue housing infrastructure bonds; establishing new programs and modifying or repealing existing programs; extending the authority to use negotiated sales; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2012, sections 16A.641, subdivision 4a; 16B.24, subdivision 5; 16C.144, subdivisions 2, 3; 123B.65, subdivisions 1, 7; 129C.10, subdivision 3, by adding a subdivision; 216C.10; 240A.09; 462A.37, subdivision 1, by adding subdivisions; Laws 2002, chapter 393, section 22, subdivision 6, as amended; Laws 2005, chapter 20, article 1, sections 20, subdivision 3, as amended; 23, subdivision 12, as amended; Laws 2006, chapter 258, sections 17, subdivision 8, as amended; 18, subdivision 6; Laws 2008, chapter 179, section 7, subdivision 26, as amended; Laws 2008, chapter 365, section 4,

subdivision 3, as amended; Laws 2009, chapter 93, article 1, section 22, as amended; Laws 2010, chapter 189, section 16, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 116J; 129C; 216C; repealing Minnesota Statutes 2012, section 116J.433.

Reported the same back with the following amendments:

Page 3, line 16, delete "School of Physics" and insert "College of Science and Engineering."

Page 3, delete lines 17 to 20

Page 3, delete lines 28 to 30 and insert "To design new laboratory facilities on the St. Paul campus to replace"

Page 5, line 10, after "Building" insert "Design and"

Page 7, line 10, delete "Anoka Technical College;"

Page 9, line 7, delete "20" and insert "12"

Page 9, line 19, delete "efficiency" and insert "conservation"

Page 10, line 25, delete "2,000,000" and insert "3,000,000"

Page 11, line 18, delete "5,400,000" and insert "4,400,000"

Page 11, line 26, delete "\$3,000,000" and insert "\$2,000,000"

Page 17, line 22, after the period, insert "Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until June 30, 2015. The base for this appropriation is \$1,380,000 in fiscal year 2016, \$960,000 in fiscal year 2017, and \$0 after that."

Page 19, line 17, delete "subdivisions 6c and 7, paragraph (c)" and insert "subdivision 6a, 6b, or 6c"

Page 19, delete lines 18 to 34

Page 20, delete lines 1 to 4

Page 29, line 7, delete "119,556,000" and insert "118,743,000"

Page 31, line 31, delete "Minnesota State"

Page 33, line 19, before "design" insert "predesign,"

Page 37, line 17, delete "section" and insert "act"

Page 39, after line 16, insert:

"Sec. 25. Minnesota Statutes 2012, section 12A.16, subdivision 5, is amended to read:

Subd. 5. **Waivers authorized.** The requirements of section 174.50, subdivisions 5, ~~6, 6a, and~~ to 7, are waived for grants under subdivision 3."

Page 47, after line 26, insert:

"Sec. 36. Minnesota Statutes 2012, section 174.50, subdivision 6b, is amended to read:

Subd. 6b. **Bridge engineering and design costs in smaller cities.** ~~Until June 30, 2007, (a) The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less and a net tax capacity of under \$200,000 for design, and preliminary engineering, and construction of bridges on city streets.~~

~~(b) Grants under this subdivision are subject to the procedures and criteria established under subdivisions 5 and 6, and 7.~~

~~(c) Grants may be used for:~~

~~(1) 100 percent of the design and preliminary engineering costs that are in excess of \$10,000;~~

~~(2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and~~

~~(3) 100 percent of the bridge construction work costs.~~

~~Total grants under this subdivision to all cities may not exceed \$200,000.~~

Sec. 37. Minnesota Statutes 2012, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program requirements; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made; and

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge, if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution."

Page 54, line 19, delete "to be owned by a public entity"

Page 54, line 23, before the comma, insert "for the purposes of stabilizing the buildings for sale"

Page 55, line 6, after "bond" insert "sale"

Page 57, line 4, delete "to be owned by a public entity"

Page 57, line 8, before the comma, insert "for the purposes of stabilizing the buildings for sale"

Page 57, line 18, after "bond" insert "sale"

Page 61, line 26, delete "to be owned by a public entity"

Page 61, line 31, before the comma, insert "for the purposes of stabilizing the buildings for sale"

Page 62, line 21, after "bond" insert "sale"

Page 63, after line 20, insert:

"Sec. 51. Laws 2008, chapter 179, section 21, subdivision 3, is amended to read:

**Subd. 3. Bioscience Business Development Public Infrastructure  
Grant Program**

9,000,000

For grants under Minnesota Statutes, section 116J.435.

\$3,500,000 is for public infrastructure, including land acquisition, to support a private research park within a designated bioscience subzone that is adjacent to and complementary to research facilities of a college or university. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until June 30, 2015.

\$1,000,000 is for a grant to the city of Worthington for public infrastructure to support an agricultural-based bioscience training and testing center for incubator firms developing new agricultural processes and products."

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 334, A bill for an act relating to elections; providing for early voting; appropriating money; amending Minnesota Statutes 2012, sections 201.022, subdivision 1; 203B.001; 203B.01, by adding a subdivision; 203B.03, subdivision 1; 203B.05, subdivision 1; 203B.081; 203B.085; 203B.121, subdivisions 1, 3, 4, 5, by adding a subdivision; 204B.28, subdivision 2; 206.82, subdivision 1; 206.83; proposing coding for new law in Minnesota Statutes, chapter 203B.

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

The report was adopted.

Lesch from the Committee on Civil Law to which was referred:

H. F. No. 338, A bill for an act relating to real property; modifying certain eminent domain provisions with respect to electric power utilities; establishing a property rights ombudsman; amending Minnesota Statutes 2012, section 216E.12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 216E.

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

The report was adopted.

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

H. F. No. 591, A bill for an act relating to elections; modifying procedures related to vacancies in nomination for partisan office; appropriating money; amending Minnesota Statutes 2012, sections 204B.13, subdivisions 1, 2, 5, by adding subdivisions; 204D.19, by adding a subdivision; repealing Minnesota Statutes 2012, sections 204B.12, subdivision 2a; 204B.13, subdivision 6.

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

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 630, A bill for an act relating to education; providing funding and policy for early childhood and family, prekindergarten through grade 12, and adult education, including general education, student accountability, education excellence, charter schools, special education, facilities, technology, nutrition, libraries, accounting, early childhood, self-sufficiency, lifelong learning, state agencies, and forecast adjustments; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 13.319, by adding a subdivision; 15.059, subdivision 5b; 120A.20, subdivision 1; 120A.40; 120A.41; 120B.02; 120B.021, subdivision 1; 120B.023; 120B.024; 120B.125; 120B.128; 120B.30, subdivisions 1, 1a; 120B.31, subdivision 1; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.22, subdivision 2; 121A.2205; 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.23, subdivision 2; 122A.28, subdivision 1; 122A.33, subdivision 3; 122A.61, subdivision 1; 123B.41, subdivision 7; 123B.54; 123B.88, subdivision 22; 123B.92, subdivisions 1, 5; 124D.02, subdivision 1; 124D.095, subdivision 10; 124D.10; 124D.11, subdivision 5; 124D.111, subdivision 1; 124D.119; 124D.122; 124D.128, subdivision 2; 124D.42; 124D.4531, subdivision 1; 124D.52, by adding a subdivision; 124D.531, subdivision 1; 124D.59, subdivision 2;

124D.61; 124D.79, subdivision 1, by adding a subdivision; 125A.0941; 125A.0942; 125A.11, subdivision 1; 125A.27, subdivisions 8, 11, 14; 125A.28; 125A.29; 125A.30; 125A.32; 125A.33; 125A.35, subdivision 1; 125A.36; 125A.43; 125A.76, subdivisions 1, 4a, 8, by adding subdivisions; 125A.78, subdivision 2; 125A.79, subdivisions 1, 5; 126C.01, by adding a subdivision; 126C.05, subdivisions 1, 15; 126C.10, subdivisions 1, 2, 14, 24, 29, 32; 126C.15, subdivisions 1, 2; 126C.17, subdivisions 1, 5, 6; 126C.40, subdivision 6; 126C.44; 126C.48, subdivision 8; 127A.47, subdivision 7; 128D.11, subdivision 3; 134.32; 134.34; 134.351, subdivisions 3, 7; 134.353; 134.354; 134.355, subdivisions 1, 2, 3, 4, 5, 6; 134.36; 260A.02, subdivision 3; 260A.03; 260A.05, subdivision 1; 260A.07, subdivision 1; Laws 2007, chapter 146, article 4, section 12; Laws 2011, First Special Session chapter 11, article 1, section 36, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 10, as amended; article 2, section 50, subdivisions 2, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 9, as amended; article 3, section 11, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended; article 4, section 10, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended; article 5, section 12, subdivisions 2, as amended, 3, as amended, 4, as amended; article 6, section 2, subdivisions 2, as amended, 3, as amended, 5, as amended; article 7, section 2, subdivisions 2, as amended, 3, as amended, 4, as amended, 8, as amended; article 8, section 2, subdivisions 2, as amended, 3, as amended; article 9, section 3, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 124D; 126C; proposing coding for new law as Minnesota Statutes, chapter 16F; repealing Minnesota Statutes 2012, sections 124D.454, subdivisions 3, 10, 11; 125A.35, subdivisions 4, 5; 125A.76, subdivisions 2, 4, 5, 7; 125A.79, subdivisions 6, 7; 126C.17, subdivision 13; Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090; 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160; 3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240; 3501.0250; 3501.0270; 3501.0280, subparts 1, 2; 3501.0290; 3501.0505; 3501.0510; 3501.0515; 3501.0520; 3501.0525; 3501.0530; 3501.0535; 3501.0540; 3501.0545; 3501.0550; 3501.1000; 3501.1020; 3501.1030; 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140; 3501.1150; 3501.1160; 3501.1170; 3501.1180; 3501.1190.

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.

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

H. F. No. 637, A bill for an act relating to elections; modifying provisions related to voter registration; modifying certain election administration procedures for individuals who have been convicted of a felony; amending Minnesota Statutes 2012, sections 201.054, subdivision 2, by adding a subdivision; 201.157; 201.275; 203B.06, subdivision 3; 204C.14; 241.065, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 244.

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

The report was adopted.

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 767, A bill for an act relating to human services; making changes to continuing care provisions; modifying provisions related to advisory task forces, nursing homes, resident relocation, medical assistance, long-term care consultation services, assessments, and reporting of maltreatment; requiring a report; amending Minnesota Statutes 2012, sections 15.014, subdivision 2; 144.0724, subdivision 12; 144A.071, subdivision 4d; 144A.161; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0652, subdivision 5; 256B.0659, subdivision 7, by adding

a subdivision; 256B.0911, subdivision 3a; 256B.092, subdivision 7; 256B.441, subdivisions 1, 43, 63; 256B.49, subdivision 14; 256B.492; 626.557, subdivision 10; repealing Minnesota Statutes 2012, section 256B.437, subdivision 8; Laws 2012, chapter 216, article 11, section 31.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

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

H. F. No. 894, A bill for an act relating to elections; making policy, technical, and clarifying changes to various provisions related to election law, including provisions related to absentee voting, redistricting, ballots, registration, voting, caucuses, campaigns, the loss and restoration of voting rights, vacancies in nomination, county government structure, and election administration; providing an electronic roster pilot project and task force; establishing the National Popular Vote Interstate Compact; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 5B.06; 13.851, subdivision 10; 103C.225, subdivision 3; 103C.305, subdivision 3; 201.054, subdivision 2, by adding a subdivision; 201.061, subdivision 3; 201.071, subdivision 2; 201.091, subdivision 8; 201.12, subdivision 3; 201.13, subdivision 1a; 201.14; 201.157; 201.275; 202A.14, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivisions 1, 5; 203B.05, subdivision 1; 203B.06, subdivisions 1, 3; 203B.08, subdivision 3; 203B.081; 203B.121, subdivisions 1, 2, 3, 4, 5; 203B.227; 203B.28; 204B.04, by adding a subdivision; 204B.13, subdivisions 1, 2, 5, by adding subdivisions; 204B.18, subdivision 2; 204B.22, subdivisions 1, 2; 204B.28, subdivision 1; 204B.32, subdivision 1; 204B.33; 204B.35, subdivision 4; 204B.36, subdivision 1; 204B.45, subdivisions 1, 2; 204B.46; 204C.14; 204C.15, subdivision 1; 204C.19, subdivision 2; 204C.25; 204C.27; 204C.35, subdivision 1, by adding a subdivision; 204C.36, subdivision 1; 204D.08, subdivision 6; 204D.09, subdivision 2; 204D.11, subdivisions 1, 4, 5, 6; 204D.13, subdivision 3; 204D.14, subdivisions 1, 3; 204D.15, subdivision 3; 204D.16; 204D.165; 204D.19, subdivision 2, by adding a subdivision; 205.02, subdivision 2; 205.10, subdivision 3; 205.13, subdivision 1a; 205.16, subdivisions 4, 5; 205.17, subdivisions 1, 3; 205A.04, by adding a subdivision; 205A.05, subdivisions 1, 2; 205A.07, subdivisions 3, 3a, 3b; 205A.08, subdivision 1; 206.61, subdivision 4; 206.89, subdivision 2, by adding a subdivision; 206.895; 206.90, subdivision 6; 208.04, subdivisions 1, 2; 211B.045; 211B.37; 241.065, subdivision 2; 340A.416, subdivisions 2, 3; 340A.602; 375.20; 447.32, subdivisions 2, 3, 4; Laws 1963, chapter 276, section 2, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 2; 204B; 208; 244; repealing Minnesota Statutes 2012, sections 2.484; 203B.04, subdivision 6; 204B.12, subdivision 2a; 204B.13, subdivisions 4, 6; 204B.42; 204D.11, subdivisions 2, 3; 205.17, subdivisions 2, 4; 205A.08, subdivision 4.

Reported the same back with the following amendments:

Page 18, line 8, strike ", the cost of printing" and strike "ballots,"

Page 35, after line 10, insert:

"Sec. 65. Minnesota Statutes 2012, section 206.57, is amended by adding a subdivision to read:

Subd. 8. **Ballot boxes.** Notwithstanding Minnesota Rules, part 8230.4355, ballot boxes used with precinct count voting systems are not required to contain two separate compartments to receive ballots.

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

Page 42, line 23, delete "\$95,000" and insert "\$60,000"

Page 48, line 10, delete "\$95,000" and insert "\$47,000" and delete "\$135,000" and insert "\$88,000"

Page 48, line 11, delete "\$95,000" and insert "\$68,000"

Page 52, line 7, delete "\$117,000" and insert "\$59,000"

Page 52, line 8, after the period, insert "This is a onetime appropriation."

Page 52, line 9, delete "\$17,000" and insert "\$8,000" and delete "\$13,000" and insert "\$8,000"

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Pelowski from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 983, A bill for an act relating to higher education; making technical, conforming, policy, and clarifying changes to provisions related to higher education law; modifying provisions related to the higher education advisory council, student grants and aid, and school licensure and registration; modifying procedures related to terminating institutions from financial aid programs; modifying certain definitions; modifying dissemination of certain data; amending Minnesota Statutes 2012, sections 13.47, subdivision 3; 136A.031, subdivision 2; 136A.101, subdivisions 8, 9; 136A.125, subdivision 2; 136A.233, subdivision 2; 136A.646; 136A.65, subdivisions 4, 8; 136A.653, by adding a subdivision; 141.25, subdivision 7; 141.35; 268.19, subdivision 1; 299A.45, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Rules, parts 4830.0140; 4830.0150; 4830.0160; 4830.0170; 4830.0180; 4830.0190; 4830.0195.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 135A.031, subdivision 7, is amended to read:

Subd. 7. **Reports.** (a) ~~Instructional and noninstructional expenditure data and enrollment data must be submitted in the biennial budget document under section 135A.034. This report must include a description of the methodology for determining instructional and noninstructional expenditures and estimates of inflation in higher education and the methodology or index used to determine the inflation rate. The University of Minnesota and the Minnesota State Colleges and Universities systems shall include in their biennial budget proposals to the legislature:~~

(1) a five-year history of systemwide expenditures, reported by:

(i) functional areas, including instruction, research, public service, student financial aid, and auxiliary services, and including direct costs and indirect costs, such as institutional support, academic support, student services, and facilities management, associated with each functional area; and

(ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

(2) a five-year history of the system's total instructional expenditures per full-year equivalent student, by level of instruction, including upper-division undergraduate, lower-division undergraduate, graduate, professional, and other categories of instructional programs offered by the system;

(3) a five-year history of the system's total revenues by funding source, including tuition, state operations and maintenance appropriations, state special appropriations, other restricted state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect cost recovery, and any other revenue sources;

~~(b) By February 1 of each even-numbered year, the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities must submit a report to the chairs of the legislative committees with jurisdiction over higher education policy and finance. The report must describe the following:~~

~~(1) (4) an explanation describing how state appropriations made to the system in the previous odd-numbered year biennium were allocated and the methodology used to determine the allocation;~~

~~(2) (5) data describing how the institution reallocated resources to advance the priorities set forth in the budget submitted under section 135A.034 and the statewide objectives under section 135A.011. The information must indicate whether instruction and support programs received a reduction in or additional resources. The total amount reallocated must be clearly explained;~~

~~(3) (6) the tuition rates and fees established by the governing board in each of the past ten years and comparison data for peer institutions and national averages;~~

~~(4) (7) data on the number and proportion of students graduating within four, five, and six years from universities and within three years from colleges as reported in the integrated postsecondary education data system. These data must be provided for each institution by race, ethnicity, and gender. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the number and proportion of students that graduate within four, five, or six years from a university or within three years from a college;~~

~~(5) (8) data on, and the methodology used to measure, the number of students traditionally underrepresented in higher education enrolled at the system's institutions. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the recruitment, retention, and timely graduation of students traditionally underrepresented in higher education; and~~

~~(6) (9) data on the revenue received from all sources to support research or workforce development activities or the system's efforts to license, sell, or otherwise market products, ideas, technology, and related inventions created in whole or in part by the system. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the revenue received to support research or workforce development activities or revenue received from the licensing, sale, or other marketing and technology transfer activities by the system.~~

~~(c) Instructional expenditure and enrollment data~~ (b) Data required by this subdivision shall be submitted by the public postsecondary systems to the Minnesota Office of Higher Education and the Department of Management and Budget and included in the biennial budget document. The specific data shall be submitted only after the director of the Minnesota Office of Higher Education has consulted with a data advisory task force to determine the need, content, and detail of the information. Representatives from each system, in consultation with the commissioner of management and budget and the director of the Office of Higher Education, shall develop consistent reporting practices for this purpose.

(c) To the extent practicable, each system shall develop the ability to respond to legislative requests for financial analyses that are more detailed than those required by this subdivision, including but not limited to analyses that show expenditures or revenues by institution or program, or in multiple categories of expenditures or revenues, and analyses that show revenue sources for particular types of expenditures.

Sec. 2. Minnesota Statutes 2012, section 136A.101, subdivision 9, is amended to read:

Subd. 9. **Independent student.** "Independent student" has the meaning given ~~it in~~ under Title IV of the Higher Education Act of 1965, ~~United States Code, title 20, section 1070a-6 as amended,~~ and applicable regulations.

Sec. 3. **[136A.104] INSTITUTION TERMINATION.**

(a) The office shall have the authority to terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution meets one of the following criteria:

(1) violates a provision of Minnesota Statutes, Minnesota Rules, or administrative policies governing student aid programs and fails to correct the violation and reimburse the office for audit findings within the time frame specified in the audit report or other notice furnished by the office;

(2) has a consistent pattern of noncompliance with Minnesota Statutes, Minnesota Rules, or administrative policies governing student aid programs as documented by the office or lacks administrative capability to successfully administer student financial aid programs on campus based on factors including, but not limited to:

(i) adequacy of financial aid staffing levels, experience, training, and turnover of key financial aid staff;

(ii) adequate checks and balances in its system of internal controls;

(iii) maintenance of records required for programs; or

(iv) the ability to participate in the electronic processes used for program administration;

(3) refuses to allow inspection of or provide information relating to financial aid records after written request by the office;

(4) misappropriates student aid program funds;

(5) falsifies information or engages in misleading or deceptive practices involving the administration of student financial aid programs;

(6) no longer meets institutional eligibility criteria in section 136A.103 or 136A.155, or additional criteria for state grant participation in Minnesota Rules, part 4830.0300, subparts 1 and 2; or

(7) is terminated from participating in federal financial aid programs by the United States Department of Education, if such termination was based on violation of laws, regulations, or participation agreements governing federal financial aid programs.

Sec. 4. **[136A.1041] TERMINATION PROCEDURE.**

The office shall provide written notice of its intent to terminate an institution's eligibility to participate in student financial aid programs if the institution meets any of the criteria for termination in section 136A.104. The office shall send the institution written notification of the termination which is effective 90 days from the date of the written notification. The office shall also provide an institution an opportunity for a hearing pursuant to chapter 14.

Sec. 5. **[136A.1042] REQUEST FOR HEARING.**

An institution may request a hearing pursuant to chapter 14 regarding its termination of eligibility to participate in a student aid program. The request must be in writing and must be received by the director within 30 days of the date on the written notification of termination sent by the office. Within ten days of receipt of the request for hearing, the office shall contact the Office of Administrative Hearings to arrange a hearing date.

Sec. 6. **[136A.1043] RESTRICTION ON AWARDS DURING TERMINATION PERIOD.**

After the notice of termination and until such time as the termination becomes effective, the office reserves the right to withhold further financial aid disbursements to the institution. During this period, the institution may not make any new awards to students but may use any remaining student aid program funds on campus to make disbursements to any students awarded funds prior to the notice of termination.

Sec. 7. **[136A.1044] FINAL DECISION, ORDERS.**

The director shall render a decision and order in writing following receipt of the report issued by the administrative law judge after the hearing. The final decision of the director shall take into consideration the hearing record and the report of the administrative law judge. The order of the director is the final decision in the termination of the institution's eligibility to participate in a student aid program administered by the office.

Sec. 8. **[136A.1045] REINSTATEMENT OF ELIGIBILITY.**

An institution terminated from participating in student financial aid programs may submit a request for reinstatement of eligibility. The institution must wait at least 12 consecutive months from the effective date of the termination to submit a request for reinstatement. A request for reinstatement must be in writing and submitted to the director. If the institution is initially denied reinstatement, the institution must wait at least 90 days from the date of denial of reinstatement to resubmit a subsequent request for reinstatement. If an institution's eligibility is reinstated after the start of the academic term, eligible students shall receive payment retroactively to the beginning of the term during which the institution was reinstated.

Sec. 9. **[136A.1046] REINSTATEMENT REQUIREMENTS.**

An institution's reinstatement request must include:

(1) written documentation specifying changes the institution has made to successfully address the reasons for termination, as outlined in the termination notice;

(2) permission for the office's staff to conduct a reinstatement audit and to evaluate systems put in place to address the reasons for termination;

(3) evidence of full repayment to the office of student aid program funds the institution improperly received, withheld, disbursed, or caused to be disbursed;

(4) new participation agreements with the office for all student aid programs in which the institution wishes to participate; and

(5) if applicable, documentation of the institution's eligibility to participate in federal financial aid programs.

Sec. 10. **[136A.1047] RESPONSE TO REINSTATEMENT REQUEST.**

Within 60 days of receiving the institution's reinstatement request, the office shall conduct a reinstatement audit and either:

- (1) place the institution on probationary status for a period of one year; or
- (2) deny the request based on the institution meeting one or more of the termination criteria in section 136A.104.

Sec. 11. **[136A.1048] PROBATIONARY PERIOD.**

During the probationary period, the office may audit the institution's records without notice. If, while on probation, the institution violates a condition under section 136A.104, as documented by the office's audit staff, the office must remove the institution from probationary status and deny the request for reinstatement. If the institution fails to successfully complete the probationary period, termination is final and effective within 30 days of written notice of the denial of the reinstatement request.

Sec. 12. **[136A.1049] REINSTATEMENT.**

If an institution no longer violates a condition under section 136A.104 and successfully completes the probationary period, the office must reinstate the institution's eligibility to participate in student financial aid programs effective the last date of the probationary period.

Sec. 13. **[136A.105] STUDENT AWARDS AFTER TERMINATION.**

If an institution is terminated from participating in student financial aid programs during a payment period, and a student at the institution was eligible for an award other than a Student Educational Loan Fund loan before the effective date of the institution's termination, the office must issue a payment for that payment period, as long as the student will not receive a payment for the same payment period from another institution and the student continues to meet the program's eligibility requirements.

Sec. 14. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 15. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

(b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 16. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota postsecondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a postsecondary institution as determined by a postsecondary institution according to guidelines established by the Minnesota Office of Higher Education.

(d) "Eligible employer" means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(e) "Eligible postsecondary institution" means any postsecondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given ~~it in~~ under Title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070a-6 as amended, and applicable regulations.

(g) "Half time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 17. Minnesota Statutes 2012, section 136A.646, is amended to read:

**136A.646 ADDITIONAL SECURITY.**

(a) In the event any registered institution is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the institution shall provide a surety bond conditioned upon the faithful performance of all contracts and agreements with students in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000.

(b) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash; or

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond.

(c) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

Sec. 18. Minnesota Statutes 2012, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration appeal.** ~~(a) If a school's degree or use of a term in its name is disapproved by the office, the school may request a hearing under chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the disapproval.~~

~~(b) (a) The office may refuse to renew, revoke, or suspend registration, approval of a school's degree, or use of a regulated term in its name by giving written notice and reasons to the school. The school may request a hearing under chapter 14. If a hearing is requested, no revocation or suspension shall take effect until after the hearing.~~

~~(c) (b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:~~

~~(1) violating the provisions of sections 136A.61 to 136A.71;~~

~~(2) providing false, misleading, or incomplete information to the office;~~

~~(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students; or~~

~~(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received.~~

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Sec. 19. Minnesota Statutes 2012, section 136A.653, is amended by adding a subdivision to read:

Subd. 5. **Free educational courses.** A school providing exclusively free training or instructional programs or courses where no tuition, fees, or any other charges are required for a student to participate is exempt from the provisions of sections 136A.61 to 136A.71.

Sec. 20. Minnesota Statutes 2012, section 136F.40, subdivision 2, is amended to read:

Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor, a vice-chancellor, or a president, containing terms and conditions of employment. The terms of the contract must be authorized under a plan approved under section 43A.18, subdivision 3a.

(b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a contract under this section may provide a liquidated salary amount or other compensation if a contract is terminated by the board prior to its expiration.

(c) Notwithstanding section 356.24 or other law to the contrary, a contract under this section may contain a deferred compensation plan made in conformance with section 457(f) of the Internal Revenue Code.

(d) Notwithstanding any provision of the plan approved under section 43A.18, subdivision 3a, a contract under this section must not authorize or otherwise provide for a discretionary or mandatory bonus or other performance-based incentive payment.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to contracts entered into on or after that date.

Sec. 21. Minnesota Statutes 2012, section 137.027, is amended to read:

**137.027 APPROPRIATION; FRINGE BENEFITS.**

(a) Direct appropriations to the University of Minnesota include money to pay the employer's share of Social Security, state retirement, and health insurance. Money provided for these purposes shall be expended only for these purposes and any amounts in excess of the employer's share shall be returned to the state treasury.

(b) Unless otherwise explicitly provided for in law, direct appropriations to the University of Minnesota do not include, and may not be used to pay, any mandatory or discretionary bonus or other performance-based incentive payment provided for in an employment contract with the president or vice-presidents, chancellors, provosts, vice-provosts, deans, or directors of individual programs.

Sec. 22. **[137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION ECONOMY FUNDING PROGRAM.**

Subdivision 1. **Establishment.** (a) The Minnesota Discovery, Research, and Innovation Economy (MnDRIVE) funding program is established to discover new knowledge through scientific research that will:

(1) advance the state's economy;

(2) leverage opportunities and establish priorities in sectors of state strength and comparative advantage;

(3) improve the health and wellbeing of Minnesota's citizens;

(4) advance the capacity and competitiveness of existing and emerging food- and manufacturing-related science and technology industries; and

(5) build a better Minnesota by driving progress and advancing the common good.

(b) The MnDRIVE funding program shall establish priorities by investing in scientific research that promotes:

(1) programs that can position Minnesota as a leader in engineering, science, technology, and food-related solutions;

(2) initiatives that support the growth of targeted industry clusters and the competitiveness of existing Minnesota engineering, science, technology, and food companies in developing new products and services;

(3) initiatives that can result in creating new Minnesota-based companies;

(4) initiatives that can improve the quality of life of Minnesota's citizens, decrease the incidence of disease, and transform how we prevent, treat, and cure diseases; and

(5) initiatives that can secure a safer environment, seek sustainable energy solutions, and prevent, diagnose, and treat environmental problems associated with Minnesota industry.

Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota, acting alone or in partnership with other public or private entities, is requested to submit investment proposals consistent with the goals and objectives of the MnDRIVE funding program as part of the Board of Regents biennial budget request to the legislature. The Board of Regents must give consideration to investments in existing scientific research programs that meet these guidelines but may require additional resources in order to preserve or accelerate Minnesota into a national or global leadership position. The governor shall submit a recommendation to the legislature regarding funding requests submitted by the Board of Regents.

Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents of the University of Minnesota must provide to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance a summary report of investments and accomplishments related to funds received from the state under subdivision 2 from the prior biennium.

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

Sec. 23. Minnesota Statutes 2012, section 141.35, is amended to read:

**141.35 EXEMPTIONS.**

Sections 141.21 to 141.32 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) schools licensed by boards authorized under Minnesota law to issue licenses except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the school used "academy" or "institute" in its name prior to August 1, 2008;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

(12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

(13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; ~~and~~

(17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions; and

(18) schools providing exclusively free training or instructional programs or courses where no tuition, fees, or any other charges are required for a student to participate.

Sec. 24. Minnesota Statutes 2012, section 299A.45, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Each award must be given for one academic year and is renewable for a maximum of eight semesters or the equivalent. A student who withdraws from enrollment for active military service or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 25. **REPEALER.**

(a) Minnesota Statutes 2012, section 136A.031, subdivision 2, is repealed.

(b) Minnesota Rules, parts 4830.0120; 4830.0130; 4830.0140; 4830.0150; 4830.0160; 4830.0170; 4830.0180; 4830.0190; and 4830.0195, are repealed."

Delete the title and insert:

"A bill for an act relating to higher education; making technical, conforming, policy, and clarifying changes to provisions related to higher education; modifying provisions related to student grants, awards, and aid, school registration, and licensure; prohibiting use of state appropriations for certain bonuses and performance-based

incentive payments; requiring certain information to be provided in higher education budget proposals; modifying procedures related to terminating institutions from financial aid programs; establishing procedure for cancellation of required surety bond; establishing MnDRIVE program; repealing Higher Education Advisory Council; amending Minnesota Statutes 2012, sections 135A.031, subdivision 7; 136A.101, subdivision 9; 136A.125, subdivisions 2, 4; 136A.233, subdivision 2; 136A.646; 136A.65, subdivision 8; 136A.653, by adding a subdivision; 136F.40, subdivision 2; 137.027; 141.35; 299A.45, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; repealing Minnesota Statutes 2012, section 136A.031, subdivision 2; Minnesota Rules, parts 4830.0120; 4830.0130; 4830.0140; 4830.0150; 4830.0160; 4830.0170; 4830.0180; 4830.0190; 4830.0195."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 983 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 1070, A bill for an act relating to capital investment; appropriating money for public housing rehabilitation; authorizing bonds under the housing infrastructure bonds program; authorizing sale and issuance of state bonds; amending Minnesota Statutes 2012, section 462A.37, subdivisions 2, 4.

Reported the same back with the following amendments:

Page 2, line 26, delete "\$....." and insert "\$2,590,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1416, A bill for an act relating to transportation; amending various provisions related to transportation policy, including logo sign program, trunk highway routes, state-aid systems, motor vehicle registration, license plates, vehicle dealers, pupil transportation, traffic regulations, bicycles, parking, motor vehicle equipment, driver licensing, agency organization, commercial vehicle regulations, railroads, land conveyance, and autonomous vehicles; repealing laws; amending Minnesota Statutes 2012, sections 160.80, subdivisions 1, 1a, 2; 161.04, subdivision 5; 161.115, subdivision 229, by adding a subdivision; 161.1231, subdivision 8; 161.14, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 162.13, subdivision 2; 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 169.011, subdivision 71; 169.04; 169.18, subdivisions 4, 7; 169.19, subdivision 1; 169.222, subdivisions 2, 4, 6; 169.34, subdivision 1; 169.346, subdivision 2, by adding a subdivision; 169.443, subdivision 9; 169.447, subdivision 2; 169.454, subdivision 12; 169.68; 169.824, subdivision 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; 174.02, by adding a subdivision; 174.24, subdivision 5a; 174.632; 174.636; 219.17; 219.18; 219.20; 221.0314, subdivisions 2, 3a; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 2012, sections 168.094; 174.24, subdivision 5; Minnesota Rules, parts 8820.3300, subpart 2; 8835.0330, subpart 2.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 2012, section 160.21, subdivision 6, is amended to read:

Subd. 6. **Uncompleted subdivisions.** (a) A road authority, including a statutory or home rule charter city, may remove snow from unopened or private roads in uncompleted subdivisions containing five or more lots, upon adoption of an annual resolution finding that the subdivision developer, due to general insolvency or pending foreclosure, is unable to maintain the roads and that public safety may be jeopardized if the access of school buses, public works vehicles, or authorized emergency vehicles, as defined in section 169.011, subdivision 3, is obstructed. Snow removal activities are limited to streets reasonably necessary for access by these buses or vehicles.

(b) Snow removal under this subdivision does not constitute:

(1) acceptance of the road from the developer by the road authority for public use;

(2) the opening of the road to public use; nor

(3) a use, repair, or maintenance of the road sufficient for the purposes of dedication of roads under section 160.05.

(c) The road authority may impose a reasonable and proportionate charge on all properties within the subdivision for services provided under this subdivision. These charges, if unpaid, may constitute a lien upon the properties within the subdivision and may be collected as a special assessment as provided by section 429.101 or by charter.

(d) Where a road has been maintained pursuant to this subdivision, the road authority with jurisdiction over the road, and its officers and employees, are exempt from liability for any tort claim for injury to person or property arising from plowing, maintaining, or otherwise working on the road and from traveling on the road and related to its maintenance or condition. This paragraph does not apply to a claim for injury that is affirmatively caused by a negligent act of the road authority or its officers and employees.

(e) This subdivision expires May 2, ~~2013~~ 2014.

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

Page 25, after line 32, insert:

"Sec. 42. Minnesota Statutes 2012, section 174.03, subdivision 1d, is amended to read:

Subd. 1d. **Freight rail economic development study.** (a) The commissioner of transportation, in cooperation with the commissioner of the Department of Employment and Economic Development, shall conduct a freight rail economic development study. The study will assess the economic impact of freight railroads in the state and identify opportunities to expand business development and enhance economic competitiveness through improved utilization of freight rail options. Findings from the study shall be incorporated as an amendment to the statewide freight and passenger rail plan.

(b) The commissioner of transportation shall provide an interim progress report on the study by January 15, 2013, and a final report on ~~September 4~~ November 15, 2013, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and over employment and economic development. The reports shall include any recommended legislative initiatives.

(c) The commissioner of transportation may expend up to \$216,000 in fiscal year 2013 under section 222.50, subdivision 7, to pay the costs of this study and report.

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

Page 35, delete section 55

Renumber the sections in sequence

Correct the title numbers accordingly

Amend the title as follows:

Page 1, line 7, delete "autonomous vehicles" and insert "snow removal"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pelowski from the Committee on Higher Education Finance and Policy to which was referred:

H. F. No. 1692, A bill for an act relating to higher education; providing funding for the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Regents of the University of Minnesota, and the Office of Higher Education; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
HIGHER EDUCATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. **Summary By Fund.** The amounts shown in this subdivision summarize direct appropriations, by fund, made in this article.

**SUMMARY BY FUND**

	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>Total</u></b>
<u>General</u>	\$1,336,854,000	\$1,378,282,000	\$2,715,136,000
<u>Health Care Access</u>	2,157,000	2,157,000	4,314,000
<b><u>Total</u></b>	<b><u>\$1,339,011,000</u></b>	<b><u>\$1,380,439,000</u></b>	<b><u>\$2,719,450,000</u></b>

Subd. 2. **Summary By Agency - All Funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

**SUMMARY BY AGENCY - ALL FUNDS**

	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>Total</u></b>
<u>Minnesota Office of Higher Education</u>	\$195,969,000	\$196,197,000	\$392,166,000
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>	570,865,000	597,865,000	1,168,730,000

<u>Board of Regents of the University of</u>			
<u>Minnesota</u>	570,826,000	585,026,000	1,155,852,000
<u>Mayo Clinic</u>	1,351,000	1,351,000	2,702,000
<b><u>Total</u></b>	<b><u>\$1,339,011,000</u></b>	<b><u>\$1,380,439,000</u></b>	<b><u>\$2,719,450,000</u></b>

Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**

**2014**                      **2015**

Sec. 3. **MINNESOTA OFFICE OF HIGHER EDUCATION**

Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$195,969,000</u></b>	<b><u>\$196,197,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <b><u>State Grants</u></b>	<u>160,005,000</u>	<u>160,214,000</u>
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

For the biennium, the tuition maximum is \$10,488 in each year for students in four-year programs, and \$5,808 in fiscal year 2014 and \$5,808 in fiscal year 2015 for students in two-year programs.

This appropriation sets the living and miscellaneous expense allowance at \$7,000 each year.

Notwithstanding section 136A.101, subdivision 5a, for the biennium ending June 30, 2015, the assigned family responsibility for independent students without dependents other than a spouse is 53 percent of the student contribution, and the assigned family responsibility for independent students with dependents other than a spouse is 80 percent of the student contribution.

Subd. 3. <b><u>Child Care Grants</u></b>	<u>6,684,000</u>	<u>6,684,000</u>
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Subd. 4. <b><u>State Work-Study</u></b>	<u>14,502,000</u>	<u>14,502,000</u>
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Subd. 5. <b><u>Interstate Tuition Reciprocity</u></b>	<u>3,250,000</u>	<u>3,250,000</u>
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 6. **Safety Officer's Survivors** 100,000 100,000

This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. **Indian Scholarships** 1,850,000 1,850,000

The director must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Minnesota Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126. This appropriation includes funding to administer the American Indian scholarship program.

Subd. 8. **Intervention for College Attendance Program Grants** 671,000 671,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

This appropriation includes funding to administer the intervention for college attendance program grants.

Subd. 9. **Student-Parent Information** 122,000 122,000

Subd. 10. **Get Ready** 180,000 180,000

Subd. 11. **Midwest Higher Education Compact** 95,000 95,000

Subd. 12. **Minnesota Minority Partnership** 45,000 45,000

Subd. 13. **United Family Medicine Residency Program** 351,000 351,000

Subd. 14. **MnLINK Gateway and Minitex** 5,605,000 5,605,000

Subd. 15. **Agency Administration** 2,491,000 2,491,000

Subd. 16. **Balances Forward**

A balance in the first year under this section does not cancel, but is available for the second year.

Sec. 4. **BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation** **\$570,865,000** **\$597,865,000**

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

Subd. 2. **Central Office and Shared Services Unit** **33,074,000** **33,074,000**

For the Office of the Chancellor and the Shared Services Division.

Subd. 3. **Operations and Maintenance** **533,676,000** **560,676,000**

This appropriation includes \$25,500,000 in fiscal year 2014 and \$52,500,000 in fiscal year 2015 for student tuition relief. The Board of Trustees may not set the tuition rate in any undergraduate degree-granting program for the 2013-2014 and 2014-2015 academic years at a rate greater than the 2012-2013 academic year rate. The student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student.

To the extent that appropriations under this subdivision are insufficient to meet obligations contained in a labor or program contract, the Board of Trustees shall fund those obligations through reductions in costs associated with central administration of the system and executive administration of individual campuses, or through reallocation of nonstate funds received by the system. These outstanding obligations may not be funded through reduction in any program or service that directly impacts students or that is newly-authorized by the legislature for the 2014-2015 biennium, or through increased fees or costs directly assessed to students.

Subd. 4. **Learning Network of Minnesota** **4,115,000** **4,115,000**

Sec. 5. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **\$570,826,000** **\$585,026,000**

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
General	<u>568,669,000</u>	<u>582,869,000</u>
Health Care Access	<u>2,157,000</u>	<u>2,157,000</u>

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

Subd. 2. **Operations and Maintenance** **507,081,000** **521,281,000**

This appropriation includes funding for operation and maintenance of the system.

This appropriation includes \$14,200,000 in fiscal year 2014 and \$28,400,000 in fiscal year 2015 for tuition relief for resident undergraduate students. Notwithstanding section 137.025, subdivision 1, the commissioner of management and budget may not distribute any appropriation provided under this subdivision until the Board of Regents certifies to the commissioner that it has established resident tuition rates for courses in all undergraduate degree-granting programs at a rate no greater than the rate charged for the 2012-2013 academic year, and that the student tuition relief is not offset by increases in mandatory fees, charges, or other assessments to the student.

The Board of Regents of the University of Minnesota must transfer \$645,000 in fiscal year 2014 and \$645,000 in fiscal year 2015 from the appropriations made to it for operations and maintenance to the Hennepin County Medical Center for graduate family medicine education programs at Hennepin County Medical Center.

\$9,000,000 in fiscal year 2014 and \$9,000,000 in fiscal year 2015 are for the Minnesota Discovery, Research, and InnoVation Economy (MnDRIVE) funding program.

**Subd. 3. Primary Care Education Initiatives**

2,157,000

2,157,000

This appropriation is from the health care access fund.

**Subd. 4. Special Appropriations**

**(a) Agriculture and Extension Service**

42,922,000

42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2015, the Board of Regents must submit a report to the legislative committees with responsibility for agriculture and higher education finance on the status and outcomes of research and initiatives funded in this section.

**(b) Health Sciences** 4,854,000 4,854,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

**(c) Institute of Technology** 1,140,000 1,140,000

For the Geological Survey and the talented youth mathematics program.

**(d) System Special** 5,181,000 5,181,000

For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

Of this amount, \$125,000 in fiscal year 2014 and \$125,000 in fiscal year 2015 are added to the base for the Labor Education Service.

**(e) University of Minnesota and Mayo Foundation Partnership** 7,491,000 7,491,000

**Subd. 5. Academic Health Center**

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

**Sec. 6. MAYO CLINIC**

**Subdivision 1. Total Appropriation** **\$1,351,000** **\$1,351,000**

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

**Subd. 2. Medical School** 665,000 665,000

**Subd. 3. Family Practice and Graduate Residency Program** 686,000 686,000

ARTICLE 2  
HIGHER EDUCATION POLICY

Section 1. Minnesota Statutes 2012, section 135A.031, subdivision 7, is amended to read:

Subd. 7. **Reports.** ~~(a) Instructional and noninstructional expenditure data and enrollment data must be submitted in the biennial budget document under section 135A.034. This report must include a description of the methodology for determining instructional and noninstructional expenditures and estimates of inflation in higher education and the methodology or index used to determine the inflation rate. The University of Minnesota and the Minnesota State Colleges and Universities systems shall include in their biennial budget proposals to the legislature:~~

~~(1) a five-year history of systemwide expenditures, reported by:~~

~~(i) functional areas, including instruction, research, public service, student financial aid, and auxiliary services, and including direct costs and indirect costs, such as institutional support, academic support, student services, and facilities management, associated with each functional area; and~~

~~(ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;~~

~~(2) a five-year history of the system's total instructional expenditures per full-year equivalent student, by level of instruction, including upper-division undergraduate, lower-division undergraduate, graduate, professional, and other categories of instructional programs offered by the system;~~

~~(3) a five-year history of the system's total revenues by funding source, including tuition, state operations and maintenance appropriations, state special appropriations, other restricted state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect cost recovery, and any other revenue sources;~~

~~(b) By February 1 of each even numbered year, the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities must submit a report to the chairs of the legislative committees with jurisdiction over higher education policy and finance. The report must describe the following:~~

~~(4) (4) an explanation describing how state appropriations made to the system in the previous odd-numbered year biennium were allocated and the methodology used to determine the allocation;~~

~~(2) (5) data describing how the institution reallocated resources to advance the priorities set forth in the budget submitted under section 135A.034 and the statewide objectives under section 135A.011. The information must indicate whether instruction and support programs received a reduction in or additional resources. The total amount reallocated must be clearly explained;~~

~~(3) (6) the tuition rates and fees established by the governing board in each of the past ten years and comparison data for peer institutions and national averages;~~

~~(4) (7) data on the number and proportion of students graduating within four, five, and six years from universities and within three years from colleges as reported in the integrated postsecondary education data system. These data must be provided for each institution by race, ethnicity, and gender. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the number and proportion of students that graduate within four, five, or six years from a university or within three years from a college;~~

~~(5) (8) data on, and the methodology used to measure, the number of students traditionally underrepresented in higher education enrolled at the system's institutions. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the recruitment, retention, and timely graduation of students traditionally underrepresented in higher education; and~~

~~(6)~~ (9) data on the revenue received from all sources to support research or workforce development activities or the system's efforts to license, sell, or otherwise market products, ideas, technology, and related inventions created in whole or in part by the system. Data and information must be submitted that describe the system's plan and progress toward attaining the goals set forth in the plan to increase the revenue received to support research or workforce development activities or revenue received from the licensing, sale, or other marketing and technology transfer activities by the system.

~~(e) Instructional expenditure and enrollment data~~ (b) Data required by this subdivision shall be submitted by the public postsecondary systems to the Minnesota Office of Higher Education and the Department of Management and Budget and included in the biennial budget document. ~~The specific data shall be submitted only after the director of the Minnesota Office of Higher Education has consulted with a data advisory task force to determine the need, content, and detail of the information.~~ Representatives from each system, in consultation with the commissioner of management and budget and the director of the Office of Higher Education, shall develop consistent reporting practices for this purpose.

(c) To the extent practicable, each system shall develop the ability to respond to legislative requests for financial analyses that are more detailed than those required by this subdivision, including but not limited to analyses that show expenditures or revenues by institution or program, or in multiple categories of expenditures or revenues, and analyses that show revenue sources for particular types of expenditures.

Sec. 2. Minnesota Statutes 2012, section 136A.101, subdivision 9, is amended to read:

Subd. 9. **Independent student.** "Independent student" has the meaning given it ~~in~~ under Title IV of the Higher Education Act of 1965, ~~United States Code, title 20, section 1070a-6 as amended,~~ and applicable regulations.

Sec. 3. **[136A.104] INSTITUTION TERMINATION.**

(a) The office shall have the authority to terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution meets one of the following criteria:

(1) violates a provision of Minnesota Statutes, Minnesota Rules, or administrative policies governing student aid programs and fails to correct the violation and reimburse the office for audit findings within the time frame specified in the audit report or other notice furnished by the office;

(2) has a consistent pattern of noncompliance with Minnesota Statutes, Minnesota Rules, or administrative policies governing student aid programs as documented by the office or lacks administrative capability to successfully administer student financial aid programs on campus based on factors including, but not limited to:

(i) adequacy of financial aid staffing levels, experience, training, and turnover of key financial aid staff;

(ii) adequate checks and balances in its system of internal controls;

(iii) maintenance of records required for programs; or

(iv) the ability to participate in the electronic processes used for program administration;

(3) refuses to allow inspection of or provide information relating to financial aid records, after written request by the office;

(4) misappropriates student aid program funds;

(5) falsifies information or engages in misleading or deceptive practices involving the administration of student financial aid programs;

(6) no longer meets institutional eligibility criteria in section 136A.103 or 136A.155, or additional criteria for state grant participation in Minnesota Rules, part 4830.0300, subparts 1 and 2; or

(7) is terminated from participating in federal financial aid programs by the United States Department of Education, if such termination was based on violation of laws, regulations, or participation agreements governing federal financial aid programs.

Sec. 4. **[136A.1041] TERMINATION PROCEDURE.**

The office shall provide written notice of its intent to terminate an institution's eligibility to participate in student financial aid programs if the institution meets any of the criteria for termination in section 136A.104. The office shall send the institution written notification of the termination which is effective 90 days from the date of the written notification. The office shall also provide an institution an opportunity for a hearing pursuant to chapter 14.

Sec. 5. **[136A.1042] REQUEST FOR HEARING.**

An institution may request a hearing pursuant to chapter 14 regarding its termination of eligibility to participate in a student aid program. The request must be in writing and must be received by the director within 30 days of the date on the written notification of termination sent by the office. Within ten days of receipt of the request for hearing, the office shall contact the Office of Administrative Hearings to arrange a hearing date.

Sec. 6. **[136A.1043] RESTRICTION ON AWARDS DURING TERMINATION PERIOD.**

After the notice of termination and until such time as the termination becomes effective, the office reserves the right to withhold further financial aid disbursements to the institution. During this period, the institution may not make any new awards to students but may use any remaining student aid program funds on campus to make disbursements to any students awarded funds prior to the notice of termination.

Sec. 7. **[136A.1044] FINAL DECISION; ORDERS.**

The director shall render a decision and order in writing following receipt of the report issued by the administrative law judge after the hearing. The final decision of the director shall take into consideration the hearing record and the report of the administrative law judge. The order of the director is the final decision in the termination of the institution's eligibility to participate in a student aid program administered by the office.

Sec. 8. **[136A.1045] REINSTATEMENT OF ELIGIBILITY.**

An institution terminated from participating in student financial aid programs may submit a request for reinstatement of eligibility. The institution must wait at least 12 consecutive months from the effective date of the termination to submit a request for reinstatement. A request for reinstatement must be in writing and submitted to the director. If the institution is initially denied reinstatement, the institution must wait at least 90 days from the date of denial of reinstatement to resubmit a subsequent request for reinstatement. If an institution's eligibility is reinstated after the start of the academic term, eligible students shall receive payment retroactively to the beginning of the term during which the institution was reinstated.

Sec. 9. **[136A.1046] REINSTATEMENT REQUIREMENTS.**

An institution's reinstatement request must include:

(1) written documentation specifying changes the institution has made to successfully address the reasons for termination, as outlined in the termination notice;

(2) permission for the office's staff to conduct a reinstatement audit and to evaluate systems put in place to address the reasons for termination;

(3) evidence of full repayment to the office of student aid program funds the institution improperly received, withheld, disbursed, or caused to be disbursed;

(4) new participation agreements with the office for all student aid programs in which the institution wishes to participate; and

(5) if applicable, documentation of the institution's eligibility to participate in federal financial aid programs.

Sec. 10. **[136A.1047] RESPONSE TO REINSTATEMENT REQUEST.**

Within 60 days of receiving the institution's reinstatement request, the office shall conduct a reinstatement audit and either:

(1) place the institution on probationary status for a period of one year; or

(2) deny the request based on the institution meeting one or more of the termination criteria in section 136A.104.

Sec. 11. **[136A.1048] PROBATIONARY PERIOD.**

During the probationary period, the office may audit the institution's records without notice. If, while on probation, the institution violates a condition under section 136A.104, as documented by the office's audit staff, the office must remove the institution from probationary status and deny the request for reinstatement. If the institution fails to successfully complete the probationary period, termination is final and effective within 30 days of written notice of the denial of the reinstatement request.

Sec. 12. **[136A.1049] REINSTATEMENT.**

If an institution no longer violates a condition under section 136A.104 and successfully completes the probationary period, the office must reinstate the institution's eligibility to participate in student financial aid programs effective the last date of the probationary period.

Sec. 13. **[136A.105] STUDENT AWARDS AFTER TERMINATION.**

If an institution is terminated from participating in student financial aid programs during a payment period, and a student at the institution was eligible for an award other than a Student Educational Loan Fund loan before the effective date of the institution's termination, the office must issue a payment for that payment period, as long as the student will not receive a payment for the same payment period from another institution and the student continues to meet the program's eligibility requirements.

Sec. 14. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 15. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant must be based on:

(1) the income of the applicant and the applicant's spouse;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

(b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 16. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota postsecondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a postsecondary institution as determined by a postsecondary institution according to guidelines established by the Minnesota Office of Higher Education.

(d) "Eligible employer" means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(e) "Eligible postsecondary institution" means any postsecondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given ~~it in~~ under Title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070a-6 as amended, and applicable regulations.

(g) "Half time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 17. Minnesota Statutes 2012, section 136A.646, is amended to read:

**136A.646 ADDITIONAL SECURITY.**

(a) In the event any registered institution is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the institution shall provide a surety bond conditioned upon the faithful performance of all contracts and agreements with students in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000.

(b) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash; or

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond.

(c) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

Sec. 18. Minnesota Statutes 2012, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration appeal.** ~~(a) If a school's degree or use of a term in its name is disapproved by the office, the school may request a hearing under chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the disapproval.~~

~~(b) (a)~~ The office may refuse to renew, revoke, or suspend registration, approval of a school's degree, or use of a regulated term in its name by giving written notice and reasons to the school. ~~The school may request a hearing under chapter 14. If a hearing is requested, no revocation or suspension shall take effect until after the hearing.~~

(e) (b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

(1) violating the provisions of sections 136A.61 to 136A.71;

(2) providing false, misleading, or incomplete information to the office;

(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students; or

(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received.

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Sec. 19. Minnesota Statutes 2012, section 136A.653, is amended by adding a subdivision to read:

Subd. 5. **Free educational courses.** A school providing exclusively free training or instructional programs or courses where no tuition, fees, or any other charges are required for a student to participate is exempt from the provisions of sections 136A.61 to 136A.71.

Sec. 20. **[136A.89] STATEWIDE ELECTRONIC INFRASTRUCTURE; PORTFOLIO SOLUTIONS.**

Subdivision 1. **Collaborative infrastructure.** (a) The Department of Employment and Economic Development, the Department of Education, the Office of Higher Education, the University of Minnesota, and the Minnesota State Colleges and Universities shall collaborate to implement an electronic infrastructure, maintained under the direction and control of the Office of Higher Education, to support academic and workforce success statewide. The infrastructure shall first utilize existing assets, tools, and services, including but not limited to efolioMinnesota and GPS LifePlan. To facilitate implementation of this section, the Minnesota State Colleges and Universities shall transfer hosting, support, help desk responsibilities, software maintenance, and its intellectual property rights associated with efolioMinnesota and GPS LifePlan to the Office of Higher Education.

(b) To the extent possible, the basic electronic infrastructure shall be available at no charge to all state residents and to all students attending Minnesota educational institutions.

Subd. 2. **Goals; programs.** The office may enhance the efolioMinnesota platform to allow, at a minimum, implementation of:

(1) a portfolio-based individual learning plan solution that includes comprehensive academic and life planning instruments, to support student transitions to postsecondary school or to work; and

(2) a student-owned proficiency portfolio solution to support student transitions to the workplace and employers seeking first-day-work-ready employees.

Subd. 3. **Resources; accountability reports.** (a) The office may seek and accept contributions from individuals, businesses, and other organizations to support the goals required by this section. The parties listed in subdivision 1 are not required to contribute. All contributions received are appropriated to the office and shall be administered as directed by the office.

(b) The director of the Office of Higher Education shall submit, no later than January 15 of each year, a report to the governor and legislature on the progress of the office's activities related to implementation of this section.

Sec. 21. Minnesota Statutes 2012, section 136F.40, subdivision 2, is amended to read:

Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor, a vice-chancellor, or a president, containing terms and conditions of employment. The terms of the contract must be authorized under a plan approved under section 43A.18, subdivision 3a.

(b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a contract under this section may provide a liquidated salary amount or other compensation if a contract is terminated by the board prior to its expiration.

(c) Notwithstanding section 356.24 or other law to the contrary, a contract under this section may contain a deferred compensation plan made in conformance with section 457(f) of the Internal Revenue Code.

(d) Notwithstanding any provision of the plan approved under section 43A.18, subdivision 3a, a contract under this section must not authorize or otherwise provide for a discretionary or mandatory bonus or other performance-based incentive payment.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to contracts entered into on or after that date.

Sec. 22. Minnesota Statutes 2012, section 137.027, is amended to read:

**137.027 APPROPRIATION; FRINGE BENEFITS.**

(a) Direct appropriations to the University of Minnesota include money to pay the employer's share of Social Security, state retirement, and health insurance. Money provided for these purposes shall be expended only for these purposes and any amounts in excess of the employer's share shall be returned to the state treasury.

(b) Unless otherwise explicitly provided for in law, direct appropriations to the University of Minnesota do not include, and may not be used to pay, any mandatory or discretionary bonus or other performance-based incentive payment provided for in an employment contract with the president or vice-presidents, chancellors, provosts, vice provosts, deans, or directors of individual programs.

Sec. 23. **[137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION ECONOMY FUNDING PROGRAM.**

Subdivision 1. **Establishment.** (a) The Minnesota Discovery, Research, and Innovation Economy (MnDRIVE) funding program is established to discover new knowledge through scientific research that will:

(1) advance the state's economy;

(2) leverage opportunities and establish priorities in sectors of state strength and comparative advantage;

(3) improve the health and wellbeing of Minnesota's citizens;

(4) advance the capacity and competitiveness of existing and emerging food- and manufacturing-related science and technology industries; and

(5) build a better Minnesota by driving progress and advancing the common good.

(b) The MnDRIVE funding program shall establish priorities by investing in scientific research that promotes:

(1) programs that can position Minnesota as a leader in engineering, science, technology, and food-related solutions;

(2) initiatives that support the growth of targeted industry clusters and the competitiveness of existing Minnesota engineering, science, technology, and food companies in developing new products and services;

(3) initiatives that can result in creating new Minnesota-based companies;

(4) initiatives that can improve the quality of life of Minnesota's citizens, decrease the incidence of disease, and transform how we prevent, treat, and cure diseases; and

(5) initiatives that can secure a safer environment, seek sustainable energy solutions, and prevent, diagnose, and treat environmental problems associated with Minnesota industry.

Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota, acting alone or in partnership with other public or private entities, is requested to submit investment proposals consistent with the goals and objectives of the MnDRIVE funding program as part of the Board of Regents biennial budget request to the legislature. The Board of Regents must give consideration to investments in existing scientific research programs that meet these guidelines but may require additional resources in order to preserve or accelerate Minnesota into a national or global leadership position. The governor shall submit a recommendation to the legislature regarding funding requests submitted by the Board of Regents.

Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents of the University of Minnesota must provide to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance a summary report of investments and accomplishments related to funds received from the state under subdivision 2 from the prior biennium.

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

Sec. 24. Minnesota Statutes 2012, section 141.35, is amended to read:

**141.35 EXEMPTIONS.**

Sections 141.21 to 141.32 shall not apply to the following:

(1) public postsecondary institutions;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;

(4) private schools complying with the requirements of section 120A.22, subdivision 4;

(5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(6) schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;

(7) schools licensed by boards authorized under Minnesota law to issue licenses except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(8) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;

(9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the school used "academy" or "institute" in its name prior to August 1, 2008;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

(12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

(13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; ~~and~~

(17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions; and

(18) schools providing exclusively free training or instructional programs or courses where no tuition, fees, or any other charges are required for a student to participate.

Sec. 25. Minnesota Statutes 2012, section 299A.45, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Each award must be given for one academic year and is renewable for a maximum of eight semesters or the equivalent. A student who withdraws from enrollment for active military service or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 26. **REPEALER.**

(a) Minnesota Statutes 2012, section 136A.031, subdivision 2, is repealed.

(b) Minnesota Rules, parts 4830.0120; 4830.0130; 4830.0140; 4830.0150; 4830.0160; 4830.0170; 4830.0180; 4830.0190; and 4830.0195, are repealed."

Delete the title and insert:

"A bill for an act relating to education; postsecondary; establishing a budget for higher education; appropriating money to the Office of Higher Education, the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Regents of the University of Minnesota, and the Mayo Clinic; prohibiting tuition increases; regulating bonus payments; establishing the Minnesota Discovery, Research, and InnoVation Economy funding program; providing statewide electronic infrastructure; modifying provisions related to student grants, awards, and aid, school registration, and licensure; requiring certain information to be provided in higher education budget proposals; modifying procedures related to terminating institutions from financial aid programs; establishing procedure for cancellation of required surety bond; repealing Higher Education Advisory Council; amending Minnesota Statutes 2012, sections 135A.031, subdivision 7; 136A.101, subdivision 9; 136A.125, subdivisions 2, 4; 136A.233, subdivision 2; 136A.646; 136A.65, subdivision 8; 136A.653, by adding a subdivision; 136F.40, subdivision 2; 137.027; 141.35; 299A.45, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; repealing Minnesota Statutes 2012, section 136A.031, subdivision 2; Minnesota Rules, parts 4830.0120; 4830.0130; 4830.0140; 4830.0150; 4830.0160; 4830.0170; 4830.0180; 4830.0190; 4830.0195."

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.

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1765, A bill for an act relating to tax increment financing and other publicly financed projects; modifying requirements for receipt of public funds.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1779, A bill for an act relating to early childhood; modifying provisions relating to child care programs, the Minnesota Family Investment Program, child foster care, and adoption; establishing family child care infant sleep supervision requirements; modifying family child care training requirements; establishing the Northstar care for children program; providing for hearings and appeals; requiring a report; amending Minnesota Statutes 2012, sections 119B.011, by adding a subdivision; 119B.02, by adding a subdivision; 119B.025, subdivision 1; 119B.03, subdivision 4; 119B.05, subdivision 1; 119B.13, subdivisions 1, 1a, 6, by adding subdivisions; 245A.07, subdivision 2a; 245A.1435; 245A.144; 245A.1444; 245A.40, subdivision 5; 245A.50; 245C.08, subdivision 1; 245C.33, subdivision 1; 256.0112, by adding a subdivision; 256.82, subdivisions 2, 3; 256.98, subdivision 8; 256J.08, subdivision 24; 256J.21, subdivisions 2, 3; 256J.24, subdivisions 3, 7; 256J.621; 256J.626, subdivision 7; 257.85, subdivisions 2, 5, 6; 260C.446; proposing coding for new law in Minnesota Statutes, chapters 245A; 256J; 259A; 260C; proposing coding for new law as Minnesota Statutes, chapter 256N; repealing Minnesota Statutes 2012, sections 256.82, subdivision 4; 256J.24, subdivision 10; 260C.441; Minnesota Rules, parts 3400.0130, subpart 8; 9502.0355, subpart 4; 9560.0650, subparts 1, 3, 6; 9560.0651; 9560.0655.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. The burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or if the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. Within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall make a determination regarding whether a final licensing sanction shall be issued under subdivision 3. The license holder shall continue to be prohibited from operation of the program during this 90-day period.

(c) When the final order under paragraph (b) affirms an immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

Sec. 2. Minnesota Statutes 2012, section 245A.1435, is amended to read:

**245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH SYNDROME IN LICENSED PROGRAMS.**

(a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's ~~parent~~ physician directing an alternative sleeping position for the infant. The ~~parent~~ physician directive must be on a form approved by the commissioner and must ~~include a statement that the parent or legal guardian has read the information provided by the Minnesota Sudden Infant Death Center, related to the risk of SIDS and the importance of placing an infant or child on its back to sleep to reduce the risk of SIDS.~~ remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(b) ~~The license holder must place the infant in a crib directly on a firm mattress with a fitted crib sheet that fits tightly on the mattress and overlaps the mattress so it cannot be dislodged by pulling on the corner of the sheet. The license holder must not place pillows, quilts, comforters, sheepskin, pillow like stuffed toys, or other soft products in the crib with the infant.~~ The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier. For the purposes of this section, a pacifier is defined as a synthetic nipple designed for infant sucking with nothing attached to it. The requirements of this section apply to license holders serving infants up to and including 12 months younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146.

(c) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its own down to sleep in a one-piece sleeper equipped with an attached system that fastens securely only across the upper torso, with no constriction of the hips or legs, to create a swaddle. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant on a form provided by the commissioner and prepared in partnership with the Minnesota Sudden Infant Death Center.

Sec. 3. Minnesota Statutes 2012, section 245A.144, is amended to read:

**245A.144 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND SHAKEN-BABY SYNDROME ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.**

(a) Licensed child foster care providers that care for infants or children through five years of age must document that before staff persons and caregivers assist in the care of infants or children through five years of age, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death ~~syndrome~~ and ~~shaken-baby syndrome~~ for abusive head trauma from shaking infants and young children. This section does not apply to emergency relative placement under section 245A.035. The training on reducing the risk of sudden unexpected infant death ~~syndrome~~ and ~~shaken-baby syndrome~~ abusive head trauma may be provided as:

(1) orientation training to child foster care providers, who care for infants or children through five years of age, under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers, who care for infants or children through five years of age, under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death ~~syndrome~~ and ~~shaken-baby syndrome~~ abusive head trauma, means of reducing the risk of sudden unexpected infant death ~~syndrome~~ and ~~shaken-baby syndrome~~ abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death ~~syndrome~~ and ~~shaken-baby syndrome~~ abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 245A.16. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

Sec. 4. Minnesota Statutes 2012, section 245A.1444, is amended to read:

**245A.1444 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH SYNDROME AND SHAKEN BABY SYNDROME ABUSIVE HEAD TRAUMA BY OTHER PROGRAMS.**

A licensed chemical dependency treatment program that serves clients with infants or children through five years of age, who sleep at the program and a licensed children's residential facility that serves infants or children through five years of age, must document that before program staff persons or volunteers assist in the care of infants or children through five years of age, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death syndrome and shaken baby syndrome abusive head trauma from shaking infants and young children. The training conducted under this section may be used to fulfill training requirements under Minnesota Rules, parts 2960.0100, subpart 3; and 9530.6490, subpart 4, item B.

This section does not apply to child care centers or family child care programs governed by sections 245A.40 and 245A.50.

Sec. 5. **[245A.1446] FAMILY CHILD CARE DIAPERING AREA DISINFECTION.**

Notwithstanding Minnesota Rules, part 9502.0435, a family child care provider may disinfect the diaper changing surface with either a solution of at least two teaspoons of chlorine bleach to one quart of water or with a surface disinfectant that meets the following criteria:

(1) the manufacturer's label or instructions state that the product is registered with the United States Environmental Protection Agency;

(2) the manufacturer's label or instructions state that the disinfectant is effective against Staphylococcus aureus, Salmonella choleraesuis, and Pseudomonas aeruginosa;

(3) the manufacturer's label or instructions state that the disinfectant is effective with a ten minute or less contact time;

(4) the disinfectant is clearly labeled by the manufacturer with directions for mixing and use;

(5) the disinfectant is used only in accordance with the manufacturer's directions; and

(6) the product does not include triclosan or derivatives of triclosan.

Sec. 6. **[245A.147] FAMILY CHILD CARE INFANT SLEEP SUPERVISION REQUIREMENTS.**

Subdivision 1. In-person checks on infants. (a) License holders that serve infants are encouraged to monitor sleeping infants by conducting in-person checks on each infant in their care every 30 minutes.

(b) Upon enrollment of an infant in a family child care program, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes, during the first four months of care.

(c) When an infant has an upper respiratory infection, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes throughout the hours of sleep.

Subd. 2. Use of audio or visual monitoring devices. In addition to conducting the in-person checks encouraged under subdivision 1, license holders serving infants are encouraged to use and maintain an audio or visual monitoring device to monitor each sleeping infant in care during all hours of sleep.

**Sec. 7. [245A.152] CHILD CARE LICENSE HOLDER INSURANCE.**

(a) A license holder must provide a written notice to all parents or guardians of all children to be accepted for care prior to admission stating whether the license holder has liability insurance. This notice may be incorporated into and provided on the admission form used by the license holder.

(b) If the license holder has liability insurance:

(1) the license holder shall inform parents in writing that a current certificate of coverage for insurance is available for inspection to all parents or guardians of children receiving services and to all parents seeking services from the family child care program;

(2) the notice must provide the parent or guardian with the date of expiration or next renewal of the policy; and

(3) upon the expiration date of the policy, the license holder must provide a new written notice indicating whether the insurance policy has lapsed or whether the license holder has renewed the policy.

If the policy was renewed, the license holder must provide the new expiration date of the policy in writing to the parents or guardians.

(c) If the license holder does not have liability insurance, the license holder must provide an annual notice, on a form developed and made available by the commissioner, to the parents or guardians of children in care indicating that the license holder does not carry liability insurance.

(d) The license holder must notify all parents and guardians in writing immediately of any change in insurance status.

(e) The license holder must make available upon request the certificate of liability insurance to the parents of children in care, to the commissioner, and to county licensing agents.

(f) The license holder must document, with the signature of the parent or guardian, that the parent or guardian received the notices required by this section.

Sec. 8. Minnesota Statutes 2012, section 245A.40, subdivision 5, is amended to read:

**Subd. 5. Sudden unexpected infant death ~~syndrome~~ and ~~shaken baby syndrome~~ abusive head trauma training. (a) License holders must document that before staff persons and volunteers care for infants, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death ~~syndrome~~. In addition, license holders must document that before staff persons care for infants or children under school age, they receive training on the risk of ~~shaken baby syndrome~~ abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as orientation training under subdivision 1 and in-service training under subdivision 7.**

(b) Sudden unexpected infant death ~~syndrome~~ reduction training required under this subdivision must be at least one-half hour in length and must be completed at least once every ~~five years~~ year. At a minimum, the training must address the risk factors related to sudden unexpected infant death ~~syndrome~~, means of reducing the risk of sudden unexpected infant death ~~syndrome~~ in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death ~~syndrome~~.

(c) ~~Shaken baby syndrome~~ Abusive head trauma training under this subdivision must be at least one-half hour in length and must be completed at least once every ~~five years~~ year. At a minimum, the training must address the risk factors related to ~~shaken baby syndrome~~ for shaking infants and young children, means to reduce the risk of ~~shaken baby syndrome~~ abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of ~~shaken baby syndrome~~ abusive head trauma.

(d) The commissioner shall make available for viewing a video presentation on the dangers associated with shaking infants and young children. The video presentation must be part of the orientation and annual in-service training of licensed child care center staff persons caring for children under school age. The commissioner shall provide to child care providers and interested individuals, at cost, copies of a video approved by the commissioner of health under section 144.574 on the dangers associated with shaking infants and young children.

Sec. 9. Minnesota Statutes 2012, section 245A.50, is amended to read:

#### **245A.50 FAMILY CHILD CARE TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training.** (a) License holders, caregivers, and substitutes must comply with the training requirements in this section.

(b) Helpers who assist with care on a regular basis must complete six hours of training within one year after the date of initial employment.

Subd. 2. **Child growth and development and behavior guidance training.** (a) For purposes of family and group family child care, the license holder and each adult caregiver who provides care in the licensed setting for more than 30 days in any 12-month period shall complete and document at least ~~two~~ four hours of child growth and development and behavior guidance training ~~within the first year of~~ prior to initial licensure, and before caring for children. For purposes of this subdivision, "child growth and development training" means training in understanding how children acquire language and develop physically, cognitively, emotionally, and socially. "Behavior guidance training" means training in the understanding of the functions of child behavior and strategies for managing challenging situations. Child growth and development and behavior guidance training must be repeated annually. Training curriculum shall be developed or approved by the commissioner of human services by January 1, 2014.

(b) Notwithstanding paragraph (a), individuals are exempt from this requirement if they:

(1) have taken a three-credit course on early childhood development within the past five years;

(2) have received a baccalaureate or master's degree in early childhood education or school-age child care within the past five years;

(3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to grade 6 teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or

(4) have received a baccalaureate degree with a Montessori certificate within the past five years.

Subd. 3. **First aid.** (a) When children are present in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one staff person must be present in the home who has been trained in first aid. The first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. First aid training must be repeated every two years.

(b) A family child care provider is exempt from the first aid training requirements under this subdivision related to any substitute caregiver who provides less than 30 hours of care during any 12-month period.

(c) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Subd. 4. **Cardiopulmonary resuscitation.** (a) When children are present in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one staff person must be present in the home who has been trained in cardiopulmonary resuscitation (CPR) and in the treatment of obstructed airways that includes CPR techniques for infants and children. The CPR training must have been provided by an individual approved to provide CPR instruction, must be repeated at least once every ~~three~~ two years, and must be documented in the staff person's records.

(b) A family child care provider is exempt from the CPR training requirement in this subdivision related to any substitute caregiver who provides less than 30 hours of care during any 12-month period.

~~(c) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.~~ Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

Subd. 5. **Sudden unexpected infant death syndrome and ~~shaken baby syndrome~~ abusive head trauma training.** (a) License holders must document that before staff persons, caregivers, and helpers assist in the care of infants, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death syndrome. In addition, license holders must document that before staff persons, caregivers, and helpers assist in the care of infants and children under school age, they receive training on reducing the risk of ~~shaken baby syndrome~~ abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as initial training under subdivision 1 or ongoing annual training under subdivision 7.

(b) Sudden unexpected infant death syndrome reduction training required under this subdivision must be at least one-half hour in length and must be completed in person at least once every ~~five years~~ two years. On the years when the license holder is not receiving the in-person training on sudden unexpected infant death reduction, the license holder must receive sudden unexpected infant death reduction training through a video of no more than one hour in length developed or approved by the commissioner. At a minimum, the training must address the risk factors related to sudden unexpected infant death syndrome, means of reducing the risk of sudden unexpected infant death syndrome in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death syndrome.

(c) ~~Shaken baby syndrome~~ Abusive head trauma training required under this subdivision must be at least one-half hour in length and must be completed at least once every ~~five years~~ year. At a minimum, the training must address the risk factors related to ~~shaken baby syndrome~~ shaking infants and young children, means of reducing the risk of ~~shaken baby syndrome~~ abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of ~~shaken baby syndrome~~ abusive head trauma.

(d) Training for family and group family child care providers must be developed by the commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved by the county licensing agency by the Minnesota Center for Professional Development.

~~(e) The commissioner shall make available for viewing by all licensed child care providers a video presentation on the dangers associated with shaking infants and young children. The video presentation shall be part of the initial and ongoing annual training of licensed child care providers, caregivers, and helpers caring for children under school age. The commissioner shall provide to child care providers and interested individuals, at cost, copies of a video approved by the commissioner of health under section 144.574 on the dangers associated with shaking infants and young children.~~

Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Human Services that serve a child or children under nine years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, staff person, caregiver, or helper transports a child or children under age nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 7.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety Web site or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

Subd. 7. **Training requirements for family and group family child care.** For purposes of family and group family child care, the license holder and each primary caregiver must complete ~~eight~~ 16 hours of ongoing training each year. For purposes of this subdivision, a primary caregiver is an adult caregiver who provides services in the licensed setting for more than 30 days in any 12-month period. Repeat of topical training requirements in subdivisions 2 to 8 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

- (1) "child growth and development training" ~~has the meaning given in~~ under subdivision 2, paragraph (a);
- (2) "learning environment and curriculum" ~~includes, including~~ includes, including training in establishing an environment and providing activities that provide learning experiences to meet each child's needs, capabilities, and interests;
- (3) "assessment and planning for individual needs" ~~includes, including~~ includes, including training in observing and assessing what children know and can do in order to provide curriculum and instruction that addresses their developmental and learning needs, including children with special needs and bilingual children or children for whom English is not their primary language;
- (4) "interactions with children" ~~includes, including~~ includes, including training in establishing supportive relationships with children, guiding them as individuals and as part of a group;

(5) "families and communities" ~~includes, including~~ training in working collaboratively with families and agencies or organizations to meet children's needs and to encourage the community's involvement;

(6) "health, safety, and nutrition" ~~includes, including~~ training in establishing and maintaining an environment that ensures children's health, safety, and nourishment, including child abuse, maltreatment, prevention, and reporting; home and fire safety; child injury prevention; communicable disease prevention and control; first aid; and CPR; ~~and~~

(7) "program planning and evaluation" ~~includes, including~~ training in establishing, implementing, evaluating, and enhancing program operations; ~~and~~

(8) behavior guidance, including training in the understanding of the functions of child behavior and strategies for managing behavior.

Subd. 8. **Other required training requirements.** (a) The training required of family and group family child care providers and staff must include training in the cultural dynamics of early childhood development and child care. The cultural dynamics and disabilities training and skills development of child care providers must be designed to achieve outcomes for providers of child care that include, but are not limited to:

(1) an understanding and support of the importance of culture and differences in ability in children's identity development;

(2) understanding the importance of awareness of cultural differences and similarities in working with children and their families;

(3) understanding and support of the needs of families and children with differences in ability;

(4) developing skills to help children develop unbiased attitudes about cultural differences and differences in ability;

(5) developing skills in culturally appropriate caregiving; and

(6) developing skills in appropriate caregiving for children of different abilities.

The commissioner shall approve the curriculum for cultural dynamics and disability training.

(b) The provider must meet the training requirement in section 245A.14, subdivision 11, paragraph (a), clause (4), to be eligible to allow a child cared for at the family child care or group family child care home to use the swimming pool located at the home.

Subd. 9. **Supervising for safety; training requirement.** Effective July 1, 2014, all family child care license holders and each adult caregiver who provides care in the licensed family child care home for more than 30 days in any 12-month period shall complete and document at least six hours approved training on supervising for safety prior to initial licensure, and before caring for children. At least two hours of training on supervising for safety must be repeated annually. For purposes of this subdivision, "supervising for safety" includes supervision basics, supervision outdoors, equipment and materials, illness, injuries, and disaster preparedness. The commissioner shall develop the supervising for safety curriculum by January 1, 2014.

Subd. 10. **Approved training.** County licensing staff must accept training approved by the Minnesota Center for Professional Development, including:

(1) face-to-face or classroom training;

(2) online training; and

(3) relationship-based professional development, such as mentoring, coaching, and consulting.

Subd. 11. **Commissioner duties.** (a) The commissioner of human services must train county licensing staff on the interpretation and intention of new requirements under this section prior to implementation.

(b) New and increased training requirements under this section must not be imposed on providers until the commissioner establishes statewide accessibility to the required training."

Delete the title and insert:

"A bill for an act relating to early childhood; modifying provisions relating to child care programs; establishing family child care disinfection and infant sleep supervision requirements; modifying training requirements for family child care providers, child care centers, foster care providers, and chemical dependency programs; amending Minnesota Statutes 2012, sections 245A.07, subdivision 2a; 245A.1435; 245A.144; 245A.1444; 245A.40, subdivision 5; 245A.50; proposing coding for new law in Minnesota Statutes, chapter 245A."

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 80, 136, 270, 334, 591, 637, 767, 894, 1070 and 1416 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. No. 671 was read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Dorholt, Zerwas, Freiberg, Hortman, Runbeck, Drazkowski, Kahn and Hertaus introduced:

H. F. No. 1784, A bill for an act relating to local government; providing publishing alternatives to legal newspapers; amending Minnesota Statutes 2012, sections 10.60, subdivisions 1, 2, 4; 331A.03, subdivision 1, by adding subdivisions; 645.11; 645.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 331A; repealing Minnesota Statutes 2012, section 331A.03, subdivisions 2, 3.

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

O'Driscoll; Ward, J.E.; Sawatzky; Kiel; McNamara and Torkelson introduced:

H. F. No. 1785, A bill for an act relating to state lands; authorizing the exchange of certain state lands.

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

Morgan; Rosenthal; Ward, J.A., and Selcer introduced:

H. F. No. 1786, A bill for an act relating to state government; reducing the number of members of the legislature; amending Minnesota Statutes 2012, sections 2.021; 2.031, subdivision 1.

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

### **MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 504, A bill for an act relating to workers' compensation reinsurance; eliminating the reinsurance association prefunded limit; amending Minnesota Statutes 2012, section 79.35.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 541, 769 and 1589.

JOANNE M. ZOFF, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 541, A bill for an act relating to liquor; regulating alcohol sales and distribution; authorizing various licenses; amending Minnesota Statutes 2012, sections 340A.301, subdivisions 6b, 6c, 7, 7a, by adding a subdivision; 340A.4042; 340A.418; Laws 1999, chapter 202, section 13; Laws 2012, chapter 235, section 8.

The bill was read for the first time.

Atkins moved that S. F. No. 541 and H. F. No. 746, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 769, A bill for an act relating to public safety; clarifying certain statutory provisions relating to crime victim rights and programs; providing for a restitution working group; amending Minnesota Statutes 2012, sections 13.871, subdivision 5; 611A.0315; 611A.036, subdivision 7; 629.72, subdivisions 1, 1a, 2, 6, 7; 629.73; proposing coding for new law in Minnesota Statutes, chapter 13.

The bill was read for the first time.

Rosenthal moved that S. F. No. 769 and H. F. No. 1051, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1589, A bill for an act relating to the operation of state government finance; allowing the secretary of state authority to accept funds from local government units for election systems enhancements and to receive certain funds for the address confidentiality program; allowing the state auditor to charge a onetime user fee for a small city and town accounting system software; changing provisions for bid solicitations and proposals; changing certain provisions for service contracts and the solicitation process; requiring a determination of the IT cost for agency technology projects; expanding E-Government initiative and establishing the E-Government Advisory Council; changing certain audit provisions from the state auditor to the legislative auditor; repealing the Minnesota Sunset Act; changing provisions for barbering and cosmetology; changing licensing provisions for accountants; changing a paid military leave provision; modifying provisions in the Veterans Service Office grant program; changing provision in the Minnesota GI Bill program; establishing a veterans home in Beltrami County; making Department of Revenue changes; making compensation council changes and requiring a compensation study; adjusting certain salary groups; establishing administrative penalties; establishing fees; appropriating money; amending Minnesota Statutes 2012, sections 3.099, subdivision 1; 3.855, subdivision 3; 13.591, subdivision 3; 15A.0815, subdivisions 1, 2, 3, 5; 15A.082, subdivision 2; 16A.82; 16C.02, subdivision 13; 16C.06, subdivision 2; 16C.09; 16C.10, subdivision 6; 16C.145; 16C.33, subdivision 3; 16C.34, subdivision 1; 16E.07, by adding a subdivision; 32C.04; 43A.17, subdivisions 1, 3; 65B.84, subdivision 1; 154.001, by adding a subdivision; 154.003; 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08; 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15, subdivision 2; 154.26; 155A.23, subdivision 3; 155A.25, subdivisions 1a, 4; 155A.27, subdivisions 4, 7, 10; 155A.29, subdivision 2; 155A.30, subdivision 1, by adding subdivisions; 192.26; 197.608, subdivisions 1, 3, 4, 5, 6; 197.791, subdivisions 4, 5; 254A.035, subdivision 2; 254A.04; 256B.093, subdivision 1; 260.835, subdivision 2; 270C.69, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 295.55, subdivision 4; 297F.09, subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision 2; 326A.04, subdivisions 2, 3, 5, 7; 326A.10; 469.3201; 473.843, subdivision 3; Laws 2012, chapter 278, article 1, section 5; article 2, sections 27; 34; proposing coding for new law in Minnesota Statutes, chapters 4; 5; 5B; 6; 16E; 154; 155A; 198; 297I; repealing Minnesota Statutes 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05; 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16; 3D.17; 3D.18; 3D.19; 3D.20; 3D.21, subdivisions 2, 3, 4, 5, 6, 7, 8; 43A.17, subdivision 4; 155A.25, subdivision 1; 168A.40, subdivisions 3, 4; 197.608, subdivision 2a; 270C.145; 326A.03, subdivisions 2, 5, 8; Laws 2012, chapter 278, article 1, section 6; Minnesota Rules, parts 1105.0600; 1105.2550; 1105.2700.

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

Murphy, E., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Hortman.

Paymar was excused between the hours of 12:05 p.m. and 1:50 p.m.

## CALENDAR FOR THE DAY

### CALL OF THE HOUSE

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

Abeler	Dill	Hertaus	Lien	Newton	Simonson
Albright	Dorholt	Hilstrom	Lillie	Nornes	Slocum
Allen	Drazkowski	Holberg	Loeffler	O'Driscoll	Sundin
Anderson, P.	Erhardt	Hoppe	Lohmer	O'Neill	Swedzinski
Anderson, S.	Erickson, R.	Hornstein	Loon	Pelowski	Theis
Anzelc	Erickson, S.	Hortman	Mack	Peppin	Torkelson
Atkins	Fabian	Howe	Mahoney	Persell	Uglen
Barrett	Falk	Huntley	Mariani	Petersburg	Urdahl
Beard	Fischer	Isaacson	Masin	Poppe	Wagenius
Benson, J.	FitzSimmons	Johnson, B.	McDonald	Pugh	Ward, J.A.
Benson, M.	Franson	Johnson, C.	McNamar	Quam	Ward, J.E.
Bernardy	Freiberg	Johnson, S.	McNamara	Radinovich	Wills
Bly	Fritz	Kahn	Melin	Rosenthal	Winkler
Carlson	Garofalo	Kelly	Metsa	Runbeck	Woodard
Clark	Green	Kieffer	Moran	Sanders	Yarusso
Cornish	Gruenhagen	Kiel	Morgan	Savick	Zellers
Daudt	Gunther	Kresha	Mullery	Sawatzky	Zerwas
Davids	Hackbarth	Laine	Murphy, E.	Schoen	Spk. Thissen
Davnie	Halverson	Leidiger	Murphy, M.	Schomacker	
Dean, M.	Hamilton	Lenczewski	Myhra	Scott	
Dehn, R.	Hansen	Lesch	Nelson	Selcer	
Dettmer	Hausman	Liebling	Newberger	Simon	

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

H. F. No. 588, A bill for an act relating to health; requiring a hospital staffing report; requiring a study on nurse staffing levels and patient outcomes.

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 57 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Fritz	Johnson, S.	Mariani	Murphy, M.
Allen	Davnie	Halverson	Kahn	Masin	Nelson
Anzelc	Dehn, R.	Hansen	Laine	McNamar	Newton
Atkins	Hausman	Hausman	Lenczewski	McNamara	Norton
Benson, J.	Dorholt	Hilstrom	Lesch	Melin	Pelowski
Bernardy	Erhardt	Hornstein	Liebling	Metsa	Persell
Bly	Erickson, R.	Hortman	Lien	Moran	Poppe
Brynaert	Falk	Huntley	Lillie	Morgan	Radinovich
Carlson	Fischer	Isaacson	Loeffler	Mullery	Rosenthal
Clark	Freiberg	Johnson, C.	Mahoney	Murphy, E.	Savick

Sawatzky	Simon	Sundin	Ward, J.E.	Spk. Thissen
Schoen	Simonson	Wagenius	Winkler	
Selcer	Slocum	Ward, J.A.	Yarusso	

Those who voted in the negative were:

Albright	Drazkowski	Hamilton	Leidiger	Peppin	Torkelson
Anderson, P.	Erickson, S.	Hertaus	Lohmer	Petersburg	Uglen
Anderson, S.	Fabian	Holberg	Loon	Pugh	Urdahl
Barrett	FitzSimmons	Hoppe	Mack	Quam	Wills
Beard	Franson	Howe	McDonald	Runbeck	Woodard
Benson, M.	Garofalo	Johnson, B.	Myhra	Sanders	Zellers
Cornish	Green	Kelly	Newberger	Schomacker	Zerwas
Daudt	Gruenhagen	Kieffer	Nornes	Scott	
Dean, M.	Gunther	Kiel	O'Driscoll	Swedzinski	
Dettmer	Hackbarth	Kresha	O'Neill	Theis	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

#### CALL OF THE HOUSE LIFTED

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

H. F. No. 669, A bill for an act relating to public safety; expanding and updating the authority of the Statewide Radio Board to include the latest emergency communication technologies; authorizing the Statewide Radio Board to elect to become a statewide emergency communication board; including tribal governments in regional radio board structure; providing comprehensive authority under board to address all emergency communications; providing for rulemaking; amending Minnesota Statutes 2012, sections 403.21, subdivisions 2, 13, by adding a subdivision; 403.37, subdivision 1; 403.38; 403.39; 403.40, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 403; repealing Minnesota Statutes 2012, sections 403.21, subdivision 6; 403.33.

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 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Dettmer	Gruenhagen	Huntley	Leidiger
Albright	Bly	Dill	Gunther	Isaacson	Lenczewski
Allen	Brynaert	Dorholt	Halverson	Johnson, B.	Lesch
Anderson, P.	Carlson	Erhardt	Hamilton	Johnson, C.	Liebling
Anderson, S.	Clark	Erickson, R.	Hansen	Johnson, S.	Lien
Anzelc	Cornish	Fabian	Hausman	Kahn	Lillie
Atkins	Daudt	Falk	Hertaus	Kelly	Loeffler
Barrett	Dauids	Fischer	Hilstrom	Kieffer	Loon
Beard	Davnie	Freiberg	Hornstein	Kiel	Mack
Benson, J.	Dean, M.	Fritz	Hortman	Kresha	Mahoney
Benson, M.	Dehn, R.	Green	Howe	Laine	Mariani

Masin	Murphy, E.	Pelowski	Sanders	Slocum	Ward, J.E.
McDonald	Murphy, M.	Persell	Savick	Sundin	Wills
McNamar	Myhra	Petersburg	Sawatzky	Swedzinski	Winkler
McNamara	Nelson	Poppe	Schoen	Theis	Woodard
Melin	Newberger	Pugh	Schomacker	Torkelson	Yarusso
Metsa	Newton	Quam	Scott	Uglen	Zellers
Moran	Norton	Radinovich	Selcer	Urdahl	Zerwas
Morgan	O'Driscoll	Rosenthal	Simon	Wagenius	Spk. Thissen
Mullery	O'Neill	Runbeck	Simonson	Ward, J.A.	

Those who voted in the negative were:

Drazkowski	FitzSimmons	Hackbarth	Hoppe	Peppin
Erickson, S.	Franson	Holberg	Lohmer	

The bill was passed and its title agreed to.

H. F. No. 814 was reported to the House.

Johnson, B., moved to amend H. F. No. 814 as follows:

Page 1, line 17, delete the new language and strike "firefighting or law enforcement organization" and after "organization" insert "and a local 911 emergency dispatch center"

Page 1, line 18, delete the new language

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 814, as amended, was read for the third time.

Hamilton moved that H. F. No. 814, as amended, be re-referred to the Committee on Agriculture Policy.

A roll call was requested and properly seconded.

The question was taken on the Hamilton motion and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	Benson, M.	Drazkowski	Green	Holberg	Kiel
Albright	Cornish	Erickson, S.	Gruenhagen	Hoppe	Kresha
Anderson, P.	Daudt	Fabian	Gunther	Howe	Leidiger
Anderson, S.	Dauids	FitzSimmons	Hackbarth	Johnson, B.	Lohmer
Barrett	Dean, M.	Franson	Hamilton	Kelly	Loon
Beard	Dettmer	Garofalo	Hertaus	Kieffer	Mack

McDonald	Nornes	Petersburg	Sanders	Theis	Wills
McNamara	O'Driscoll	Pugh	Schomacker	Torkelson	Woodard
Myhra	O'Neill	Quam	Scott	Uglem	Zellers
Newberger	Peppin	Runbeck	Swedzinski	Urdahl	Zerwas

Those who voted in the negative were:

Allen	Dorholt	Hortman	Loeffler	Nelson	Simon
Anzelc	Erhardt	Huntley	Mahoney	Newton	Simonson
Atkins	Erickson, R.	Isaacson	Mariani	Norton	Slocum
Benson, J.	Falk	Johnson, C.	Masin	Pelowski	Sundin
Bernardy	Fischer	Johnson, S.	McNamar	Persell	Wagenius
Bly	Freiberg	Kahn	Melin	Poppe	Ward, J.A.
Brynaert	Fritz	Laine	Metsa	Radinovich	Ward, J.E.
Carlson	Halverson	Lenczewski	Moran	Rosenthal	Winkler
Clark	Hansen	Lesch	Morgan	Savick	Yarusso
Davnie	Hausman	Liebling	Mullery	Sawatzky	Spk. Thissen
Dehn, R.	Hilstrom	Lien	Murphy, E.	Schoen	
Dill	Hornstein	Lillie	Murphy, M.	Selcer	

The motion did not prevail.

Howe moved that H. F. No. 814, as amended, be re-referred to the Committee on Judiciary Finance and Policy.

A roll call was requested and properly seconded.

The question was taken on the Howe motion and the roll was called. There were 59 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hackbarth	Kresha	O'Driscoll	Swedzinski
Albright	Drazkowski	Hamilton	Leidiger	O'Neill	Theis
Anderson, P.	Erickson, S.	Hertaus	Lohmer	Peppin	Torkelson
Anderson, S.	Fabian	Holberg	Loon	Petersburg	Uglem
Barrett	FitzSimmons	Hoppe	Mack	Pugh	Urdahl
Beard	Franson	Howe	McDonald	Quam	Wills
Benson, M.	Garofalo	Johnson, B.	McNamara	Runbeck	Woodard
Daudt	Green	Kelly	Myhra	Sanders	Zellers
Davids	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas
Dean, M.	Gunther	Kiel	Nornes	Scott	

Those who voted in the negative were:

Allen	Cornish	Fischer	Huntley	Loeffler	Mullery
Anzelc	Davnie	Freiberg	Isaacson	Mahoney	Murphy, E.
Atkins	Dehn, R.	Fritz	Johnson, C.	Mariani	Murphy, M.
Benson, J.	Dill	Halverson	Johnson, S.	Masin	Nelson
Bernardy	Dorholt	Hansen	Laine	McNamar	Newton
Bly	Erhardt	Hausman	Lenczewski	Melin	Norton
Brynaert	Erickson, R.	Hilstrom	Liebling	Metsa	Pelowski
Carlson	Falk	Hornstein	Lien	Moran	Persell
Clark	Faust	Hortman	Lillie	Morgan	Poppe

Radinovich	Sawatzky	Simon	Sundin	Ward, J.E.	Spk. Thissen
Rosenthal	Schoen	Simonson	Wagenius	Winkler	
Savick	Selcer	Slocum	Ward, J.A.	Yarusso	

The motion did not prevail.

Kiel moved that H. F. No. 814, as amended, be re-referred to the Committee on Transportation Policy.

A roll call was requested and properly seconded.

The question was taken on the Kiel motion and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Gunther	Kiel	Nornes	Scott
Albright	Dettmer	Hackbarth	Kresha	O'Driscoll	Swedzinski
Anderson, P.	Drazkowski	Hamilton	Leidiger	O'Neill	Theis
Anderson, S.	Erickson, S.	Hertaus	Lohmer	Peppin	Torkelson
Barrett	Fabian	Holberg	Loon	Petersburg	Uglen
Beard	FitzSimmons	Hoppe	Mack	Pugh	Urdahl
Benson, M.	Franson	Howe	McDonald	Quam	Wills
Cornish	Garofalo	Johnson, B.	McNamara	Runbeck	Woodard
Daudt	Green	Kelly	Myhra	Sanders	Zellers
Davids	Gruenhagen	Kieffer	Newberger	Schomacker	Zerwas

Those who voted in the negative were:

Allen	Erhardt	Hortman	Loeffler	Nelson	Simon
Anzelc	Erickson, R.	Huntley	Mahoney	Newton	Simonson
Atkins	Falk	Isaacson	Mariani	Norton	Slocum
Benson, J.	Faust	Johnson, C.	Masin	Pelowski	Sundin
Bernardy	Fischer	Johnson, S.	McNamar	Persell	Wagenius
Bly	Freiberg	Kahn	Melin	Poppe	Ward, J.A.
Brynaert	Fritz	Laine	Metsa	Radinovich	Ward, J.E.
Carlson	Halverson	Lenczewski	Moran	Rosenthal	Yarusso
Clark	Hansen	Lesch	Morgan	Savick	Spk. Thissen
Davnie	Hausman	Liebling	Mullery	Sawatzky	
Dill	Hilstrom	Lien	Murphy, E.	Schoen	
Dorholt	Hornstein	Lillie	Murphy, M.	Selcer	

The motion did not prevail.

Daudt moved that H. F. No. 814, as amended, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Murphy, E., from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Friday, April 19, 2013 and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 671; H. F. Nos. 1160, 819 and 1195; and S. F. Nos. 359 and 1168.

**MOTIONS AND RESOLUTIONS**

Beard moved that the name of Gruenhagen be added as an author on H. F. No. 306. The motion prevailed.

Bly moved that the name of Pugh be added as an author on H. F. No. 338. The motion prevailed.

Radinovich moved that the name of Ward, J.E., be added as an author on H. F. No. 1525. The motion prevailed.

Radinovich moved that the name of Ward, J.E., be added as an author on H. F. No. 1761. The motion prevailed.

Quam moved that the name of Franson be added as an author on H. F. No. 1771. The motion prevailed.

Hortman moved that the names of Newton and Nelson be added as authors on H. F. No. 1781. The motion prevailed.

**ADJOURNMENT**

Murphy, E., moved that when the House adjourns today it adjourn until 9:00 a.m., Thursday, April 18, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Thursday, April 18, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

