

House Research Act Summary

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Analyst: Various analysts (see individual articles)

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Article 1: Summary

Summarizes direct general fund appropriations and transfers into the general fund.

Article 2: E-12 Education

Tim Strom (651-296-1886)

- 1 **Developmental screening aid.** Increases developmental screening amounts: the reimbursement rate for three year olds is raised from \$50 to \$75; the reimbursement rate for four year olds is increased from \$40 to \$50; and the reimbursement rate for five or six year olds screened prior to kindergarten is increased from \$30 to \$40.
- 2 **Teachers' and administrators' licenses; fees; licensure via portfolio.** Allows a qualified candidate to use the licensure via portfolio to obtain an initial license or add a licensure field. Specifies portfolio content requirements for candidates seeking an initial license and for teachers seeking to add a licensure field.

Requires a candidate to pay a \$300 fee for the first portfolio submitted and a \$200 fee for each subsequent portfolio submitted. Directs the Board of Teaching to deposit revenue from fees into a specified state account. Allows the Board of Teaching to waive or reduce fees based on candidates' need.
- 3 **Debt service equalization aid.** Modifies the fixed, standing appropriation for debt service equalization aid to match February 2008 forecast levels.
- 4 **Alternative facilities qualifications.** Authorizes a school district that qualified for alternative facilities revenue on July 1, 2007, to remain qualified for revenue under the program regardless of the school district's total square footage of building space.
- 1 5 **Bonds for certain capital facilities.** Includes "modifying buildings and equipment for security" in the list of uses for bonds. Increases the bond payoff time from 10 years to 15 years.
- 6 **Pupils in adjoining states.** Creates an alternative method for transferring revenue between Minnesota school districts and non-Minnesota school districts for cross-border open enrolled students.
- 7 **Tuition payments.** Amends the current K-12 tuition payment statute to include an option for negotiated K-12 reciprocity agreements between Minnesota and neighboring states. Requires all payments for cross-border students to be made under the reciprocity statute if the state has entered into a reciprocity agreement with a neighboring state.
- 8 **Effective if reciprocal.** Eliminates the existing applicability language specific only to the state of South Dakota.
- 9 **Appeal to the commissioner.** Modifies the authority for the commissioner to set a tuition rate for cross-border open enrolled students in cases where no K-12 tuition reciprocity has been established. Modifies the current process that authorizes a parent to appeal a tuition amount established by a school district to the commissioner of education by changing the commissioner's role from agreeing to a tuition rate to setting the tuition rate.
- 10 **Reciprocity with adjoining states.**

Subd. 1. Agreements. Authorizes the Minnesota commissioner of education to enter into an agreement with the designated authority from an adjoining state to

establish an enrollment options program. Requires the agreement to:

- apply only to students who are not residents of Minnesota who live in adjoining states;
- set negotiated and equal reciprocal tuition amounts;
- adjust revenue amounts between states based on the number of students from each state attending school in the other state;
- establish application procedures;
- list any reasons why an applicant student from another state may be denied enrollment in the serving state; and
- ensure that no Minnesota district is responsible for providing transportation to a resident student who attends school in another state.

Subd. 2. Pupil accounting. Requires Minnesota school districts to include a cross-border nonresident student in their pupil counts as if the student were a non-resident student from another Minnesota school district. Allows Minnesota school districts to count resident students who attend school in an adjoining state in the Minnesota district's resident pupil count in the same manner as in-state open enrollment students.

Subd. 3. Procedures. Grants the Department of Education authority to collect data and transfer payments according to this section. Applies the K-12 reciprocity statute to all transfer of students between participating states. Allows aid payments to be made under section 127A.45. Creates an exemption from this process to a school district in another state that has fewer than 150 pupils if that state also grants the same exemption (this exemption is intended to avoid triggering a mandatory school consolidation statute in a neighboring state).

- 11 Reciprocity exception.** Creates an exemption to the tuition payments statute in cases where students are transferring between adjoining states according to the new K-12 tuition reciprocity statute.
- 12 Reimbursement.** Increases the reimbursement rate for each half-pint of milk provided to kindergarten pupils from 14 to 20 cents.
- 13 State advisory council on early childhood education and care.** Adds six members to the state advisory council on early childhood education and care, including one member appointed by the speaker, one by the house minority leader, two members named by the senate subcommittee on committees of the committee on rules and administration, and two members who are parents of a child under the age of six. Charges the task force with fulfilling the duties under the federal Improving Head Start for School Readiness Act of 2007. Specifies the additional duties of the council. Allows the council to use up to \$12,500 from federal child care and development fund administrative funds aid up to \$12,500 from prekindergarten exploratory project funds to reimburse parents on the council, and to pay for technical assistance and administrative costs of the council.
- 14 State total adult basic education aid.** Modifies the growth factor by which the state total adult basic aid increases each year from the growth in program contact hours over the two most recent years to a ten-year average growth rate. Keeps the state total aid amount

growth limited to not more than three percent in any one year.

- 15 **General education development (GED) test fees.** Increases from \$20 to \$40 the maximum amount of the GED test fee that the commissioner may pay for an individual to take the GED test.
- 16 **Unreimbursed costs.** Authorizes the Minnesota State Academies for the Deaf and Blind to charge back to each student's resident school district the unreimbursed costs of behavioral management aides. Authorizes the state academies to keep reimbursements made by school districts during fiscal year 2007.
- 17 **Third party billing; Minnesota State Academies.** Directs the Minnesota State Academies to seek reimbursement from third parties for the cost of those services the academies provide that are covered by a child's public or private health plan.
- Makes this section effective for revenue for fiscal year 2008.
- 18 **Special education initial aid.** Includes the salaries of behavioral management aides employed by the state academies in the regular special education formula.
- 19 **Adjustments for tuition reciprocity with adjoining states.** Adjusts Minnesota's special education appropriations cap to reflect the transfers of special education tuition payments to and from adjoining states. Authorizes the receipt and disbursement of special education payments from and to adjoining states according to the K-12 reciprocity agreement with that state.
- 20 **Transition revenue.** Adds a new component to transition revenue to factor in any changes in general education revenue due to the K-12 reciprocity agreement replacing a tuition billing agreement.
- 21 **Transition for tuition reciprocity.** Sets the new tuition reciprocity transition revenue component equal to the loss in revenue for a Minnesota school district because of the K-12 reciprocity process agreement replacing the tuition billing between the Minnesota school district and the school district in the adjoining state.
- 22 **Referendum revenue.** Modifies the notice requirement for language that must appear on a ballot to renew a school district operating referendum levy, replacing the words "you may be voting for a property tax increase" with "...you are voting to extend an existing property tax referendum that is scheduled to expire." Makes the change effective for elections conducted after June 30, 2008.
- 23 **To lease building or land.** Increases the maximum allowable lease levy amount from \$100 to \$150 times the district's resident pupil units. Increases the lease levy amount for members of an intermediate school district from \$25 to \$43 times the adjusted marginal cost pupil units of the district.
- 24 **Safe schools levy.** Requires the additional safe schools levy authority of \$3 per pupil unit that was added by the 2007 Legislature to be used only for expanding the availability of licensed school support staff.
- 25 **Ice arena levy.** Increases the amount a district may levy from 90 percent to 100 percent of the net actual costs of operation of the arena for the previous year.
- 26 **Application of limiting tax legislation.** Adds intermediate school districts to the authority to engage in tax and aid anticipation borrowing.
- 27 **Limitations.** Clarifies a reference to school district fiscal years.
- 28 **Intermediate school districts.** Specifically authorizes an intermediate school district to borrow against its expected receipt of state aids, federal aids, and membership fees and tuition payments from its member districts. Allows the intermediate school district, upon its member district approval, to amend its bylaws to allow it to pledge the full faith and credit of its member districts to repay the short-term borrowing of the intermediate school district.
- 29 **Enabling resolution; form of certificates of indebtedness.** Adds intermediate school

districts to the authority to issue certificates of indebtedness for cash flow borrowing.

30 State payment of debt obligation upon potential default. Extends the state guarantee of school district debt to intermediate school districts. Restores language in subdivision 4a that was inadvertently repealed in 2003 that allows the state to recapture aid payments if a school district defaults on state-guaranteed bond payments.

31 Payments to third parties. Includes K-12 tuition reciprocity payments in the statute that requires the state to make current year aid payments to third parties.

32 Abatements. Makes a technical change by removing an erroneous cross-reference.

33 Excess tax increment. Makes a technical change by removing an erroneous cross-reference.

34 AP/IB/concurrent enrollment appropriation. Authorizes the FY 2008 appropriation for AP/IB and concurrent enrollment programs to carry forward into FY 2009.

35 Collaborative urban educator appropriation. Corrects an erroneous cross-reference.

36 College level examination program appropriation. Reduces the appropriation for the college level examination program from \$1,650,000 to \$850,000 for FY 2008 and from \$650,000 to \$500,000 for FY 2009.

37 Special education task force report. (a) Extends the term of the special education task force to February 15, 2009. Directs the task force to submit a report to the legislature recommending how state statutes and rules that exceed minimum federal requirements might be amended to conform to federal requirements or made more effective as determined by a majority of task force members. Directs the task force to recommend rules governing aversive and deprivation procedures by school district employees or persons under contract with a school district.

(b) Replaces the education department member of the task force representing regulators with a parent advocate selected by a statewide organization that advocates on behalf of children with disabilities.

(c) Directs the education department to provide technical assistance upon request.

Makes this section effective immediately.

38 Special education task force appropriation. Amends the special education task force appropriation to include an additional \$20,000 for task force activities in fiscal years 2008 and 2009.

39 Fiscal year 2007 replacement aid. Allows the Plainview-Elgin-Millville school district to make a levy adjustment of \$6,600 included as part of the district's property taxes for taxes payable in 2009, to replace revenue lost to a community education fund balance penalty.

40 Traditional school breakfast; kindergarten milk appropriation. Increases the school milk appropriation to pay for the higher formula amount (20 cents per carton) and corrects the appropriation to match the February 2008 Forecast.

41 Appropriations; Department of Education. Reduces the fiscal year 2009 appropriation to the Minnesota Department of Education by 4 percent (from \$22.653 million to \$21.761 million) and adds \$50,000 for certain costs associated with examining educational achievement levels of low-income students and students of color.

42 Health and development screening aid. Modifies the appropriation for health and development screening aid to match the higher formula amounts in section 1 and adjusts the appropriation to match the February 2008 forecast.

43 Flood total appropriation for schools. Modifies the total appropriation made to the commissioner of education for payments to school districts adversely affected by the August 2007 floods to fit the actual amounts expended.

- 44 **Flood appropriations; Rushford-Peterson.** Modifies the appropriations rider language that set aside \$250,000 for a disaster relief facilities grant to the Rushford-Peterson school district to reflect the amount actually spent on facilities repairs.
- 45 **Disaster relief facilities grants to other districts.** Reduces the appropriation available for disaster relief facilities grants to other school districts from \$90,000 to \$14,000 (this is the amount that was actually disbursed under this clause).
- 46 **Fund transfers.**
- Subd. 1. Capital account transfers.** Allows any school district on June 30, 2008, to transfer up to \$51 per pupil unit from its reserved for operating capital account to its undesignated general fund balance. Requires the school board to adopt a written resolution stating the amount of the transfer and declaring that the district's operating capital needs are being met prior to making the transfer.
- Subd. 2. Balaton.** Authorizes Independent School District No. 411, Balaton, to transfer up to \$70,000 from its reserved for operating capital account to its undesignated general fund balance.
- Subd. 3. East Central.** Authorized Independent School District No. 2580, East Central, to transfer up to \$300,000 from its reserved for operating capital account to its undesignated general fund balance.
- Subd. 4. Hills Beaver Creek.** Paragraph (a) authorizes Independent School District No. 671, Hills-Beaver Creek, to transfer up to \$260,000 from its disabled accessibility fund to its undesignated general fund balance without making a levy reduction.
- Paragraph (b) authorizes Independent School District No. 671, Hills-Beaver Creek, to transfer up to \$100,000 from its reserved for operating capital account to its undesignated general fund balance without making a levy reduction.
- Subd. 5. Rocori.** Authorizes Independent School District No. 750, Rocori, to transfer up to \$82,000 from its disabled accessibility fund to its undesignated general fund balance without making a levy reduction.
- 47 **Onetime general education revenue increase.** Adds an amount to each district's general education revenue, for fiscal year 2009 only, equal to \$51 per pupil unit.
- 48 **Priority for new participants in the Alternative Teacher Compensation Program.** Authorizes continuation of participation in the Alternative Teacher Compensation Program for FY 2009 and FY 2010 to those districts that were previously participating in the program or that had an application pending as of March 20, 2008. Allows school sites, districts, and charities to apply after March 20, 2008, but prioritizes revenue so that total new applicants cannot exceed \$11.4 million in FY 2009 and an added \$2.9 million more in FY 2010. Reverts to the existing revenue formula for FY 2011 and later.
- 49 **Virginia school district; emergency repairs.** Authorizes the Virginia school district to levy up to \$100,000 for emergency facility repairs. Authorizes the school district to recognize the full amount of the levy proceeds in fiscal year 2009.
- 50 **Equalizing factors.** Directs the commissioner to adjust the referendum market value equalizing factor to reflect any changes in the definition of referendum market value made by the 2008 Legislature.

Appropriations.

Subd. 1. Department of Education. Appropriates the sums indicated in the following subdivisions from the general fund to the commissioner of education for the years designated.

Subd. 2. Additional general education aid. Appropriates an additional \$26.8 million from the general fund for general education aid.

Subd. 3. Rushford-Peterson. Appropriates \$158,000 for a grant to Independent School District No. 239, Rushford-Peterson, for declining pupil aid and transportation costs associated with the August 2007 floods.

Subd. 4. Lancaster. Appropriates \$100,000 for a grant to Independent School District No. 356, Lancaster, to replace the district's lost sparsity aid.

Subd. 5. Principal's Leadership Institute. Appropriates \$275,000 for a grant to the Principal's Leadership Institute under section 122A.74.

Subd. 6. Licensure by portfolio. Appropriates \$17,000 to the Board of Teaching for costs associated with licensing teachers by portfolio.

Subd. 7. Minnesota Humanities Commission. Appropriates \$275,000 in fiscal year 2009 to the Minnesota Humanities Commission.

Repealer.

Repeals section 126C.21, subdivision 1 (Permanent School Fund and Offset) for fiscal year 2010 and later.

Repeals section 127A.45 subdivision 7a (Advance Final Payment).

Repeals Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3 (Independent School District No. 238, Mabel-Canton) and 4 (Independent School District No. 294, Houston).

Article 3: Education Forecast Adjustments

Tim Strom (651-296-1886)

An appropriations deficiency occurs when the appropriation in law is smaller than the amount necessary to fully fund the program. For the last several years, the legislature and the executive branch have operated under a series of budget principles that require the legislature to fully fund programs and for the forecast to reflect the full cost of these programs.

This bill makes corrections to appropriations for fiscal years 2008 and 2009 to reflect the February 2008 forecast of spending. These appropriations are already included in the February 2008 Forecast of base expenditures.

Appropriations that are modified in this bill to match the February 2008 Forecast aid estimates include:

1. general education aid;
2. referendum tax base replacement aid;
3. enrollment options transportation;
4. abatement aid;
5. consolidation transition aid;
6. nonpublic pupil aid;
7. nonpublic pupil transportation aid;
8. charter school building lease aid;
9. integration aid;
10. aid for tribal contract schools;
11. aid for children with disabilities;
12. travel for home-based services;
13. health and safety aid;
14. debt service equalization aid;
15. deferred maintenance aid;
16. school technology and operating capital grants;
17. school lunch aid;
18. school breakfast aid;
19. Early Childhood Family Education aid;
20. school readiness aid;
21. health and developmental screening aid; and
22. community education aid.
23. adults with disabilities program aid; and
24. adult basic education aid.

Article 4: Higher Education

Kathy Novak (651-296-9253)

- 1 Summary of appropriations.** Makes appropriations and reductions to the Office of Higher Education, the Minnesota State Colleges and Universities (MnSCU) and the University of

Minnesota, which are reduced a total of \$21.561 million for the 2008-2009 biennium.

- 2 **Appropriations.** Provides that additions and reductions in appropriations are from the amounts in the 2007 higher education finance bill.
- 3 **Office of Higher Education.** Reduces FY 2009 appropriations \$1.4 million, with \$1 million from the Minnesota Colleges Savings Plan and \$111,000 as a base reduction to the office operations. Provides for cancellations and transfers of unused funds.
- 4 **Minnesota State Colleges and Universities.** Reduces general appropriations by \$1 million in FY 2008 and \$7.6 million in FY 2009, with \$5 million from technology, \$1 million from central reserves, and the remainder from the office of the chancellor. Prohibits any reductions to campuses or increased assessments as a result of the reduction. Directs MnSCU to reallocate \$9 million to reduce tuition as planned. Requires MnSCU to allocate existing funds to cover campus losses due to the elimination of nonresident tuition at certain campuses. Makes a new one-time appropriation of \$600,000 for the Power of You (at Metropolitan State University, Minneapolis Community and Technical College and St. Paul College); and \$120,000 one-time, for a teachers of diverse background, pilot financial aid program (at Winona State/Rochester schools and St. Cloud State/Robbinsdale schools) to give grants for the last two years of college for eligible students who are in teacher preparation programs. Provides a \$7.7 million base reduction each year of the next biennium.
- 5 **University of Minnesota.** Reduces general appropriations \$6.15 million each year and prohibits tuition increases above what is planned. Provides an \$8.7 million base reduction in each year of the next biennium.
- 6 **Resident student; state grant.** Makes the spouses and dependents of resident veterans eligible for the state grant program.
- 7 **Surplus state grant appropriation.** Makes a requirement to use surplus appropriations for the state grant program to increase the living and miscellaneous allowance set in law a permanent requirement.
- 8 **Power of You Program.** Establishes in statute a tuition assistance program at three MnSCU institutions (Minneapolis Community and Technical College, St. Paul College, and Metropolitan State University) for eligible high school graduates of St. Paul and Minneapolis public schools who meet enrollment, participation and income eligibility criteria. Requires participating institutions to disseminate information on the program to other MnSCU institutions. Provides an immediate effective date.
- 9 **Matching grant qualification; Minnesota college savings plan.** Permanently shifts the payment date for the matching grant to July 1 from June 30 beginning with payments due July 1, 2009.
- 10 **Eligibility; peace officer survivor education benefit.** Makes clarifying changes to the grant program and expands the age eligibility to 30 years for a dependent child who serves in the military.
- 11 **State grant funding.** Increases the living and miscellaneous allowance in fiscal year 2009 to \$6,200 from \$5,900.
- 12 **University of Minnesota and Mayo partnership report.** Adds a requirement that the partnership must also report to the House chair of bioscience and emerging technologies committee and specifies the information that must be included in the report.

Article 5: Environment and Natural Resources

Janelle Taylor (651-296-5039)

1 **Summary of appropriations.** Summarizes the total supplemental environment and natural resources appropriations and reductions for fiscal years 2008 and 2009.

2 **Appropriations.** Technical.

3 **Pollution Control Agency.** Provides the total supplemental appropriations and reductions for the Pollution Control Agency, including:

- an overall general fund reduction for the agency of \$623,000 in fiscal year 2009 for administrative activities; requires this reduction to be made in a way that minimizes the effects on program activities;
- provides an appropriation of \$134,000 from the environmental fund in fiscal year 2009 for the adoption of the California emission standards (**VETOED**); and
- provides an appropriation of \$20,000 from the general fund in fiscal year 2009 for three solid waste reports.

4 **Natural resources.**

Subd. 1. Total appropriation. Provides the total supplemental appropriations and reductions by fund for the Department of Natural Resources.

Subd. 2. Lands and minerals. Provides a general fund reduction of \$200,000 in fiscal year 2009 in the lands and minerals division's administration budget and appropriates \$200,000 from the natural resources fund to cover the costs of administering and monitoring mining permits and requires the commissioner to report to the legislature on an application fee for permits to mine to cover the costs associated with issuing and monitoring the permits for the next biennium.

Provides general fund reductions in fiscal year 2009 of \$124,000 for iron ore cooperative agreements and \$101,000 for minerals diversification;

Subd. 3. Water resource management. Provides the following general fund reductions in fiscal year 2009: \$38,000 from the modification of groundwater reporting requirements; \$98,000 from salary savings resulting from delayed hiring related to impaired waters; \$30,000 from grants associated with the Red River mediation agreement, and \$22,000 from ring dikes. Appropriates \$100,000 one-time from the water recreation account for rulemaking on structures in public waters.

Requires the Mississippi Headwater Board to submit a report to the legislature on how it will meet its statutory responsibilities.

Subd. 4. Forest management. Provides an appropriation of \$250,000 from the general fund in fiscal year 2009; \$53,000 is for a grant to the Forest Resources Council for a study on forest fragmentation and parcelization, and \$197,000 is for the Interagency Information Cooperative.

Subd. 5. Parks and recreation management. Switches \$220,000 of the parks

and recreation management budget from the general fund to the natural resources fund. Appropriates \$50,000 from the natural resources fund in fiscal year 2008 for grants to local units of government to meet new public pool requirements.

Subd. 6. Trails and waterways. Provides a \$300,000 appropriation from the all-terrain vehicle account in the natural resources fund for monitoring and maintenance of new trails. Provides a \$700,000 appropriation from the natural resources fund for the development of the Virginia site and connecting trails for the Iron Range Off-Highway Vehicle Recreation Area. Provides a \$100,000 appropriation from the natural resources fund for the Moose Trail. Provides a \$50,000 general fund reduction in fiscal year 2009 for nonmotorized trails. Provides a \$35,000 appropriation from the all-terrain vehicle account in the natural resources fund for all-terrain vehicle grants-in-aid.

Subd. 7. Fish and wildlife management. Provides fiscal year 2009 general fund reductions of: \$329,000 for the fish and wildlife program; \$46,000 for the Minnesota Shooting Sports Education Center; and \$52,000 for licensing. Provides \$123,000 from the game and fish fund in fiscal year 2008 and \$246,000 thereafter for fish virus surveillance activities and \$21,000 from the game and fish fund to be added to the base for the aquatic farm permit program. Provides \$300,000 from a previous appropriation from the heritage enhancement account in the game and fish fund for the study and design of shooting sports facilities at the Vermillion Highlands WMA and appropriates \$300,000 from the game and fish fund to replace the funds.

Subd. 8. Ecological services. Provides a \$230,000 reduction from the appropriation for impaired waters. Requires \$594,000 to be transferred from the water recreation account in the natural resources fund for expenses related to invasive species.

Subd. 9. Enforcement. Provides a general fund reduction of \$543,000 in the enforcement budget for fiscal year 2009. Provides \$383,000 from the water recreation account in the natural resources fund for enforcement operations, \$185,000 from the all-terrain vehicle account in the natural resources fund for grants for all-terrain vehicle enforcement and public education activities, and \$85,000 from the game and fish fund for advanced hunter education.

Subd. 10. Operations support. Provides a \$755,000 reduction in the operations support budget for fiscal year 2009 and provides a base reduction of \$255,000 in fiscal years 2010 and 2011.

5 Board of Water and Soil Resources. Provides general fund appropriations and reductions in fiscal year 2009 for the Board of Water and Soil Resources, including a:

- \$200,000 reduction for county cooperative weed management programs;
- \$47,000 reduction for cost-sharing contracts to establish native buffers;
- \$68,000 reduction for the drainage assistance program;

- \$450,000 appropriation for projects included within the DR-1717 flood area; and
- \$100,000 one-time appropriation for the Star Lake and River Program.

Requires board appropriations used to restore prairie to be done using best management practices for native prairie restorations as defined in Minnesota Statutes, section 84.02, subdivision 2.

- 6 **Metropolitan Council.** Provides no net change in the budget for metropolitan regional parks by switching \$300,000 of the general fund appropriation in fiscal year 2009 to a natural resources fund appropriation. Provides \$200,000 from the general fund for the Como Zoo.
- 7 **Transfers in.** Requires the following transfers to the general fund: the unappropriated balance from the Minnesota future resources (approximately \$103,000); and \$1,400,000 from the stream protection account.
- 8 **Aquatic farming license.** Amends § 17.4988, subdivision 2. Modifies the aquatic farming license fee by making the existing fee a base fee and requiring the commissioner to establish an additional fee based on the acreage of the operation.
- 9 **Inspection fees.** Amends § 17.4988, subdivision 3. Modifies the aquatic farm inspection fees by eliminating the statutory amounts and allowing the commissioner to establish the fees in order to cover the costs of the program and publish the fees in the State Register.
- 10 **Parks and trails fund.** Adds § 85.53. Establishes the parks and trails fund and requires the money earned by the fund to be credited to the fund. States that the section is effective if the constitutional amendment proposed in Laws 2008, chapter 151 is adopted by the voters.
- 11 **Mining administration account.** Amends § 93.481 by adding subdivision 7. Establishes a mining administration account within the natural resources fund for the mining administration fees collected and makes the account available for appropriation to cover the costs of administering and monitoring the permits.
- 12 **Expedited exchanges of land involving the state and governmental subdivisions of the state.** Adds § 94.3495.

Subd. 1. Purpose and scope. States that the purpose of this section is to expedite the exchange of public land ownership and that the section applies to exchanges of land between the state and a governmental subdivision of the state.

Subd. 2. Classes of land; definitions. Classifies the lands that may be involved in expedited land exchanges under this section into three classes:

- (1) Class 1 land, which includes Class A land, except for school trust lands and university land granted by acts of Congress, (Class A land includes all land owned by the state and controlled or administered by the DNR);
- (2) Class 2 land, which includes Class B land (tax-forfeited land); and
- (3) Class 3 land, which includes all land owned in fee by a governmental subdivision of the state.

Subd. 3. Valuation of land. Paragraph (a) states that all land valuations shall be determined by: the commissioner for the exchange of Class 1 land for Class 2 or 3

land; and by the county board for the exchange of Class 2 land for Class 3 land. Allows the parties of a land exchange to have the land appraised, use the valuation process for minimal value acquisitions provided under § 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker. Requires the merchantable timber to be determined and considered in the valuation of lands.

Paragraph (b) requires lands exchanged under this section to be only for lands of at least “substantially equal value” as defined in § 94.343, subdivision 3, paragraph (b), and states that no payment is due if the lands are of substantially equal value but are not the same value.

Subd. 4. Title. Requires that the title to land be examined as necessary to determine that the title is good and allows the parties to the exchange to utilize title insurance.

Subd. 5. Approval by Land Exchange Board. Requires all land exchanges under this section to receive unanimous approval of the Land Exchange Board.

Subd. 6. Conveyance. Requires the conveyance of Class 1 land to be made by deed executed by the commissioner of natural resources. Requires the conveyance of Class 2 land to be made by deed executed by the commissioner of revenue. Requires the conveyance of Class 3 land to be made by deed executed by the governing body. Establishes procedures for delivering the deeds in various situations and requires the deeds to be recorded in the county where the lands lie.

Subd. 7. Reversionary interest; mineral and water power rights and other reservations. Requires the deed for any land exchanged under this section to include a reverter that provides that the land automatically reverts back to the conveying governmental unit if the land is sold or otherwise transferred without prior written approval within 40 years of the conveyance. States that Class 1 lands are subject to the reservation of mineral, water, and other rights and easements directed by the commissioner. States that Class 2 lands are subject to the reservation of the same rights and easements as required by the sale of tax-forfeited lands and others determined by the county board and approved by the commissioner. States that Class 3 lands are subject to the reservation of the mineral rights.

Subd. 8. Land status. States that land received in exchange for Class 1 land is subject to the same trust and status as the land given in the exchange. States that land received in exchange for Class 2 land is subject to a trust in favor of the government subdivision where it lies and all laws related to tax-forfeited land. States that land received in exchange for Class 3 land has the same status as the land given in exchange.

- 13 **Private fish hatcheries.** Amends § 97A.475, subdivision 29. Modifies the private fish hatchery license fee by making the existing fee a base fee and requiring the commissioner to establish an additional fee based on the acreage of the operation.
- 14 **Groundwater policy.** Amends § 103A.204. Modifies the groundwater responsibilities of the Environmental Quality Board by modifying reporting requirements.
- 15 **Water assessments and reports.** Amends § 103A.43. Consolidates groundwater reporting requirements of the Environmental Quality Board, the Pollution Control Agency, and the

Department of Natural Resources.

16 **Water planning.** Amends § 103B.151, subdivision 1. Modifies water planning requirements of the Environmental Quality Board.

17 **Star lakes.** Adds § 103B.701.

Subd. 1. Definition. Defines “lake association” for purposes of the program.

Subd. 2. Application. Paragraph (a) allows a lake association to apply for designation as a star lake or river to the Star Lake Board and requires applicants to include a copy of a management plan for the lake or river.

Paragraph (b) requires the Star Lake Board to determine whether or not a lake or river will be designated as a star lake or river and states that the designation is effective the day following that designation determination. Requires the board to publish its designation decision and the effective date in the State Register.

Paragraph (c) states that a star lake or river is effective for five years after the designation, or when the board finds that the lake association is not fulfilling the requirements of this section or the lake or river’s management plan, whichever is earlier.

Paragraph (d) allows a lake association to apply to continue the star lake or river designation within six months of the expiration date of the designation.

Subd. 3. Eligibility. Requires lake associations applying to the program to: (1) develop and update a management plan as provided in subdivision 4; (2) maintain its membership or participation of at least 50 percent of the private shoreland owners; (3) participate in the Pollution Control Agency’s citizen water quality monitoring program; and (4) meet at least annually with to review the plan and notify appropriate state agencies and local government units in the development and monitoring of the management plan.

Subd. 4. Star lake or river management plan. Requires a star lake or river management plan to have a baseline of the current condition of the lake or river and plans for addressing a number of issues, including: increasing native vegetation; aquatic invasive species; maintaining a diverse fishery; and public involvement. Requires these plans to be updated within five years of adoption by the lake association.

Subd. 5. State resources. Allows state agencies to consider star lake or river designation in the allocation of financial and staff resources.

18 **Star Lake Board.** Adds § 103B.702.

Subd. 1. Establishment. Paragraph (a) establishes the Star Lake Board as a nonprofit corporation and requires the board to promote and designate star lakes and rivers in the state.

Paragraph (b) requires the board to work with private and public entities to leverage available resources. Allows the board to assist lake associations in finding technical

and financial assistance and make recommendations to state agencies on the most effective way to deliver such assistance. Allows the board, when money is available, to provide direct financial assistance, if it is not otherwise available, for completing a star lake or river management plan for lake associations that do not have an existing one, and addressing specific issues to achieve or maintain the goals of a management plan for designated star lakes or rivers.

Paragraph (c) establishes the membership of the board.

Paragraph (d) requires the board to submit a report to the legislature each odd-numbered year on activities for which money has or will be spent for the current biennium, applications for designation, and the star lakes or rivers designated by January 15.

Subd. 2. Conflict of interest. States that a board member shall avoid any potential conflict of interest and may not participate in or vote on a decision of the board relating to an organization in which the member has either a direct or indirect personal financial interest.

Subd. 3. Staff; contracts. Allows the board to hire staff to carry out its activities.

Subd. 4. Bylaws. Requires the board to adopt bylaws necessary to conduct its business and publish its bylaws and amendments in the State Register.

Subd. 5. Place of business. Requires the board to locate and maintain its place of business within the state.

Subd. 6. Chair. Requires the board to elect a chair and other officers from among its members.

Subd. 7. Meetings. Requires the board to meet at least twice a year and allows additional meetings upon notice according to the board's bylaws. States that the board's meetings are subject to the state's open meeting law.

Subd. 8. Funds. Allows the board to accept and use gifts, grants or other contributions from any source. Allows the board, unless restricted by the terms of a gift, to sell, exchange, or otherwise dispose of and invest or reinvest the money or other property given to it. Requires that the principal and interest from these funds and all other revenues received from nonstate sources be placed in the depositories the board determines and are subject to expenditure for the board's purposes.

Subd. 9. Accounts; audits. Allows the board to establish funds and accounts. Requires the board to provide and pay for an independent annual audit of its official books and records by the legislative auditor and file a copy of the audit with the secretary of state.

19 Water use permit processing fee. Amends § 103G.271, subdivision 6. Increases water use permit processing fees.

20 Water supply plans; demand reduction. Amends § 103G.291, subdivision 3. Requires public water suppliers serving more than 1,000 people to have a conservation rate structure

before requesting approval from the Department of Health to construct a new public supply well or increase in volume unless the supplier does not have the proper measuring equipment to track the amount of water used.

- 21 **Conservation rate structure required.** Amends § 103G.291 by adding subdivision 4. Establishes a definition of a “conservation rate structure” and requires public water suppliers serving more than 1,000 people in the metropolitan area to adopt a conservation rate structure by January 1, 2010, and those in the rest of the state by January 1, 2013. Exempts public water suppliers without the proper measuring equipment to track the amount of water used from these requirements.
- 22 **Fees.** Amends § 103G.615, subdivision 2. Eliminates the cap on the fee for aquatic plant management permits and eliminates the statutory fee of \$35 per parcel for permits to control rooted aquatic plants. Prohibits a rule setting these fees from taking effect until 45 legislative days after it has been reported to the legislature.
- 23 **Clean water fund.** Adds § 114D.50. Establishes the clean water fund and requires the money earned by the fund to be credited to the fund. States that the section is effective if the constitutional amendment proposed in Laws 2008, chapter 151 is adopted by the voters.
- 24 **Rules and standards.** Amends § 116.07, subdivision 4. Requires the Pollution Control Agency to adopt rules for the disposal of solid waste that include site-specific criteria based on the area’s sensitivity to groundwater contamination, and modifications to financial assurance requirements. Prohibits the agency from issuing permits for new solid waste facilities until the agency adopts the site-specific criteria except under certain circumstances, including a permit for disposal of minerals.
- 25 **Arts and cultural heritage fund.** Adds § 129D.17. Establishes the arts and cultural heritage fund and requires the money earned by the fund to be credited to the fund. States that the section is effective if the constitutional amendment proposed in Laws 2008, chapter 151 is adopted by the voters.
- 26 **Star lake or river signs.** Adds § 173.0855.

Subd. 1. Authority to erect. Paragraph (a) allows a county, statutory or home rule charter city, or town that contains a designated star lake or river to request that the Department of Transportation erect a star lake or river sign. Allows one sign to be erected at each approach to a lake or river access area within the right-of-way of an interstate or other highway that passes over a lake or river in greater Minnesota.

Paragraph (b) allows an official lake or river sign on the right-of-way of an interstate or other highway to be replaced with by the Department of Transportation.

Subd. 2. Sign standards. Requires the Department of Transportation to design and manufacture the star lake and river signs in compliance with other federal and state highway sign standards.

- 27 **Reports to the legislature.** Amends § 473.1565, subdivision 3. Consolidates the legislative reports on water planning prepared by the Metropolitan Council within the “Minnesota Water Plan” which is prepared every ten years and allows five year interim reports to be provided as necessary.
- 28 **Forest management.** Amends Laws 2007, chapter 57, article 1, section 4, subdivision 4. Modifies the use of certain forestry related appropriations so that they may be used more generally for forest management activities.
- 29 **Trails and waterways management.** Amends Laws 2007, chapter 57, article 1, section 4, subdivision 6. Allows any portion of the appropriation for grants to local units of

governments for trails not used in the first year to be available in the second year and extends the availability of financing for projects receiving federal grants to equal the period of the federal grant.

- 30 Mining administrative fee.** Requires the commissioner of natural resources to charge a fee, beginning in 2008 payable by June 30 of each year, to companies managing taconite mining or processing operations and establishes a fee schedule for such mines. The fee is required until the commissioner adopts a new application fee schedule for permits to mine ferrous metals.

States that the section is effective the day following final enactment and applies to companies holding or applying for a permit to mine under Minnesota Statutes, section 93.481, during the 2007 calendar year.

- 31 Department of Natural Resources rulemaking required; structures in public waters.** Requires the commissioner of natural resources to update rules on and permit requirements for structures allowed in public waters by January 15, 2010. States that the department's general permit no. 2008-0401 (which authorized certain structures) expires upon the effective date of the rules.

- 32 First meeting; deadline for appointments.** Requires those responsible for appointing members to the Star Lake Board to do so by January 15, 2009, except for those to be appointed by members of the board, which must be appointed within 30 days of the first meeting of the board. Requires the member designated by the Board of Water and Soil Resources to convene the first meeting no later than February 15, 2009.

- 33 Solid waste disposal rules report; legislative review.** Requires the Pollution Control Agency to report to the legislature the proposed rules on solid waste disposal that prohibit the disposal of solid waste in areas sensitive to groundwater contamination by January 15, 2009.

- 34 Industrial and construction and demolition landfill working group.** Requires the commissioner of the Pollution Control Agency to convene a working group to develop, evaluate and recommend policies and legislation regarding the management of industrial solid waste and construction and demolition debris and requires the working group to submit a report to the legislature by January 15, 2009.

Article 6: Energy, Commerce, Utilities

Bob Eleff (651-296-8961)

- 1 Summary of appropriations.** Shows general fund reductions of \$2.67 million in 2008 and \$1.436 million in 2009.
- 2 Appropriations.** Explains meanings of terms used.
- 3 Commerce**

Subd. 1. Total appropriation

Subd. 2. Administration.

- Base reduction of \$46,000 in Office of Energy Security in 2009

- Base increase of \$130,000 in staffing for unclaimed property in 2009

Subd. 3. Market assurance. Base reduction to “Do Not Call” program of \$270,000 each year.

Subd. 4. Energy and telecommunications.

- \$200,000 in 2008 for solar rebate program
- \$500,000 from the Renewable Development Fund for algae-to-biofuels research at UM and Metro Council
- Allows Renewable Development Fund monies appropriated in 2007 to be used for a grant to a cellulosic ethanol facility using paper mill sludge
- Up to \$200,000 from funds assessed on utilities under the Conservation Improvement Program in 2009 for the Green Jobs Task Force report and activities
- From funds appropriated in 2009 from the special revenue fund:
 - **Up to \$200,000 for the Green Jobs Task Force report and activities**
 - **\$100,000 for City of St. Paul to evaluate Ford plant and employees**
 - **\$250,000 for research for Green Manufacturing Initiative**
 - \$1.25 million reduction in 2009 for E-85 cost share grants
 - \$2.6 million reduction in FY2008 appropriation for renewable hydrogen initiative grants

Subd. 5. Transfers

(a) Insurance fraud prevention account. Requires commissioner of finance to transfer \$1.5 million from unexpended balance of this account to the general fund by July 31, 2008, and an additional \$1.5 million between June 15 and 30 of 2009.

(b) Real estate education, research and recovery fund. Requires the commissioner of finance to transfer \$850,000 from unexpended balance of this account to the general fund by July 31, 2008.

(c) Consumer education account. Requires commissioner of finance to transfer \$100,000 from unexpended balance of this account to the general fund by July 31, 2008.

(d) Automobile theft prevention account. Requires commissioner of finance to transfer \$230,000 from unexpended balance of this account to the general fund by July 31, 2008.

(e) **Assigned risk plan.** Requires commissioner of finance to transfer \$10 million in assts of the workers' compensation risk plan to the general fund by June 30, 2009.

4 **Public Utilities Commission.** Requires the commissioner of finance to transfer \$4 million from the telephone assistance fund to the general fund by July 31, 2008.

5 **[80A.65] Subd. 1. Registration or notice filing fee.** Strikes language requiring the administrator to refund total fees paid on mutual funds in excess of \$25.6 million.

6 **[216C.41] Subd. 3. Eligibility window.** Extends period during which payment of renewable energy payment incentives may be initiated to an owner by two years, to December 31, 2011.

7 **[216C.41] Subd. 4. Payment period.** Extends end date for paying renewable energy payment incentives to an owner by two years, to December 31, 2021.

8 **[325E.313] No-call list.**

Subd. 2. Operation and maintenance of list. Strikes language that notice given by a subscriber is effective for four years unless revoked.

Subd. 3. Use of federal list. Strikes language requiring the commissioner of commerce to include Minnesota subscribers on the national do-not call list on the state list and to send subscribers on the state list to the Federal Trade Commission for inclusion on the national list. Allows the department to consider the FTC as its agent for establishment and maintenance of a list.

9 **[325E.314] Fees; acquisition and use of list.** Strikes language requiring telephone solicitors to pay a fee to the commissioner of commerce for access to the state "Do Not Call" list. Allows a person required by law to purchase the national list to meet the requirement by showing proof of purchase of Minnesota numbers from the national list.

10 **[609.531] Subd. 1. Definitions.** Adds the Department of Commerce's Division of Insurance Fraud Prevention to the list of agencies that can seize property.

11 **Green economy report.** Requires each state agency (except the IRRRB) with loan and grant programs to assess their potential to advance the growth of the green economy. Agencies must develop plans to integrate program with potential to promote growth of the green economy and report to the commissioner of commerce (by January 15, 2008) who must report to the legislature (by November 15, 2009).

12 **Green Jobs Task Force.**

Subd. 1. Task Force. Establishes a Green Jobs Task Force to advise the governor and legislature and to develop a statewide action plan. Specifies membership of the task force, including three legislator from each body, seven representatives from state agencies and educational institutions, and 11 public members.

Subd. 2. Duties. Requires the task force to develop and present a statewide plan to optimize the growth of the green economy with legislation and budget requests. The plan must include an analysis of business opportunities created by those policies and corresponding labor force needs, and an inventory of business and labor resources available to respond to the opportunities identified. The report must be submitted to the legislature by January 15, 2009.

Article 7: Agriculture

Colbey Sullivan (651-296-5047)

1 **Summary of appropriations.**

Totals: Reduction of \$200,000 in FY08. Appropriates \$388,000 in FY09.

2 **Appropriations.** (boilerplate appropriation language)

3 **Agriculture.**

\$302,000 is a reduction in 2009 consisting of decreases in administrative services in Saint Paul and agricultural marketing, as well as resources saved due to efficiencies from the merger of two department divisions.

\$1,000,000 is a onetime appropriation in 2009 for a new livestock investment grant program.

\$200,000 is a reduction in 2008 due to the cancellation of a prior appropriation for a grant to the Elk River Economic Development Authority for a bio-energy project.

\$310,000 is a reduction in 2009 due to a onetime decrease in the appropriation for ethanol producer payments that coincides with a policy provision (section 5) that disallows further deficiency payments to the owners of an ethanol plant that no longer produces ethanol.

4 **Board of Animal Health (BAH).**

Directs the BAH to use a portion of a prior appropriation for a \$12,000 onetime grant to a beef cattle producer for bovine-TB-related financial losses.

5 **Ethanol producer payments.** Amends the ethanol producer payment program law by prohibiting deficiency payments to an entity that no longer produces ethanol at its original locale or to an assignee of such an entity.

6 **Bioenergy and value-added agricultural products.** Expands the maximum NextGen Board bioenergy grant from \$500,000 to \$1,000,000.

Article 8: Veterans Affairs

Jim Cleary (651-296-5053)

1 **Summary of appropriations: Veterans Affairs.** Totals:

FY09: General Fund appropriation of \$4,145,000

Special Revenue Fund reduction of \$338,000

2 **Appropriations** (standard boilerplate language)

3 **Appropriations by item.**

\$500,000 is a onetime appropriation for grants to County Veteran Service Offices (under same 2007 program).

\$2,500,000 for the State Soldiers Assistance Program; of this amount, \$1,500,000 is added

to the base; available until spent.

\$500,000 for casework services for veterans; must solicit competitive bids; the services should be community-based, available statewide, and include in-home counseling.

\$220,000 for the department's LinkVET phone-line services; must combine LinkVET with the higher education call center for veterans.

\$250,000 for a grant to the Minnesota Assistance Council for Veterans (MACV) for serving homeless veterans and their families.

\$250,000 for the Veterans Claims Office for outreach and training and to add veterans service officer coordinator positions, including one to assist female veterans.

\$25,000 is a onetime appropriation for a pilot program for Peer-to-Peer Counseling among combat veterans; report required.

\$338,000 is a reduction from the special revenue fund appropriation of the Support our Troops License Plate revenues, which is replaced in the policy bill by a standing appropriation split equally between veterans affairs and military affairs; the base appropriation is eliminated thereafter.

\$200,000 is a onetime appropriation for:

(1) a strategic planning study for the state veterans homes, with special emphasis on exploring alternative models for the Minneapolis veterans home;

(2) a study of the feasibility of partnering for home-based services for veterans with nonprofit and private sector social service providers and healthcare delivery organizations; and

(3) designing a treatment program for veterans with traumatic brain injuries within the state veterans homes.

\$300,000 is a reduction in 2009 for the Veterans Homes Board. The base appropriation for fiscal years 2010 and 2011 is reduced by \$300,000 in each year. This reduction is made possible by the enhanced efficiency in administration of the homes associated with the transfer of governing authority from the Veterans Homes Board to the commissioner of veterans affairs.

Subd. 2. Reports required. By January 15, 2009, a report to the legislature is required regarding activities and expenditures in programs receiving an appropriation in this article.

4 World War II memorial donation match account. Money remaining in the account after the state share of the construction costs of the World War II memorial is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families

5 "Support our Troops" account in special revenue fund. Money in the account is appropriated in equal shares to the Department of Military Affairs and the Department of Veterans Affairs.

6 "Support Our Troops" account: Authorized uses established. Funds may be used for:

(1) grants to veterans service organizations; and (2) outreach to underserved veterans.

7 **Minnesota GI Bill: Administration.** \$100,000 of the appropriation for the program may be used for administration of the program. Previously, up to 3 percent of the original \$12 million was dedicated to this purpose. Requires the commissioner of finance to determine necessary level of appropriations for the GI Bill by June 1, 2009, and to adjust appropriations accordingly.

Article 9: Military Affairs

Jim Cleary (651-296-5053)

1 Summary of appropriations: Military Affairs.

Totals: Fiscal year 2009

General Fund appropriation of \$390,000

Special Revenue Fund reduction of \$338,000

2 Appropriations. (standard language)

3 Appropriations by item.

\$75,000 is for state enhancement of the Employer Support of the Guard and Reserve Program (ESGR). The funding base is \$35,000 each year in fiscal years 2010 and 2011.

\$135,000 is for \$1,000 biannual bonus payments to National Guard medics who meet recertification requirements during the fiscal year.

\$180,000 is to add "State Navigator" positions to coordinate state agency programs and activities to support and assist soldiers and their families during and after the reintegration process.

\$338,000 is a reduction in 2009 from the special revenue fund appropriation from the Support our Troops License Plate Account.

4 **Support our troops license plate account: authorized uses.** Adds as an authorized use for Military Affairs to make grants to family readiness groups chartered by the adjutant general.

5, 6 **Timber sales at Camp Ripley.** Revenues from timber sales from Camp Ripley are redirected from the general fund to the Department of Military Affairs for timber management at Camp Ripley.

7 **Employer support for guard and reserves.** Authorizes the Adjutant General to establish a program for the enhancement of the Employer Support for the Guard and Reserves Program (ESGR)

8 **Bonus program established for recertified National Guard medics.** Authorizes the Adjutant General to establish a program to award a one-time bonus for each medic who recertifies. Bonus payments are made according to a department schedule.

9 **Spouse authorized to use National Guard tuition reimbursement benefits.** Spouse may use up to 12 semester hours annually of a National Guard member's unused benefits, if the

member has completed 8 or more years of service.

- 10 **Starbase study.** The Guard must contract with the Wilder Foundation to assess the academic achievement impact of the National Guard's Starbase program for inner city youth.
- 11 **Youth challenge program study.** The Guard must assess the feasibility of accepting federal matching funds for starting a Youth Challenge Program in Minnesota. The program involves mentoring recent high school dropouts to enable them to complete their diplomas and enter the military.

Article 10: Economic Development

Anita Neumann (651-296-5056)

- 1 **Summary of appropriations.** Indicates total appropriation reductions of \$913,000 from the level in Chapter 135.
- 2 **Jobs and economic development appropriations and reductions.** Provides that additions and reductions in appropriations are from amounts in the 2007 omnibus bill, chapter 135.
- 3 **Employment and economic development appropriations.** Appropriates money for:

- Office of Science and Technology;
- Military reservist economic injury loans;
- HIRED; and
- Lifetrack Resources Rochester.

Cancels funds from the following:

- Foreign trade zone authority; and
- Jobs Skills Partnership.

Transfers money from the workforce development fund and the methamphetamine lab cleanup revolving fund to the general fund.

Provides for a \$1 million grant and \$1 million loan from the 21st century minerals fund.

- 4 **Labor and industry appropriations.** Makes a \$43,000 reduction in the agency's base and transfers \$2 million from the construction code fund to the general fund.
- 5 **Bureau mediation services.** Reduces the agency's base appropriation by \$69,000 in fiscal year 2009.
- 6 **Explore Minnesota tourism.** Appropriates \$1,299,000 in fiscal year 2009 to the Minnesota Film and TV board for the film jobs production program and transfers \$500,000 from the special marketing account to the board.
- 7 **Housing finance.** Reduces the fiscal year 2009 budget by \$200,000.
- 8 **Minnesota boxing commission appropriations.** Appropriates \$80,000.
- 9 **Minnesota Historical Society.** Appropriates \$575,000 in fiscal year 2008 for the

Minnesota Sesquicentennial Commission.

- 10 **Military reservist economic injury loans.** Authorizes the commissioner of employment and economic development to make onetime, interest free loans of up to \$20,000 each to eligible businesses impacted by a call to active service of at least 180 days by an essential employee.
- 11 **Partnership program.** Requires each educational institution to provide for dissemination of summary results of a grant-funded project as specified.
- 12 **Use of funds.** Authorizes the Job Skills Partnership Board to use some of its funds for information collection and dissemination to plan for the statewide distribution of the results of grant-funded projects.
- 13 **Use of workforce development funds.** Eliminates a reference to the Hire Education loan program administered by the Job Skills Partnership Board as an eligible use of workforce development funds.
- 14 **Distance-work grants.** Eliminates Hire Education loans from being packaged with grants that promote distance work projects in rural areas through technology.
- 15 **Dislocated workers.** Adds a veteran discharged or released from active duty under honorable conditions within the last 36 months and who is unemployed or under employed to the definition of dislocated worker.
- 16 **Disbursement of special assessment funds.** Eliminates a reference to the Hire Education loan program administered by the Job Skills Partnership Board as an eligible use of workforce development funds.
- 17 **Film jobs production program.** Authorizes the Minnesota Film and TV Board to make reimbursements of up to 20 percent of film production costs for films that incur production costs in excess of \$5,000,000 in Minnesota within a 12-month period.
- 18 **Taconite environmental protection fund; administration.** Requires that each year no less than one-half of the amounts deposited in the taconite environmental protection fund be used for public works projects, including construction of sewer and water systems. Allows the IRRRB with a majority vote of the members to waive this expenditure requirement.

Effective for distributions beginning in 2009.

- 19 **Iron Range higher education account.** Increases the amount distributed to the Iron Range higher education account from two cents per ton to five cents per ton.

Effective for production in 2007, distributions in 2008 and thereafter.

- 20 **Douglas J. Johnson economic protection trust fund; use of money.** Amends a provision enacted in the 2008 omnibus tax law (Chapter 154) that authorized the use of the Douglas J. Johnson economic protection fund to purchase forest land in the taconite assistance area to be held as a public trust for the benefit of the taconite area. This section provides that property purchased under that provision may be sold upon approval by a majority of the IRRRB. The net proceeds must be deposited in the trust fund for its specified purposes and uses.
- 21 **Projects; approval.** Removes the purchases of haulage trucks and equipment and mining shovels to be funded by the producer grant and loan fund. These are funded on a project-by-project basis.
- 22 **Bonding authority; public facilities authority.** Limits the total amount for bonds issued under the credit enhanced bond program to \$500,000,000 excluding any bonds for which refunding bonds or crossover refunding bonds have been issued.
- 23 **Debt ceiling.** Establishes a \$5,000,000,000 debt ceiling on the aggregate principal amount of Housing Finance Agency bonds and notes outstanding at any time.
- 24 **Red Lake.** Modifies the loan repayment provisions for Red Lake area businesses to being

no later than one year after the walleye fishing on Upper Red Lake has recovered to a bag limit of six fish.

- 25 **Minnesota Investment Fund.** Reduces the Laws 2007 appropriation to the Minnesota Investment Fund to \$2.75 million (from \$5 million with \$3 million earmarked for a legal reference and data center facility) and specifies that \$1 million is for biomass heating grants and loans. Also provides that the FY 2008 appropriation to Minnesota Technology Inc. is available until June 30, 2011.
- 26 **Extended employment.** Prohibits the commissioner from making reductions in extended employment service appropriations and provides carryover spending authority to fiscal year 2009 for money appropriated for employment services for disabled persons.
- 27 **Prevailing wage enforcement.** Directs that money appropriated in Laws 2007 for prevailing wage enforcement is available until expended.
- 28 **Minnesota investment fund.** Specifies that any funds transferred to the DNR for high-resolution digital elevation maps using light detection and ranging (LIDAR) technology for flood management is available until June 30, 2009.
- 29 **Biomass heating grants and loans.** Directs the commissioner of DEED to make grants and loans for installation of a biomass heating project in a publicly owned facility and building owned by local governments
- 30 **Hardship benefits.** Provides extra benefits for hardship caused by delays in the receipt of unemployment payments due to the department of employment and economic development's new computerized UI benefits system implemented in October 2007.
- 31 **Lumber company extra benefits.** Provides an additional 13 weeks of UI benefits to workers laid off from the Ainsworth Lumber Company in Cook, Minnesota.
- 32 **Unemployment benefits; continued request time period waiver.** Directs the commissioner to accept initial and continued requests for unemployment benefits and to pay benefits to an applicant who applied on September 15, 2006, and had an account dated September 10, 2006. The application of this section is retroactive to August 21, 2005.
- 33 **Office of Science and Technology.** Establishes an office within DEED to:
- coordinate efforts to obtain federal funding for research and development projects to benefit small and medium-sized businesses;
 - promote relationships between Minnesota businesses that receive federal grants;
 - assess the capabilities of small and medium-sized businesses;
 - link Minnesota firms with federal opportunities;
 - develop a framework for Minnesota firms to establish relationships with the federal government; and
 - coordinate technical assistance for business with the University of Minnesota and the Minnesota State Colleges and Universities.

Requires the office to establish several programs and provide various types of assistance to Minnesota firms:

- Technology partnership program to assist small business in competing for federal small business innovation research awards by matching them with prime

contractors.

- Collaborate to commercialize programs to help small business through a federal high-risk investment program aimed at the development of new technologies.
- Technology matchmaking assistance to firms in finding qualified suppliers and vendors through a network of Minnesota companies.
- Commercialization assistance to firms that have received specific federal grants and are working on phase II proposals.

34 Requires an annual report to the legislature on the Office of Science and Technology.
2008 distributions only. Provides onetime distributions from the taconite property tax relief fund for:

- (1) the Hibbing Economic Development Authority to retire bonds and for economic development;
- (2) St. Louis County school board to study the potential for and impact of consolidation and streamlining the operations of the St. Louis County school district No. 2142;
- (3) Grand Rapids for industrial park work;
- (4) Aitkin for sewer and water for housing projects;
- (5) Crosby for well and water tower infrastructure;
- (6) the Mountain Iron Buhl school board to study consolidation;
- (7) the Virginia school board to study consolidation;
- (8) Silver Bay for health, safety, and maintenance improvements at a former elementary school;
- (9) St. Louis County for water and sewer line extensions;
- (10) the White Community Hospital for debt restructuring;
- (11) Keewatin for street, sewer and water improvements; and
- (12) Calumet for street, sewer and water improvements.

35 **Repealer.** Repeals a 2004 law related to transfer of vocational rehabilitation funds.

Article 11: Transportation

Matt Burress (651-296-5045)

1 **Summary of appropriations.** Summarizes the appropriations by fund.

2 **Appropriations.** Establishes that appropriations and reductions are from the trunk highway

fund, unless another is named, for the agencies and purposes specified. Supplemental appropriations for fiscal year 2008 are effective the day after final enactment.

3 **Transportation.** Appropriates an additional \$6.85 million in fiscal year 2008 and reduces the fiscal year 2009 appropriation by \$34,000 for the Minnesota Department of Transportation.

Subd. 1. Total appropriation. Summarizes the total appropriations.

Subd. 2. Transit. Reduces the fiscal year 2009 general fund appropriation for greater Minnesota transit by \$32,000.

Subd. 3. Freight. Reduces the fiscal year 2009 general fund appropriation for freight by \$2,000.

Subd. 4. State Roads. \$6.85 million in fiscal year 2008 for trunk highway construction, identified as spending authority from federal bridge funds.

Subd. 5. Transfers in. Transfers \$15 million from the state airports fund to the general fund on June 30, 2008. Transfers \$3 million per year in fiscal years 2008 and 2009 to the general fund from the rail service improvement account.

4 **Metropolitan Council.** Reduces the fiscal year 2009 appropriation by \$136,000 for bus operations and light rail transit for the Metropolitan Council.

5 **Public safety.** Reduces the fiscal year 2009 appropriation by \$60,000 for the Department of Public Safety.

Subd. 1. Total appropriation. Summarizes the total appropriations.

Subd. 2. Public safety support. Reduces the fiscal year 2009 appropriation for a Republican National Convention security coordinator by \$28,000 and the public safety support appropriation by \$17,000.

Subd. 3. Capitol security. Reduces the fiscal year 2009 appropriation for capitol security coordinator by \$15,000.

6 **Technology surcharge.** Imposes a \$1.75 surcharge on all motor vehicle registration renewals and deposits the proceeds in a new driver and vehicle services technology account. The provision is only effective for fiscal years 2009 through 2012.

7 **Amounts.** Raises the registration title application, filing, and transfer fees by \$1.75, and deposits the proceeds in a new driver and vehicle services technology account. Makes technical changes. The fee only applies for fiscal years 2009 through 2012.

8 **Fees.** Raises the fees for driver's licenses, permits, and identification cards by \$1.75, and deposits the proceeds in a new driver and vehicle services technology account. The fee only applies for fiscal years 2009 through 2012.

9 **Driver and vehicle services technology account.** Creates a new driver and vehicle services technology account, for research and development, deployment, and maintenance of a new Driver and Vehicle Service (DVS) information management system. The provision is only effective for fiscal years 2009 through 2012.

10 **Multimodal systems.** Eliminates the \$6 million appropriation in FY 2009 and sets the FY 2010 base at \$14.3 million.

11 **Appropriation; study.** Reduces the appropriation to the University of Minnesota for a

value capture study, to be \$300,000 instead of \$325,000.

Article 12: Public Safety

Jeff Diebel (651-296-5041)

- 1 Summary of appropriations.** Summarizes direct appropriations by fund.
- 2 Public safety appropriations.** Describes, in general terms, the appropriations contained in this article.
- 3 Supreme Court.** Reduces the FY 2009 appropriation by \$951,000.
 - Specifies that \$831,000 of the cut must come from Supreme Court operations; and
 - Specifies that \$120,000 of the cut must come from civil legal services.
- 4 Court of Appeals.** Reduces the FY 2009 appropriation by \$250,000.
- 5 District Courts.** Reduces the FY 2009 appropriation by \$2,800,000.
- 6 Board of Public Defense.** Reduces the FY 2009 appropriation by \$1,491,000.
- 7 Department of Public Safety.** Appropriates funds for FY 2008 and reduces appropriations for FY09.

Subd. 1. Total appropriation. Appropriates \$360,000 for FY 2008 and reduces the FY 2009 appropriation by \$2,057,000.

Subd. 2. Emergency management. Appropriates \$360,000 for FY 2008 to provide state match for federal disaster assistance. Reduces the FY 2009 appropriation by \$40,000, which comes from the HAZMAT Team reimbursement funds.

Subd. 3. Criminal apprehension. Reduces the FY 2009 appropriation by \$1,515,000. Of that amount, \$1,265,000 is cut from CriMNet. The remaining \$250,000 is cut from the Department as a whole, but the cut may not come from Office of Justice Programs.

Subd. 4. Office of Justice Programs. Reduces the FY 2009 appropriation by \$502,000. Of that amount, \$450,000 is cut from the Financial Crimes Task Force, and \$52,000 is cut from squad car camera reimbursements. Reduces the base for these grants to Ø in FY 2010.

- 8 Department of Human Rights.** Reduces the FY09 appropriation by \$149,000.
- 9 Department of Corrections.** Reduces the FY08 appropriation by \$92,000 and the FY 2009 appropriation by \$2,792,000.

- Reduces funding for short-term offenders by \$2,100,000;
- Reduces funding for Sentencing to Service by \$600,000; and
- Reduces funding reimbursement of counties for juvenile eight-day holds by

\$92,000 in FY 2008 and FY 2009.

- 10 **Fire safety account, annual transfers, allocation.** Increases the transfer from the fire safety account to the general fund for FY 2009 from \$2,268,000 to \$4,268,000.
- 11 **Surcharges on criminal and traffic offenders.** Increases the criminal surcharge from \$72 to \$75.
- 12 **Disbursement of surcharges by commissioner of finance.** Directs the \$3 criminal surcharge increase established in section 11 to the general fund.
- 13 **Peace officers standards and training board.** Reduces the FY 2008 appropriation by \$25,000 and increases the FY 2009 appropriation by \$50,000.

Article 13: State Government

Mark Shepard (651-296-5051)

- 1 **Summary of appropriations.**
- 2 **Appropriations.** Amounts shown are added to or, if in parentheses, subtracted from 2007 appropriations.
- 3 **Legislature.** (\$1,821,000)
- 4 **Governor.** (\$113,000)
- 5 **State Auditor.** (\$42,000)
- 6 **Attorney General.** (\$749,000)
- 7 **Secretary of State.** (\$195,000)
- 8 **Office of Enterprise Technology.** (\$313,000)
- 9 **Administration.** (\$1,274,000). Specifies that \$885,000 of the reduction is from the appropriation for DPS moving expenses. Requires the commissioner of finance to transfer \$1 million in the facilities repair and replacement account to the general fund. Appropriates \$40,000 to design a construct a workers memorial on the Capitol grounds. Appropriates \$40,000 to the CAAP board to design and construct a memorial to Hubert H. Humphrey in the Capitol area.
- 10 **Finance.** (\$624,000). Provides that after DOER is merged into Finance, the commissioner of finance may reallocate reductions among programs within the merged agency.
- 11 **DOER.** (\$218,000). Provides that the DOER base is \$5,241,000 each year in the next biennium.
- 12 **Revenue.** \$6,120,000. Appropriates \$7 million for additional tax compliance activities. Specifies a reduction of \$1.24 million from the appropriation for the tax system management program. Appropriates \$360,000 for costs of administering the tax debtor data match program.
- 13 **Returning combat veterans.** Provides that if a business organization is dissolved, revoked, or terminated after December 31, 2006, for failure to file a report with the secretary of state while an individual with substantial responsibility for its operation was in active military service or was engaged in employment outside of the United States essential to the prosecution of a war or to national defense, the secretary of state must waive any reinstatement fee otherwise required.
- 14 **Tax debtor data matches.** Requires the commissioner of revenue to establish a process for comparing account information held by financial institutions with the Department of Revenue's database of debtors. Requires consultation with representatives of financial institutions in developing an implementation and administration plan. Requires financial institutions to provide specified information on debtors to the commissioner. Provides that

the commissioner may request from a financial institution data concerning any debtor not more than once every three months. Contains provisions governing methods for financial institutions to provide the data to the commissioner, and governing retention of and access to this data. Authorizes financial institutions to charge the commissioner a fee of up to \$150 per quarter (limited by the available appropriation) for providing account information. Requires the commissioner, in consultation with an advisory group, to evaluate whether these fees compensate financial institutions for actual costs of complying with this section. Specifies procedures to deal with noncompliance. Provides that a financial institution furnishing a report to the commissioner must not disclose to the debtor that the name of the debtor has been received from or furnished to the commissioner. Provides specified immunity to financial institutions.

- 15, 16** **Salary limits; pension director.** Increases the salary cap to 95 percent of the governor's salary for the executive directors of the Public Employees Retirement Association, the State Retirement System, and the Teachers Retirement Association. Current law caps their salaries at 85 percent of the governor's.
- 17** **Data matching program for collection of tax debts.** Authorizes the commissioner of revenue to disclose specified data on delinquent taxpayers for the purpose of administering the tax debt data matching program with financial institutions.
- 18** **State facilities services.** Amends a 2005 appropriation for agency relocation expenses to make the appropriation available until June 30, 2009.
- 19** **Expiration.** Extends the expiration of the legislative commission to end poverty in Minnesota by 2020 until June 30, 2009.
- 20** **Administrative management services.** Makes the deduction of \$125,000 from grants to fund the Office of Grants Management permissive instead of mandatory. Provides that the deduction may be taken from all grants subject to jurisdiction of the office, instead of only from grants to nongovernmental entities. (The office does not have jurisdiction over capital project grants to units of local government.)
- 21** **Professional and technical contracts.** Requires the commissioner of finance to allocate a reduction of \$1,875,000 among general fund appropriations to executive branch state agencies. Provides that to the extent possible, this reduction must be achieved by reducing expenditures for professional and technical contracts, but otherwise must be allocated proportionally across operating budgets. Provides that \$575,000 per year is a permanent base reduction for fiscal years 2010 and 2-011. MnSCU is not covered by this section. Requires a January 15, 2009, report from the commissioner of finance on implementation of this section.
- 22** **Legislators' forum.** Requires that during the biennium ending June 30, 2009, the LCC pay expenses associated with Minnesota legislators' participation in a forum through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba.

Article 14: Reserves and Transfers

- 1** **Budget reserve reduction.** Directs the commissioner of finance to cancel \$500 million from the \$653 million budget reserve to the general fund on July 1, 2008.
- 2** **Duplicate appropriations.** Provides that appropriations and transfers in Laws 2008 are implemented only once.
- 3** **Severable provisions.** Provides that if any provisions are found unconstitutional, the other provisions are valid.

Article 15: Continuing Care

Randall Chun (651-296-8639) and Danyell LeMire (651-296-5058)

- 1 **Targeted case management; definitions.** Amends § 256B.0621, subd. 2. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 2 **Eligible services.** Amends § 256B.0621, subd. 6. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 3 **Payment rates.** Amends § 256B.0621, subd. 10. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 4 **Mental health case management.** Amends § 256B.0625, subd. 20. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 5 **Housing access grants.** Creates § 256B.0658. Requires the commissioner to award contracts through a competitive process for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services to access housing. Lists supports that may be offered.
- 6 **Targeted case management service activities.** Amends § 256B.0924, subd. 4. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 7 **Payment for targeted case management.** Amends § 256B.0924, subd. 6. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 8 **Portion of nonfederal share to be paid by certain counties.** Amends § 256B.19, subd. 1d. Eliminates the county nursing home intergovernmental transfer of \$2,230 per licensed bed. Provides an immediate effective date.
- 9 **County nursing home payment adjustments.** Amends § 256B.431, subd. 23. Eliminates a payment adjustment to county nursing homes. This is a conforming change to § 256B.19, subd. 1d. Provides an immediate effective date.
- 10 **Rebasing of nursing facility payment rates.** Amends § 256B.441, subd. 1. For each year of the phase-in of nursing facility operating payment rates, requires the rates to be calculated using the statistical and cost report filed by each facility for the report period ending one year prior to the rate year.
- 11 **Phase-in of rebased operating payment rates.** Amends § 256B.441, subd. 55. The amendment to paragraph (a) corrects the year specified for the last year of the phase-in and specifies that performance-based incentive payments are not included when calculating the amount of the non-rebased rate. Also corrects terminology.

A new paragraph (b) sets a rebasing floor of one percent for the rate year beginning October 1, 2008, that is paid for by placing a limit on the maximum increase a facility can receive under rebasing for the rate years October 1, 2009 through October 1, 2015.
- 12 **Hold harmless.** Amends § 256B.441, subd. 56. Continues the rebasing floor of one percent as the minimum rate for a nursing facility under the hold harmless provision, for the

rate years beginning October 1, 2009 through October 1, 2015.

- 13 **ICF/MR rate increases effective October 1, 2007, and October 1, 2008.** Amends § 256B.5012, subd. 7. Delays from July 1, 2008 to October 1, 2008, a 2.0 percent increase in ICF/MR operating payment rates.
- 14 **Service delivery.** Amends § 256B.69, subd. 6. Requires demonstration providers that provide nursing home and community-based services to provide relocation service coordination to enrolled persons age 65 and over.
- 15 **Standard of assistance for persons eligible for medical assistance waivers or at risk of placement in a group residential housing facility.** Amends § 256D.44, subd. 2. Adds persons eligible for a shelter needy payment to the state standard of assistance for basic needs under the Minnesota Supplemental Aid program.
- 16 **Special needs.** Amends § 256D.44, subd. 5. Modifies the date by which the Food Stamp maximum allotment for a single individual is added to the standard of assistance each year. Modifies who is eligible to receive this standard of assistance. Modifies a cross-reference. Makes this section effective January 1, 2009.
- 17 **Provider rate increases.** Amends Laws 2007, chapter 147, article 7, section 71. Delays from July 1, 2008, to October 1, 2008, a 2.0 percent increase in allocations, reimbursement rates, or rate limits for specified home and community-based health care providers.
- 18 **Moratorium exception proposal; waiver.** Allows the commissioner of health to waive the six-mile limit for relocated beds, when considering a competitive moratorium exception process proposal to allow a nursing facility providing specialty care in Minneapolis to close and relocate beds to a new facility in Robbinsdale under common ownership.

Article 16: Children and Family Services

Lynn Aves (651-296-8079) and Danyell LeMire (651-296-5058)

- 1 **Definitions.** Amends § 256.741, subd. 1. Adds definitions of “child support,” “arrear,” and “maintenance.” Brings law into conformity with the federal Deficit Reduction Act.
- 2 **Assignment of support and maintenance rights.** Amends § 256.741, subd. 2. Clarifies the law related to assignment of child support and maintenance to conform with the Deficit Reduction Act.
- 3 **Distribution of child support arrears.** Amends § 256.741, subd. 2a. Removes identifiers of specific public assistance programs and replaces them with the term “public assistance.” Makes changes to conform to the Deficit Reduction Act.
- 4 **Existing assignments.** Amends § 256.741, subd. 3. Brings law into conformity with the federal Deficit Reduction Act. Provides an effective date of October 1, 2009.
- 5 **Work participation food benefits.** Amends § 256J.621. Makes technical changes to the MFIP work participation cash bonus and makes it effective October 1, 2009.
- 6 **Payment to public agency.** Amends § 518A.50. In income withholding cases, allows the public authority to consider the date of wage payment as the date child support was paid to the central collection unit, rather than the date the payment was received by the central collections unit.
- Provides an effective date of October 1, 2009.
- 7 **Payor of funds responsibilities.** Amends § 518A.53, subd. 5. Strikes a sentence that was incorrectly placed in this section.
- 8 **Repealer.** Repeals Minnesota Statutes, sections 256.741, subdivision 15 (child support

distribution), and 256J.24, subdivision 6 (MFIP family cap).

Article 17: Health Care

Randall Chun (651-296-8639)

1 Health care transfer, savings, and repayment. Adds § 62U.10.

Subd. 1. Health care access fund transfer. Requires the commissioner of finance to transfer \$50 million from the health care access fund to the general fund on June 30, 2009.

Subd. 2. Projected spending baseline. (a) Requires the commissioner of health, by June 1, 2009, to calculate the annual projected total private and public health care spending for Minnesota residents and establish a spending baseline, beginning CY 2008 and for the next ten years based on the annual projected growth in spending.

(b) Requires the commissioner, in establishing the health care spending baseline, to use the Centers for Medicare and Medicaid Services forecast for total growth in national health care expenditures, adjust this forecast to reflect demographics, health status, and other factors, and contract with an actuarial consultant to make recommendations for adjustments.

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

(d) Excludes Medicare and long-term care spending from the required calculations.

Subd. 3. Actual spending and savings determination. By June 1, 2010, and each June 1 through June 1, 2020, requires the commissioner of health to determine the actual and total private and public health care spending for the calendar year two years before the current year, and determine the difference between projected spending (as determined under subdivision 2) and actual spending. If actual spending is less than projected spending, requires the commissioner to determine the percentage of aggregate savings accruing to state-administered health care programs.

Subd. 4. Repayment of transfer. Requires the commissioner of health to certify to the commissioner of finance when accumulated savings accruing to state-administered health care programs meet or exceed \$50 million. Requires the commissioner of finance, in the next fiscal year following the certification, to transfer \$50 million from the general fund to the health care access fund. Appropriates the amount necessary to make the transfer from the general fund to the commissioner of finance.

Subd. 5. Definitions. Defines “public health spending” as spending for a state-administered health care program. Defines “state-administered health care program” as MA, MinnesotaCare, GAMC, and the state employee group insurance program.

2 Interpreter services quality initiative. Adds § 144.058. (a) Requires the commissioner of health to establish a voluntary statewide roster, and develop a plan for registry and certification of spoken language health care interpreters.

(b) Requires the roster to be established by January 1, 2009.

(c) Specifies duties of the commissioner related to development of a plan for a registry and

for implementing a certification process.

(d) Requires the commissioner to consult with a specified stakeholder group.

(e) Requires the commissioner to charge an annual fee of \$50 to include an interpreter in the roster, and requires fee revenue to be deposited in the state government special revenue fund.

Provides an immediate effective date.

- 3 Potential allocations.** Amends § 144E.45, subdivision 2. Sets the value of each volunteer ambulance service credit at \$447.19, effective July 1, 2008.
- 4 Establishment.** Amends § 145.9255, subd. 1. Specifies that implementation of the Minnesota education now and babies later (MN ENABL) program by the commissioner of health is contingent on the availability of funds.
- 5 Operating payment rates.** Amends § 256B.969, subd. 2b. Delays the January 1, 2009 rebasing of MA, GAMC, and MinnesotaCare hospital payment rates by 24 months.
- 6 Payments.** Amends § 256.969, subd. 3a. Makes the following reductions in MA and GAMC payment rates for fee-for-service inpatient hospital admissions: (1) 3.46 percent for admissions occurring between July 1, 2008 and June 30, 2009; (2) 1.9 percent for admissions occurring between July 1, 2009 and June 30, 2010; and (3) 1.79 percent for admissions occurring on or after July 1, 2010 (these reductions apply separately to each time period and are not cumulative). Requires payments to managed care plans to be reduced to reflect these reductions.
- 7 Program established.** Amends § 256B.0571, subd. 8. Eliminates the requirement that participants in the long-term care partnership program exhaust all benefits under the partnership policy.
- 8 Medical assistance eligibility.** Amends § 256B.0571, subd. 9. Allows individuals with a partnership policy to designate assets to be protected from recovery as of the effective date of MA eligibility for payment of long-term care services, up to the dollar amount of benefits used under the policy. Allows additional benefits to be protected as the individual continues to utilize benefits under the policy after becoming eligible for MA. (Under current law, an individual is required to exhaust benefits under the partnership policy, before being able to designate assets for protection.)
- 9 Payment rates.** Amends § 256B.0625, subdivision 13e. Reduces the fee-for-service reimbursement rate from the current rate of average wholesale price (AWP) minus 12 percent to AWP minus 14 percent effective July 1, 2008.
- 10 Co-payments.** Amends § 256B.0631, subd. 1. Provides that total monthly MA co-payments for individuals with incomes at or below 100 percent of FPG must not exceed 5 percent of family income. This requirement applies to the co-payments on nonemergency visits to a hospital emergency room and prescription drugs that will be in effect on January 1, 2009. Until that date, co-payments on nonpreventive visits and eyeglasses apply, and co-payments are not subject to a 5 percent limit.
- 11 Collection.** Amends § 256B.0631, subd. 3. Provides that MA reimbursement to a provider shall not be reduced by the amount of the co-payment, for recipients who have met the monthly 5 percent co-payment limit.
- 12 Federal payments.** Adds § 256B.194. Allows the commissioner to require MA and MinnesotaCare providers to provide information necessary to determine Medicaid-related costs, and to cooperate in any audits or reviews. Exempts providers not subject to the CMS final rule. Provides that this section takes effect when the CMS final rule goes into effect at

the end of the moratorium imposed by Congress.

- 13 Facility fee for hospital emergency room and clinic visit.** Amends § 256B.432, subd. 1. Reduces fee-for-service outpatient hospital reimbursement rates by three percent, effective for services provided on or after July 1, 2008. Mental health and Indian Health Service facilities are exempt.
- 14 Managed care contracts.** Amends § 256B.69, subd. 5a. Requires the commissioner to withhold, for services provided on or after January 1, 2009, an additional three percent of managed care plan payments under prepaid MA and GAMC. Requires withheld funds to be returned between July 1 and July 31 of the following year. Allows the commissioner to exclude special demonstration projects. Allows plans to include amounts withheld as admitted assets.
- 15 Hospital outpatient reimbursement.** Amends § 256B.75. Reduces fee-for-service outpatient hospital reimbursement rates by three percent, effective for services provided on or after July 1, 2008. Mental health services and Indian Health Service facilities are exempt.

Article 18: Health and Human Services Appropriations

See spreadsheet

Article 19: Health and Human Services Forecast Adjustments

See spreadsheet