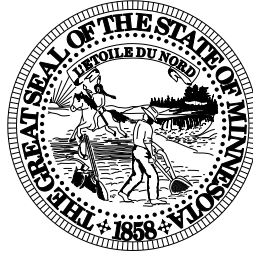


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# Minnesota House of Representatives

Melissa Hortman, Speaker

FOR IMMEDIATE RELEASE

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## New Laws Effective July 1, 2023

*The following is a list of select new laws passed during the 2023 legislative session that take effect July 1, 2023. The asterisk following the bill number denotes language that became law. Summaries of laws passed by the 2023 Legislature are available online from nonpartisan House Public Information Services at <http://www.house.mn.gov/newlaws/#/search/2023>.*

### AGRICULTURE

#### **Protection for grain sellers, money for broadband among key provisions in new law**

Additional support for emerging farmers, meaningful protection for grain sellers and additional money to expand access to broadband are among the provisions of a new law that provides funding for the Department of Agriculture.

Rep. Samantha Vang (DFL-Brooklyn Center) and Sen. Aric Putnam (DFL-St. Cloud) are the sponsors.

General Fund appropriations by agency in the 2024-25 biennium include \$163.45 million to the Department of Agriculture (an increase of nearly \$40 million); \$125.7 million to the Department of Employment and Economic Development Office of Broadband Development (an increase of \$100 million); and \$12.64 million to the Board of Animal Health.

Appropriations for the Agricultural Growth, Research, and Innovation Program are \$50.2 million, including \$11.5 million for bioincentive payments. Other spending includes \$4 million to the Dairy Assistance, Investment, Relief Initiative program which supports smaller dairy farms enrolled in the federal Dairy Margin Coverage Program; \$4 million for grants to support urban and youth agriculture programs; \$2.5 million for livestock processing grants; \$2.3 million to the Farm to School program, which can include early childhood education centers; and \$2 million for the good food access program.

The law appropriates \$21.4 million to the University of Minnesota Agriculture Research, Education, Extension, and Technology Transfer program — including \$4.5 million to Minnesota Agricultural Education Leadership Council; \$2 million for avian flu research; \$1.6 million to Forever Green that develops winter-hardy, living soil cover crops; and \$700,000 for deep winter greenhouses.

Other appropriations in the law include: \$3.9 million to Second Harvest Heartland for the state's six Feeding America food banks (of which at least \$850,000 must be for milk); \$1.25 million for soil health grants up to \$50,000 per recipient; \$500,000 to develop continuous-living cover crops; \$372,000 to promote Minnesota grown products; and \$300,000 to for noxious weed management.

The law will appropriate \$125.7 million to the Office of Broadband Development. It also increases the amount available to a single project in the border-to-border broadband program to \$10 million. Furthermore, it will set aside \$20 million each year for projects where a 50% state match is insufficient. The lower-density program can fund up to 75% of project costs.

The legislation creates a grain indemnity fund to compensate farmers should an elevator go bankrupt and appropriates \$10 million to get the fund off the ground. It also repeals statutes requiring surety bonds for licensed grain purchasers.

A major policy provision aims to reduce the presence of perfluoroalkyl and polyfluoroalkyl substances in the environment. Beginning Jan. 1, 2032, the commissioner may not register a pesticide product that contains intentionally added PFAS unless it is determined to be an unavoidable use.

HF2278/SF1955\*/CH43

## **BUSINESS AND COMMERCE**

### **Some adult-use cannabis provisions taking effect**

Minnesota is the 23rd state to enact legislation legalizing adult-use recreational cannabis.

Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. Lindsey Port (DFL-Burnsville) sponsor the law establishing a regulatory framework for statewide and local structures to regulate, tax, and manage cannabis sales to adults. Much of it takes effect July 1, 2023.

The law appropriates \$70.3 million in the 2024-25 biennium to establish cannabis regulatory programs.

An Office of Cannabis Management is established to approve product categories of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for retail sale, and prohibit any product that is packaged in a way to be attractive to children; establish environmental standards in the cannabis industry, in consultation with the Pollution Control Agency; and set limits on the personal use of cannabis for individuals 21 years of age or older.

A 10% tax will be charged on retail cannabis sales. Effective July 1, 2023, 20% of retail cannabis taxes will be distributed to local governments, with the rest going to the General Fund. Half the revenue sent to local governments will be distributed equally across all 87 counties, and the remaining 50% to counties using a formula based on the number of cannabis businesses located in a county.

To pay for establishing the regulatory structure for adult-use cannabis and other costs that will be incurred before the legal sale of adult-use cannabis begins to generate retail tax and license fee revenue, among the law appropriations, effective July 1, 2023, are: \$39.6 million for the Office of Cannabis Management; \$23.6 million to the Department of Health for grants to local and tribal health departments, youth education, and education grants for pregnant or breastfeeding individuals; \$15 million to the Office of Traffic Safety in the Department of Public Safety for drug recognition evaluator training; \$12 million to the Department of Employment and Economic Development for the CanStartup, CanNavigate, and CanTrain programs; \$11.2 million for the Cannabis Expungement Board; \$5 million to the University of Minnesota to establish a Center for Cannabis Research within the School of Public Health; and \$2.6 million to the Office of Traffic Safety for a roadside testing pilot project.

More parts of the law, such as possession or publicly transported amounts and expunging petty misdemeanor and misdemeanor cannabis convictions take effect Aug. 1, 2023.

HF100\*/SF73/CH63

### **Commerce finance, policy law funds department, expands consumer protections**

The commerce finance and policy law has \$68.4 million in new spending in the 2024-25 biennium, including \$62.6 million from the General Fund. That's a \$10 million biennial increase.

Much of the funding will support expanded consumer protections. Those include measures requiring health plans to limit patient co-pays to no more than \$25 per one-month supply of prescription drugs used to treat chronic diseases; enacting the "Digital Fair Repair Act" to prohibit

manufacturers from having exclusive rights to repair their products; and prohibiting lenders from collecting on loans made under coercion by a third party, such as a domestic abuser.

Some 2024-25 biennium appropriations of the law include: \$1.8 million for the unclaimed property program; \$1.6 million for five additional peace officers in the Commerce Department's Fraud Bureau; \$800,000 for Prepare and Prosper, a financial services program assisting low-income and financially underserved populations to build savings and strengthen credit; and \$498,000 for the senior safe fraud prevention program.

Sponsored by Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. Matt Klein (DFL-Mendota Heights), here are some provisions that take effect July 1, 2023:

- to protect consumers and others from unaffordable costs of prescription drugs, the law appropriates \$1.1 million to establish a Prescription Drug Affordability Board and a Prescription Drug Affordability Advisory Council;
- excessive price increases of generic or off-patent drugs sold, dispensed, or delivered to any consumer in the state will be prohibited. Such an increase is 15% or more of the wholesale cost over the immediately preceding calendar year, or 40% or more of the wholesale cost over the immediately preceding three calendar years;
- the "Strengthen Minnesota Homes Act" is established to provide grants to retrofit insurable property to resist loss due to common perils, including but not limited to tornadoes or other catastrophic windstorm events;
- a Mental Health Parity and Substance Abuse Accountability Office is established within the Department of Commerce to oversee compliance reviews, review consumer and provider complaints, and serve as a resource for ensuring health plan compliance with mental health and substance abuse requirements. It will be funded with \$100,000 in fiscal year 2025; and
- funded with a \$394,000 biennial appropriation, a student loan advocate is designated within the department to provide timely assistance to borrowers, plus receive, review, and attempt to resolve borrower complaints. The advocate must also establish and maintain a borrower education course.

HF2680/SF2744\*/CH57

## EDUCATION

### **Education finance law appropriates 10% funding increase for public schools**

Public education funding will total \$23.2 billion during the 2024-25 biennium, an increase of \$2.26 billion, or 10.8%, over base. The education finance law also makes dozens of policy adjustments.

Rep. Cheryl Youakim (DFL-Hopkins) and Sen. Mary Kunesh (DFL-New Brighton) sponsor the law, some of which takes effect July 1, 2023.

The basic funding formula — the main mechanism through which the state funds local school districts — will increase 4% in fiscal year 2024 and 2% in fiscal year 2025. This translates to a formula allowance of \$7,138 and \$7,281 per pupil, respectively. Beginning fiscal year 2026, the formula will be indexed to inflation, though the law will limit this annual increase to between 2% and 3%.

The state will cover 44% of the special education cross-subsidy — up from 6.43% — in fiscal years 2024-26, with this rising to 50% beginning in fiscal years 2027.

Appropriations in fiscal years 2024-25 include:

- \$705 million for the basic funding formula increase;
- \$663 million in increased funding for reducing the special education cross-subsidy;
- \$87 million in additional funding for English learning;

- \$75 million to implement the READ Act, which will overhaul literacy education in an attempt to halt the declining literacy rates seen in recent years;
- \$74.4 million for student support personnel aid and workforce development, to attend to students' mental, behavioral, and physical health needs;
- \$50 million for Grow Your Own teacher grants, designed to increase the size and diversity of the teaching workforce;
- \$3.5 million to provide menstrual products and opiate antagonists at no costs to students;
- \$2 million for the construction of gender-neutral bathrooms; and
- \$416,000 to cultivate heritage language and culture teachers.

Hourly school workers, such as bus drivers and cafeteria staff, will be eligible for unemployment insurance benefits during summer breaks.

Pre-Kindergarten education will be permanently expanded; 4,000 seats due to sunset will be preserved and an additional 5,200 seats will be established in fiscal year 2026, bringing the statewide total to 12,360 seats.

Within the Department of Education, an Office of the Inspector General will be established to detect and prevent fraud, waste, and abuse in departmental programs. The bureaucracy will see additional growth with the creation of an Equity, Diversity, and Inclusion Center; a comprehensive school mental health services lead; a school health services specialist; and an ethnic studies specialist.

Under collective bargaining agreements effective July 1, 2023, and thereafter, the probationary period of new K-12 teachers will be shortened under various circumstances. Also effective from that date, 80% of compensatory revenue must be utilized at the generating school site (up from 50%) and the list of allowable uses will be reconfigured.

HF2497\*/SF2684/CH55

### **Universal no-cost school meals instituted for K-12 students**

Effective for meals provided on or after July 1, 2023, K-12 students will be guaranteed free breakfast and lunch every school day.

The cost of these meals will be covered by a combination of state and federal funds. Nearly \$450 million in state aid is appropriated for the 2024-25 biennium. The appropriation portion of the law took effect March 18, 2023.

Historically, schools have provided free and reduced-price breakfast and lunch to many students coming from families that were income qualified for certain government programs. The new law will replace this means-tested system.

Rep. Sydney Jordan (DFL-Mpls) and Sen. Heather Gustafson (DFL-Vadnais Heights) sponsor the law.

HF5\*/SF123/CH18

## **ELECTIONS**

### **Helping local governments part of \$10 million increase in spending on elections**

General Fund spending of almost \$24.6 million in fiscal years 2023-25 is called for in elections spending, a \$10 million increase. That includes \$2.5 million to assist local governments with election infrastructure and staffing.

The spending is part of a larger package sponsored by Rep. Ginny Klevorn (DFL-Plymouth) and Sen. Erin Murphy (DFL-St. Paul).

Policy changes include:

- state law would show Minnesota’s ratification of the Agreement Among the States to Elect the President by National Popular Vote, an interstate compact that’d guarantee the presidency to the candidate receiving the most popular votes across all 50 states and the District of Columbia;
  - a voting operations, technology, and election resources account will be established to help local units of government with election expenditures;
  - all postsecondary institutions accepting state or federal financial aid must maintain a webpage to help students determine where and how they are eligible to vote, among other requirements;
  - the Office of the Secretary of State is required to study issues related to voter engagement, education, and improvements to the election system, which may include ranked-choice voting;
  - a principal campaign committee, political committee, political fund, or party unit may accept a monetary contribution via a mobile payment or virtual currency; and
  - lobbyist registration requirements are expanded to include all political subdivisions.
- HF1830\*/SF1426/CH62

## **EMPLOYMENT**

### **Law seeks to lower number of PTSD retirements among first responders**

A new law will require up to 32 weeks of mental health treatment before a peace officer or firefighter with a psychological condition such as PTSD, or other serious mental health issue, can apply for duty disability benefits from the Minnesota State Retirement System or the Public Employees Retirement Association. Public safety agencies will be required to continue paying the employee’s full salary and employer-provided benefits during the treatment period.

These provisions of the law take effect July 1, 2023. Rep. Kaohly Vang Her (DFL-St. Paul) and Sen. Nick Frentz (DFL-North Mankato) are the sponsors.

After 24 weeks of mental health treatment, an applicant for duty disability benefits can receive eight more weeks of treatment if not ready to return to work but making progress toward recovery. Other determinations at 24 weeks include whether the applicant should: return to full-time employment in their previous position; return to another vacant full-time position with their prior employer provided the position has equal or better pension and disability benefits; or receive duty disability benefits because a mental health professional determines the applicant is permanently disabled.

The Peace Officer Standards and Training Board must create learning objectives to prepare peace officers for the stressful and traumatic events that are common to policing and teach officers methods to process and cope with the stress and trauma inherent to policing.

By July 1, 2024, every peace officer employed by law enforcement agencies must undergo the wellness training programs developed by the POST Board.

Two one-time transfers from the General Fund in fiscal year 2024 will be made to a psychological condition treatment account: \$3 million to PERA and \$1 million for MSRS. Both will be used to fund mental health treatment required before a peace officer or firefighter can apply for duty disability benefits.

The public safety officer’s benefit account will receive a onetime \$100 million transfer from the General Fund in fiscal year 2024 to pay for continued health care insurance coverage to any peace officer or firefighter who PERA or MSRS determines is eligible to receive a duty disability benefit.

HF1234\*/SF1959/CH48

### **Jobs and economic development package totals almost \$1.4 billion**

State spending on jobs, economic development, labor, and industry will total \$1.37 billion during the 2024-25 biennium. The law authorizing these appropriations will also make scores of accompanying policy changes, mainly in the realm of employer-employee relations.

Rep. Hodan Hassan (DFL-Mpls) and Senate President Bobby Joe Champion (DFL-Mpls) sponsor the law that largely takes effect July 1, 2023.

A Minnesota Forward Fund will be created with \$500 million to facilitate private investment and jumpstarting Minnesota's economic competitiveness: \$250 million to match federal funds for microelectronic manufacturing; \$100 million to match federal funds for bioindustrial manufacturing; \$75 million for the state competitiveness fund; \$50 million for businesses to match federal funds for nonspecific federal programs; and \$25 million for the Climate Innovation Finance Authority.

The Department of Employment and Economic Development will receive \$693 million to help continue the state's post-COVID-19 recovery, address the workforce shortage, and reduce economic disparities. Of this, \$125.3 million will go toward carrying out the PROMISE Act by empowering the department to make grants and loans to businesses and partner organizations "in communities that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, loss of population or an aging population, or lack of regional economic diversification."

Over 80% of these dollars will be directed toward the Twin Cities metropolitan area, mainly to help recover from the 2020 civil unrest. And \$5 million will be distributed to northern Minnesota counties economically harmed by the closure of the Canadian border during the COVID-19 pandemic.

Five new programs will be established to support small businesses and entrepreneurs: \$12.9 million for the Small Business Assistance Partnerships Program; \$10 million for the Minnesota Expanding Opportunity Fund Program; \$5 million for Launch Minnesota, to spur innovation and grow technology startups; \$5 million for an emerging developer fund program; and \$3 million for a community wealth-building grant program.

Workforce development spending will include: \$50 million in targeted population workforce grants for organizations providing job skills training and businesses that hire and retain people of color; \$20 million for the Drive for Five Initiative; \$14.3 million in additional funding for the Pathways to Prosperity competitive grant program; \$2 million to establish the Getting to Work grant program; and \$1.5 million to establish an Office of New Americans to help immigrants economically integrate into Minnesota.

Explore Minnesota Tourism will have its mission refined to include promoting overall livability and workforce and economic opportunity and see its budget more than doubled to \$62.3 million.

Governmental authorities overseeing employer-employee relations will receive the remaining \$108.6 million, with much of the funding going to the Department of Labor and Industry to bolster workplace safety efforts and implement major regulatory changes.

HF3028/SF3035\*/CH53

## **ENERGY**

### **Transition to renewable energy the target of climate and energy provisions**

While much of the environment, natural resources, climate and energy finance and policy law deals with environmental law and appropriations, it also funds several grant programs to aid the transition to renewable energy sources and upgrade energy efficiency.

They're part of a law sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Fong Hawj (DFL-St. Paul), but the law's energy provisions came from climate and energy finance bills sponsored by Rep. Patty Acomb (DFL-Minnetonka) and Sen. Nick Frentz (DFL-North Mankato).

The law's provisions related to climate and energy establish a biennial budget for the Department of Commerce and the Public Utilities Commission, and govern activities related to clean and renewable energy, with a focus upon reducing the state's greenhouse gas emissions in the energy sector. It establishes and modifies provisions governing energy storage, use and conservation, utility regulation, and Public Utilities Commission proceedings.

All finance provisions take effect July 1, 2023.

The law's climate and energy-related appropriations include \$125.9 million for the Department of Commerce with almost all dedicated to the division of energy resources. That includes \$38.7 million for weatherization and pre-weatherization work; \$16.1 million for the Solar for Schools program; \$15 million to increase the capacity and improve the reliability of a transmission line between North Dakota and Minnesota; \$11.9 million for operating expenses; \$6 million for electric school bus grants; \$6 million for a heat pump rebate program.

The Renewable Development Account is a state-administered fund designed to support renewable energy projects. Xcel Energy pays into the account to store nuclear waste at its Prairie Island and Monticello nuclear power plants. Account funds are typically spent only on projects located within Xcel Energy's electric service territory.

For the 2024-25 biennium, \$72.7 million from the fund will go to the Department of Commerce for a dozen renewable energy projects, including: \$14.3 million for the Solar for Schools program; \$10.7 million for an electric vehicle rebate program; \$10.2 million for distributed energy resource system upgrades; \$7.5 million for grants to the University of St. Thomas Center for Microgrid Research; and \$7 million for electric school bus grants.

And the following state agencies will receive funding from the Renewable Development Account:

- \$4.2 million to the Minnesota Amateur Sports Commission to install solar arrays on an ice rink and maintenance facility at the National Sports Center;
- \$3 million to the Pollution Control Agency for the local climate action grant program; and
- \$872,000 to the Department of Administration for a grant to the University of Minnesota's Institute on the Environment to research how projections of future weather trends may exacerbate conditions; and for costs related to the state building energy conservation improvement revolving loan program.

HF2310\*/SF2438/CH60

## ENVIRONMENT

### **More than \$818 million in legacy dollars to improve to natural and cultural resources**

A new law appropriates money to "protect, enhance, and restore" everything from wildlife habitats to water sources while also devoting funds to preserving arts and cultural heritage and supporting parks and trails.

With revenue raised from the 0.375% sales tax increase ratified by voters in 2008, the law spends \$818.75 million from four funds established by the Clean Water, Land and Legacy Amendment: \$318.4 million from the Clean Water Fund, \$191.95 million from the Arts and Cultural Heritage Fund, \$171.79 million from the Outdoor Heritage Fund, and \$136.61 million from the Parks and Trails Fund.

Rep. Leon Lillie (DFL-North St. Paul) and Sen. Fong Hawj (DFL-St. Paul) sponsor the law.

For various water testing, assessments, and restoration projects — among other things — the Clean Water Fund will distribute \$318.4 million, including \$156.13 million for the Board of Water and Soil Resources; \$48.38 million for the Pollution Control Agency; \$41.68 million to the Department of Agriculture; and \$25.56 million for the Department of Natural Resources.

Moreover, the law will set a goal for all waters to have achieved their designated uses, i.e., to be swimmable, fishable, and drinkable, by 2050.

As the largest recipient of Arts and Cultural Heritage Fund dollars, the State Arts Board will divide most of its \$92.22 million appropriation between arts and art access initiatives, arts education grants, arts and cultural heritage activities and a public art project in St. Paul.

Other major spending includes: \$36.98 million for the Minnesota Historical Society to offer statewide historic and cultural grants, fund statewide history programs, support history partnerships' preservation efforts, conduct a survey of historical and archaeological sites and create a digital library project; \$31.15 million for the Department of Administration, which provides funding to Minnesota Public Radio, the Minnesota Public Television Association, Como Park Zoo, Hmong Plaza, Minnesota Council on Disability, and the Veterans Memorial Park in Wyoming, among others; \$16.46 million for the Minnesota Humanities Center, including grants for children's museums, capacity building and civics education; \$5.75 million for the Department of Education for library grants and a water safety grant program; and \$4.6 million for the Indian Affairs Council to preserve Dakota and Ojibwe languages.

From the Outdoor Heritage Fund: \$97.35 million for habitats; \$33.47 million for wetlands; \$31.92 million for prairies; \$6.57 million for forests; and \$2.49 million for administration.

Most Parks and Trails Fund money will be allocated for three different purposes.

The DNR will receive \$54.1 million for state parks, state recreation areas and state trails to connect people with the outdoors, acquire land, maintain existing facilities, and improve coordination with partners; approximately \$27.05 million will be used for grants for parks and trails of regional significance outside the seven-county Twin Cities metropolitan area; and the Metropolitan Council will receive approximately \$54.1 million for approved projects to support parks and trails within the metropolitan regional parks and trails system.

HF1999\*/SF1682/CH40

### **Environment and natural resources budget sees big boost**

Sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Fong Hawj (DFL-St. Paul) the environment and natural resources finance and policy law provides millions of dollars in onetime spending to address lingering issues and match federal investments.

General Fund spending in the environmental portion of the law totals \$994.2 million for the 2024-25 biennium, an increase of \$670 million. Those appropriations include \$499.7 million to the DNR; \$279.6 million to the Pollution Control Agency; \$120.1 million to the Board of Water and Soil Resources; \$27.5 million to the Minnesota Zoo; \$25.8 million to the Metropolitan Council; and \$9.5 million to the Science Museum of Minnesota.

Among DNR appropriations is a onetime \$110 million appropriation for the Get Out MORE (modernizing outdoor recreation experiences) initiative which aims to update and enhance access to boating and public land, improve fish hatcheries, restore streams, and improve camping infrastructure.

Triannual fees to register a boat will increase by 56% to 151% depending on the size and type of craft. New fees will include \$209 for boats longer than 40 feet; \$85 for all personal watercraft; \$59 for boats between 17 feet and 19 feet; and \$23 for sailboats smaller than 19 feet and kayaks, sailboards, paddleboats, or rowing shells longer than 10 feet.

"Amara's Law" will require information on products containing perfluoroalkyl and polyfluoroalkyl substances to be submitted to the Pollution Control Agency, starting in 2026. It will prohibit the sale of carpets, cleaning products, cookware, cosmetics, dental floss, fabric treatments, children's products, menstrual products, textile furnishings (including upholstered furniture) and ski wax with intentionally added PFAS starting Jan. 1, 2025. By Jan. 1, 2032, no product with intentionally added PFAS may be sold unless the use is determined to be unavoidable.



The law includes scores of policy provisions addressing longstanding and emerging issues faced by the DNR, Pollution Control Agency and Board of Water and Soil Resources, including having the Pollution Control Agency address odor complaints in the metropolitan area; barring new permits for farming white-tail deer; and allowing farmers to scare, chase or harass deer and elk outside of hunting season if the animals are damaging crops.

HF2310\*/SF2438/CH60

## **HEALTH AND HUMAN SERVICES**

### **Anti-violence protections, loan forgiveness expanded for health care workers**

The “Nurse and Patient Safety Act” aims to address working conditions of health care workers. And many provisions of a new law target the acute shortage of nurses seen across the state.

Effective July 1, 2023, incident response action plans will be required at all hospitals to combat the rising violence against health care workers.

Additionally, the health professional education loan forgiveness program will expand to include direct care nurses at nonprofit hospitals. Over \$10.6 million will be set aside to forgive loans for the newly eligible workers, per an appropriation that traveled in the health finance law.

The Health Department is to produce a report on the status of the state's nursing workforce. It must include why licensed nurses are leaving direct care positions at hospitals; information on retention by hospitals of licensed nurses; and reasons licensed nurses are choosing not to renew their licenses and leave the profession altogether.

Rep. Sandra Feist (DFL-New Brighton) and Sen. Erin Murphy (DFL-St. Paul) sponsor the law.

HF1522/SF1384\*/CH75

### **\$14 billion human services finance law includes numerous rate increases**

For disability, aging, and behavioral health services, as well as opioid overdose prevention and opiate epidemic response, the human services finance law will appropriate \$14.06 billion over the 2024-25 biennium, \$1.35 billion of which is new spending.

Rep. Mohamud Noor (DFL-Mpls) and Sen. John Hoffman (DFL-Champlin) sponsor the law that includes provisions taking effect July 1, 2023.

Most of the budget, \$12.32 billion, will go to forecasted program spending, including: \$12.02 billion for medical assistance; \$194.8 million for the behavioral health fund; \$101.42 million for alternative care; \$2.38 million for housing support; and \$100,000 for MinnesotaCare.

The law will modify critical access nursing facility adjustments, allowing for a supplemental payment above a facility’s operating payment rate, effective July 1, 2023, or upon federal approval, whichever is later.

Under the consumer-directed community supports option for personal assistance services, the number of weekly hours the parent of a minor can be paid to provide will double from 40 to 80 when more than one parent provides the service and 60 hours for only one parent or a spouse. The same increase will go into effect for parents and spouses providing community first services. These provisions will be effective July 1, 2023, or upon federal approval, whichever is later.

Several locations will need to maintain a supply of opiate antagonists, such as school districts at each school, community corrections programs at each correctional site, licensed substance use disorder treatment programs for emergency treatment, and site-based or group housing support settings.

The Department of Human Services will establish a voluntary, statewide opioid overdose surge text message alert system “to prevent opioid overdose by cautioning people to refrain from substance use or to use harm reduction strategies when there is an overdose surge in their surrounding area.”

HF2847/SF2934\*/CH61

### **Health law provides \$1.78 billion in new overall spending**

Addressing health care affordability and delivery, health disparities and reproductive health care protections, including repealing numerous abortion regulations, a health finance law will also appropriate \$9.34 billion — \$1.78 billion in new spending — during the 2024-25 biennium.

Nearly \$8.5 billion will go to the Department of Human Services while \$849.63 million will reach the Department of Health.

Sponsored by Rep. Tina Liebling (DFL-Rochester) and Sen. Melissa Wiklund (DFL-Bloomington), parts of the new law take effect July 1, 2023.

New spending includes \$316.1 million for Great Start compensation support payments; \$146.43 million for the Child Care Assistance Program maximum rate update; \$100 million for emergency shelter grants; \$68.82 million to transition to standard medical assistance and MinnesotaCare eligibility functions; \$42.54 million for child care stabilization grants transition payments; \$4.36 million to establish the Office of African American Health; \$4.18 million to establish the Office of American Indian Health; and \$3.6 million for a 988 suicide and crisis lifeline.

For admissions occurring on or after July 1, 2023, the law will modify long-term hospital rates by requiring payments to be the higher of the per diem amount under existing methodology or the cost-based methodology currently applicable to critical access hospitals.

Among new groups the Health Department is to establish include: a center for health care affordability, which among other duties must report on federal 340B program drug spending and reimbursement issues; a cultural communications program that advances culturally and linguistically appropriate communication services for communities most impacted by health disparities; Office of African American Health; Office of American Indian Health; a labor trafficking services grant program to provide comprehensive, trauma-informed, and culturally specific services for victims of labor trafficking or labor exploitation; and an annual grant program “to award infrastructure capacity building grants to help metro and rural community and faith-based organizations serving people of color, American Indians, LGBTQIA+ communities, and people living with disabilities in Minnesota who have been disproportionately impacted by health and other inequities to be better equipped and prepared for success in procuring grants and contracts at the department and addressing inequities.”

A family, friend, and neighbor grant program is to be established by the Human Services Department “to promote children's social-emotional learning and healthy development, early literacy, and other skills to succeed as learners and to foster community partnerships that will help children thrive when they enter school.”

The department is also to develop a diaper distribution program to award grants “to provide diapers to under resourced families statewide,” and a prepared meals grant program “to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, age, or limited resources to prepare their own meal.”

HF2930/SF2995\*/CH70

## **HIGHER EDUCATION**

### **Funding grows for higher education institutions, financial aid programs**

The higher education policy and finance law increases General Fund appropriations by \$650 million for Minnesota State, University of Minnesota, Office of Higher Education and the Mayo Foundation’s medical education programs.

Sponsored by Rep. Gene Pelowski, Jr. (DFL-Winona) and Sen. Omar Fateh (DFL-Mpls), it contains \$1.87 billion in the 2024-25 biennium for Minnesota State and \$1.51 billion for the University of

Minnesota: \$292.9 million and \$125.2 million increases respectively. Office of Higher Education funding will increase \$231 million, while the Mayo Clinic will see an \$896,000 increase.

The law also establishes an Inclusive Higher Education Technical Assistance Center; creates a direct admissions program; provides aid to postsecondary institutions for unemployment insurance; and establishes a student basic needs working group.

The largest portion of the increased Office of Higher Education funding is \$117.9 million for the “North Star Promise” program, which will provide free tuition to the state’s public colleges and universities for qualifying students from families making \$80,000 or less annually.

The state grant program will receive a \$38.8 million increase, including more funding for students’ living and miscellaneous expenses, and simplification and federal conformity for the program. And a scholarship program that will provide free tuition for qualifying Indigenous students at the state’s public postsecondary institutions will receive \$17 million.

Among the Minnesota State appropriations, changes include an additional: \$75 million for a tuition freeze for undergraduate degree-granting programs; \$50 million in onetime campus support; \$13.5 million for upgrades in equipment and learning environments; \$13.5 million to develop and expand industry sector programming and work-based learning experiences; \$6.3 million for high-need student support services.

The University of Minnesota’s increases include: \$10 million for systemwide safety and security; \$10 million for University of Minnesota Medical School programs and scholarships on the CentraCare Health System Campus in St. Cloud; \$4 million for the Natural Resources Research Institute; \$732,000 for unemployment insurance aid; and \$484,000 for free menstrual products.

Additional Mayo Foundation funds will support the Mankato residency program recently acquired from the University of Minnesota and increase funding for its Rochester program.

The law establishes several new programs, most prominently the North Star Promise financial aid program, making attendance at public postsecondary institutions free for students whose families make under \$80,000 per year. The scholarships are designed to cover the tuition and fees charged by an institution after deducting other grants and scholarships received. For the first three years of the program, surplus funds may be used to match students’ Pell grants up to 50%.

It also places a pilot program into statute: providing qualifying Minnesota high school seniors automatic conditional admission to public colleges and universities. The law also creates a program to provide tuition- and fee-free undergraduate education to American Indian students at public postsecondary institutions; establishes a paramedic scholarship program within the Office of Higher Education; requires Minnesota State and requests that the University of Minnesota provide students access to free menstrual products; amends the cap on state grant awards from eight full-time semesters to 180 total credits, and extends the deadline for state grant applications; and prioritizes applicants for teacher shortage loan repayment eligibility based on race or ethnicity.

HF2073\*/SF2075/CH41

## HOUSING

### **Budget funds support programs for a host of housing hardships**

From state rental assistance to homelessness prevention to homeownership opportunities, a new law will fund assistance to challenges across the housing continuum. Rep. Michael Howard (DFL-Richfield) and Sen. Lindsey Port (DFL-Burnsville) are the sponsors.

The law will appropriate \$1.07 billion to the Minnesota Housing Finance Agency over the 2024-25 biennium, split to assist homeless people, struggling renters, and aspiring homeowners. Additionally,

the state's housing agency will have expanded bonding authority and may issue up to \$30 million of housing infrastructure bonds.

Including in the funding is \$200 million onetime for the housing infrastructure program, some of which may go toward supportive housing for people without permanent residence; \$120.85 million for the Economic Development and Housing Challenge Program to fund the development of affordable rental housing; \$100 million to establish the community-based first-generation homebuyers downpayment assistance program as a pilot project; \$90 million onetime to establish the community stabilization program to preserve naturally occurring affordable housing; \$65.54 million for the Family Homeless Prevention and Assistance Program, which received an additional \$50 million in a different 2023 law; \$51.77 million for the homeownership assistance program; and \$50 million onetime to establish the first-generation homebuyers down payment assistance fund.

Among its policy provisions, cities with populations over 20,000 will be required to report to the state fire marshal a list of buildings with housing units at least 75 feet above fire department vehicle access that lack sprinkler systems by June 20, 2024. Updated lists are to be provided by June 30, 2027, and June 30, 2032.

HF2335\*/SF2566/CH37

## **MILITARY AND VETERANS AFFAIRS**

### **New law funds veterans and military affairs departments**

New veterans' homes in Bemidji, Montevideo and Preston due to open in 2023 will receive a combined \$20.06 million for startup costs, under a new law.

Sponsored by Rep. Jerry Newton (DFL-Coon Rapids) and Sen. Nicole Mitchell (DFL-Woodbury), the law includes \$378.68 million in net General Fund spending from fiscal years 2023-25 – an increase of \$132.15 million. That includes \$90.06 million for the Department of Veterans Affairs and \$39.14 million for the Department of Military Affairs.

Other major new spending in the law includes \$33.23 million to the VA for an operating adjustment; \$17.6 million to build an Army Combat Fitness Test Field House in Arden Hills for soldiers to train for the tests they must pass to maintain physical readiness; \$15 million for service bonuses to post-9/11 veterans; \$14.06 million to design and build the Minnesota Military Museum at Camp Ripley; and \$3 million for enlistment and retention bonuses.

The Minnesota National Guard will receive \$1.53 million to staff Holistic Health and Fitness initiatives the U.S. Army has adopted and invested heavily in as a core part of its physical training program, and there is \$1.11 million for the Guard to create a Cyber Coordination Cell to staff its cyber initiatives and work with other state and federal agencies to plan for and respond to cyber incidents.

The law also establishes a Veteran Domiciliary Resident Quality of Care Working Group to analyze the acuity of domiciliary residents and their current care model to provide recommendations on issues such as training, staffing levels, management structure and whether the resident care being offered is "appropriate and adequate." A report is due to the Legislature by Jan. 15, 2024.

HF1937\*/SF2247/CH38

## **PUBLIC SAFETY**

### **Law funds public safety and judiciary**

The state's public safety, judiciary, and corrections departments and agencies will receive \$3.56 billion in the 2024-25 biennium. Rep. Kelly Moller (DFL-Shoreview) and Sen. Ron Latz (DFL-St. Louis Park) sponsor the law, of which some provisions take effect July 1, 2023.

The public safety and judiciary finance and policy law includes \$880 million in combined net General Fund increases during the 2024-25 biennium including funding for the Department of Public Safety, Department of Corrections, Minnesota courts, civil legal services, Guardian ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Department of Human Rights, and Peace Officers Standards and Training Board.

District court judges will get 8% pay raises in fiscal year 2024 and 4% in fiscal year 2025. The compensation pool is increased so judicial employees could receive performance-based raises of 9% in fiscal year 2024 and 6% in fiscal year 2025.

Specific Department of Corrections appropriations include \$1.09 billion for incarceration and prerelease services, \$380.9 million for community supervision and post-release services, \$147.9 million for operations, and \$2.2 million for the ombudsperson for corrections.

The new law significantly curtails when a judge can issue a no-knock search warrant, only permitting it when a search cannot be executed while the premises is unoccupied and “the occupant or occupants of the dwelling will present an immediate threat of death or injury to the officers executing the warrant if the officers announce their presence or purpose prior to entering the dwelling.” Judges could previously approve no-knock warrants under certain conditions, such as when police could demonstrate an inability to detain a suspect or collect evidence through a knock-and-announce warrant.

Funded at nearly \$1.25 million each year, an Office for Missing and Murdered Black Women and Girls is established and “dedicated to preventing and ending the targeting of Black women and girls.”

An Office of Restorative Practices is established to, in part, promote the use of restorative practices across multiple disciplines, including pretrial diversion programs and community violence prevention practices, and award grants to establish and support restorative practices initiatives. For establishment, \$500,000 is allotted each year.

A Clemency Review Commission, funded at \$986,000 each year, is created to screen petitions to the Board of Pardons and make disposition recommendations to the board.

Prisoners will be provided free phone calls, and the state, instead of counties, will pay for medical examination costs for criminal sexual conduct victims.

HF2890/SF2909\*/CH52

## STATE GOVERNMENT

### **Sizable pension and retirement funding investment**

A large state investment aims to help ensure state pensions remain healthy and strong, in part, by buying down unfunded liabilities.

Sponsored by Rep. Kaohly Vang Her (DFL-St. Paul) and Sen. Nick Frentz (DFL-North Mankato), a new law checks in at \$600 million in one-time funding — including \$485.9 million in fiscal year 2024 for the state pension plans and \$100 million associated with a duty disability law enacted in 2023.

A one-time, non-compounded cost of living adjustment will be a benefit to all members of the statewide pension plans and the St. Paul Teachers Retirement Fund Association in a lump sum by March 31, 2024. To be eligible, retirees must have received at least 12 months of pension payments as of June 30, 2023; for Police and Fire PERA plan enrollees the threshold is 12 months of a COLA.

Additionally, \$5 million will go to the PERA Statewide Volunteer Firefighter Plan to start an incentive program for volunteer firefighter relief associations to join the statewide plan. And \$100,000 in fiscal year 2024 is directed to the Legislative Commission on Pensions and Retirement to provide funding for additional independent actuarial cost assessments for the commission to make informed decisions on pension policy and legislation.

Other law provisions include reducing the rate of actuarial assumption for investment return from 7.5% to 7% for all state pension plans; reducing employee contributions to the Minnesota State Retirement System General and Unclassified plans from 6% of pay to 5.5% of pay during the 2024-25 biennium; reducing from five to three the years of service required for full vesting for members of the MSRS and PERA general plans to put them on the same vesting schedule as the teacher plans; revising the expiration date for supplemental employer contributions to the MSRS Correctional Plan and the State Patrol Plan and the annual state aid of \$6 million to the Judges Plan, essentially extending each for three years; and revising the COLA for PERA correctional plans to restore the 2.5% cap if the funded status improves.

HF3100\*/SF3162/CH45

### **Trio wrongly imprisoned, handful of others, to get relief via claims law**

A joint House-Senate Subcommittee on Claims annually decides which claims against the state it should fund.

This year's law calls for nearly \$1.16 million in Fiscal Year 2024 payments, including a combined \$866,679 to three people seeking relief under the Imprisonment and Exoneration Remedies Act that provides a compensation process in cases where a person was exonerated of a felony for which they were wrongfully incarcerated.

The awards are:

- \$810,431.86 to Terrell Buechner who was convicted of an unrelated crime and wrongly required to register as a predatory offender, but, nonetheless, pled guilty three times for failing to register. Improperly on the registration list for more than 14 years, Buechner spent more than eight years in prison;
- \$240,000 to Joe Vento who spent 529 days in prison, but the statute he was charged under was later found to be unconstitutional; and
- \$56,008.26 to Ronald Fairbanks who, due to "substantial cognitive and memory deficiencies" didn't knowingly violate the failure to register statute.

Sponsored by Rep. Luke Frederick (DFL-Mankato) and Sen. Jim Carlson (DFL-Eagan), the law also contains payments related to personal injury claims against the Department of Corrections: \$43,200 for a minimum ascertainable partial permanent disability award to James Vandevender for permanent brain injuries from an assault sustained while performing assigned duties at the Rush City facility; \$3,940 to Nicholas Edwards for a partial amputation of his right index finger that was crushed by a grommet machine while performing assigned duties at the Moose Lake facility; \$2,968 to reimburse the department for claims under \$7,000 and other claims already paid by the department for injuries under the community service or sentence-to-service programs; and \$520.08 to Jeron Falkner for permanent injuries to his left thumb while performing assigned duties at the Stillwater prison.

HF3288\*/SF3308/CH56

### **Plethora of policy, funding changes for state and local governments**

State and local government policy, along with funding state government are in one new law.

Rep. Ginny Klevorn (DFL-Plymouth) and Sen. Erin Murphy (DFL-St. Paul) sponsor it, which includes various provisions that take effect July 1, 2023.

The law calls for \$1.53 billion in net General Fund 2024-25 biennial spending, \$410 million over base. It includes additional spending for the state's constitutional offices, more than 30 boards, agencies and councils, and the Administration and Revenue departments. Much of the increase is to maintain current levels of service.

When it comes to legislative spending, the law provides a \$75.44 million increase over base: \$49.9 million for the Legislative Coordinating Commission, including \$23.21 million for IT upgrades, \$14 million for a new bill drafting system for the Office of the Revisor of Statutes, and nearly \$10.46 million in operating adjustment; \$15.74 million for the House; and \$9.8 million for the Senate. These latter two include \$3,500 member pay increases as recommended by the Legislative Salary Council. House members daily per diem will also increase from \$66 to \$86 to match senators.

Funding increases for the constitutional officers include: \$37.8 million for the attorney general's office, \$11.2 million for the governor's office, \$6.22 million for the secretary of state's office for more than a dozen purposes, and \$5.03 million for the state auditor's office.

Minnesota IT Services is to receive an additional \$127.9 million in one-time funding, including \$40 million to modernize targeted applications to improve user experiences with digital services provided by state agencies, almost \$33.6 million for executive branch cloud transformation, \$32.88 million for cybersecurity enhancements, and \$600,000 to support accessible government in Minnesota. A structure will be created to allocate \$5.73 million in local government cybersecurity grants.

Among policy changes:

- the electrolier hanging in the Capitol Rotunda will be lit on days the Legislature meets in regular or special session and at other special events when requested jointly by the House and Senate;
- a Working Group on Youth Interventions is established "to develop recommendations on the design of a regional system of care for youth interventions, sustainable financing models, and alternatives to criminal penalties";
- creation of a Legislative Task Force on Aging to review and develop state resources for an aging demographic; identify and prioritize necessary support for an aging population through statewide and local endeavors for people to remain in their communities; and ensure all aging-related state policies are inclusive of race, gender, ethnicity, culture, sexual orientation, abilities, and other characteristics that reflect the full population of the state";
- requiring the Administration Department to review unique issues of small agencies and examine if the current support model is adequate;
- a city can allow a private property owner, authorized agent, or occupant to install and maintain a managed natural landscape;
- eliminating legislative approval of collective bargaining agreements between the state and unions;
- designating the Bill and Bonnie Daniels Firefighters Hall and Museum in Minneapolis as the state fire museum; and
- designating information and technology systems and services infrastructure as critical infrastructure, and the governor can declare a peacetime emergency in response to a cyberattack.

HF1830\*/SF1426/CH62

## TRANSPORTATION

### **Increases in funding, fees and taxes all part of transportation law**

A big boost in funding across all modes of transportation and new sources of revenue to operate and maintain the system are key parts of the transportation finance and policy law, some of which kicks in July 1, 2023.

It appropriates \$8.8 billion in the 2024-25 biennium, including \$7.85 billion for the Department of Transportation, \$579.47 million for the Department of Public Safety, and \$230.23 million for the Metropolitan Council.

Rep. Frank Hornstein (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls) are the sponsors.

Among the MnDOT appropriations are \$4.46 billion for state roads; \$2.46 billion for local roads; \$488 million for agency management, which includes money to match federal discretionary grants; and \$440.3 million for multimodal systems, including rail and air transportation.

While most of the law's spending comes from dedicated user funds, such as the gas tax and the motor vehicle registration tax, the law includes \$1.35 billion in net biennial General Fund spending, which is \$1.08 billion over base. The General Fund spending is primarily onetime, as the increase over the base for the out years — the 2026-27 biennium — amounts to \$130,000.

Onetime General Fund appropriations over base include \$216.4 million to match discretionary grants under the federal Infrastructure Investment and Jobs Act; \$194.7 million in state monies for the Northern Lights Express passenger rail between Duluth and the Twin Cities (the federal government is anticipated to cover the other 80% of project costs) as well as money to expand Amtrak operations in the Twin Cities-Milwaukee-Chicago corridor; \$120.7 million for various specified transportation projects; \$50 million to extend the Blue Line light rail from Target Field to Brooklyn Park (all but \$10 million is contingent upon entering a full-funding grant agreement with the Federal Transit Administration); and \$40 million for transit in Greater Minnesota.

The law also provides dedicated funds for small cities, appropriates money for a new state patrol helicopter and airplane (using Trunk highway Fund dollars), a MnDOT utility aircraft, and offers a total of \$4 million for an electric bicycle rebate program available through June 30, 2026.

The legislation creates a transit rider investment program to address ridership and safety concerns, especially on light rail. TRIP personnel will check fares, offer assistance, issue administrative (instead of criminal) citations, administer naloxone, and act as a social services liaison. The law also reduces the penalty level to a petty misdemeanor for some fare and transit violations.

HF2887\*/SF3157/CH68