

# House Research Act Summary

**CHAPTER:** 312

**SESSION:** 2014 Regular Session

**TOPIC:** Supplemental budget

**Analyst:** See individual articles

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**Overview**

This is the omnibus supplemental budget bill for the 2014 legislative session.

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**Article 1: Higher Education**

Matt Gehring (651-296-5052)

**Overview**

This article provides supplemental appropriations to the Office of Higher Education, the University of Minnesota, and the Minnesota State Colleges and Universities. It also requires reporting of certain safety issues related to study abroad programs, authorizes the Office of Higher Education to enter into interstate distance education reciprocity agreements and to refinance student and parent loans, provides for resident tuition rates for honorably discharged veterans, requires development of a plan for degree completion for certain transfer students on MnSCU campuses, and requests that the University of Minnesota build a new James Ford Bell Museum on the St. Paul campus.

- 1**      **Appropriations.** Provides that new appropriations contained in this article are added to the appropriations approved by the legislature in 2013 for higher education, and apply to fiscal year 2015.
- 2**      **Office of Higher Education.** Provides a one-time appropriation of \$750,000 to the Office of Higher Education for the purpose of expanding College Possible coaching and mentoring programs in Minnesota schools. Specific authorized uses for the funding are provided, and a

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report to the legislature is required by February 1, 2015.

- 3 Board of Trustees of the Minnesota State Colleges and Universities.** Appropriates \$17 million to the Board of Trustees for purposes of settling its outstanding labor contracts. The Board's appropriation base is increased by \$17 million in fiscal years 2016 and 2017.
- 4 Board of Regents of the University of Minnesota.** Appropriates \$4.5 million to the Board of Regents for the direct and indirect expenses of a collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine research, clinical translation, and commercialization. Details of the partnership's makeup are provided.
- Beginning January 15, 2017, and odd-years thereafter, the partnership is required to submit an independent financial audit to the legislature, including names of grant recipients and whether the recipients are affiliated with the University or Mayo Clinic.
- Beginning in fiscal year 2016, the base appropriation for the partnership is \$4.35 million.
- 5 Study abroad programs.** Requires postsecondary institutions eligible for state financial aid programs to file a report on its study abroad programs to the secretary of state, no later than November 1 of each year. The report must describe deaths, accidents, and illnesses requiring hospitalization that were a result of participation in a study abroad program. The institution must also report to the secretary of state on whether its study abroad program complies with health and safety standards set by the Forum on Education Abroad or other similar agency.
- A report submitted to the secretary of state must be posted on the secretary's website. The secretary must also post the best available information by country on sexual assault and other criminal acts affecting study abroad participants. Information posted on the secretary of state's website must also be provided to the Office of Higher Education, which also must post it online.
- Postsecondary institutions are required to provide a link to the information on the secretary of state's website in written materials provided to prospective program participants.
- The first reports required under this section are due November 1, 2015.
- 6 Military veterans; resident tuition.** Provides that a person who is honorably discharged from the United States armed forces is entitled to the resident tuition rate at public postsecondary institutions in Minnesota.
- 7 Responsibilities.** Adds a reference to interstate reciprocity agreements related to distance education to the list of statutory duties of the office of higher education.
- 8 Legislative oversight.** Adds a reference to student loan refinancing to the existing statute requiring notification to the legislature of any material change in student loan programs. A student loan refinancing program is authorized in section 9.
- 9 Student loan refinancing.** Authorizes the office of higher education to refinance student and parent loans. The office may establish credit requirements for borrowers, and determine the types of loans that are eligible for refinancing. Refinanced loans must be made using

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available funds in the loan capital fund, and the maximum amount of outstanding loans that may be refinanced may not exceed \$100 million, and the maximum loan may not exceed \$70,000.

Loans may be refinanced by the office of higher education no earlier than June 1, 2015.

**10 Loan capital fund.** Adds references to student loan refinancing to the statute establishing the loan capital fund. A student loan refinancing program is authorized in section 9.

**11 Exemption; state authorization reciprocity agreement schools.** Authorizes the Office of Higher Education to participate in an interstate reciprocity agreement related to distance education, if participation is in the best interest of Minnesota students.

If the office enters a reciprocity agreement, out-of-state institutions are exempt from registration requirements, if certain conditions are met as provided in the law.

**12 Minnesota State Colleges and Universities; baccalaureate degree completion plan.** Requires MnSCU to develop a plan to implement multi-campus articulation agreements that lead to baccalaureate degree completion for students transferring to a system university after completion of an associate degree at a system college.

The board of trustees must assign the task of developing the plan to a committee established under the “Charting the Future” initiative. A report to the legislature on the plan is required by March 15, 2015.

**13 Report; Office of Higher Education.** Requires the Office of Higher Education to report to the legislature on its plans and proposed terms and conditions for operating the student loan refinancing program authorized by section 9, including any recommended additional legislation.

**14 Study abroad program; assessment of appropriate regulation.** Requires the Office of Higher Education to assess the appropriate state regulation of postsecondary study abroad programs, and report its results to the legislature, including any recommendations, by February 1, 2015.

The assessment must balance the protection of the health and safety of participants with maintaining opportunities for students to study abroad.

**15 University of Minnesota base adjustment.** Adds \$3.5 million to the base operations and maintenance appropriation for the University of Minnesota, for fiscal years 2016 through 2041.

**16 James Ford Bell Natural History Museum and Planetarium.** Requests that the University of Minnesota construct a new James Ford Bell Natural History Museum and Planetarium on the University’s St. Paul campus.

**Section****Article 2: Appropriations for Department of Employment and Economic Development, Department of Labor and Industry, Department of Commerce, and Housing Finance**

Bob Eleff - Energy and Broadband (651-296-8961)

Mary Mullen - Housing (651-296-9253)

Anita Neumann - Employment and Economic Development, Labor and Industry (651-296-5056)

- 1 Appropriations.** Technical specifications regarding applicable fiscal years.
- 2 Department of Employment and Economic Development.** Provides appropriations for:
- Broadband development, data collection and mapping;
  - Initiative Foundations: Southwest Initiative Foundation, West Central Initiative Foundation, Southern Minnesota Initiative Foundation, Northwest Minnesota Foundation, the Initiative Foundation, Northland Foundation, and Urban Initiative Board;
  - Small business development centers;
  - Innovation vouchers pilot program;
  - Minnesota Jobs Skills Partnership;
  - Greater MN business development public infrastructure grants;
  - City of Proctor;
  - Workforce program accountability measurement and reporting system;
  - Northwest Indian Opportunities Industrialization Center;
  - Northeast MN Office of Job Training;
  - Twin Cities RISE!;
  - Interagency Olmstead Implementation Office;
  - Extended employment services;
  - MN Centers for Independent Living (CILS); and
  - City of Hoyt Lakes.
- See spreadsheet for appropriation details.
- 3 Department of Labor and Industry.** Provides appropriations for:

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- Competency standards for programs in advanced manufacturing, health care services, information technology and agriculture.

See spreadsheet for details.

**4 Department of Commerce.** Provides appropriations for:

- Gold bullion dealer registration program.

See spreadsheet for details.

**5 Housing Finance Agency.** Provides appropriations for:

- Housing project grants.

See spreadsheet for details.

**6 Business and community development.** Modifies an appropriation for the Minnesota Investment Fund made in 2013 to specify that up to three percent of the amount appropriated may be used for administrative expenses; and reduces from \$1,250,000 to \$750,000, the match requirement for a one time grant to the city of Morris for loans or grants for agricultural processing facilities or energy efficiency improvements.**7 Minnesota Trade Office.** Clarifies appropriation for a grant to Voice of East Africa Women Inc.**8 Vocational rehabilitation.** Extends for one year the time limit for the allocation of extended employment funds to Courage Center/Allina Health systems.**9 Total appropriation.** Adds rider language to the 2013 appropriations to the Minnesota Housing Finance Agency (MHFA) to continue ongoing efforts to reduce the racial and ethnic disparities gap in homeownership rates and increase the resources to achieve that goal.**10 Challenge Program.** Provides \$500,000 from the 2013 Challenge Fund appropriation be used for homeownership opportunities for families with a disabled child who have recently faced eviction. This section returns the money to general Challenge Fund uses if the money is not used by October 31, 2014.**11 Explore Minnesota Tourism.** Appropriates a \$100,000 grant to the Mille Lacs Tourism Council to be spent enhancing tourism promotion for the Mille Lacs lake area. This grant is made from the 2015 Explore Minnesota appropriation. Also appropriates an additional \$100,000 from the 2015 Explore Minnesota Tourism appropriation for additional marketing activities.**12 Telecommunications.** Clarifies an appropriation rider enacted in 2013 for telecommunications access through the LCC.**13 Extended employment carryforward.** Allows fiscal year 2014 and 2015 appropriations for extended employment services to be available for expenditure until June 30, 2105.

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- 14 Assigned risk transfer.** Authorizes transfers from the excess surplus in the assigned risk plan if an audit determines that the fund has an excess surplus as follows:
- By June 30, 2105, authorizes the onetime transfer of \$10,500,000 to the general fund;
  - By June 30, 2015 and thereafter, authorizes the transfer of a maximum of \$4,820,000 each year from the excess surplus to the Minnesota Minerals 21<sup>st</sup> Century Fund until the total amount transferred is \$24,100,000;
  - By June 30, 2015, authorizes the transfer of up to \$4,820,000 to the general fund and appropriates the amount transferred to the commissioner of labor and industry in fiscal year 2015 for workers compensation system reform. This is a onetime transfer and onetime appropriation; and
  - By June 30, 2016, authorizes the transfer of up to \$4,820,000 to the general fund and appropriates the amount transferred to the commissioner of labor and industry in fiscal year 2016 for workers compensation system reform. This is a onetime transfer and onetime appropriation.

Any unexpended and unencumbered amounts transferred for the purposes of workers compensation reform, are transferred back to the assigned risk plan on June 30, 2017, or the date at which the commissioner of commerce determines that there is no excess surplus in the assigned risk plan, whichever occurs sooner.

All transfers are contingent upon sufficient amounts of assigned risk plan excess surplus.

- 15 Workers' compensation system reform; use of funds.** Sets forth the uses of the funds transferred from the excess surplus to the general fund and appropriated to the commissioner of DOLI (under section 14) for workers compensation system reform including: reimbursement to hospitals, insurers, and self-insured employers for costs related to implementation of a new system for payment of workers' compensation inpatient hospital services; litigation expense reform; worker safety training; administrative costs; other related system reform; and DOLI expenses for developing and implementing a new system approved by the advisory council on workers compensation. No expenditures of the transferred assigned risk funds may be made until the advisory council on workers' compensation has approved a new system that includes, but it not limited to, a Medicare-based diagnosis-related group (MS-DRG) or similar system for payment of inpatient hospital services.
- 16 Affordable housing plan; disparities report.** Requires MHFA to provide the draft and final version of the affordable housing plan, the agency's annual plan providing information on the use of funding the agency receives, to the legislature.

Section**Article 3: Jobs, Economic Development, Energy, and Labor**

Bob Eleff - energy and broadband (651-296-8961)

Mary Mullen - housing (651-296-9253)

Anita Neumann - employment, economic development, labor and industry and workers compensation  
(651-296-5056)

- 1 Community energy efficiency and renewable energy loan.** Provides a data classification for energy usage data provided by an industrial, commercial, or health care facility customer for community energy efficiency and renewable energy loans.
- 2 Definitions.** (h) “Underserved areas” means areas lacking access to wireless broadband service at speeds that meet the state goals of 10-20 Mbps download/5-10 Mbps upload.  
(i) “Unserved areas” means areas lacking access to wireless broadband service at speeds of 4 Mbps download/1 Mbps upload.
- 3 Border to border broadband development grant program.**
- Subd. 1. Establishment.** Establishes a broadband grant and loan program under the commissioner of employment and economic development.
- Subd. 2. Eligible expenditures.** Provides that grants and loans may support the development of middle- and last-mile broadband infrastructure supporting broadband speeds of at least 100 megabits per second upload and download.
- Subd. 3. Eligible applicants.** Lists eligible applicants, including businesses, political subdivisions, nonprofits, and co-ops.
- Subd. 4. Application process.** Directs the commissioner to develop administrative procedures governing the application process and to act as fiscal agent for the program.
- Subd. 5. Application contents.** Specifies application contents, including number of end-users who will acquire broadband access, evidence of community support for the project, sources of supplemental funding, and other information.
- Subd. 6. Awarding grants and loans.** Lists factors the commissioner must give priority to in evaluating applications. The commissioner must give priority to projects constructed in unserved areas and may give priority to those constructed in underserved areas.
- Subd. 7. Limitations.** Limits grant awards to 50 percent of total project costs and sets a cap of \$5 million on grants to a single project.
- 4 Border to border broadband fund.**
- Subd. 1. Account established.** Establishes the border-to-border broadband account in the state treasury, and directs the commissioner to credit to the account appropriations and

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transfers to the account.

**Subd. 2. Expenditures.** Specifies allowable expenditures from the account, including grants awarded by the program, as a supplement to revenues raised by local bond sales for broadband development, agency administrative costs, and for broadband deployment data collection and mapping.

**Subd. 3. Restrictions.** Provides that no more than one-third of grant funds may be awarded to applicants from areas whose household density exceeds 100 households per square mile.

**Subd. 4. Appropriation.** Appropriates money in the account to the commissioner for the purposes of the program.

- 5 Use of fund.** Expands the permitted uses for the Minnesota Minerals 21<sup>st</sup> Century Fund to include investments in facilities for the manufacturing of renewable energy products and facilities for the manufacturing of biobased or biomass products.
- 6 Grant limits.** Increases the percentage that local communities and recognized Indian tribal governments are allowed to retain when a Minnesota investment fund grant is repaid to the local community or recognized Indian tribal government from 20 to 40 percent, up to \$100,000.
- 7 Workforce program outcomes.** Directs the commissioner of employment and economic development (DEED) to develop and implement a comprehensive system for data collection, reporting and analysis of the effects and outcomes for adult workforce development programs and services.
- 8 Receipt of gifts; money; appropriation.** Authorizes the commissioner of mediation services to apply for and accept money.
- 9 Approved training programs.** Authorizes the commissioner of labor and industry to grant exemptions from child labor laws for minors participating in job training programs approved by the commissioner and for those participating in valid apprenticeship programs.
- 10 Technical assistance.** Authorizes the commissioner of commerce to assess up to \$850,000 per year for technical assistance for the conservation improvement programs. Allows up to \$400,000 per year, until June 30, 2017, of the assessment to go toward developing, maintaining, operating, and providing technical support for a uniform electronic data reporting and tracking system.
- 11 Community energy efficiency and renewable energy loan program.** Expands the purpose and criteria for the loan program for community energy efficiency and renewable energy projects. Expands the projects covered to cost effective energy efficiency projects installed in industrial, commercial or public building or health care facilities. Specifies that energy usage data provided by an industrial, commercial, or health care facility customer for the loans is classified as nonpublic data.
- 12 Community energy efficiency and renewable energy loan revenue bonds.** Specifies

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bonding authority for revenue bonds for community energy efficiency and renewable energy loans.

- 13 Affirmative business enterprise employment.** Specifies that for the purposes of affirmative business enterprise employment within the vocational rehabilitation program, an employer must provide one benefit package available to all employees at the specific site certified as an affirmative business enterprise.
- 14 Employment services for persons who are deaf, deafblind, or hard-of-hearing.** Directs the commissioner of employment and economic development to develop and implement a statewide grant program to provide long-term supported employment services for persons who are deaf, deafblind, and hard-of-hearing. Allows the commissioner to keep up to five percent of the biennial appropriation for administration. Provides that the section is effective only upon enactment of a direct appropriation for the grant program.
- 15 City or town where quarried or produced.** Removes reporting requirement to the Iron Range Resources and Rehabilitation Board and the commissioner of iron range resources and rehabilitation for cooperative projects in which two or more municipalities participate and corresponding reporting responsibilities for those projects.
- 16 2013 distributions.** Makes technical changes to the 2013 taconite tax property tax relief distributions for the 2013 distributions of taconite tax funds.
- 17 2014 distributions.** Provides for taconite tax property tax relief distributions to named municipalities for 2014 distributions of taconite tax funds.
- 18 CIP electronic data reporting and tracking system; evaluation.** Allows the commissioner of commerce to utilize a stakeholder group to monitor the usability and product development of systems for electronic data reporting and tracking of the conservation improvement plan program.
- 19 Innovation voucher pilot program.** Directs the commissioner of DEED to develop and implement an innovation voucher pilot program to provide financial assistance to small businesses purchasing technical assistance and services for research, technical development, product development, commercialization, technology exploration and improved business practices. The maximum voucher award is limited to \$25,000 per business. Vouchers require a 50 percent match.
- 20 Commissioner's accountability plan.** Requires the commissioner of DEED to report to the house and senate on a plan and needs for financing to design and implement a performance accountability outcome measure system for programs under Chapter 116J and 116L.
- 21 Competency standards; advanced manufacturing, health care services, information technology, and agriculture.** Directs the commissioner of labor and industry to establish competency standards for programs in advanced manufacturing, health care services, information technology, and agriculture.
- 22 Agricultural employment; report.** Directs the commissioner of labor and industry to report

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and make recommendations to the committees of the house and senate on the number of agricultural employees using a 48 hour work week and the number of employees affected.

**23 Repealer.** Repeals current program accountability requirements.

**Article 4: State Departments and Veterans**

Mark Shepard (651-296-5051)

**1 State Departments and Veterans Appropriations.** Provides that appropriations are added to 2013 appropriations and are for the purposes and from the funds specified.

**2 State Departments and Veterans Appropriations.**

**Subd. 1. Legislative Coordinating Commission.** Appropriates \$225,000 for operating costs of joint legislative offices (\$150,000 each year added to the base). Appropriates \$155,000 for the Legislative Water Commission established in section 3 of this article (\$145,000 each year added to the base through FY19).

**Subd. 2. Minnesota Housing Finance Agency.** Appropriates \$250,000 for at least five grants of up to \$50,000 each to conduct a housing needs assessment for veterans. Requires the assessment to be completed by July 30, 2016, with a report to the legislature by January 1, 2017.

**Subd. 3. Racing Commission.** Appropriates \$100,000 in FY14 and \$85,000 in FY15 from the racing and card playing regulation accounts in the special revenue fund.

**Subd. 4. Amateur Sports Commission.** Appropriates \$50,000 to develop a pilot program to prevent and reduce childhood obesity.

**Subd. 5. Minnesota Historical Society.** Appropriates \$25,000 for a grant to Farm America for repairs and maintenance of the Minnesota Agricultural Interpretive Center and for audit expenses.

**Subd. 6. Board of the Arts.** Appropriates \$750,000 from the arts and cultural heritage fund for arts education in partnership with the President's Turnaround Arts Initiative. This appropriation is contingent on Minnesota being designated a Turnaround site.

**Subd. 7. Minnesota Humanities Center.** Appropriates \$125,000 from the arts and cultural heritage fund for the Veterans' Voices program. Of this amount, \$25,000 is for transfer to AMPERS radio stations to promote the Veterans' Voices program. Appropriates \$100,000 from the arts and cultural heritage fund for professional development for K-12 educators to better culturally engage their work with at-risk student populations.

**Subd. 8-21. Military Licensing.** Appropriates money to occupational licensing

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boards and to the Department of Education to implement expedited and temporary occupational licensing for active duty military members and their spouses and for recently-separated veterans.

- 3** **Legislative Water Commission.** Creates a 12-member joint Legislative Water Commission and specifies duties for the commission related to water policy. This section expires July 1, 2019.
- 4** **Compensation Council.** Strikes the duty to make salary recommendations for legislators from the duties of the Compensation Council.
- 5** **Submission of Recommendations.** Provides for the Compensation Council to make recommendations by April 15 (instead of March 15) in each odd-numbered year. Strikes language relating to salary recommendations for legislators.
- 6** **Criteria.** Strikes language relating to salary recommendations for legislators from a law governing the Compensation Council.
- 7** **Veteran-Owned Small Businesses.** In the law requiring the Commissioner of Administration to give a six percent preference in state purchasing to veteran-owned small businesses, refers generally to businesses owned by veterans.
- 8** **Eligibility; Rules.** Requires the Commissioner of Administration to adopt rules for certifying veteran-owned small businesses as eligible to receive preferences in state purchasing. Retains current law providing that businesses certified by the United States Department of Veterans Affairs are eligible. Provides transitional language stating until new rules are adopted to certify veteran-owned businesses, these businesses may be certified under existing rules that apply to other targeted group businesses.
- 9** **Temporary military licensure.** Requires Board of Teaching to establish a temporary license under section 197.4552 (military), and sets a fee.
- 10** **Temporary military permit.** Requires Board of Optometry to establish a temporary permit under section 197.4552 (military), and sets a fee.
- 11** **Temporary military permit.** Requires Board of Dietetics and Nutrition Practice to establish a temporary permit under section 197.4552 (military), and sets a fee.
- 12** **Temporary military licensure.** Requires Board of Marriage and Family Therapy to establish a temporary license under section 197.4552 (military), and sets a fee.
- 13** **Temporary military licensure.** Requires Board of Behavioral Health and Therapy to establish a temporary license under section 197.4552 (military), and sets a fee.
- 14** **Temporary military permit.** Requires Board of Dentistry to establish a temporary permit under section 197.4552 (military), and sets a fee.
- 15** **Temporary military permit.** Requires Board of Podiatric Medicine to establish a temporary permit under section 197.4552 (military), and sets a fee.

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- 16 Temporary military licensure.** Requires Board of Barbers to establish a temporary license and permit under section 197.4552 (military), and sets fees.
- 17 Temporary military permit.** Requires Board of Cosmetology to establish a temporary license under section 197.4552 (military), and sets a fee.
- 18 Expedited License Processing; Military.** Requires occupational licensing boards listed in Minnesota Statutes, section 214.01, subdivisions 2 and 3, to establish a procedure to expedite issuance of licenses to qualified people who are active duty military members, their spouses, or veterans who have left service in the past two years.
- Requires occupational licensing boards to establish a procedure to issue a temporary license or certification to qualified individual who are active duty military members, their spouses, or veterans who have left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- Authorizes licensing boards to adopt rules to carry out this section.
- 19 Temporary military license.** Requires Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design to establish a temporary certificate under section 197.4552 (military), and sets a fee.
- 20 Temporary military license.** Requires Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design to establish a temporary license under section 197.4552 (military), and sets a fee.
- 21 Temporary military certificate.** Requires Board of Private Detectives to establish a temporary certificate under section 197.4522 (military) and sets a fee.
- 22 Temporary military license.** Requires Board of Accountancy to establish a temporary certificate under section 197.4552 (military).
- 23 Temporary military license.** Sets fee for temporary certificates set by the Board of Accountancy.
- 24 Scope.** Amends article 2, section 6, of the WESA bill (Chapter 239) enacted earlier in 2014 to provided that the equal pay certificate requirement applies to a contract or agreement “for goods or services”.
- 25 Legislative Water Commission.** Specifies procedures for initial appointments to the Legislative Water Commission and for the first meeting.
- 26 Study of Special Revenue Account for Central Accommodation.** Requires the Commissioner of Management and Budget to report to the governor and legislature by January 5, 2014, on advantages and disadvantages of creating an account for the special revenue fund to pay for costs of providing accommodations to executive branch employees with disabilities.

Section**Article 5: Public Safety and Corrections Appropriations**

Rebecca Pirius (651-296-5044)

Jeff Diebel (651-296-5041)

- 1-2 Summary appropriations.** Contain a summary of appropriations and an explanation of the structure of the bill.
- 3 Department of Public Safety.**
- Subd. 1. Total appropriation.** Contains a summary of appropriations to the Department of Public Safety.
- Subd. 2. Emergency communications networks.** Appropriates additional funds to emergency communications networks.
- Subd. 3. Office of Justice Programs.** Appropriates \$1,300,000 total: (a) \$500,000 for youth intervention programs (one-time); (b) \$500,000 for shelter services (one-time); and (c) \$300,000 for sexual assault advocacy programs (added to the base).
- Subd. 4. Fire Safety Account.** Makes a onetime appropriation of \$1.3 million in FY 2014 from the fire safety account for activities and programs of the Fire Service Advisory Committee. The Commissioner of Public Safety is required to report to the Legislature on the balances and uses of this account.
- Subd. 5. Bureau of Criminal Apprehension.** Appropriates \$473,000 to implement Laws 2014, ch. 246 (expungement law changes). Base is \$583,000.
- 4 Corrections.**
- Subd. 1. Total Appropriation.** Appropriates \$30,139,000.
- Subd. 2. Correctional institutions.** Appropriates \$27,289,000.
- Subd. 3. Community services.** Appropriates \$1,950,000 - of which \$50,000 is a onetime appropriation to implement victim notification provisions in art. 6, secs. 1, 2, and 5.
- Subd. 4. Operations support.** Appropriates \$900,000.
- 5 POST Board.** Appropriates \$50,000 (one-time) for crisis de-escalation training programs.
- 6 Human Rights.** Appropriates \$50,000 (one-time) for community outreach.
- 7 Human Services.** Appropriates \$45,000 to implement Laws 2014, ch. 246 (expungement law changes). Base is \$90,000.
- 8 Emergency communications network.** Provides that prior appropriation for Next Generation 911 is available until expended.

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- 9 Total appropriation.** Corrects transposed number.
- 10 Criminal apprehension.** Provides that replacement of state's crime reporting system includes one full-time equivalent business analyst and redirects funding for position to BCA.
- 11 Training; Sexually exploited and trafficked youth.** Amends the appropriation to the Peace Officer Standards and Training (POST) board from last year's omnibus criminal justice funding bill relating to reimbursing local governments for peace officer training costs on sexually exploited and trafficked youth. Makes money from this appropriation available until June 30, 2016.
- 12 Transfer; Emergency Management.** Directs MMB on July 1 to transfer \$3,000,000 from general fund to disaster assistance contingency account in art. 7.

**Article 6: Public Safety and Corrections**

Rebecca Pirius (651-296-5044)

Jeff Diebel (651-296-5041)

- 1 Disclosure.** Authorizes disclosure of private or confidential court services data to crime victims as provided in section 5.
- Effective.** January 1, 2015.
- 2 Public benefit data.** Provides that upon request, the commissioner of corrections or its designee shall disclose, to the victim of domestic violence, enhanced notification of the 5-digit zip code of the offender's residency upon or after release from DOC custody, unless the offender is not under supervision, the zip code is unavailable, or disclosure creates a risk.
- (§ 609.02, subd. 16 – definition of “qualified domestic violence-related offenses”)
- Effective.** January 1, 2015.
- 3 Continuance.** Amends the law on continuances without adjudication of delinquency. Under current law, a judge can order a continuance without adjudication of delinquency for up to 90 days (with a single 90 day extension) when the continuance is in the best interests of the child and the allegations in the delinquency petition are not in dispute (i.e., the child has already admitted them or they have already been proven). This section extends the continuance periods to 180 days. The 180 day extension may only be granted with the prosecutor's approval. Also requires that a continuance not be inimical to public safety and broadens the conditions of the continuance to include any of the authorized disposition options for adjudicated delinquents, except a transfer of legal custody of the child to the commissioner of corrections. Authorizes a prosecutor to appeal a continuance ordered in contravention of this section.
- 4 Fire safety account.** Provides that the Fire Service Advisory Committee does not expire.

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- 5 Offender location.** Adds a new subdivision to section 611A.06 – Right to Notice of Release. Provides the victim with the same rights as found in section 2. Classifies the victim’s identifying data as private data on individuals.
- Effective.** January 1, 2015.
- 6 Punishment for prohibited acts; default.** Amends the law that provides that if a statute prohibits the performance of an act but does not provide a penalty, a violation is deemed a misdemeanor (maximum penalty of up to 90 days incarceration and/or a \$1,000 fine). This section provides that for statutes enacted or amended after September 1, 2014, the penalty is a petty misdemeanor (maximum penalty \$300 fine). This change is made only prospectively and does not affect laws currently in effect.
- 7 Repealer.** Corrects effective date in omnibus liquor bill.

**Article 7: Disaster Assistance for Public Entities; Federal Aid Granted**

Colbey Sullivan (651-296-5047)

**Overview**

This article requires the state to pay 100 percent of the nonfederal share (often referred to as the “match”) of FEMA-eligible disaster costs for state agencies, American Indian tribes, and local units of government. It also creates a new disaster contingency account to capture expiring appropriations from prior disasters and to statutorily appropriate money to the Department of Public Safety (DPS) to (1) pay the nonfederal share for state agencies, local units of government, and American Indian tribes, and (2) award state disaster assistance grants to American Indian tribes and local units of government under the new program in article 8.

- 1 Local government.** Links the definition of “local government” for state disaster assistance purposes to the federal definition promulgated by FEMA as of 2012. That definition is:
- “Local government: (i) A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government; (ii) An Indian tribe or authorized tribal organization, or Alaska Native village or organization; and (iii) A rural community, unincorporated town or village, or other public entity, for which an application for assistance is made by a State or political subdivision of a State.”*
- 2 Nonfederal share.** Links the definitions of “nonfederal share” (of FEMA Public Disaster Program assistance in chapters 12 and 12A). The definition in this section would reside in chapter 12 and be linked to the chapter 12A definition established in section 7. The nonfederal share – or the portion of total eligible damages that is not eligible for FEMA

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assistance – is sometimes referred to as the “FEMA match” and is typically 25 percent, with FEMA paying the remaining 75 percent of eligible costs.

- 3 Subgrant agreements; state share.** Requires the state to pay 100 percent of the nonfederal share for FEMA Public Assistance to a local government, as defined above.
- 4 Disaster contingency account; appropriation.** Creates a contingency account in the special revenue fund. Establishes an ongoing, statutory appropriation to DPS. The appropriation would provide state dollars to (1) state agencies and local governments (as defined) to pay 100 percent of the nonfederal share for FEMA public disaster assistance, and (2) local governments (as defined) under the new program created in article 8. Requires an annual report on appropriations and expenditures. Requires the governor to recommend funding for the contingency account as part of the governor’s budget proposals to the legislature. Provides that neither funds in the contingency account nor appropriations from the account expire.
- 5 Appropriation.** Technical change to reflect the new statutory appropriation in the prior section.
- 6 Local government.** Links the definition of “local government” for purposes of chapter 12A to the chapter 12 definition established in section 1.
- 7 Nonfederal share.** Defines the term as the portion of total FEMA Public Assistance Program eligible disaster costs that is not eligible for FEMA reimbursement, not to exceed 25 percent.
- 8 Nonduplication of federal assistance.** Replaces the term “matching” (money for FEMA assistance) with “cost-share”. Replaces the terms “political subdivision” and “Indian tribe” with the new term “local government” defined in section 1.
- 9 State cost-share for federal assistance.** Authorizes appropriations to pay for 100 percent of the nonfederal share for state agencies and local units of government.
- 10 Disaster assistance.** Requires Minnesota Management and Budget (MMB) to transfer unspent and expiring general fund disaster assistance appropriations to the new contingency account. Requires MMB to report each transfer to the legislature.
- 11 Effective date.** This article took effect the day following final enactment, or May 21, 2014.

Section**Article 8: Disaster Assistance for Public Entities; Absent Federal Aid**

Colbey Sullivan (651-296-5047)

**Overview**

This article establishes a new disaster relief program for local units of government and American Indian tribes that are not eligible to receive FEMA assistance or corresponding state disaster aid under chapter 12A but sustained eligible damages, on a per capita basis, greater than or equal to 50 percent of FEMA's county per capita impact indicator.

- 1 Public Disaster Assistance; Absent Federal Aid.** States the purpose of this new chapter.
- 2 Definitions.** Defines key terms, including "local government," (same as article 7) "disaster," and "incident period."
- 3 Eligibility criteria; considerations.** Authorizes DPS to award grants to eligible local government applicants. Establishes what constitutes a qualifying disaster. Requires DPS to consider an applicant's ability to access other resources and the availability or existence of insurance.
- 4 Eligible costs.** States that eligible costs are those that would be eligible for FEMA Public Assistance Program grants had FEMA assistance been available to the local unit of government. FEMA Public Assistance Program eligible cost categories are:

## Emergency Work

- Debris removal – Clearance of trees and woody debris; certain building wreckage; damaged/destroyed building contents; sand, mud, silt, and gravel; vehicles; and other disaster-related material deposited on public and, in very limited cases, private property.
- Emergency protective measures – Measures taken before, during, and after a disaster to eliminate/reduce an immediate threat to life, public health, or safety, or to eliminate/reduce an immediate threat of significant damage to improved public and private property through cost-effective measures.

## Permanent Work

- Roads and bridges – Repair of roads, bridges, and associated features, such as shoulders, ditches, culverts, lighting, and signs.
- Water control facilities – Repair of drainage channels, pumping facilities, and some irrigation facilities. Repair of levees, dams, and flood control channels are eligible on a restricted basis.
- Buildings and equipment – Repair or replacement of buildings, including their

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contents and systems; heavy equipment; and vehicles.

- Utilities – Repair of water treatment and delivery systems; power generation facilities and distribution facilities; sewage collection and treatment facilities; and communications.
- Parks, recreational facilities, and other facilities – Repair and restoration of parks, playgrounds, pools, cemeteries, mass transit facilities, and beaches. This category also is used for any work or facility that cannot be characterized adequately by the categories above.

- 5 Applicant's share.** Limits state grants to 75 percent of the applicant's eligible costs. Lists volunteer and in-kind contributions that count as part of the applicant's 25 percent share.
- 6 Application process.** Requires DPS to develop application materials. Establishes the application submission and review process.
- 7 Claims process.** Requires an applicant to submit a claim for payment of actual and eligible costs. Provides a process for applicants to challenge a claim denial. Authorizes DPS to inspect all work submitted for payment. Requires an applicant to properly account for all disaster grants received and to submit to an audit by DPS or the State Auditor.
- 8 Funding from other sources; repayment required.** Requires a grant recipient to refund the money to the state if the recipient subsequently receives money for the same purpose from a different source.
- 9 Effective date.** This article took effect the day following final enactment, or May 21, 2014.

### **Article 9: Transportation Appropriations**

Matt Burress (651-296-5045)

### **Overview**

This article contains transportation-related general fund and trunk highway fund direct appropriations, a general fund transfer, other adjustments to appropriations for fiscal years 2014-15 (modifying the biennial transportation budget), and changes to trunk highway bond appropriations.

- 1 Rochester maintenance facility.** Reduces the appropriation under 2010 capital investment legislation for a new maintenance facility in Rochester.
- 2 Trunk highway fund bond proceeds account.** Reduces the bond sale authorization amount corresponding with the change in section 1.
- 3 Rochester maintenance facility.** Increases the appropriation under 2012 legislation for a new maintenance facility in Rochester (matching the amount of the reduction in section 1).

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- 4 Trunk highway fund bond proceeds account.** Increases the bond sale authorization amount corresponding with the change in section 3.
- 5 Transfers, reductions, cancellations, and bond sale authorizations reduced.** Modifies cancellation of excess funds appropriated for trunk highway repairs due to flooding in 2007, to reduce the amount canceled under a 2012 law.
- 6 Multimodal Systems.** Increases appropriations to the Department of Transportation. Increases from the state airports fund are \$1 million in fiscal year 2014 and \$3 million in 2015 for aeronautics (which reduces the fund balance). General fund appropriations consist of:
- ▶ \$6.5 million for greater Minnesota transit service (which offsets a portion of reduced 2015 funding under a reallocation of motor vehicle lease sales tax, found in article 11, section 29)
  - ▶ \$32,000 for free 2014 election day transit service in greater Minnesota
  - ▶ \$2 million for highway-rail grade crossings in corridors where oil and other hazardous materials are transported
  - ▶ \$250,000 for non-capital expenditures in the Safe Routes to School Program, with the base appropriation increased to \$500,000 annually
- 7 State Roads.** Increases to trunk highway fund appropriations to the Department of Transportation for operations and maintenance, program planning and delivery, and state road construction. Changes include:
- ▶ \$10 million for expenses related to winter season pavement repairs
  - ▶ \$16 million for various operations, maintenance, and project management investments
  - ▶ \$5 annually for snow plowing equipment replacement, with the base appropriation for operations and maintenance increased by \$5 million annually
  - ▶ \$6 million authorized for transfer to the Stillwater lift bridge account
  - ▶ \$31.5 million for the Corridors of Commerce program
  - ▶ \$35 million for improvements to Old Highway 14 as part of a turnback settlement agreement
- 8 Transfers.** Directs an additional \$21 million to be transferred from the flexible highway account to the trunk highway fund (as part of funding improvements to Old Highway 14 in conjunction with a turnback settlement agreement).
- 9 Metropolitan Council.** Reduces the Metropolitan Council appropriation by \$60,000 in fiscal year 2015 as part of shift of light rail transit oversight duties to the Department of Public Safety (see section 10). Increases fiscal year 2015 general fund appropriations to the Metropolitan Council for transit-related projects, which include:
- ▶ \$500,000 for improvements to transit shelters

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- ▶ \$144,000 for foregone revenue from free transit service on election day
  - ▶ \$250,000 to suburban transit providers
  - ▶ \$1 million for development of arterial bus rapid transit
  - ▶ \$1 million for the I-35W/Lake St. transit station
- 10 Administration and related services.** Increases the general fund appropriation to the Department of Public Safety by \$60,000 in fiscal year 2015 for light rail transit safety oversight, and adjusts the base appropriation by that amount annually (which is part of shift of light rail transit oversight duties to the department; see section 9).
- 11 State Patrol.** Increases fiscal year 2015 general fund appropriations to the Department of Public Safety by \$5.9 million for additional State Patrol troopers as well as \$2 million for capital security, and adds to base appropriations for both activities.
- 12 Driver and vehicle services.** Increases fiscal year 2015 special revenue fund appropriations to the Department of Public Safety by about \$862,000 for a vehicle insurance coverage task force (created in article 11, section 37) and expanded driver examination scheduling.
- 13 Transfer; railroad and pipeline safety.** Transfers \$1.574 million in fiscal year 2015 from the general fund into a new railroad and pipeline safety account (established in article 10, section 9).

**Article 10: Railroad and Pipeline Safety**

Matt Burress (651-296-5045)

**Overview**

This article addresses transportation of oil and other hazardous materials by rail and pipeline, including specifying additional responsibilities in emergency planning and preparedness for railroad and pipeline owners; identifying agency duties; increasing the number of state rail safety inspectors; assessing railroad and pipeline companies \$2.5 million annually over three years for training and preparedness on oil and other hazardous materials spills; allocating assessment funds; and requiring legislative reports.

- 1 Incident commander.** Defines a term for the chapter on environmental protection.
- 2 Listed sensitive area.** Defines a term for the chapter on environmental protection.
- 3 Unit train.** Defines a term for the chapter on environmental protection.
- 4 [115E.042] Preparedness and response for certain railroads.**
- Subd. 1. Application.** Requires owners of unit trains to comply with this section.
- Subd. 2. Training.** Requires a railroad to offer, by June 30, 2016, specific training

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to each fire department along the route of a unit train and refresher training every three years thereafter.

**Subd. 3. Coordination.** Requires a railroad meet at least annually with each city or county emergency manager and a senior fire department officer in areas along the route of a unit train.

**Subd. 4. Response capabilities; time limits.** Makes a railroad responsible for deploying sufficient equipment and resources to a discharge site following a discharge. Specifies what resources are required to be deployed at a discharge site within various time periods after a confirmation of a discharge. The changes go into effect July 1, 2015.

**Subd. 5. Railroad drills.** Requires railroads to conduct an oil response drill every three years, effective July 1, 2015.

**Subd. 6. Prevention and response plans; approval.** Requires a railroad to submit a response plan to the Minnesota Pollution Control Agency, which is due by June 30, 2015. Plans must be updated and submitted every three years.

- 5 Railroad preparedness; pollution control.** Identifies Pollution Control Agency duties with respect to environmental protection activities related to railroads.
- 6 Railroad and pipeline preparedness; public safety.** Identifies Department of Public Safety duties with respect to public safety preparedness activities related to railroads and pipelines.
- 7 Positions established; duties.** Expands the number of required MnDOT state rail safety inspectors from one to three, with a fourth position permitted to be added after July 1, 2015, following consultation. Clarifies MnDOT ability to enter into agreements with the Federal Rail Administration and inspector authority.
- 8 Railroad company assessment; account; appropriation.** Includes Class II railroads in a railroad assessment for program costs of state rail safety inspectors, clarifies the assessment basis, and makes technical changes.
- 9 [299A.55] Railroad and pipeline safety; oil and other hazardous materials.** Creates a \$2.5 million annual assessment on railroad and pipeline companies and directs use of the funds, to be administered by the Department of Public Safety for training and preparedness on oil and other hazardous materials spills.

**Subd. 1. Definitions.** Defines terms.

**Subd. 2. Railroad and pipeline safety account.** Creates a railroad and pipeline safety account. Makes statutory appropriations of available funds, consisting of \$104,000 annually to the Pollution Control Agency, and the remainder to the Department of Public Safety for the preparedness purposes set in subdivision 3.

**Subd. 3. Allocation of funds.** Provides for allocation of funds for training and

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response preparedness related to rail and pipeline transport of oil and other hazardous substances. Directs allocation of funds, requires consultation, identifies factors for prioritization, and limits uses of funds to training, equipment, supplies, and planning and coordination.

**Subd. 4. Assessments.** Establishes a \$2.5 million annual assessment for three years (until July 1, 2017), allocated 50 percent to rail companies and 50 percent to pipeline companies. Provides for distribution of the assessment across companies in each industry. Directs funds to the railroad and pipeline safety account (being created in subdivision 2).

- 10 Improvements study on grade crossings and rail safety for oil and other hazardous materials transportation.** Mandates a MnDOT legislative study on grade crossing risk management and improvement along rail corridors in which oil and other hazardous materials are transported. An interim update is due by August 31, 2014, and the final report is due October 31, 2014.
- 11 Reports on incident preparedness for oil and other hazardous materials transportation.** Requires two legislative reports from the Department of Public Safety on incident response preparedness in the transportation of oil and other hazardous materials. The first is a report due January 15, 2015. Specified content includes a summary of the state's emergency response framework, an assessment of costs and needs, and a response capacity inventory.
- The second report is an evaluation due November 1, 2017, that includes updates to the first report, analysis of effectiveness of the training and response preparedness activities established in section 9 of this article, and identification of funding levels.

### **Article 11: Transportation Finance Provisions**

Matt Burress (651-296-5045)

### **Overview**

This article contains various transportation finance and fiscal provisions.

- 1 Trooper Glen Skalman Memorial Highway.** Names a portion of U.S. Highway 61 from Forest Lake to Wyoming as the "Trooper Glen Skalman Memorial Highway."
- 2 Use of funds.** Clarifies permissible uses of the funds in the Stillwater lift bridge endowment account.
- 3 [168.1299] Minnesota Golf Plates.** Establishes a new special golf plate. Sets eligibility and fees, including an annual \$30 contribution to the Minnesota Section PGA Foundation. Provides for allocation of contribution funds, plate transfers, and plate design.
- 4 Work zone.** Defines "work zone" in the chapter on traffic safety, to identify construction or maintenance work by a road authority (such as MnDOT, counties, and cities) along with at least one of some other conditions, such as a temporary work zone speed limit or lane

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closure.

- 5**      **Obedience to traffic-control signal or authorized persons; presumptions.** Eliminates a provision on traffic direction from flaggers, which is moved to a separate subdivision.
- 6**      **Obedience to work zone flagger; violation, penalty.** Sets a statutory fine amount of \$300 (not including a \$75 court surcharge or other fees) for a motorist who violates the directives of a traffic flagger in a work zone. Provides for issuing a citation to the owner or lessor of a vehicle operated in violation of flagger directions, with exceptions and limitations.
- 7**      **Speed limit in work zone when workers present.** Paragraphs (a) and (b) reduce the default speed limit to 45 m.p.h. in work zones when workers are present and at least one lane is closed, in cases where the usual speed limit is 50 m.p.h. or higher. Provides for situations in which the limit is not adjusted down, including when positive barriers are in place, the work takes place for a period of under 24 hours, or if the limit has otherwise been adjusted already.
- Paragraphs (c) and (d) amend the requirements on when a workers present speed limit in a work zone can be set by a road authority without a traffic study. Under the change, speed limit can be reduced by no more than 20 miles per hour in a 55 m.p.h. or higher zone, and reduced by no more than 15 miles per hour in a 50 m.p.h. or lower zone.
- Eliminates a provision that doubles the fine when a speeding violation occurs in certain work zones when workers are present, which is replaced with statutory fine amount in a separate subdivision. (Under current law, the amount of fine varies depending on the driver's speed.)
- 8**      **Work zone speed limit violations.** Sets a statutory fine amount of \$300 (not including a \$75 court surcharge or other fees) for violating a speed limit and other speed related violations in a work zone.
- 9**      **Entrance and exit; crossover; use regulations; signs; rules.** Broadens the list of vehicles that can use a crossover (to change direction on a divided highway), to include Department of Public Safety vehicles driven by a commercial vehicle inspector.
- 10**     **Expiration date.** Allows special harvest season increase permits to expire at the same time as the end of the registration period for the vehicle.
- 11**     **Expiration date.** Allows special forest products permits to expire at the same time as the end of the registration period for the vehicle.
- 12**     **Fees; proceeds deposited; appropriation.** Requires a proportionally reduced special permit fee when the permit expiration is set to correspond with the end of the vehicle registration period.
- 13**     **Expiration date.** Allows special pulpwood vehicle permits to expire at the same time as the end of the registration period for the vehicle.
- 14**     **Six-axle vehicles.** Makes a conforming clarification, to cross reference a provision on proportionally reduced special permit fees when the permit expiration is set to correspond

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with the end of the vehicle registration period.

- 15**     **Seven-axle vehicles.** Makes a conforming clarification, to cross reference a provision on proportionally reduced special permit fees when the permit expiration is set to correspond with the end of the vehicle registration period.
- 16**     **Expiration date.** Allows special permits for hauling unprocessed agricultural products to expire at the same time as the end of the registration period for the vehicle.
- 17**     **Permit fee; appropriation.** Makes a conforming clarification, to cross reference a provision on proportionally reduced special permit fees when the permit expiration is set to correspond with the end of the vehicle registration period.
- 18**     **Expiration date.** Allows special canola-hauling permits to expire at the same time as the end of the registration period for the vehicle.
- 19**     **Motorized bicycle.** Modifies permit fees for operating a motorized bicycle (which is commonly known as a moped), to eliminate a one-year operator's permit, make under-21 operator's permits valid until age 21, and set a \$5.25 fee for all duplicate permits.
- 20**     **Fees.** Sets a \$2.50 fee for a learner's permit for a commercial driver's license.
- 21**     **Examination subject and locations; provisions for color blindness, disabled veterans.** Requires the department of Public Safety to make driver's license road tests available within 14 days of when an eligible applicants seeks to schedule an appointment.
- 22**     **[171.161] Commercial driver's license; federal conformity.** Requires the Department of Public Safety to make its policies and programs comply with federal laws on commercial driver's licenses. Clarifies that federal laws take precedence in the event of conflicts with some state statutes governing commercial driver's license regulations (such as license holder disqualification, notification requirements, and related recordkeeping).
- 23**     **Products and services; billing.** Provides for MnDOT internal departmental billing for centrally managed products or services. Creates a standing appropriation from a new special products and services account that receives receipts from the internal billing.
- 24**     **Transportation economic development accounts.** Makes all funds in the transportation economic development account, regardless of when appropriated, available until expended.
- 25**     **Funding requirement.** Amends a requirement on the minimum level of MnDOT expenditures for "transportation alternatives" (which primarily includes bicycle and pedestrian facilities) from federal assistance, to set the level based on the expenditures over federal fiscal years 2010-12 instead of a rolling average.
- 26**     **Report required.** Adds information on agency efficiencies to the required contents of an annual MnDOT report to the legislature on trunk highway projects and fund expenditures.
- 27**     **[219.375] Railroad yard lighting.** Creates a new section of statutes governing lighting requirements for railroad yards.

**Section****Subd. 1. Lighting status reports submitted by railroad common carriers.**

Requires railroads engaging in some nighttime rail yard activities, including switching and inspections, to annually submit a yard lighting plan to MnDOT. Specifies plan contents and requirements.

**Subd. 2. Maintenance of lighting equipment.** Requires lighting to be maintained and repaired within 48 hours of reported malfunctions.

**Subd. 3. Lighting status reports submitted by worker representatives.**

Requires worker representatives at those yards subject to railroad yard lighting reporting (under subdivision 1) to submit a lighting report to MnDOT. Specifies report contents.

**Subd. 4. Commissioner response.** Directs MnDOT to review submitted reports, identify discrepancies between the railroad company and worker representative reporting, and annually advise legislative transportation chairs and ranking minority members.

**Subd. 5. Required lighting.** Directs railroads to establish yard lighting meeting national rail standards, at any yard for which certain conditions related to hazardous materials apply (involving nighttime switching or inspections of railcars transporting hazardous materials and proximity to a higher capacity oil refinery).

- 28 Expenditures.** Permits, through fiscal year 2016, Minnesota Rail Service Improvement Program (MRSI) funds to be used as the match for federal Transportation Investment Generating Economic Recovery (TIGER) program grants.
- 29 Motor vehicle lease sales tax revenue.** Amends the allocation of revenue from the motor vehicle lease sales tax, so that a \$9 million flat amount for suburban Twin Cities metropolitan area counties (that is, excluding Hennepin and Ramsey) for 2015 is replaced with a formula-based amount consisting of 50 percent of available funds (following a distribution to the general fund). Based on forecasted revenue from this tax, the change is expected to have the effect of reducing the amount allocated to Greater Minnesota transit and increasing the amount going to the counties. Makes technical changes.
- 30 [299A.017] State safety oversight.** Creates a new section of statute that (1) directs the Department of Public Safety to create an office for rail fixed guideway safety oversight, and (2) authorizes the office to implement light rail safety activities and planning that meets federal law requirements.
- 31 [473.4056] Light rail transit vehicle design.** Creates a new section of statutes on design of light rail transit vehicles.

**Subd. 1. Adoption of standards.** Requires the council to adopt, by January 1, 2015, standards on the design of light rail transit vehicles for subsequent procurement, for transit vehicle procurement after that date. Makes the design subject to review and approval by the Transportation Accessibility Advisory Committee. Requires posting

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on the council's website.

**Subd. 2. Minimum standards.** Sets requirements for the design standards, including dedicated wheelchair spaces, seating next to dedicated spaces, and meeting standards in the Americans with Disabilities Act.

- 32 [473.41] Transit shelters and stops.** Establishes requirements for design of transit shelter and maintenance of shelters and stops in the Twin Cities metropolitan area.

**Subd. 1. Definitions.** Defines "transit authority" to include cities, the Metropolitan Council, and opt-outs, for shelters and bus stop locations under their respective jurisdiction or via a vendor contract. Defines "transit shelter."

**Subd. 2. Design.** Requires transit authorities to create design specifications for transit shelters, which must include appropriate engineering standards, maximized protection from the elements, warming capabilities at high-traffic locations as feasible, and accessibility for persons with disabilities and the elderly. Requires consultation with the Metropolitan Council's Transportation Accessibility Advisory Committee.

**Subd. 3. Maintenance.** Requires transit authorities to maintain transit shelters, including keeping shelters reasonably clean and removing snow and ice.

- 33 Transportation efficiencies.** Specifies details on the efficiencies portion of an annual MnDOT report to the legislature regarding the trunk highway system, for the December 15, 2015 version of the report. Requires a minimum five percent savings improvement in fiscal year 2015 relative to the state road construction budget.
- 34 Watercraft decontamination sites; rest areas.** Directs the departments of Natural Resources and Transportation to cooperatively undertake using rest areas as sites for watercraft decontamination, where feasible with current funding.
- 35 Highway 14 turnback.** Provides for temporary takeover, trunk highway expenditures, and turnback of Old Highway 14 in Steele and Waseca counties in conjunction with a settlement agreement.
- 36 Evaluation of certain trunk highway speed limits.** Directs MnDOT to evaluate speed limit adjustments on two-lane trunk highways having a limit of 55 m.p.h., covering all such roads over a 2014-2019 time period. Requires an annual legislative report, until 2019, on the results of speed limit investigations.
- 37 Task force on motor vehicle insurance coverage verification.** Establishes a task force to study verification of insurance coverage on motor vehicles.

**Subd. 1. Establishment.** Creates the task force.

**Subd. 2. Membership; meetings; staff.** Provides for appointment of 13 task force members, member reimbursement, and Department of Public Safety staffing support.

**Subd. 3. Duties.** Directs the task force to review and evaluate existing insurance

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verification programs and develop a recommendation for implementation in Minnesota. Identifies specific areas of analysis.

**Subd. 4. Report.** Requires a legislative report on recommendations and any draft legislation, due February 1, 2015.

**Subd. 5. Sunset.** Sunsets the task force the earlier of February 2, 2015, or the day after the legislative report is submitted.

**38 Community destination sign pilot program.** Establishes a pilot program on trunk highway road signs in the city of Two Harbors, for wayfinding to retail services.

**Subd. 1. Definition.** Defines terms.

**Subd. 2. Pilot program established.** Directs MnDOT to create the pilot program, in consultation with the city of Two Harbors. Makes signs under the program official devices for the chapter of statutes regulating advertising along trunk highways.

**Subd. 3. Signage, design.** Paragraph (a) establishes types of destinations that are eligible for signage, which consist of (1) minor traffic generators, and (2) specifically named retail services that are identified in a city wayfinding program.

Paragraph (b) sets requirements on the design of the signs, including allowing for a city logo and up to five attractions or destinations.

**Subd. 4. Program costs.** Requires the city to pay costs of sign manufacture, installation, and maintenance. Prohibits MnDOT from imposing fees for the pilot program.

**Subd. 5. Expiration.** Sunsets the program in seven years, at the end of 2021.

**39 Transit service on election day.** Requires transit providers to make transit service free of charge on the day of the 2014 general election.

**Subd. 1. Operating assistance recipients.** Requires recipients of state assistance for fixed-route transit service in greater Minnesota to provide free transit service on the date of the 2014 state general election.

**Subd. 2. Metropolitan Council.** Requires the Metropolitan Council to provide free regular-route transit service on the date of the 2014 state general election. The requirement also applies to contracted service and suburban transit providers.

Section**Article 12: Agriculture, Environment, and Natural Resources Appropriations**

Colbey Sullivan (651-296-5047)  
 Janelle Taylor (651-296-5039)  
 Bob Eleff (651-296-8961)

- 1 Summary of appropriations.** See the act for total appropriation amounts by fund and fiscal year.
- 2-12 Appropriations.** Appropriates supplemental funding for fiscal years 2014 and 2015 to the Departments of Agriculture, Natural Resources and Administration; the Pollution Control Agency; the Board of Animal Health; Metropolitan Council; the University of Minnesota; and the Legislative Coordinating Commission. See the act for details.

**Article 13: Agriculture, Environment, and Natural Resources Fiscal Implementation Provisions**

Colbey Sullivan (651-296-5047)  
 Janelle Taylor (651-296-5039)  
 Bob Eleff (651-296-8961)

- 1 Animal premises data.** Classifies data collected by the Board of Animal Health (BAH) on commercial dog and cat breeders under this article as private or nonpublic, except for information included in the list of licensed breeders in good standing that BAH is required to post on its website under this article.
- 2 Forest trust lands.** Transfers an amount equal to the costs of the Legislative Permanent School Fund Commission and the school trust lands director to the general fund from the forest suspense account (the forest suspense account receives forestry related revenues generated from school trust lands).
- 3 Apiary.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee owner compensation program created in this article.
- 4 Bee.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee owner compensation program created in this article.
- 5 Bee owner.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee owner compensation program created in this article.
- 6 Colony.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee owner compensation program created in this article.
- 7 Hive.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee owner compensation program created in this article.
- 8 Pollinator.** Defines the term for purposes of chapter 18B “Pesticide Control” and the

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pollinator-related sections in this article.

- 9 Pollinator enforcement.** Authorizes the Minnesota Department of Agriculture (MDA) to take enforcement action for violations of state pesticide control law that result in harm to pollinators. Penalties collected for these crimes will be deposited in the Pesticide Regulatory Account.
- 10 Pesticide impact on environment.** Authorizes MDA to assemble a team of pollinator experts to consult on MDA's pollinator death and illness investigations. MDA is authorized to contract with team members under a chapter 16C emergency procurement provision. Appropriates up to \$100,000 per fiscal year from the Pesticide Regulatory Account to compensate the experts.
- 11 Compensation for bees killed by pesticide; appropriation.** Requires MDA to compensate a bee owner whose bees were killed by acute pesticide poisoning when 1) the pesticide applicator cannot be determined; 2) the pesticide applicator applied the product in an illegal manner; or 3) the pesticide applicator applied the product in a legal manner. For categories 1 and 3, MDA would award the bee owner compensation from the Pesticide Regulatory Account. For category 2, either MDA would not compensate the person or MDA would collect a penalty from the pesticide applicator that is sufficient to compensate the bee owner for the fair market value of the dead bees and award the money to the bee owner. A bee owner must submit a claim of at least \$100 and may receive no more than \$20,000 per fiscal year for all eligible claims. Authorizes a bee owner to contest a claim denial by MDA in district court – a contested case hearing before the state Office of Administrative Hearings is prohibited. Appropriates up to \$150,000 per fiscal year from the Pesticide Regulatory Account for compensation payments.
- Effective date: The new compensation program in the section is not available for bee losses that occur before July 1, 2014.
- 12 Exemptions.** Exempts certain off-highway motorcycles from registration requirements.
- 13 Nonresident off-highway motorcycle state trail pass.** Requires tribal members exempt from off-highway motorcycles and nonresidents to obtain an off-highway motorcycle state trail pass (at a cost of \$20) in order to operate a motorcycle on state or grant-in-aid trails, with certain exceptions.
- 14 Requirement.** Allows a vehicle that bears a state parks and trails license plate (being created in this article) to access state parks, recreation areas, and waysides without a state park permit.
- 15 State Parks and Trails Donation Account.** Establishes a state parks and trails donation account to receive revenues from the new state parks and trails license plate established in this article and appropriates money in the account to the Department of Natural Resources (DNR) for operation and maintenance of the state parks and trails system.
- 16 Disposition of proceeds.** States that interest earned in the account where revenues from leasing the Fort Snelling upper bluff are deposited accrue to the account and are appropriated

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annually to the DNR.

- 17 Zoological garden.** Designates the Minnesota Zoo as an official pollinator bank, as defined.
- 18 Trap shooting sports facility grants.** Requires the commissioner of natural resources to administer a grant program to provide cost-share grants to local recreational shooting clubs for up to 50 percent of the cost of developing/rehabilitating trap shooting facilities for public use. Requires a facility rehabilitated/developed with a grant under this section to be open to the general public. Requires the commissioner to give preference to projects that provide the most opportunities for youth.
- 19 Investigation of activities affecting waters of the state.** Expands the DNR's authority to investigate activities affecting waters of the state to allow monitoring of the activities as well and allow the investigations/monitoring for activities that are being conducted with a permit (current authorities apply to activities conducted without a permit).
- 20 Prohibition on once-through water use permits.** Prohibits all groundwater appropriation permits for once-through cooling systems beginning January 1, 2015, with certain exceptions. (New water appropriation permits for systems using more than 5,000,000 gallons a year were prohibited in 1990 and permits for systems using more than 5,000,000 gallons a year were terminated at the end of 2010.)
- 21 Water use permit processing fee.** Increases the penalty amount for not paying water use permit fees from two percent to ten percent of the unpaid balance. Requires the DNR to waive water use permit fees for installations and projects that use storm water runoff or for public entities that divert water to treat a water quality issue and return the water back to its source without using it for other purposes unless the proposed use adversely affects surface water or groundwater.
- 22 Penalty for noncompliant reporting.** Allows the DNR to assess penalties for noncompliance with water use reporting requirements and establishes a penalty of ten percent of the annual permit processing fee.
- 23 Administrative penalties.** Provides administrative penalty order (APO) authority to the DNR for certain violations of water laws.

**Subd. 1. Authority to issue penalty orders.** Allows the DNR to use administrative penalty orders to address violations of certain water laws pertaining to the use and appropriation of water, including water use permit violations.

**Subd. 2. Amount of penalty; considerations.** Caps the maximum penalty amount for an APO under this section at \$1,000, \$10,000, or \$20,000 depending on the severity of the violation. Provides guidance for the commissioner in determining the amount of the penalty, including the history of past violations and the economic benefit gained.

**Subd. 3. Contents of order.** Lists what is required to be contained in an APO issued under this section.

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**Subd. 4. Corrective order.** Allows the DNR to issue orders that contain a penalty and a requirement to correct the violation. Requires the person receiving a corrective order to respond to the DNR within 31 days of receiving the order demonstrating that the violation has been corrected or that appropriate steps toward correcting the violation have been taken. Requires the commissioner to determine whether the violation has been corrected and notify the person.

**Subd. 5. Penalty.** Requires penalty amounts to be paid within certain timeframes depending on certain circumstances.

**Subd. 6. Expedited administrative hearing.** Allows a person subject to an order to request an expedited hearing within 30 days of receiving an APO under this section (or 20 days of receiving notice that the violation has not been corrected).

**Subd. 7. Mediation.** Allows the commissioner to enter into mediation with a person subject to an order under this section if they both agree to it.

**Subd. 8. Penalties due and payable.** Allows the commissioner to enforce penalties that are due under this section in any manner provided by law for the collection of debts.

**Subd. 9. Revocation and suspension of permit.** Allows the commissioner to revoke or refuse to amend or issue a new permit if a person fails to pay a penalty owed under this section.

**Subd. 10. Cumulative remedy.** States that the authority to issue an APO under this section is in addition to other remedies available under law, except additional civil penalties may not be assessed.

**Subd. 11. Deposit of fees.** States that fees collected under this section are to be deposited in the water management account.

**Subd. 12. Plan for use of administrative penalties.** Requires the commissioner to prepare a plan for the use of the APO authority in this section within six months and provide a 30-day public comment period on the plan.

This section is effective January 1, 2015 except for subdivision 12 which is effective July 1, 2014.

- 24 Recycling requirements; public entities; commercial buildings; sports facilities.** Requires owners of sports facilities, including both professional and collegiate facilities, to recycle solid waste.
- 25 Statewide source reduction goal.** Strikes a 2000 state goal of reducing per capita waste generated by at least 10 percent and substitutes a state and county goal to reduce the generation of municipal solid waste.
- 26 Definition.** Adds the composting of source-separated compostable materials to the definition of recycling in this section. Expands the definition of total solid waste generation to include source-

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separated compostables and commercial waste.

- 27 County recycling goals.** Increases the recycling goal for metropolitan counties from 50 to 75 percent of total solid waste generated in the county by 2030.
- 28 Purposes for which money may be spent.** Adds composting, including the provision of receptacles for residential composting, to the list of activities that may be financed with county SCORE funds.
- Provides that, of any additional SCORE funds disbursed to metropolitan counties beginning in FY 2015 that exceed a county's 2014 allotment, at least 50 percent must be spent on composting and the remainder on activities that help the county achieve its recycling goal.
- 29 Eligibility to receive money.** Allows counties reporting on SCORE activities to report to the PCA electronically. Requires the reporting of specific recycling and composting activities that help achieve the county's recycling goal.
- 30 Appropriation.** Provides that an annual \$1,000,000 statutory appropriation from the general fund that was enacted in 2013 now goes directly to the Agricultural Utilization Research Institute, instead of first passing through the Department of Revenue.
- 31 State parks and trails plates.** Establishes a state parks and trails special plate.
- Subd. 1. General requirements and procedures.** Sets requirements to obtain the special plate, including payment of applicable fees and taxes, ownership of an eligible vehicle, and payment of a donation of at least \$50. Allows for personalized plates.
- Subd. 2. Design.** Directs the Departments of Public Safety and Natural Resources to jointly design the plates in consultation with interested groups.
- Subd. 3. No refund.** Prevents a refund of the required donation.
- Subd. 4. Plates transfer.** Sets requirements and a \$5 fee for transfer of the plate to another vehicle.
- Subd. 5. Contribution and fees credited.** Directs the required donation to a state parks and trails donation account, and the \$10 plate fee to the vehicle services operating account.
- Subd. 6. Record.** Requires recordkeeping on issuances of the plate.
- Subd. 7. Exemption.** Exempts the special plate from requirements concerning an application fee, survey, and market study required for new plate proposals.
- 32 Definitions.** Defines terms used in the following sections, including: "animal," which means a dog or a cat; "commercial breeder," which means a person in the breeding business who has ten or more adult animals and whose animals produce more than five litters per year; and "board" which means BAH.

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**33 Licensing and inspections.** Requires commercial breeders to obtain a license and submit to inspections.

**Subd. 1. Licensing.** Allows BAH to grant operating licenses to commercial breeders and requires commercial breeders to obtain an annual license for each facility they own or operate starting on July 1, 2015. The fee is \$10 per intact animal, up to \$250 per licensed facility. BAH must perform a pre-licensing inspection of the facility within 60 days of receiving an application.

*Application.* Prescribes what must be included in the license application, including any negative license history or criminal activity related to animal cruelty.

*Renewal.* The license must be renewed annually and the breeder must submit an annual report to BAH on the number of animals in the facility and the number that passed through the facility in the previous year.

*Refusal.* BAH cannot issue a license if the applicant:

- (1) is in violation of specific provisions of Minnesota Statutes, chapters 343 “Prevention of Cruelty to Animals” and 346 “Stray Animals; Companion Animals;”
- (2) failed to meet the requirements of this article;
- (3) is in violation of a local ordinance governing animal breeders;
- (4) was convicted of cruelty to animals in any jurisdiction, unless the conviction was a petty misdemeanor;
- (5) had a similar license denied, revoked, or suspended by another authority within the last five years; or
- (6) falsified any information to BAH.

Any person directly associated with a breeder whose license was revoked or suspended and who was responsible for or participated in the violation may not be licensed while that revocation or suspension is in effect.

**Subd. 2. Inspections.** BAH must inspect each licensed facility at least annually when the breeder or the breeder’s agent is present. An inspector must submit a report to BAH within ten days of the inspection and if the facility is not in compliance, the report must indicate what must to be done to remedy the violation. If a license is suspended, revoked, or denied BAH must be granted access to the facility to verify the facility is not currently operating. BAH may inspect a facility every other year if inspectors find no violations initially for two consecutive years.

**Subd. 3. Record requirements.** Requires a licensed commercial breeder to keep certain records for two years.

**Subd. 4. Veterinary protocol.** Requires a licensed commercial breeder to establish, maintain, and update a written veterinary protocol. Requires a breeder to issue a

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veterinary health certificate with every animal sold or otherwise distributed.

**Subd. 5. Posting of information.** BAH must post an online directory of breeders that are licensed and in good standing with BAH.

**34 Standards of care.** Requires commercial breeders to comply with the laws of Minnesota relating to animal care, local ordinances, and a prescribed list of care standards to protect the animals from cruelty and neglect. Grandfathers-in confinement areas that currently comply with United States Department of Agriculture (USDA) requirements but do not meet the requirements of Minnesota's existing Pet and Companion Animal Welfare Act.

**35 Investigations.** BAH must investigate a formal complaint. A local animal control authority, a peace officer, or a humane agent must report violations to BAH in a timely manner.

**36 Civil enforcement.** Authorizes civil law enforcement of the breeder laws, including BAH administrative actions to compel compliance and sanction noncompliant breeders.

**Subd. 1. Correction order.** Allows BAH to issue a correction order that states the violation and when it must be corrected by. Provides the commercial breeder with an option to request reconsideration of a correction order. BAH must reinspect within 15 days of the date given to correct the violation and notify the breeder in writing if the breeder is back in compliance. Allows BAH to assess a reinspection fee.

**Subd. 2. Administrative penalty orders.** Authorizes BAH to issue another correction order after reinspection and assess monetary penalties of up to \$5,000 for violations.

**Subd. 3. Injunctive relief.** Authorizes BAH to bring an action for injunctive relief in Ramsey County or wherever the violation occurred to stop the violation.

**Subd. 4. Cease and desist.** Requires BAH to issue an order to cease a practice for up to 72 hours if BAH deems that there is an immediate risk to animal welfare or public health. BAH must take other actions to restrain a breeder's practice beyond 72 hours.

**Subd. 5. Refusal to reissue license; license suspension or revocation.** Allows BAH to suspend, revoke, or refuse to renew a license if the breeder fails to comply with a correction order, fails to pay an administrative penalty, fails to meet the requirements in this article, or provides false information to BAH. Allows a commercial breeder to appeal through the Office of Administrative Hearings. Requires BAH to revoke a license if a commercial breeder is convicted of violating an animal cruelty law in Minnesota or another jurisdiction or if a similar license is denied, revoked, or suspended by the USDA or another state another jurisdiction. A breeder can appeal license revocation to the Office of Administrative Hearings. Requires the breeder to wait two years to reapply if BAH revokes the breeder's license. A license is barred permanently if a BAH license is suspended or revoked twice or the cause of the revocation was a gross misdemeanor or felony conviction for animal cruelty.

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**Subd. 6. Administrative hearing rights.** Establishes the procedure for requesting a hearing or appeal of BAH actions.

**Subd. 7. Other jurisdictions.** Allows BAH to use enforcement actions in other jurisdictions as evidence for a BAH enforcement or disciplinary action if the violation would be grounds for enforcement action under this section.

**Subd. 8. Appeals.** Provides that a final BAH order may be appealed to the Minnesota Court of Appeals.

**37 Biosecurity; entry into facilities.** Prohibits entry to commercial breeder facilities unless the law enforcement officer follows biosecurity procedures, unless the situation constitutes an emergency.

**38 Penalties.** Violations that constitute cruelty or torture to an animal are subject to the penalties in existing law. For example, two or more convictions in five years may increase the penalty from a misdemeanor to a gross misdemeanor. If intentional cruelty or torture causes substantial bodily harm to the dog or cat, a breeder may be sentenced to imprisonment for up to one year, fined up to \$3,000, or both. If intentional cruelty or torture causes death or great bodily harm, a breeder may be sentenced to imprisonment for up to two years, fined up to \$5,000, or both.

The following actions would be a misdemeanor:

- falsifying information in a license application, annual report, or record;
- an unlicensed commercial breeder advertises animals for sale; and
- operating without a license.

**39 Dog and cat breeders licensing account; appropriation.** Creates a breeder licensing account in the Special Revenue Fund for the fees and penalties collected by BAH. Money and interest is annually appropriated to BAH.

**40 Applicability.** Provides that the dog and cat breeder sections in this article do not apply to veterinary clinics or hospitals or to any animals other than dogs and cats.

**41 Fish and wildlife management.** Modifies a previous appropriation from the heritage enhancement account to allow its use for shooting sports facilities, including the Itasca County Gun Club and grants for trap shooting facilities under the new trap shooting facility grants program established in this article.

**42 Effective date.** Provides a retroactive effective date of June 1, 2013 for a change related to security deposits for timber permits made last session.

**43 Apiary program.** Requires MDA to report recommendations to the legislature by January 15, 2015, regarding the potential reestablishment of the apiary (i.e., beekeeper) oversight program that the legislature repealed in 2006. Lists mandatory report items.

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- 44 Invasive terrestrial plants and pests center.** Requests the University of Minnesota to establish an Invasive Terrestrial Plants and Pests Center to research and develop measures to prevent and minimize threats posed by terrestrial invasive plants, weeds, pathogens and pests (including agricultural weeds and pests). Specifies the colleges, departments and outreach centers to be involved. Requires a report to be submitted to the legislature on the activities of the center and any recommendations (the center receives funding under this act).
- 45 Recognition; commercial breeder excellence.** Requires BAH to develop a program that recognizes commercial dog and cat breeders who exceed minimum license standards and demonstrate excellence.
- 46 Registration; initial preclicensing inspections.** Requires commercial breeders to pay a registration fee of up to \$250 to register each facility they own beginning July 1, 2014, and ending July 30, 2015. BAH can begin initial preclicensing inspections during that same period. BAH must deposit fees in the new account.
- 47 Research dogs and cats.** Requires a higher education research facility that receives public money or a facility that performs research in collaboration with a higher education facility that confines dogs or cats for science, education or research purposes to offer the animals to an animal rescue organization before euthanizing the animals. A facility acting in good faith under this section is immune from civil liability.
- This section will expire on July 1, 2015.
- 48 Repealer.** Repeals Minnesota Statutes 2012, section 115A.551, subdivision 2, county recycling goals for 1993.

**Article 14: Clean Water Fund**

Janelle Taylor (651-296-5039)

**Overview**

This article provides supplemental appropriations from the clean water fund (one of the four constitutionally dedicated funds approved by the voters in 2008).

- 1 Clean water fund appropriations.** Technical.
- 2 Clean water.** Specifies the total appropriation from the clean water fund contained in the article and the availability of the appropriations.
- 3 Pollution Control Agency.** Provides an appropriation to the Pollution Control Agency (PCA) for phosphorus reduction activities in Lake St. Croix.
- 4 Board of Water and Soil Resources.** Provides various appropriations to the Board of Water and Soil Resources (BWSR), including funding to collaborate with the Department of Health and local units of government to develop or implement local water management plans in the

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newly designated groundwater management areas.

- 5 **Metropolitan Council.** Provides various appropriations to the Metropolitan Council, including funding to develop a plan for the North and East Metro Ground Management Area and to predesign preferred long-term solutions to address regional water supply and sustainability issues.
- 6 **Department of Health.** Provides an appropriation to the Department of Health to collaborate with BWSR on the activities specified in section 4.
- 7 **Repurpose of 2011 appropriation.** Redirects a previous clean water fund appropriation of the DNR's so that it may be used for stream flow and groundwater monitoring.
- 8 **Cancellation of 2009 appropriation.** Cancels a previous clean water fund appropriation to the PCA.
- 9 **Stream gauge data.** Requires the DNR to provide an easily accessible link to the DNR and PCA's cooperative stream gauge data on the DNR's website.

**Article 15: General Education**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article makes changes to general education programs and provides supplemental appropriations for certain programs.

- 1 **Reserve revenue.** Clarifies that the portion of revenue that each district must reserve for students attending an area learning center or alternative learning program is at least 90 and no more than 100 percent of general education revenue received by the district for pupils attending that program.  
  
Makes this section effective for revenue for fiscal year 2015 and later.
- 2 **Levy recognition.** Confirms the statutory language governing the levy recognition shift to reflect its full repayment (the levy recognition shift was eliminated through the state budget surplus allocated under section 16A.152).
- 3 **Enrollment priority; PSEO.** For fiscal years 2015 to 2020 only, allows a postsecondary institution to recruit or solicit secondary pupils on other than educational or programmatic grounds only if these pupils reside in a district with more than 700 students in grades 10, 11, and 12.  
  
Allows a student who qualifies for the graduation incentives program and enrolls full time in a dual credit middle or early college program to take remedial classes under the Postsecondary Enrollment Options (PSEO) program and receive developmental college

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credit.

Makes this section effective July 1, 2014.

- 4 Financial arrangements.** Adjusts the formulas for aid payments to colleges and universities participating in the PSEO program to reflect the higher formula allowance and lower pupil weight of secondary students (the 2013 Legislature lowered the pupil weight for secondary students from 1.3 to 1.2 beginning in fiscal year 2015).

Makes this section effective for fiscal year 2015 and later.

- 5 General education revenue; charter schools.** Clarifies that charter schools do not qualify for location equity revenue (renamed local optional revenue in chapter 150) and calculates declining enrollment aid individually for each charter school.

Makes this section effective for fiscal year 2015 and later.

- 6 English learner.** Increases the maximum number of years a student may receive state-funded English learner services from five to six years. Authorizes a school to continue to provide state-funded services to an English learner who has met the state minimum cutoff score on an English language proficiency assessment if the student's teachers determine the student needs additional English language services to successfully and fully participate in the general core curriculum in the regular classroom.

Makes this section effective for fiscal year 2015 and later.

- 7 Approved recovery program funding.**

**Subd. 1. Approved recovery program.** Defines "approved recovery program" to mean a course of instruction offered by a recovery school that provides academic services, assists with recovery, and offers care to students recovering from substance abuse or dependency. Allows the program to be offered in a transitional setting. Requires the commissioner to approve the program.

**Subd. 2. Eligibility.** Makes an approved recovery program eligible for an annual grant of up to \$125,000 to partially pay for support staff, including alcohol and chemical dependency counselors and licensed school counselors, psychologists, nurses, and social workers.

Makes this section effective for fiscal year 2015.

- 8 Learning year pupil units.** Clarifies the calculation of kindergarten pupils for learning year program revenue.

- 9 Basic Revenue.** Increases the basic formula allowance by \$25 per pupil unit (0.43 percent) to \$5,831 per pupil for fiscal years 2015 and later.

Makes this section effective for fiscal year 2015 and later.

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- 10 Extended time revenue.** Clarifies the effective date of the change in the extended time revenue formula to reflect the change in pupil weights beginning in fiscal year 2015.  
Makes this section effective immediately and applicable to fiscal year 2014 and later.
- 11 Small schools revenue.** Clarifies that small schools revenue applies to districts with more than two high schools if at least one of the district high schools qualifies for sparsity revenue.  
Makes this section effective for fiscal year 2015 and later.
- 12 Equity revenue.** Calculates equity revenue using adjusted, not marginal cost pupil units.  
Makes this section effective for fiscal year 2015 and later.
- 13 Regional equity gap.** Calculates regional equity gaps using adjusted, not marginal cost, pupil units.  
Makes this section effective for fiscal year 2015 and later.
- 14 District equity gap.** Calculates district equity gaps using adjusted, not marginal cost, pupil units.  
Makes this section effective for fiscal year 2015 and later.
- 15 Transition revenue.** Clarifies the calculation of transition revenue to reflect the roll-out of alternative compensation (Qcomp) revenue from the general education revenue program.  
Makes this section effective for fiscal year 2015 and later.
- 16 Referendum equalization levy.** Removes an obsolete reference.
- 17 Referendum aid guarantee.** Corrects the referendum aid guarantee to reflect location equity revenue.  
Makes this section effective for fiscal year 2015 and later.
- 18 Referendum revenue.** Changes an erroneous pupil count reference from marginal cost to adjusted pupil units.  
Makes this section effective for fiscal year 2015 and later.
- 19 Board-approved referendum allowance.** Clarifies that a school district first calculates its local optional (location equity) revenue and then its board-approved referendum amounts.  
Makes this section effective for fiscal year 2015 and later.
- 20 Safe schools levy.** Increases the safe schools levy for intermediate school districts from \$10 to \$15 per pupil beginning in taxes payable in 2015. Changes an erroneous pupil count reference from marginal cost to adjusted pupil units.

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Makes this section effective for taxes payable in 2015 and later.

**21 Definitions; aid payment shift.** Conforms the statutory language regarding the state aid payment shift to reflect its current level (the expanded aid payment shift was eliminated through the allocation of state budget surplus under Minn. Stat. § 16A.152).

**22 Payment dates and percentages.** Returns charter school clean-up payments to the same schedule faced by school districts beginning July 1, 2015.

Makes this section effective July 1, 2015.

**23 Alternative attendance programs.** Clarifies a cross reference.

Makes this section effective for fiscal year 2015 and later.

**24 Innovative delivery of education services and sharing of district resources; pilot project.**

**Subd. 1. Establishment; requirements for participation.** Allows the pilot project to continue through June 30, 2018, or for up to a five-year term, whichever comes first. Allows participants to agree to extend the project beyond these timelines.

**Subd. 2. Commissioner's role.** Allows an interested group of school districts to submit a completed application to the commissioner of education by March 1 of any year during the pilot project. Allows the commissioner to select up to six qualified applicants by April 1 of any year.

**Subd. 3. Pilot project evaluation.** Directs the commissioner to submit an interim report by February 1, 2016, and a final report by February 1, 2019.

**25 Effective date.** Adjusts the innovative delivery program effective date.

**26 General education aid appropriation.** Adjusts the general education aid appropriation to reflect the formula allowance increase, accommodates expanded English learner funding, includes forecast adjustments, and corrects the PSEO payment level for colleges and universities.

**27 Nonpublic pupil education aid.** Increases nonpublic pupil education aid to accommodate the higher basic formula allowance.

**28 Nonpublic pupil transportation.** Increases the appropriation for nonpublic pupil transportation aid to match the higher formula allowance.

**29 Appropriations; recovery school programs.** Appropriates \$500,000 beginning in fiscal year 2015 for recovery school grants under section 7**Error! Reference source not found.****Error! Reference source not found.****Error! Reference source not found.**

**30 Revisor Instruction.** Instructs the Revisor to change the name of the location equity revenue program to the local optional revenue program consistent with the passage of the

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2014 tax bill.

- 31**      **Repeal.** Repeals a PSEO provision passed in the education policy bill, chapter 272 (see section 3).

**Article 16: Education Excellence**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article makes changes to educational excellence programs and provides appropriations for certain programs.

- 1**      **School district or charter school disclosure of violence or inappropriate sexual contact.** Requires a school superintendent or other school administrator to release to a requesting school district or charter school private personnel data on a school employee if the employee resigned while a complaint or charge alleging sexual contact with a student is pending if the employee was previously informed of this policy. Prohibits releasing data on the student.
- 2**      **Immediate discharge.** (c) Directs a school principal or other school administrator, when a teacher is discharged due to a conviction for child abuse or neglect or when a final determination of maltreatment is made, to include the information about the disciplinary action or determination in the teacher's employment record, consistent with the laws governing public personnel data, and provide the board of teaching and the education department with the necessary and relevant information to enable the board and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Declares that information received by the board or the department's licensing division is governed by state licensing data law or other applicable law governing data of the receiving entity. In addition to requiring a background check, directs school boards and other hiring entities to contact the board and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determination identified in this paragraph. To the extent permitted by federal or state data practices law or a collective bargaining agreement, requires the responsible authority to disseminate private personnel data on a current or former teacher, employee, or contractor to another school district requesting the information because the subject of the data has applied for employment with the requesting school district.
- Makes this section effective immediately.
- 3**      **Grounds for discharge or demotion.** (c) Directs a school principal or other school administrator, when a teacher is discharged due to a conviction for child abuse or neglect or a final determination of maltreatment is made, to include the information about the disciplinary action or determination in the teacher's employment record, consistent with the laws governing public personnel data, and provide the board of teaching and the education

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department with the necessary and relevant information to enable the board and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Declares that information received by the board or the department's licensing division is governed by state licensing data law or other applicable law governing data of the receiving entity. In addition to requiring a background check, directs school boards and other hiring entities to contact the board and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determination identified in this paragraph. To the extent permitted by federal or state data practices law or a collective bargaining agreement, requires the responsible authority to disseminate private personnel data on a current or former teacher, employee, or contractor to another school district requesting the information because the subject of the data has applied for employment with the requesting school district.

Makes this section effective immediately.

- 4**     **Alternative teacher professional pay system.** Modifies the contents of an alternative teacher compensation (Qcomp) program agreement to include measures of student literacy, academic literacy, oral academic language, and achievement of English learners.

Makes the amendments in this section applicable to Qcomp agreements approved after August 1, 2015.

- 5**     **Qcomp revenue amount.** Clarifies a cross reference in the alternative teacher compensation (Qcomp) program.

Makes this section effective for revenue for fiscal year 2015 and later.

- 6**     **Initial achievement and integration revenue.** Clarifies that a district's achievement and integration revenue equals the lesser of 100.3 percent of the district's expenditures or its revenue amount.

Makes this section effective immediately and effective for revenue for fiscal year 2014 and later.

- 7**     **Incentive revenue.** Bases each district's achievement and integration incentive revenue on the lesser of the maximum revenue amount or the district's actual approved qualifying expenditures.

Makes this section effective immediately and effective for revenue for fiscal year 2014 and later.

- 8**     **Tribal contract schools.** Adjusts the appropriations for tribal contract schools to reflect the higher formula allowance and to incorporate forecast adjustments.

- 9**     **Early childhood literacy programs.** Increases funding for early childhood literacy programs provided by the Minnesota Reading Corps by \$1 million. Allows up to \$1 million in fiscal year 2015 to be used to support priority and focus schools and expand kindergarten

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programming.

**10 School safety technical assistance center.** Makes the name for the school safety technical assistance center consistent with the name given it in the Safe and Supportive Schools Act enacted in 2014.

**11 Better aligning Minnesota's alternative teacher professional pay system and teacher developmental and evaluation program.** Directs the education commissioner to consult with experts and legislators on better aligning Minnesota's alternative professional pay system and the statewide teacher development and evaluation program and report to the legislature by February 1, 2015, on effecting and funding an improved alignment.

Makes this section effective immediately.

**12 Career and technical education program inventory.** (a) Directs the education commissioner to consult with experts knowledgeable about secondary and post secondary career and technical education programs to determine the content, status, resources, and the student participation and completion rates of specific career and technical education programs available in Minnesota.

(b) To accomplish paragraph (a), directs the commissioner, in consultation with experts, to also examine the extent secondary and postsecondary programs offer students a progression of coordinated, nonduplicative courses needed to successfully complete a career and technical education program.

(c) Directs the commissioner to report to the legislature by February 1, 2015, on the content, status, and resources of Minnesota's secondary and postsecondary career and technical education programs and include information about each district's dedicated equipment, resources, and relationships with postsecondary institutions and the local business community.

Makes this section effective immediately.

**13 Information technology certification partnerships; request for proposal; program requirements.** Directs the commissioner to issue a request for proposals and contract with at least one provider to provide information technology education for Minnesota students in grades 9-12. Requires certain program components.

**14 Legislative report on K-12 students' experience with physical education.** Directs the commissioner to report to the legislature on K-12 students' experience with physical education. Requires the report to include: the number of minutes per day and frequency per week students in grades kindergarten through 8 receive physical education and high school requirements in terms of time; measures used to assess students' level of fitness and the uses of that data; the educational preparation of physical education teachers and the amount of time certified physical education teachers provide physical education instruction; the amount of time kindergarten through grade 6 students receive recess; whether high school students are allowed to substitute other activities for required physical education; the number of high school students earning required physical education credits online; whether schools offer

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before or after school physical activities in each grade, kindergarten through 8, and in high school; and the extent to which schools coordinate with developmentally adaptive physical education specialists when needed.

Makes this section effective the day following final enactment.

- 15** **Teacher development and evaluation revenue.** For fiscal year 2015 only, provides teacher development and evaluation revenue for districts, charter schools, and intermediate districts that do not participate in the alternative teacher compensation revenue program. Directs the commissioner to limit the revenue entitlement to no more than \$10 million.
- 16** **Appropriation.** Appropriates the following amounts:
- (1) \$100,000 for the commissioner of education to inventory career and technical programs under section 12;
  - (2) \$25,000 to study the alignment of Minnesota's alternative teacher professional pay system and teacher evaluation program under section 11;
  - (3) \$160,000 for the Northwestern Online College in the High School program;
  - (4) \$300,000 for an information technology certification program;
  - (5) \$25,000 for preparing a report on K12 students' experience with physical education; and
  - (6) \$9,000,000 for the 90 percent current year share of the \$10 million in funding for teacher development and evaluation.
- 17** **Repealer.** Repeals a provision adopted in the education policy bill (chapter 272) made obsolete by section 4.

**Article 17: Special Education**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article makes changes to special education programs and appropriates money to the commissioner of education to assist school districts in meeting the needs of children who have experienced a high use of prone restraints.

**1 Standards for restrictive procedures.**

**Subd. 1. Restrictive procedures plan.** Requires school districts to inform the public about the district restrictive procedures plan, including how schools will provide staff training on de-escalation techniques.

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**Subd. 2. Restrictive procedures.** Makes a technical change.

**Subd. 3. Physical holding or seclusion.** Changes from March 1, 2014, to February 1, 2015, and later, the date by which stakeholders annually must recommend goals to the education commissioner for reducing the use of restrictive procedures and the commissioner must report to the legislature. Requires the summary data school districts report to the education department to include information about the use of reasonable force.

**Subd. 6. Behavior supports; reasonable force.** Beginning in the 2014-2015 school year, requires school districts to collect and submit to the education commissioner summary data on district use of reasonable force that is consistent with the definition of physical holding or seclusion of a child with a disability under this section.

Makes this section immediately effective.

- 2 Nonresident tuition rate; other costs.** Corrects a cross reference and clarifies that local optional (location equity) revenue is excluded from the definition of general education revenue used to calculate special education tuition rates.

Makes this section effective for fiscal year 2015 and later.

- 3 Definitions; special education.** Increases the special education aid paid to the Minnesota State Academies for the Deaf and the Blind to cover the costs of the one-to-one licensed, certified aides required by the child's individualized education program. Includes the costs of aides in the definitions of "nonfederal special education expenditures" and "old formula special education expenditures."

Makes this section effective for fiscal year 2015 and later.

- 4 Special education initial aid.** Increases the special education aid paid to the Minnesota State Academies for the Deaf and the Blind to cover the costs of the one-to-one licensed, certified child aides required by the child's individualized education program.

Makes this section effective for fiscal year 2015 and later.

- 5 Special education initial aid.** Excludes special education pupil transportation costs when calculating each district's special education initial aid.

Makes this section effective for fiscal year 2016 and later.

- 6 Cross subsidy reduction aid.** Clarifies the calculation of cross subsidy reduction aid.

Makes this section effective immediately and effective for fiscal year 2014 and later.

- 7 Special education aid.** Removes an erroneous reference to "initial" aid.

Makes this section effective immediately and effective for fiscal year 2014 and later.

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- 8**      **Definitions; special education excess cost.** Clarifies the reduction to old formula special education expenditures when calculating excess cost aid and clarifies the treatment of location equity revenue in the general education base revenue.
- Makes this section effective immediately and effective for fiscal year 2014 and later.
- 9**      **Excess cost aid.** Removes erroneous reference to “initial” aid.
- Makes this section effective for fiscal year 2016 and later.
- 10**     **Out-of-state tuition.** Clarifies the payment of out-of-state tuition special education aid to resident school districts.
- Makes this section effective for fiscal year 2015 and later.
- 11**     **Special education paperwork cost savings.** (a) Amends a 2013 general fund appropriation of \$1,763,000 to the Department of Education for special education paperwork cost savings to allow the appropriation to be used to customize a statewide online reporting system and effect the paperwork cost savings.
- (b) For compliance and accountability purposes for children with disabilities and to increase the opportunities of educators and service providers to focus on teaching children with disabilities, directs the education commissioner to customize a streamlined, user-friendly statewide online system to collect and report required special education data to individuals with a legitimate educational interest who are authorized by law to access the data.
- (c) Directs the commissioner to consult with various experts on integrating, field testing, customizing, and sustaining the online system. Requires online system outcomes, among other things, to:
- reduce teachers’ paperwork burden and increase their opportunity to focus on teaching;
  - efficiently and effectively transmit transferring students’ records, including the records of highly mobile and homeless children with disabilities, among others, to the extent authorized by chapter 13 or other applicable state or federal data practices law governing access to and dissemination of educational records, and avoid fragmental service delivery;
  - address language and other barriers and disparities preventing parents from understanding and communicating information about the needs of their children with disabilities;
  - help improve the interface among the online systems serving children with disabilities.
- (d) Directs the education commissioner to use federal OSEP model forms to integrate and customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this subdivision. Directs the commissioner

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to use an RFP process to contract for needed technology and software. Requires the online system to be made available to school districts without charge beginning in the 2015-2016 school year. Allows school districts to use the online system or contract with an outside vendor for the 2015-2016 through 2017-2018 school years and requires school districts to use this system beginning in the 2018-2019 school year for compliance reporting.

(e) Retains data classification under state and federal law. Limits individuals' access to the online data. Requires a data audit trail to be established that the responsible authority may access to audit users' activity and for security safeguards. Requires the responsible authority to provide the student or the student's parent with written notice of data practices rights and responsibilities and a reasonable opportunity to refuse to consent to have the student data included in the system. Prohibits a district from entering data on a student into the system if the student or parent refuses to consent.

(f) Directs the commissioner to establish a public Internet web interface to provide information to educators, parents, and the public about special education reports, respond to special education queries, and use the information garnered from the interface to streamline and revise special education reporting and further adapt/customize the online system. Requires the Web interface to describe the rights and responsibilities of students and parents whose data are included in the online reporting system, and include information on data practices rights and a form students or parents may use to refuse to consent to have a student's data included in the system. Prohibits the web interface from providing access to the educational records of any individual child.

(g) Directs the commissioner to report annually to the legislature by February 1 on the status, changes, and sustainability of the online system.

Makes this section effective immediately.

- 12**      **Rulemaking authority; special education task force recommendations.** Directs the education commissioner to use the expedited rulemaking process to make the specific rule changes recommended by the special education case load and rule alignment task force in its 2014 report to the legislature. Requires a public hearing if 100 people request it.

Makes this section effective immediately.

- 13**      **Appropriation.** Appropriates \$250,000 to the commissioner of education to assist school districts in meeting the needs of children who have experienced a high use of prone restraints.

Section**Article 18: Facilities**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article makes changes to school facilities programs.

**1 Joint powers cooperative facility.**

**Subd. 1. Schools may be jointly operated.** Authorizes two or more school districts to jointly operate a secondary facility.

**Subd. 2. Expanded program offerings.** Qualifies a jointly operated secondary program for cooperation funding if the program demonstrates to the commissioner that the joint powers secondary facility offers broader curriculum and enhanced learning opportunities to students attending the program.

**Subd. 3. Transfer of employees.** Specifies the way tenure, accrued sick leave, and severance are handled if an employee switches school districts under this section.

**Subd. 4. Revenue.** Qualifies an approved program for cooperation revenue and for a cooperative facilities grant.

**Subd. 5. Duty to maintain elementary and secondary school.** Specifically exempts the joint powers districts from an obligation to offer the full range of grades (1-12) in each member district and instead allows the secondary program to be offered in another district.

**Subd. 6. Estimated market value limit exclusion.** Exempts a school district participating in the program from the estimated market value net debt limit.

**Subd. 7. Allocation of levy authority for joint facility.** Authorizes the districts participating in the joint secondary facility program to allocate program costs to each member district according to the joint powers agreement and allows each member district to include those costs in its district levy.

**Subd. 8. Effect of consolidation.** Authorizes member districts of the joint powers agreement to continue to keep their levies separate even if the districts consolidate into a single district.

**Subd. 9. Bonds.** Authorizes member districts of the joint powers agreement to issue bonds jointly or individually for a new building project. Requires the bonds to be approved in an election.

**Subd. 10. Election.** Requires an election approving a new facility under this section. Allows the election to be held at the same time as the bond election.

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Makes this section effective immediately.

- 2** **Duty to maintain elementary and secondary schools.** Exempts a school district participating in a joint secondary program from the requirement to offer all grades within each district.

- 3** **Debt service definitions.** Calculates a school district's net debt service revenue as the amount before the application of taconite revenue from the Iron Range school consolidation and cooperatively operated school account and adds a cross reference to the natural disaster debt service equalization aid program.

Makes this section effective for fiscal year 2017 and later.

- 4** **Equalized debt service levy.** Increase the debt service equalization aid amount by raising the equalization factors for fiscal years 2016 and later to keep total levies under this act unchanged from current law.

Makes this section effective for fiscal year 2016 and later.

- 5** **Natural disaster debt service equalization.**

**Subd. 1. Definitions.** Defines "eligible natural disaster debt service revenue" as the amount necessary to raise between 105 and 106 percent of the annual repayment of debt to repair facilities (1) impacted by a natural disaster occurring since January 1, 2005; (2) damaged by more than \$500,000; and (3) that have repair and replacement costs not covered by FEMA or insurance. Defines the adjusted net tax capacity (ANTC) equalizing factor as the statewide ratio of ANTC to pupil units. Defines the ANTC tax base to include properties otherwise excluded by Job Z program.

**Subd. 2. Notification.** Requires a district qualifying for natural disaster debt service revenue to annually notify the commissioner of the qualifying bonds outstanding under this program.

**Subd. 3. Natural disaster debt service equalization revenue.** Sets the natural disaster debt service equalization revenue at the amount exceeding the lesser of 10 percent of the district's ANTC or the amount of the district's outstanding debt service not attributable to a natural disaster project.

**Subd. 4. Natural disaster debt service equalization levy.** Sets the levy share of the natural disaster debt service revenue as the lesser of one or the ratio of the district's ANTC per pupil to three times the state average ANTC per pupil (currently the statewide average ANTC per pupil is about \$7,000).

**Subd. 5. Natural disaster debt service equalization aid.** Sets natural disaster debt service aid equal to the difference between the revenue and the levy.

**Subd. 6. Natural disaster debt service equalization aid payment schedule.** Requires natural disaster debt service equalization aid to be paid in the same manner as

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other debt service equalization aid.

Makes this section effective for taxes payable in 2016 and for revenue for fiscal year 2017 and later.

- 6 Debt service appropriation.** Includes the natural disaster debt service equalization aid in the open and standing appropriation for debt service equalization aid.

Makes this section effective for revenue in fiscal year 2017 and later.

- 7 Use of health and safety revenue.** Includes costs needed to bring school district electrical generators into compliance with federal pollution rules in a district's health and safety program. Requires a district that includes electrical generator improvements in its health and safety program for fiscal years 2014 to 2017 to reduce other approved projects by the same amount.

Makes this section effective immediately.

- 8 Review and comment.** Increases the minimum qualifying amount needed to trigger a review and comment from \$1.4 million to \$2 million. Removes the need for a review and comment on most maintenance projects.

- 9 Information required.** Simplifies and clarifies the types of information that a district must submit to the commissioner for the review and comment.

- 10 Application; HVAC commissioning.** Makes HVAC commissioning requirements applicable to any HVAC project with a total cost exceeding \$1.4 million.

Makes this section effective July 1, 2014.

- 11 Certification; HVAC commissioning.** Clarifies a cross reference.

Makes this section effective July 1, 2014.

- 12 Declining enrollment revenue.** Exempts students attending the Crosswinds school from the declining enrollment revenue formula for fiscal years 2015, 2016, and 2017.

Makes this section effective July 1, 2014, only if a 2014 enactment conveys the Crosswinds school to the Perpich Center for Arts Education.

- 13 To lease building or land.** Increases lease levy authority for districts and intermediate districts for taxes payable in 2015 and later.

- 14 Taconite payment and other reductions.** Exempts new taconite payments from the Iron Range school consolidation and cooperatively operated school account to school districts from the taconite levy reduction limits.

- 15 Abatements.** Includes the natural disaster debt service equalization aid in the aid programs available for abatement aid.

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Makes this section effective for revenue for fiscal year 2017 and later.

- 16 Excess tax increment.** Includes the natural disaster debt service equalization aid in the list of aid programs adjusted when excess tax increment payments are received.

Makes this section effective for revenue for fiscal year 2017 and later.

- 17 Powers and duties of the Perpich board.** Broadens the charge to the Perpich Center for Arts Education board to include operating other schools specifically authorized by state law if a law conveying the Crosswinds school to the Perpich Center is passed in 2014.
- 18 Interdistrict voluntary integration magnet program.** Authorizes the board of the Perpich Center for Arts Education to operate a voluntary integration magnet program if a law conveying the Crosswinds school to the Perpich Center is passed in 2014.
- 19 Crosswinds Integration Magnet School.**

**Subd. 1. Definitions.** Defines the terms “board” and “Crosswinds school.”

**Subd. 2. Board to operate Crosswinds school.** Authorizes the board of the Perpich Center for Arts Education to operate the Crosswinds school program.

**Subd. 3. General education funding.** Funds the Crosswinds school as if it were a district-run school for purposes of determining general education revenue.

**Subd. 4. Special education funding.** Requires special education funding to be provided to the Crosswinds school as if it were operated by a school district.

**Subd. 5. Pupil transportation.** Authorizes the Perpich Center to provide transportation services for the students attending the Crosswinds school. Reimburses transportation costs through the interdistrict desegregation transportation aid formula.

**Subd. 6. Achievement and integration aid.** Qualifies the Crosswinds school for achievement and integration aid, as if it were a school district.

**Subd. 7. Other aids, grants, revenue.** Makes the Crosswinds school eligible for other aid, grants and revenue as if it were a school district.

**Subd. 8. Year-round programming.** Allows the Crosswinds school to continue to operate on a year-round calendar (the school is on a calendar called the 45/15 calendar—45 days of instruction, 15 days off from school, with larger breaks in July and December).

**Subd. 9. Data requirements.** Requires the Crosswinds school to follow the budget and accounting procedures required for school districts. Requires the Crosswinds school to report data in the form and manner determined by the commissioner of education.

Makes this section effective July 1, 2014, only if a 2014 enactment conveys the Crosswinds

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school to the Perpich Center for Arts Education.

- 20**     **Iron Range school consolidation and cooperatively operated school account.** Beginning in fiscal year 2019, increases payments from the Iron Range school consolidation and cooperatively operated account to offset any reduction in debt service equalization aid normally due to districts.

Makes this section effective for production year 2014 and later.

- 21**     **Harambee community school transition.**

**Subd. 1. Student enrollment.** Allows any student currently enrolled at the Harambee school to continue attending that school in subsequent years. Allows other students to apply to attend the Harambee school according to the open enrollment process.

**Subd. 2. Compensatory revenue; literacy aid; and Qcomp revenue.** Calculates schools' compensatory revenue, literacy aid, and Qcomp revenue on the enrollment count for the school site for the previous year; the proposed transfer of the facility creates a new school unit that will not have enrollment counts for the previous year.

**Subd. 3. Year-round programming.** Allows the Harambee school to continue to operate on a year-round calendar (the school is on a calendar called the 45/15 calendar—45 days of instruction, 15 days off from school, with larger breaks in July and December).

**Subd. 4. Pupil transportation.** Authorizes the Roseville school board to continue to provide transportation services for the students attending the Harambee school that are reimbursed under the interdistrict desegregation transportation aid formula.

Makes this section effective the day after a 2014 enactment conveys the Harambee community school to the Roseville school district.

- 22**     **Transition requirements; Crosswinds School.**

**Subd. 1. Student enrollment.** Allows any student currently enrolled at the Crosswinds school to continue attending that school in subsequent years. Allows other students to apply to attend the Crosswinds school according to the open enrollment process.

**Subd. 2. Compensatory revenue; literacy aid; and Qcomp revenue.** Calculates schools' compensatory revenue, literacy aid, and Qcomp revenue on the enrollment count for the school site for the previous year; the proposed transfer of the facility creates a new school unit that will not have an enrollment count for the previous year.

**Subd. 3. Title 1 Funding.** Requires the Crosswinds school to receive Title 1 funding in the same manner as it did when the EMID joint powers board operated the program.

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Makes this section effective the day after a 2014 enactment conveys the Crosswinds school to the Perpich Center for Arts Education.

- 23 Lease levy; satellite transportation hub for Rosemount-Apple Valley-Eagan school district.** Allows the Rosemount-Apple Valley-Eagan school district to use lease levy authority to construct a transportation hub if the project would result in significant financial savings.

Makes this section effective for taxes payable in 2016 and later.

- 24 Repealer.** Repeals the requirement that a school district consult with the commissioner on building projects with a total project cost of less than \$500,000 and removes an obsolete subdivision.

**Article 19: Nutrition**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article makes changes to school nutrition programs and provides supplemental appropriations for school lunch and breakfast programs.

- 1 School lunch aid computation.** Beginning in fiscal year 2015, increases by 40 cents the state payment for each school lunch served to a student eligible for a reduced-price meal.
- Makes this section effective for revenue for fiscal year 2015 and later.
- 2 No fees.** Requires each participating school lunch provider (school districts, nonpublic schools, and a few other organizations) to provide free school lunches to each student eligible for a free or reduced price meal. Requires providers to remind students about unpaid meals balances without demeaning or stigmatizing the students.
- Makes this section effective for revenue for fiscal year 2015 and later.
- 3 Program reimbursement.** Increases the state reimbursement for school breakfasts served to kindergarten pupils from 55 cents to \$1.30 for each fully paid breakfast served to a kindergarten student.
- 4 No fees.** Requires a school that receives breakfast aid to make breakfast available without charge to kindergarten pupils.
- 5 School lunch appropriation.** Increases the fiscal year 2015 school lunch appropriation by \$3.5 million to make reduced price meals free to eligible students and adjusts the appropriation base to match the February 2014 forecast.
- 6 School breakfast.** Increases the school breakfast appropriation to fund the full cost of

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breakfast for fully paid kindergarten pupils.

**Article 20: Early Education, Community Education, Self-Sufficiency and Lifelong Learning**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article makes changes to early education, community education, self-sufficiency and lifelong learning programs and provides appropriations for certain programs.

- 1**      **Program requirements.** Requires Early Childhood Family Education (ECFE) programs to provide certain additional programming targeted at families and parents identified in a community needs assessment.
- 2**      **Home visiting program.** Requires home visiting programs to provide certain additional programming and have licensed or certified educators or professionals with an equivalent credential deliver the programs.
- 3**      **District advisory councils.** Requires school district ECFE advisory councils to represent community demographics. To the extent possible, requires the district to ensure that the council represents families who are racially, culturally, linguistically, and economically diverse.
- 4**      **Program data submission requirements.** Requires annual program data collected by districts receiving ECFE revenue to include data that demonstrate the program response to the community needs assessment.
- 5**      **Supervision.** Requires a licensed early childhood teacher or a licensed parent educator to supervise an ECFE program.
- 6**      **Parenting education transition program.** Allows ECFE programs in districts with a prekindergarten-grade three initiative to provide parenting education transition programming to facilitate continued parent engagement in children's learning and development. Encourages ECFE programs to develop partnerships to provide a parenting education liaison to other early learning program providers.
- 7**      **Revenue.** Increases the per-pupil formula allowance for the early childhood family education program by \$11.34 and indexes the allowance to future changes in the formula allowance.
- 8**      **Early childhood family education levy.** Strikes obsolete language.
- 9**      **Amount of aid; school readiness.** Increases the annual aid entitlement for the school readiness program from \$10.095 million to \$12.095 million per year.

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- 10 Administration.** (b) Beginning July 1, 2015, authorizes the commissioner of education to establish a target for the average early learning scholarship amount based on data from the biennial child care market rate survey.
- (c) Allows a qualifying program with children on a waiting list to enroll scholarship recipients in a manner similar to other program participants and to apply for direct payment of state aid.
- (f) Allows a qualifying program to apply to the commissioner for direct state aid payments. Directs the commissioner to make program payments according to the metered payment system or another schedule established by the commissioner.
- 11** Early childhood program eligibility. Allows a Minnesota early learning foundation scholarship program pilot site to accept an early learning scholarship.
- 12 Report required.** Requires the commissioner to report on the evaluation of the early learning scholarship program by January 15, 2016.
- 13 Adult basic education supplemental service grants.** Increases the maximum amount of a supplement services grant to any single organization from 20 to 40 percent of the total amount of supplemental service aid.
- 14 State total adult basic education aid.** Increases the adult basic education program growth factor from 1.025 to 1.03 for fiscal years 2015 and later. Increases the portion of adult basic education aid available for supplemental service grants from two to three percent of the total program aid.
- Makes this section effective for fiscal year 2015 and later.
- 15 Program revenue.** Conforms an age limit used to calculate aid based on the number of adults without diplomas to match federal census data characteristics.
- 16 School readiness; appropriation.** Increases the school readiness appropriation by about \$2 million per year beginning in fiscal year 2015.
- 17 Early childhood family education aid; appropriation.** Increases the appropriation for ECFE aid by \$4.6 million beginning in fiscal year 2015.
- 18 Early learning scholarships.** Increases the appropriation for early learning scholarships by \$4.6 million beginning in fiscal year 2015.
- Makes this section effective July 1, 2014.
- 19 Parent-child home program.** Increases the grant for the parent-child home program by \$100,000 for fiscal year 2015 only.
- 20 Adult basic education aid; appropriation.** Increases the appropriation for adult basic education aid by \$225,000 for fiscal year 2015.

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- 21 Appropriations; Northside Achievement Zone and St Paul Promise Neighborhood.** Appropriates \$350,000 each to the Northside Achievement Zone and the St. Paul Promise Neighborhood, for fiscal year 2015 and \$200,000 for fiscal year 2016 and later.

**Article 21: State Agencies**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

This article exempts a qualifying school district from certain requirements under the Health Insurance Transparency Act and provides appropriations for certain programs.

- 1 School districts; group health insurance coverage.** Exempts a school district that has adopted a motion to approve a self-insured health care plan on or before May 14, 2014, from the requirement to request a proposal from PEIP.
- 2 Department of Education.** Increases the Department of Education budget to pay for the grants to The Works museum (\$75,000) and the Headwaters science center (\$50,000), to supplement the Board of Teaching budget (\$100,000), to supplement the Board of Administrators budget (\$58,000), and for expected rulemaking costs (\$40,000).
- 3 Minnesota State Academies; appropriation.** Increases the fiscal year 2015 appropriation for the Minnesota State Academies by \$300,000.
- 4 Appropriation; Responses to Health Insurance Transparency Act bid requests.** Appropriates \$294,000 to the commissioner of management and budget to comply with the proposed provisions of Minnesota Statutes, section 43A.316 for PEIP insurance bids.

**Article 22: Forecast Adjustments**

Lisa Larson (651-296-8036)

Tim Strom (651-296-1886)

**Overview**

Each year, the legislature adjusts the actual amount appropriated for each K12 education program to match the forecast level of spending for that program. This article reflects those changes in each appropriation.

Section**Article 23: Health Department**

Jamie Olson (651-296-5043)

**Overview**

This article provides for, among other things, an exception to the hospital construction moratorium, allows home care provider applicants or licensees to apply for a home and community-based services designation and provides regulations for that integration, and expands the duties of the director of child sex trafficking prevention. The article also establishes a Health Care Workforce Commission and provides for a grant program for the uninsured.

- 1 **License required.** Amends § 103I.205, subdivision 4. Permits a licensed plumber to repair submersible pumps and water pipes associated with well water systems if the location of the repairs is in an area where there is no licensed or registered well contractor within 25 miles.
- 2 **Definitions.** Amends § 144.1501, subdivision 1. Changes the definition of a designated rural area to a city or township that is outside the seven-county metropolitan area and has a population under 15,000 for purposes of the health professional education loan forgiveness program.
- 3 **Restricted construction or modification.** Amends § 144.551, subdivision 1, paragraph (b). Adds a project for a 16-bed psychiatric hospital in the city of Thief River Falls, subject to the commissioner of health finding the project is in the public interest after the public interest review is conducted.

**Effective date.** This section is effective the day following final enactment.

- 4 **Healthy housing grants.** Adds § 144.9513.

**Subd. 1. Definitions.** Defines terms used in the article.

**Subd. 2. Grants; administration.** Requires grant applicants to submit an application to the commissioner and requires grant recipients to submit a quarterly progress report to the commissioner. Requires the commissioner to provide technical assistance and program support as needed.

**Subd. 3. Healthy housing and implementation grants; eligible activities.** (a) Requires the commissioner to make grants to certain nonprofit organizations, community health boards, and community action agencies under section 256E.31, to provide health housing education, training, and technical assistance services for persons engaged in addressing housing-based threats or others impacted by housing-based health threats.

(b) Allows the grantee to conduct any of the listed activities, including, but not limited to, implementing and maintaining primary prevention programs, providing training, or

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provide technical assistance on the implementation of mitigation measures.

**5 Integrated licensure; home and community based services designation.** Adds § 144A.484.

**Subd. 1. Integrated licensing established.** (a) Requires the commissioner of health to enforce the home and community-based services standards under chapter 245D on providers who also have a home care license under chapter 144A. This requirement is mandated by Laws 2013, chapter 108, article 11, section 31, and article 8, section 60. Also requires the commissioner to provide technical assistance on how to achieve and maintain compliance with applicable law or rules. Allows the commissioner to issue a licensing survey report with recommendations for achieving and maintaining compliance if the commissioner finds the licensee has failed to comply with an applicable rule and the failure does not imminently endanger the health, safety, or rights of persons served by the program.

(b) Permits a home care provider applicant or license holder to apply to the commissioner for a home and community-based services designation beginning July 1, 2015. The designation allows the license holder to use that license to provide basic home and community-based services that would otherwise require licensure under chapter 245D.

**Subd. 2. Application for home and community-based services designation.** States guidelines for the application for the license, including, but not limited to, being subject to the requirements under section 144A.473 relating to issuance of home care provider licenses.

**Subd. 3. Home and community-based services designation fees.** Requires an applicant for license or renewal to pay a fee specified in subdivision 8.

**Subd. 4. Applicability of home and community-based services requirements.** Lists licensing requirements from various chapters, including 144D and 245D, with which the licensee must comply.

**Subd. 5. Monitoring and enforcement.** (a) Requires the commissioner of health to monitor for compliance of the requirements of this subdivision.

(b) Allows the commissioner to deny home and community-based services in accordance with license issuance regulations in chapter 144A and lists actions the commissioner may taken upon finding that an applicant or license holder has failed to comply with license designation requirements.

**Subd. 6. Appeals.** Allows an applicant for a temporary license to seek reconsideration under 144A.473, subdivision 3. Allows a licensed home care provider whose application has been denied or whose designation has been suspended or revoked to seek reconsideration under section 144A.475. Allows a license holder to request reconsideration of a correction order under section 144A.474, subdivision 12.

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**Subd. 7. Agreements.** Requires the commissioners of health and human services to enter into any agreements necessary to implement this section.

**Subd. 8. Fees; home and community-based services designation.** Requires payment of an initial fee and annual nonrefundable fees for a home and community-based services designation and lists fees. Requires the fees and penalties collected to be deposited in the state treasury and credited to the state government special revenue fund.

**Effective date.** Section 144A.484, subdivision 2 to 8, are effective July 1, 2015.

**6 Duties of director.** Amends § 145.4716, subdivision 2. Expands the duties of the director of child sex trafficking prevention to include managing the requests for proposals for grants for comprehensive services, including trauma-informed, culturally specific services.

**7 Health care grants for the uninsured.** Adds § 145.929.

**Subd. 1. Dental providers.** (a) Provides conditions for when a dental provider will be eligible for a grant under this section.

(b) States that grants shall be distributed by the commissioner of health to dental providers based on the provider's number of low-income uninsured patients under the age of 21 and provides for eligibility requirements.

**Subd. 2. Community mental health program.** Provides conditions for when a community mental health program will be eligible for a grant, including, but not limited to, if the clinic offers free or reduced-cost mental health care to certain low-income patients under the age of 21. Provides for grant distribution requirements.

**Subd. 3. Emergency medical assistance outlier grant program.** Requires the commissioner of health to establish grants to hospitals for the purpose of defraying underpayments for emergency services and establishes requirements.

**Subd. 4. Grant process.** Outlines the grant application and eligibility process.

**8 Provider enrollment.** Amends § 256B.04, subdivision 21. Includes providers licensed as home and community-based services under chapter 144A in Medicare and Medicaid Services provider enrollment requirements relating to the entity's compliance officer and the officer's duties.

**9 Legislative Health Care Workforce Commission.**

**Subd. 1. Legislative oversight.** Provides that the purpose of the Legislative Health Care Workforce Commission is to study and provide recommendations to the legislature on how to strengthen the healthcare workforce.

**Subd. 2. Membership.** Requires five members of the senate and five members of the house to be on the commission with each body's membership having three

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members of the majority party and two members of the minority party.

**Subd. 3. Officers.** Requires the commissioner to elect a chair and allows for the election of other officers. Requires the chair to alternate between a member of the house and a member of the senate in January of each odd-numbered year.

**Subd. 4. Initial appointments and meeting.** Requires initial appointments to be made by June 1, 2014 and requires the speaker of house to designate one member to convene the first meeting by June 15, 2014.

**Subd. 5. Report to the legislature.** Requires the commission to provide a preliminary report to the legislature by December 31, 2014, and a final report by December 30, 2016, and states report requirements.

**Subd. 6. Assistance to the commission.** Requires the commissioners of health, human services, commerce, and other state agencies and associations to provide assistance and technical support to the commission at the commission's request.

**Subd. 7. Commissioner member expenses.** Allows for per diem and expense reimbursements for members pursuant to senate and house rules.

**Subd. 5. Expiration.** States the commission expires January 1, 2017.

**Effective date.** Effective the day following final enactment.

- 10 Quality transparency.** (a) Requires the commissioner of health to develop an implementation plan for stratifying measures based on sociodemographic factors, including, but not limited to race and ethnicity, that are correlated with health disparities and provides requirements for the plan.
- (b) Requires the commissioner to assess the risk adjustment methodology established under section 62U.02, for, among other things, the potential for harm and unintended consequences for patient populations who experience health disparities, and provides requirements for the assessment.
- (c) Lists plan requirements, including, but not limited to, organizations with which the commissioner must consult, for the implementation plan required under paragraph (a).
- 11 Data on chronic pain therapies.** Requires the commissioner of health to gather listed data related to chronic pain treatment and submit a report to the legislature.
- 12 Study and report about client bills of rights.** Requires the commissioner to consult with various stakeholders to review how to streamline the client bill of rights requirements in sections 144A.44, 144A.441, and 245D.04 for providers whose practices fit into one or several of these practice areas. Requires the evaluation to consider the federal client bill of rights and determine, among other things, whether there are any duplications or conflicts among the rights. Requires the commissioner to report to the legislature by February 15, 2015.

Section**Article 24: Health Care**

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**Overview**

This article makes changes to statutes governing the medical assistance and MinnesotaCare programs. The article establishes new payment methods for inpatient hospital services, modifies requirements for nonemergency medical transportation services, establishes payment methods for federally qualified health center and rural health clinic services, and makes other changes related to the administration of state health care programs. The article also establishes a health care homes advisory committee and requires the commissioner of human services to report to the legislature on specified topics.

- 1 MinnesotaCare federal receipts.** Amends § 16A.724, subd. 3. Provides that all federal funding received by the state for the implementation and administration of MinnesotaCare as a basic health plan is appropriated to the commissioner of human services for use only for the MinnesotaCare program. Current law provides that federal funding is dedicated to MinnesotaCare and deposited into the health care access fund.
- 2 Contract to match recipient third-party liability information.** Amends § 256.01, by adding subd. 38. Allows the commissioner to contract with a national organization to match recipient third-party liability information and provide coverage and insurance primacy information to the department.
- 3 Authority.** Amends § 256.9685, subd. 1. Strikes references to general assistance medical care (GAMC), which ended February 28, 2011.
- 4 Administrative reconsideration.** Amends § 256.9685, subd. 1a. Strikes a cross-reference to GAMC.
- 5 Base year.** Amends § 256.9686, subd. 2. Changes the definition of a hospital's "base year" to include fiscal year "or years;" removes a reference to GAMC.
- 6 Hospital cost index.** Amends § 256.969, subd. 1. Strikes outdated language and also strikes references to GAMC.
- 7 Diagnostic categories.** Amends § 256.969, subd. 2. Directs the commissioner to use the all patient diagnosis-related groups (APR-DRGs) other similar classification programs to determine the relative values of inpatient services and case mix indices. Allows the commissioner to supplement the data with national averages. Makes other related changes.
- 8 Hospital payment rates.** Amends § 256.969, subd. 2b. A new paragraph (a) specifies that for discharges on and after November 1, 2014: (1) critical access hospitals shall be paid using a cost-based methodology; (2) long-term care hospitals shall be paid on a per diem methodology; (3) rehabilitation hospitals or units shall be paid under the existing

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rehabilitation unit methodology in subdivision 12; and (4) all other hospitals shall be paid using a DRG methodology.

The amendment to paragraph (b) specifies that for the period beginning January 1, 2011, to October 31, 2014, rates shall not be rebased except for long-term hospitals, and strikes related language on rebasing.

A new paragraph (c) requires, for discharges on or after November 1, 2014, that payment rates for hospitals (other than long-term care and rehabilitation hospitals) be rebased using cost and payment methodologies in a manner similar to Medicare. Specifies the base year as calendar year 2012. Requires rebasing to be budget neutral, with separate budget neutrality calculations determined for payments to critical access hospitals and payments to hospitals reimbursed under the DRG system. Requires rate increases and decreases that applied during the entire base period to be incorporated into the budget neutrality calculation.

A new paragraph (d) requires rebased rates to result in no greater than a five percent increase or decrease from base year payments for any hospital, for discharges beginning November 1, 2014, through June 30, 2016.

A new paragraph (e) allows the commissioner to make additional rate adjustments and requires the commissioner to consider the impact of rates on certain services, providers, and admissions, when evaluating whether additional adjustments should be made.

The amendment to paragraph (f) requires rebased rates to incorporate the following:

(1) for hospitals paid under DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, interim per diem payment rates shall be based on the ratio of cost and charges reported on the base year Medicare cost report or reports and applied to medical assistance utilization data;

(3) the cost and charge data used must only reflect inpatient services covered by medical assistance; and

(4) for discharges occurring on or after the rate year beginning January 1, 2011, to December 31, 2012, the payment rate per discharge must be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

A new paragraph (g) requires the commissioner to validate the rates effective November 1, 2014, by applying the new rate methodology to hospital claims paid in calendar year 2013.

A new paragraph (h) requires rates to be rebased for discharges occurring on or after July 1, 2017, and every two years thereafter. Specifies criteria.

**9** **Interim payments.** Amends § 256.969, by adding subd. 2d. Allows the commissioner to implement an interim payment process for discharges occurring on or after November 1,

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2014, through June 30, 2015, if rebasing is not complete by November 1, 2014. States that payments shall be based on each hospital's average payments per claim for state fiscal year 2011 and fiscal year 2012, and that these claims would be reprocessed upon implementation of the rebased rates.

- 10 Report required.** Amends § 256.969, by adding subd. 2e. Requires the commissioner to report to the legislature on March 1, 2015, and March 1, 2016, on the financial impacts and policy ramifications of the payment methodology changes. Specifies the information that must be provided.
- 11 Payments.** Amends § 256.969, subd. 3a. Requires historical rate adjustments to be incorporated into the rebased rates. Requires the commissioner to notify hospitals of payment rates 30 days prior to implementation. Strikes payment rate reduction language and references to GAMC and makes conforming changes.
- 12 Nonpayment for hospital-acquired conditions and for certain treatments.** Amends § 256.969, subd. 3b. Updates a reference to diagnosis codes and also strikes specific references to old codes, and to GAMC. Requires the list of hospital acquired conditions to be that defined by the Centers for Medicare and Medicaid Studies on an annual basis.
- 13 Rateable reduction and readmissions reduction.** Amends § 256.969, subd. 3c. Eliminates the current ten percent rateable reduction to hospitals for inpatient services effective November 1, 2014, and exempts from the rate reduction a hospital located in Hennepin County with the licensed capacity of 1,700 beds for admissions of patients who are under 18 years of age, for the period September 1, 2011, through August 31, 2013. Provides a retroactive effective date of September 1, 2011.
- 14 Medical assistance cost reports for services.** Amends § 256.969, by adding subd. 4b. Requires critical access hospitals that receive MA payments and hospitals that receive a disproportionate population adjustment to annually file MA cost reports within six months of the end of the hospital's fiscal year. Requires DHS to suspend payments to hospitals that fail to file the required report.
- 15 Special considerations.** Amends § 256.969, subd. 6a. Eliminates a reference to a repealed subdivision.
- 16 Unusual length of stay experience.** Amends § 256.969, subd. 8. Requires the commissioner to establish payment rates for acute transfers occurring on or after November 1, 2014, based on Medicare methodologies. Also eliminates a reference to a repealed subdivision.
- 17 Neonatal admissions.** Amends § 256.969, subd. 8a. Strikes language related to short stay payments.
- 18 Hospital residents.** Amends § 256.969, subd. 8c. Requires payments for the first 180 days of inpatient care to be the APR-DRG payment plus any appropriate outliers. Requires payment for medically necessary care subsequent to 180 days to be made at a rate computed as the product of the statewide average cost to charge ratio multiplied by the usual and

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customary charges.

- 19 Disproportionate numbers of low-income patients served.** Amends § 256.969, subd. 9. Eliminates obsolete language related to disproportionate population adjustment payments. Eliminates references to GAMC. Allows the commissioner to establish a separate disproportionate share rate adjustment for critical access hospitals.
- 20 Separate billing by certified registered nurse anesthetists.** Amends § 256.969, subd. 10. Requires hospitals to exclude certified registered nurse anesthetist costs from hospital operating payment rates and makes related changes. Also strikes obsolete language.
- 21 Rehabilitation hospitals and distinct parts.** Amends § 256.969, subd. 12. For discharges on or after November 1, 2014, requires the commissioner, to the extent possible, to replicate the payment rate methodology under the new diagnostic classification system, when establishing relative values for rehabilitation hospitals and rehabilitation distinct parts. Requires the result to be budget neutral.
- 22 Transfers.** Amends § 256.969, subd. 14. Requires the commissioner to establish payments rates for acute transfers that are based on Medicare methodologies. Eliminates a reference to repealed subdivisions.
- 23 Out-of-state hospitals in local trade areas.** Amends § 256.969, subd. 17. Modifies a provision related to rate calculation for out-of-state hospitals, by changing a reference to a base “year” to base “years” and prohibiting redetermination of diagnostic categories until required by “statute” rather than “rule” as in current law.
- 24 Out-of-state hospitals outside local trade areas.** Amends § 256.969, subd. 18. Eliminates a reference to separate operating and property rates.
- 25 Long-term hospital rates.** Amends § 256.969, subd. 25. Requires long-term care hospitals to be paid a per diem rate.
- 26 Payment rates for births.** Amends § 256.969, subd. 30. Modifies references to diagnostic categories to reflect the use of APR-DRGs and makes related changes, in a section setting payment rates for births.
- 27 Medicaid waiver requests and state plan amendments.** Amends § 256B.04, by adding subd. 24. Requires the commissioner to publish state Medicaid waiver requests or state plan amendments and other specified information on the agency’s Website and provide for public comment, prior to submitting these requests to the federal government. Requires the commissioner to consider public comments when finalizing these requests and requires the commissioner to publish notice of federal decisions related to the requests on the agency’s Website.
- 28 Transportation costs.** Amends § 256B.0625, subd. 17. Paragraph (a) defines nonemergency medical transportation (NEMT) as motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require ambulance service. The term includes, but is not limited to, special transportation

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service.

(b) The amendment to paragraph (b) includes nonemergency medical transportation providers and not-for-hire vehicles as allowable providers of medical transportation, and strikes “special transportation” from the list of providers.

The amendment to paragraph (c) provides that MA covers NEMT and specifies related criteria. Strikes references to coverage of special transportation.

Paragraph (d) requires the administrative agency of NEMT to: (1) adhere to policies defined by the commissioner in consultation with the NEMT advisory committee; (2) pay transportation providers; (3) provide specified monthly data to the commissioner; and (4) by July 1, 2016, use a Web-based single administrative structure assessment tool.

Paragraph (e) requires clients to obtain their level of service certificate from the commissioner or an entity that does not dispatch rides for clients using assisted and other specified forms of transport.

The amendment to paragraph (f) allows the commissioner to certify the need for NEMT services using an order from a medical or mental health professional (in addition to that from a physician as under current law). Modifies documentation requirements.

Paragraph (g) specifies covered modes of NEMT.

Paragraph (h) requires the administrative agency to use the level of service process established by the commissioner, in consultation with the advisory committee, to determine the client’s most appropriate mode of transportation. Allows onetime service upgrades if public transit or a certified transportation provider is not available. Lists the following modes of transportation, which may not be implemented without a new rate structure: (1) client reimbursement; (2) volunteer transport; (3) unassisted transport; (4) assisted transport; (5) lift-equipped/ramp transport; (6) protected transport; and (7) stretcher transport.

Paragraph (i) states that by July 1, 2016, the local agency shall be the single administrative agency and shall administer and reimburse for modes of service defined in paragraph (h) according to a new rate structure, once this is adopted.

Paragraph (j) requires the commissioner to verify that the mode and use of NEMT is appropriate (in consultation with the NEMT advisory committee), verify that the client is going to an approved medical appointment, and investigate complaints and appeals.

Paragraph (k) requires the administrative agency to pay for services and seek reimbursement from the commissioner. Provides that local agencies are subject to sanctions and monetary recovery actions as vendors of medical care.

The amendments to paragraphs (l) to (o) make conforming changes.

**29** **Broker dispatching prohibition.** Amends § 256B.0625, subd. 18b. Allows the commissioner to use a broker or coordinator to establish level of service, and makes a

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conforming change.

- 30 Nonemergency medical transportation advisory committee.** Amends § 256B.0625, subd. 18c. Requires the NEMT advisory committee to meet at least quarterly for the year following January 1, 2015, and then at least biannually (current law requires quarterly meetings). Modifies the issue areas for which the committee is to make recommendations to the commissioner. Extends the expiration date of the committee from December 1, 2014, to December 1, 2019.
- 31 Advisory committee members.** Amends § 256B.0625, subd. 18d. Modifies membership of the advisory committee, by adding two additional county representatives, reducing by one the number of members representing MA recipients, and adding members representing the Minnesota State Council on Disability, Minnesota Ambulance Association, and Minnesota Hospital Association.
- 32 Single administrative structure and delivery system.** Amends § 256B.0625, subd. 18c. Requires the commissioner to implement a single administrative structure and delivery system for NEMT, beginning on the date the single administrative assessment tool is available or July 1, 2016, whichever is later (the implementation date in current law is July 1, 2014). Directs the commissioner, in coordination with the Department of Transportation, to develop and authorize a Web-based single administrative structure and assessment tool, to facilitate the enrollee assessment process for NEMT services. Specifies requirements for the assessment tool. Requires the administrative structure to operate on a trial basis for one year, and if approved by the commissioner, on a permanent basis thereafter. Requires the commissioner to seek input from the NEMT advisory committee on software and funding.
- 33 Use of standardized measures.** Amends § 256B.0625, subd. 18g. Delays from calendar year 2013 to calendar year 2015 the year in which the commissioner is to collect, audit, and analyze NEMT performance data and make related changes.
- 34 Managed care.** Amends § 256B.0625, subd. 18h. Exempts managed care and county-based purchasing plans from specified NEMT requirements, including but not limited to use of a Web-based single administrative structure assessment tool and the collection and reporting of performance data.
- 35 Other clinic services.** Amends § 256B.0625, by adding subd. 30. A new paragraph (h) requires claims for FQHC and rural health clinic services provided on or after January 1, 2015, to be paid by the commissioner. Requires the commissioner to determine the most feasible method for paying claims from two specified options.
- A new paragraph (i) requires the commissioner to calculate and pay managed care supplemental payments to clinics, and requires review by the clinic, for clinic services provided before January 1, 2015. Specifies the procedures to be used to resolve issues related to supplemental payments.
- 36 Health care homes advisory committee.** Amends § 256B.0751 by adding subdivision 10. (a) Requires the commissioners of health and human services to establish a health care

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homes advisory committee.

(b) Specifies committee membership and requires at least 25 percent of the committee members to be consumers or patients in health care homes. Requires the commissioners to ensure geographic representation of all regions of the state when appointing members

(c) Requires the committee to advise the commissioners on ongoing implementation of the health care home program, including, but not limited to, activities such as implementation of certified health care homes, modifications to the program, and consumer engagement.

(d) Allows the committee to establish subcommittees on specific topics and states that the committee does not expire.

- 37**     **Payments reported by governmental entities.** Amends § 256B.199. Strikes language requiring certain hospitals to report certified public expenditures and requiring the commissioner to apply for federal matching funds for GAMC expenditures.
- 38**     **Personal needs allowance.** Amends § 256B.0625, subd. 1. Increases the MA personal needs allowance to include income garnished for spousal maintenance under a divorce judgment and decree, and any administrative fees garnished for collection.
- 39**     **Supplemental recovery program.** Amends § 256B.69, subd. 34. Narrow the scope of an existing supplemental recovery initiative for third-party liabilities, to focus on those third-party liabilities identified through coordination of benefits information.
- 40**     **Reimbursement for basic care services.** Amends § 256B.766. Reduces payment for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, by 0.33 percent. Increases payments for these services provided on or after July 1, 2015, by three percent. (Under prior law, these services would have received a three percent payment increase effective September 1, 2014.)
- 41**     **Medicare payment limit.** Amends § 256B.767. Allows MA payments for durable medical equipment, prosthetics and orthotics, and supplies subject to rates established under the Medicare competitive bidding program to be paid as if they had not been subject to Medicare competitive bidding through June 30, 2015 (this provision would otherwise sunset June 30, 2014).
- 42**     **Effective date.** Amends Laws 2013, chapter 108, article 1, section 24. Delays the implementation of presumptive eligibility determinations by hospitals from January 1, 2014, to July 1, 2014.
- 43**     **Effective date.** Amends Laws 2014, chapter 235, section 43. Establishes the effective date for the repealer in chapter 235 (APRN practice) as January 1, 2015.
- 44**     **Medical assistance spenddown requirements.** Requires the commissioner of human services, in consultation with interested stakeholders, to review MA spenddown requirements and processes for persons with disabilities and persons age 65 or older. Requires the

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commissioner to report recommendations and their projected cost to the legislative chairs and ranking minority members with jurisdiction over health and human services policy and finance, by February 15, 2015.

**45 Waiver applications for nonemergency medical transportation service providers.**

**Subd. 1. Definitions.** Defines terms.

**Subd. 2. Application for and terms of variance.** Allows new providers to apply to the commissioner of human services for a variance from special transportation service operating standards. Provides that variances expire on the earlier of February 1, 2016, or the date the commissioner of transportation begins certifying new providers.

**Subd. 3. Information concerning variances.** Requires the commissioner of human services to periodically provide the Department of Transportation with the number of variance applications received and the number granted.

**Subd. 4. Report by commissioner of transportation.** Requires the commissioner of transportation to report to specified legislative chairs and ranking minority members, by February 1, 2015, on implementation of NEMT provisions. Specifies requirements for the report.

**46 Federal authority; emergency medical assistance program.** Requires the commissioner, in consultation with emergency medical assistance providers and representatives of medical assistance patients, to assess the program's covered services, care plan requirements, conditions of eligibility and other requirements, to identify changes likely to reduce the use of more costly services. Requires the commissioner to report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 15, 2015.

**47 Oral health delivery and reimbursement system.** Requires the commissioner of human services, in consultation with the commissioner of health, to convene a work group to develop a new delivery and reimbursement system for oral health and dental services provided to enrollees of the state public health care programs. The commissioner shall submit the report and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 15, 2015.

**48 Repealer.** (a) Repeals the following subdivisions of § 256.969: 2c (property payment rates), 8b (GAMC hospital admissions), 9a (contingent disproportionate share population adjustments), 9b (outdated rateable reductions), 11 (special rates for hospice, ventilator dependent, and other services), 13 (neonatal transfers), 20 (increases for small rural hospitals), 21 (mental health and chemical dependency rates), 22 (outdated disproportionate share hospital adjustment), 26 (rural hospital DRG increases), 27 (disproportionate share hospital adjustment), and 28 (temporary rate increase). Also repeals § 256.9695, subd. 3 (transition period for rates) and 4 (study of hospital payment systems) effective November 1,

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2014.

(b) Repeals § 256B.0625, subd. 18f (development of an enrollee assessment process for NEMT services).

**Article 25: Children, Families, and Northstar Care for Children**

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**Overview**

This article updates statutes related to Northstar Care for Children and the transfer of permanent legal and physical custody. It extends by one year a licensing moratorium for a school-age child care provider.

- 1 **Child care centers; assistance.** Amends § 119B.09, subd. 9a. Modifies the definition of “qualifying child,” specifies how this subdivision shall be implemented, requires counties to send a notice of adverse action if a child’s authorization for CCAP is terminated under this subdivision, and specifies how funds paid to providers must be treated during the period of time between issuance of a notice and discontinuation of payments.
- 2 **School-age child care licensing moratorium.** Amends § 245A.03, subd. 2c. Extends a licensing moratorium for a school-age child care program for one year, to July 1, 2015.
- 3 **Fingerprints.** Amends § 245C.05, subd. 5. Adds that individuals seeking to have a child transferred to their permanent legal and physical custody must provide a set of classifiable fingerprints to the commissioner.
- 4 **Background studies conducted by the Department of Human Services.** Amends § 245C.08, subd. 1. Requires the commissioner to review out-of-state criminal history and child abuse data as part of the background study on individuals seeking to have a child transferred to their permanent legal and physical custody. These out-of-state checks are currently required for adoptive and foster parents.
- 5 **Adoption and transfer of permanent legal and physical custody; background study requirements.** Amends § 245C.33, subd. 1. Establishes the requirements and processes to allow prospective adoptive parents and individuals who are seeking to have legal and physical custody of a child transferred to them permanently to avoid repeat background studies if already licensed as a foster home.
- 6 **Information commissioner reviews.** Amends § 245C.33, subd. 4. Instructs the commissioner to advise agencies when a repeat background study is not required on prospective adoptive parents and on individuals seeking permanent physical and legal custody of a child.
- 7 **Children eligible for subsidized adoption assistance.** Amends Minnesota Statutes 2013

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Supplement, § 256B.055, subd. 1. Adds a cross reference to chapter 256N, Northstar Care for Children.

- 8 Work activity.** Amends § 256J.49, subd. 13. Modifies the list of items included in the definition of “work activity” under MFIP by removing certain cross references and adding adult high school diploma and postsecondary education to the list.
- 9 Length of program.** Amends § 256J.53, subd. 1. Increases the length of time a postsecondary education or training program can last, from 24 months to four years, in order to be counted as a work activity under MFIP. Requires participants with a high school diploma, GED, or adult high school diploma to be informed of the opportunity to participate in postsecondary education or training while in MFIP.
- 10 Postsecondary education or training.** Amends § 256J.53, subd. 2. Modifies approval of postsecondary education or training requirements under MFIP.
- 11 Requirements after postsecondary education or training.** Amends § 256J.53, subd. 5. Increases the length of time a person has to job search after completion of a postsecondary education or training program from six weeks to 12 weeks before the participant must accept any offer of full-time suitable employment.
- 12 Basic education; English as a second language.** Amends § 256J.531.
- Subd. 1. Approval of adult basic education.** Expands eligibility for MFIP participants to pursue a GED credential or adult high school diploma as an approved work activity under the MFIP program. Requires participants eligible to pursue a GED credential or adult high school diploma to be informed of the opportunity to participate while in MFIP.
- Subd. 2. Approval of English as a second language.** Removes certain limitations of approval of English as a second language classes as a work activity under MFIP.
- 13 Licensed child foster parent.** Amends Minnesota Statutes 2013 Supplement, § 256N.02, by adding subdivision 14a. Defines “licensed child foster parent” as a person licensed for child foster care under relevant Minnesota Rules, or by a Minnesota tribe.
- 14 Placement in foster care.** Amends Minnesota Statutes 2013 Supplement, § 256N.21, subd. 2. Provides that a child in out-of-home placement is eligible for foster care benefits when the legally responsible agency has placement authority and care responsibility and
- ▶ the child is placed with a licensed child foster parent, or
  - ▶ the child is in an emergency relative placement, a licensed adult foster home, or an independent living setting.
- 15 Background study.** Amends Minnesota Statutes 2013 Supplement, § 256N.21, by adding subd. 7. Paragraph (a) requires a county or private agency to conduct a background study for child foster care licensing in accordance with chapter 245C and the Adam Walsh Act.

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Paragraph (b) requires a tribal organization to conduct a background study for purposes of child foster care licensing in accordance with the Indian Child Welfare Act and, when applicable, the Adam Walsh Act.

- 16 General eligibility requirements.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 1. Requires that before a relative can be eligible to receive guardianship assistance, the child must live in the relative's home for six consecutive months. Requires that the relative be licensed as a foster parent, or meet the alternative listed criteria.
- 17 Agency determinations regarding permanency.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 3. Requires the responsible agency to document eligibility determinations when making a determination about placement of a child with a relative custodian.
- 18 Background study.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 4. Provides that the background studies on relative custodians must meet the requirements of the Adam Walsh Act. Allows relative custodians to avoid a repeat background study if they have a foster care license and the earlier home study met the requirements listed in this section.
- 19 Exclusions.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 6. Adds that the commissioner shall not enter into a guardianship assistance agreement with the stepparent of a child.
- 20 General eligibility requirements.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 1. Clarifies tribal social service agency responsibility in order for a child to be eligible for adoption assistance.
- 21 Background study.** Amends Minnesota Statutes 2013 Supplement, § 256N.23, subd. 4. Requires that all adults residing in the home of prospective adoptive parents must have a background study completed that meets the requirements of the Adam Walsh Act. Allows prior background studies to be used when the individual is a currently licensed foster parent and all requirements of the subdivision are met.
- 22 Timing of and request for reassessments.** Amends Minnesota Statutes 2013 Supplement, § 256N.24, subd. 9. Provides that for a child in continuous foster care when six months have elapsed since the last assessment, a reassessment must be completed within 30 days, and annually thereafter.
- 23 Caregiver requests for reassessments.** Amends Minnesota Statutes 2013 Supplement, § 256N.24, subd. 10. Strikes language allowing a foster parent to request a reassessment in less than six months when there has been a substantial change in the child's needs.

Adds paragraph (d) which provides that when a kinship assistance or adoption assistance agreement is signed by all parties, a reassessment cannot be requested or conducted for up to two years until the agreement goes into effect or expires.

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- 24**      **Negotiation of agreement.** Amends Minnesota Statutes 2013 Supplement, § 256N.25, subd. 2. Modifies the requirements related to adoption assistance agreements when the adoptive parents are adopting a child who is considered “at-risk.”
- 25**      **Renegotiation of agreement.** Amends Minnesota Statutes 2013 Supplement, § 256N.25, subd. 3. Makes technical changes to conform to changes made in section 17.
- 26**      **Benefits.** Amends Minnesota Statutes 2013 Supplement, § 256N.26, subd. 1. Strikes a reference to guardianship assistance.
- 27**      **Nonfederal share.** Amends Minnesota Statutes 2013 Supplement, § 256N.27, subd. 4. Clarifies that costs for the phase in of Northstar Care are borne by the state.
- 28**      **Financial considerations.** Amends § 257.85, subd. 11. Modifies the method used by the commissioner to reimburse the local agency for relative custody assistance payments.
- 29**      **Out-of-home placement; plan.** Amends § 260C.212, subd. 1. Requires an out-of-home placement plan to include documentation of the permanency plan for the child, when a child cannot be returned to the care of either parent, and documentation necessary to support kinship placement when adoption is not in the child’s best interests.
- 30**      **Custody to relative.** Amends § 260C.515, subd. 4. Lists the requirements for the transfer of permanent legal and physical custody to a relative, and the factors the court is to consider.
- 31**      **Adoption home study required.** Amends § 260C.611. Provides that a child foster care home study meets the requirements for an adoption home study when the study meets specified requirements, the child resides in the home of the prospective adoptive parents, and the child is under the guardianship of the commissioner.
- 32**      **Parent Aware quality rating and improvement system accessibility report.**
- Subd. 1. Recommendations.** Requires the commissioner of human services, in consultation with others, to make recommendations to the legislature on (1) increasing accessibility for child care providers to Parent Aware and (2) increasing access to Parent Aware-rated programs for families. Specifies certain factors impacting accessibility the recommendations must address.
- Subd. 2. Report.** Requires the commissioner to report to the legislature with recommendations by February 15, 2015.
- Makes this section effective the day following final enactment.
- 33**      **Recommendations for culturally appropriate outreach.** Requires the Cultural and Ethnic Communities Leadership Council to review with the commissioner of human services the department’s existing competencies and strategies and provide recommendations on improving internal competencies for culturally appropriate outreach to new American child care providers impacted by the qualifying child definition under the child care assistance program.

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- 34 Revisor's instruction.** Instructs the revisor to change the term “guardianship assistance” to “Northstar kinship assistance” throughout statute and rule where this term refers to Northstar Care for Children.
- 35 Repealer.** Repeals Minnesota Statutes 2013 Supplement, § 256N.26, subd. 7 (special at-risk monthly payment for at-risk children in guardianship assistance and adoption assistance).

**Article 26: Community First Services and Supports**

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**Overview**

This article modifies the Community First Services and Supports program.

- 1 Community first services and supports (CFSS) organizations.** Amends § 245C.03, by adding subd. 8. Requires the commissioner to conduct background studies on any individual required under the CFSS program to have a background study completed.
- 2 CFSS organizations.** Amends § 245C.04, by adding subd. 7. Requires the commissioner to conduct background studies on certain individuals at least upon application for initial enrollment under the CFSS program. Requires the CFSS organization to receive notice from the commissioner that a direct care worker is not disqualified or disqualified but the individual has received a set-aside of the disqualification before the individual begins a position allowing direct contact with clients.
- 3 CFSS organizations.** Amends § 245C.10, by adding subd. 10. Charges CFSS organizations a fee of no more than \$20 per background study. Appropriates fees collected under this subdivision to the commissioner for the purpose of conducting background studies.
- 4 Definitions.** Amends § 256.85, subd. 2. Modifies the definitions under the CFSS program by adding definitions for “consultation services” and “worker training and development.” Modifies definitions of “CFSS delivery plan,” “extended CFSS,” “financial management services contractor or vendor,” “health-related procedures and tasks,” “participant’s representative,” “shared services,” and “support worker.” Removes the definition of “support specialist.”
- 5 Eligibility.** Amends § 256B.85, subd. 3. Removes the requirement for a CFSS participant to be living in their own home or a foster care setting in order to receive CFSS services. Modifies terminology.
- 6 Assessment requirements.** Amends § 256B.85, subd. 5. Specifies an assessment of functional need may occur at the request of the participant under certain circumstances. Removes a limitation that participants residing in a facility may only choose CFSS for the purpose of returning to the community. Specifies that temporary authorization of CFSS services may only occur in the agency-provider model. Requires participants approved for a temporary authorization to access the consultation service to complete their orientation and

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selection of a service model.

- 7 **CFSS service delivery plan.** Amends § 256B.85, subd. 6. Modifies terminology. Modifies CFSS service delivery plan requirements by adding requirements to include budget information and a plan for worker training and development. Specifies the duties of the consultation services provider in assisting with the development or modification of the plan. Requires the plan to be approved by the case manager or care coordinator for a waiver or alternative care program participant.
- 8 **CFSS; covered services.** Amends § 256B.85, subd. 7. Modifies terminology. Modifies the list of covered services by removing transition costs and adding services provided by an FMS contractor under contract with DHS, services provided by a consultation services provider under contract with DHS and enrolled as a Minnesota health care program provider, and worker training and development services. Specifies the requirements for family members to be able to provide CFSS services.
- 9 **Determination of CFSS service methodology.** Amends § 256B.85, subd. 8. Modifies terminology. Specifies how the service budget for budget model participants is calculated.
- 10 **Noncovered services.** Amends § 256B.85, subd. 9. Makes technical changes. Modifies the list of noncovered services under the CFSS program by adding several services including services provided and billed by a provider who is not an enrolled CFSS provider, services that are used solely as a child care or babysitting service, sterile procedures, giving of injections, home maintenance or chore services, application of restraints or implementation of deprivation procedures, and services to other members of the participant's household.
- 11 **Agency-provider and FMS contractor qualifications, general requirements, and duties.** Amends § 256.85, subd. 10. Adds qualifications, requirements, and duties to agency-providers and FMS contractors.
- 12 **Agency-provider model.** Amends § 256B.85, subd. 11. Updates terminology. Adds requirements for participants when purchasing goods under the agency-provider model.
- 13 **Requirements for enrollment of CFSS agency-provider agencies.** Amends § 256B.85, subd. 12. Updates terminology. Requires the commissioner to send annual review notifications to agency-providers 30 days prior to renewal and specifies the information that must be included in the notification. Requires agency-providers to submit the required documentation for annual review within 30 days of notification from the commissioner. Requires the agency-provider enrollment number to be terminated or suspended if no documentation is submitted.
- 14 **Budget model.** Amends § 256B.85, subd. 13. Requires participants to use an FMS contractor in the budget model. Modifies the list of items for which participants may use their budget allocation under the budget model. Moves language related to disenrollment procedures within this subdivision. Modifies the FMS contractor service functions and requirements. Updates terminology and cross-references.
- 15 **Documentation of support services provided.** Amends § 256B.85, subd. 15. Updates

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terminology.

- 16 Support workers requirements.** Amends § 256B.85, subd. 16. Updates terminology. Prohibits support workers from providing or being paid for more than 275 hours of CFSS per month. Prohibits DHS from disallowing the number of hours per day a support worker works unless it violates other law.
- 17 Exception to support worker requirements for continuity of services.** Amends § 256B.85, by adding subd. 16a. Creates an exception to the support worker requirements under certain circumstances.
- 18 Consultation services description and duties.** Amends § 256B.85, subd. 17. Removes support specialist requirements (“support specialist” was also removed from the definitions in section 4). Adds consultation services definition, description, and duties.
- 19 Consultation services provider qualifications and requirements.** Amends § 256B.85, by adding subd. 17a. Creates consultation service provider qualifications and requirements.
- 20 Service unit and budget allocation requirements and limits.** Amends § 256B.85, subd. 18. Removes the calculation of the service unit and budget allocation from this subdivision (it was moved to section 9).
- 21 Worker training and development services.** Amends § 256B.85, by adding subd. 18a. Specifies worker training and development services criteria. Lists services covered under worker training and development.
- 22 Commissioner’s access.** Amends § 256B.85, subd. 23. Updates terminology.
- 23 CFSS agency-providers; background studies.** Amends § 256B.85, subd. 24. Updates terminology.
- 24 Effective date.** Modifies the effective date of the CFSS program. The effective date is 90 days after federal approval.

Section**Article 27: Continuing Care**  
Danyell Punelli (651-296-5058)**Overview**

This article makes changes to the home and community-based services standards related to the Jensen Settlement, modifies the home and community-based services provider quality add-on and performance incentive program, modifies the MA autism early intensive intervention benefit, provides a payment rate increase to nursing facilities to address compensation-related costs, provides a five percent rate increase for ICF/DDs and home and community-based services providers, and modifies the disability waivers rate system.

- 1 **Licensing data.** Amends § 13.46, subd. 4. Adds data collected under chapter 245D to the list of data that is considered private data on individuals under the government data practices act.
- 2 **Nursing facility level of care.** Amends § 144.0724. Modifies subdivisions 11 and 12 of this section.
  - Subd. 4. Resident assessment schedule.** Updates cross-references.
  - Subd. 11. Nursing facility level of care.** Modifies the nursing facility level of care criteria effective January 1, 2015.
  - Subd. 12. Appeal of nursing facility level of care determination.** Modifies the appeal process for recipients meeting transition population criteria to allow for a longer time period to appeal a nursing facility level of care determination. Makes this section effective January 1, 2015.
- 3 **Moratorium exception funding.** Amends § 144A.073, by adding subd. 14. Allows the commissioner of health to approve moratorium exception projects in FY15 for which the full annualized state-share MA cost does not exceed \$1 million.
- 4 **Providing educational services.** Amends § 144A.33, subd. 2. Modifies the Minnesota Board on Aging educational services to councils.
- 5 **Positive support strategies and prohibitions and limits on restrictive interventions; licensed facilities and programs.** Amends § 245.8251.
  - Subd. 1. Rules governing the use of positive support strategies and restrictive interventions.** Changes the timeline for DHS to adopt new rules to govern the use of positive support strategies. Clarifies that the new rules will apply to people with developmental disabilities in licensed facilities and in licensed services serving people with developmental disabilities. Defines “developmental disability or related condition.”

**Section**

**Subd. 2. Data collection.** Updates terminology and modifies provisions governing data collection related to incidents of emergency use of manual restraint and positive support transition plans.

**Subd. 3. External program review committee.** Establishes an external program review committee to monitor implementation of the rules governing the use of positive support strategies and make recommendations to the commissioner about any needed policy changes after adoption of the rules.

**Subd. 4. Interim review panel.** Establishes an interim review panel to review requests for emergency use of manual restraint. Requires the panel to make recommendations to the commissioner to approve or deny these requests based on criteria to be established by the panel. Requires the panel to operate until the external program review committee under subdivision 3 is established. Specifies how members of the panel shall be selected and lists certain representatives that must be on the panel.

- 6 Licensing moratorium.** Amends § 245A.03, subd. 7. Modifies the required closure of corporate foster care beds by giving priority for bed closures to corporate foster care settings licensed for up to five beds that have operated at less than full capacity for 12 or more months as of March 1, 2014.
- 7 Implementation.** Amends § 245A.042, subd. 3. Adds paragraph (e), which establishes timelines for providers licensed under chapter 245D to execute certain licensing components.
- 8 Delegation of authority to agencies.** Amends § 245A.16, subd. 1. Specifies certain licensing authority is excluded from the delegation of authority to county and private agencies.
- 9 Case manager.** Amends § 245D.02, subd. 3. Defines “case manager” for the purposes of chapter 245D.
- 10 Coordinated service and support plan.** Amends § 245D.02, subd. 4b. Defines “coordinated service and support plan” for the purposes of chapter 245D.
- 11 Expanded support team.** Amends § 245D.02, subd. 8b. Corrects a cross-reference.
- 12 Incident.** Amends § 245D.02, subd. 11. Modifies the definition of “incident” to include a mental health crisis that requires a call to a similar mental health response team or service when available and appropriate and makes technical changes.
- 13 Mechanical restraint.** Amends § 245D.02, subd. 15b. Modifies the definition of “mechanical restraint” so it does not include use of devices that trigger alarms to alert staff of potential wandering or use of medical equipment or orthotic devices ordered by a health care professional used to treat or manage a medical condition.
- 14 Person with a disability.** Amends § 245D.02, subd. 23. Modifies the definition of “person with a disability” by updating cross-references.

**Section**

- 15 Seclusion.** Amends § 245D.02, subd. 29. Clarifies the definition of “seclusion” to mean when a person is removed from a room involuntarily or involuntarily removing or separating a person from a room or activity and blocking or preventing the person’s return.
- 16 Support team.** Amends § 245D.02, subd. 34. Modifies the definition of “support team” to include a mental health case manager.
- 17 Time out.** Amends § 245D.02, subd. 34a. Modifies the definition of “time out” to mean involuntarily removing a person for a period of time to a designated area from which the person is not prevented from leaving. Does not include a person taking a break or a rest from an activity for the purpose of providing the person an opportunity to regain self-control.
- 18 Unlicensed staff.** Amends § 245D.02, by adding subd. 35b. Defines “unlicensed staff” as individuals not otherwise licensed or certified by a governmental health board or agency.
- 19 Applicability.** Amends § 245D.03, subd. 1. Excludes certain out-of-home respite care services from the list of basic support services. Adds the word “adult” to companion services to make terminology consistent. Modifies the list of residential supports and services.
- 20 Effect.** Amends § 245D.03, by adding subd. 1a. Describes the purpose of the home and community-based standards under chapter 245D.
- 21 Relationship to other standards governing home and community-based services.** Amends § 245D.03, subd. 2. Clarifies which foster care settings are subject to service recipient rights provisions under chapter 245D. Makes technical corrections.
- 22 Variance.** Amends § 245D.03, subd. 3. Corrects cross-references.
- 23 Protection-related rights.** Amends § 245D.04, subd. 3. Modifies protection-related rights to be clear that participants have the right to be free from restrictive interventions or other prohibited procedures.
- 24 Health needs.** Amends § 245D.05, subd. 1. Requires unlicensed staff responsible for medication set up or administration to complete required training.
- 25 Medication setup.** Amends § 245D.05, subd. 1a. Clarifies that if medication setup is assigned to the license holder, only then does the license holder need to complete documentation of the setup.
- 26 Medication assistance.** Amends § 245D.05, subd. 1b. Modifies the definition of “medication assistance.” Makes technical changes.
- 27 Medication administration.** Amends § 245D.05, subd. 2. Clarifies the definition of “medication administration.” Makes technical changes.
- 28 Reviewing and reporting medication and treatment issues.** Amends § 245D.05, subd. 4. Eliminates certain reports made to the person’s physician or prescriber as a condition of reporting medication administration under certain circumstances.

**Section**

- 29**     **Injectable medications.** Amends § 245D.05, subd. 5. Removes subcutaneous or intramuscular from the description of injectable medications.
- 30**     **Psychotropic medication use and monitoring.** Amends § 245D.051.
- Subd. 1. Conditions for psychotropic medication administration.** Updates cross-references and makes technical changes. Removes the requirement for psychotropic medications to be described in the person’s coordinated service and support plan.
- Subd. 2. Refusal to authorize psychotropic medication.** Requires refusal to authorize medication administration to be reported to the prescriber as expediently as possible. Prohibits refusals to be overridden without a court order.
- 31**     **Incident response and reporting.** Amends § 245D.06, subd. 1. Makes a technical change.
- 32**     **Environment and safety.** Amends § 245D.06, subd. 2. Clarifies that toxic substances need to be inaccessible only when they pose a known safety threat. Updates terminology for consistency.
- 33**     **Funds and property; legal representative restrictions.** Amends § 245D.06, subd. 4. Restricts license holders or staff persons from accepting an appointment as a guardian except under certain circumstances.
- 34**     **Restricted procedures.** Amends § 245D.06, subd. 6. Moves language related to restricted procedures from § 245D.061, subdivision 3, to this subdivision. Moving the language to this subdivision has the effect of making the language apply more broadly to all providers licensed under chapter 245D.
- 35**     **Permitted actions and procedures.** Amends § 245D.06, subd. 7. Permits physical contact by staff to redirect a person’s behavior when applied for less than 60 seconds. Clarifies when the use of manual restraint is allowed.
- 36**     **Positive support transition plan.** Amends § 245D.06, subd. 8. Updates terminology. Specifies that the commissioner has limited authority to grant approval for the emergency use of prohibited procedures. Requires written requests for the emergency use of prohibited procedures to be developed and submitted to the commissioner with input from the person’s expanded support team. Requires a copy of the written request, supporting documentation, and the commissioner’s final determination on the request to be maintained in the person’s service recipient record.
- 37**     **Assessment and initial service planning.** Amends § 245D.071, subd. 3. Modifies criteria for contents of assessment and initial service planning.
- 38**     **Service outcomes and supports.** Amends § 245D.071, subd. 4. Clarifies service outcomes and supports.
- 39**     **Service plan review and evaluation.** Amends § 245D.071, subd. 5. Updates terminology.

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Specifies the purpose of the service plan review is to determine whether changes are needed to the service plan based on the assessment information, the license holder's evaluation of progress toward accomplishing outcomes, or other information provided by the support team or expanded support team.

- 40**      **Coordination and evaluation of individual service delivery.** Amends § 245D.081, subd. 2. Modifies training requirements for the designated coordinator.
- 41**      **Staff qualifications.** Amends § 245D.09, subd. 3. Requires direct support staff to demonstrate competence in the primary disability of the person.
- 42**      **Orientation to individual service recipient needs.** Amends § 245D.09, subd. 4a. Makes technical changes. Adds staff training requirements related to medication setup and assistance. Requires staff to review and receive instruction on mental health crisis response, de-escalation techniques, and suicide intervention when providing direct support to a person with a serious mental illness.
- 43**      **Behavior professional qualifications.** Amends § 245D.091, subd. 2. Modifies behavior professional qualifications.
- 44**      **Behavior analyst qualifications.** Amends § 245D.091, subd. 3. Modifies behavior analyst qualifications.
- 45**      **Behavior specialist qualifications.** Amends § 245D.091, subd. 4. Modifies behavior specialist qualifications.
- 46**      **Service suspension and service termination.** Amends § 245D.10, subd. 3. Clarifies that notice of service termination may occur in conjunction with a notice of temporary service suspension. Makes technical changes.
- 47**      **Availability of current written policies and procedures.** Amends § 245D.10, subd. 4. Makes technical changes.
- 48**      **Health and safety.** Amends § 245D.11, subd. 2. Includes similar mental health response team or service in a requirement to call certain entities when an incident occurs.
- 49**      **Contribution amount.** Amends § 252.27, subd. 2a. Reduces TEFRA parental fees by 10 percent.
- 50**      **Vendor participation and reimbursement.** Amends § 252.451, subd. 2. Adds a cross-reference to the home and community-based services standards to the DT&H vendor participation and reimbursement provisions.
- 51**      **Authority.** Amends § 256.9752, subd. 2. Requires the Minnesota Board on Aging to allocate to the area agencies on aging state funds received for senior nutrition programs in a manner consistent with federal requirements. This is already required for federal funds.
- 52**      **Diagnosis.** Amends § 256B.0949, subd. 4. Modifies diagnosis requirements under the MA autism early intensive intervention benefit.

**Section**

- 53 Diagnostic assessment.** Amends § 256B.0949, subd. 5. Modifies diagnostic assessment requirements under the MA autism early intensive intervention benefit.
- 54 Federal approval of the autism benefit.** Amends § 256B.0949, subd. 11. Allows the commissioner to amend the MA state plan to achieve the purposes of the MA autism benefit.
- 55 Autism benefit; training required.** Amends § 256B.0949, by adding subd. 12. Requires the commissioner to provide statewide training on the MA autism benefit for culturally and linguistically diverse communities. Specifies requirements the training must meet.
- 56 Development and implementation of quality profiles.** Amends § 256B.439, subd. 1. Adds home care providers to the list of providers eligible for the home and community-based services performance improvement and quality add-on payments. Makes this section effective retroactively from February 1, 2014.
- 57 Calculation of home and community-based services quality add-on.** Amends § 256B.439, subd. 7. Modifies the calculation of home and community-based services quality add-on. Changes the funding from a fixed appropriation to a forecasted amount.
- 58 Critical access nursing facilities.** Amends § 256B.441, subd. 63. To the extent practical, requires the commissioner to designate nursing facilities as critical access facilities evenly throughout the state beginning in fiscal year 2015. Gives designated facilities and the commissioner some discretion in the percentages used in the partial rebasing of rates for designated facilities.
- 59 Rate adjustments for compensation-related costs.** Amends § 256B.441, by adding subd. 64. Paragraph (a) requires operating payment rates of all nursing facilities to be increased effective October 1, 2014, October 1, 2015, and October 1, 2016, to address compensation-related costs for nursing facility employees paid less than \$14.00 per hour.

Paragraph (b) specifies the manner in which the commissioner must calculate the rate adjustments for compensation costs and requires the adjustments to be included in the operating portion of the total payment rate.

Paragraph (c) requires nursing facilities that receive approval of their applications for rate adjustments to receive the adjustments according to the calculation under paragraph (b) for the rate years beginning October 1, 2014, October 1, 2015, and October 1, 2016. Requires the rate adjustments to be used to pay for compensation costs for nursing facility employees paid less than \$14.00 per hour.

Paragraphs (d) and (e) require nursing facilities to submit applications to the commissioner in a form and manner determined by the commissioner, specify the data that must be included in the applications, specify the timeline for submitting the applications and any additional information requested by the commissioner, and specify the process for the commissioner to approve applications submitted for nursing facilities in which employees are represented by an exclusive bargaining representative.

**Section**

- 60**      **Provider qualifications.** Amends § 256B.4912, subd. 1. Requires providers to meet background study requirements prior to revalidation of licensure.
- 61**      **Rate stabilization adjustment.** Amends § 256B.4913, subd. 4a. Modifies the definition of “implementation period” and creates a definition of “banding period” under the disability waivers rate system. Modifies exceptions to the historical rate under the disability waivers rate system. Requires the commissioner to review, by December 31, 2014, all changes to rates that were in effect on December 1, 2013, to verify that the rates produce the equivalent level of spending as those rates in effect on October 31, 2013. Requires the rate to be adjusted during the banding period to account for changes in an individual’s need. Requires providers of personal support services who also acted as fiscal support entities to be treated as new providers as of January 1, 2014.
- 62**      **Definitions.** Amends § 256B.4914, subd. 2. Defines the terms “individual staffing,” “shared staffing,” “staffing ratio,” and “unit of service.”
- 63**      **Data collection for rate determination.** Amends § 256B.4914, subd. 4. Requires the determination of service levels to be part of a discussion with members of the support team. Requires the discussion to occur prior to the final establishment of each individual’s rate. Clarifies the duties of lead agencies in calculating payment for services. Specifies factors lead agencies must consider when responding to a request related erroneous values. Makes technical changes.
- 64**      **Base wage index and standard component values.** Amends § 256B.4914, subd. 5. Makes technical changes. Requires the commissioner to update several components for changes in the Consumer Price Index.
- 65**      **Payments for residential support services.** Amends § 256B.4914, subd. 6. Clarifies that payments for transportation services are based on the resident with the highest assessed need. Adds paragraph (e), which specifies how rates are determined for individuals enrolled prior to January 1, 2014.
- 66**      **Payments for day programs.** Amends § 256B.4914, subd. 7. Modifies how payments for day programs are calculated.
- 67**      **Payments for unit-based services without programming.** Amends § 256B.4914, subd. 9. Modifies terminology for consistency.
- 68**      **Updating payment values and additional information.** Amends § 256B.4914, subd. 10. No later than July 1, 2014, requires the commissioner to conduct research and gather data on mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation, and underlying costs for services provided by a certified adult mental health provider. Requires the commissioner to issue semiannual reports to stakeholders on the difference in rates by service and by county during the banding period. Requires the commissioner to issue the first report by October 1, 2014. Requires the commissioner to begin the review and evaluation of specified items under this subdivision no later than July 1, 2014. Requires the commissioner to make recommendations to the legislature by January

**Section**

15, 2015, to address issues identified in the first year of implementation.

- 69 County or tribal allocations.** Amends § 256B.4914, subd. 15. During the first two years of implementation, requires lead agencies exceeding allocations to only be held liable for spending in excess of allocations after the reallocation of resources by the commissioner under current disability waivers statutes. Requires the commissioner to notify lead agencies of this process by July 1, 2014.
- 70 Home and community-based settings for people with disabilities.** Amends § 256B.492. Provides an exemption to a community living settings program for a project in Golden Valley.
- 71 ICF/DD rate increases effective July 1, 2014.** Amends § 256B.5012, by adding subd. 16. Provides a five percent rate increase for ICF/DDs effective July 1, 2014. Requires 80 percent of the payment increase to be used to increase compensation-related costs for employees directly employed by the facility. Ties one percent of the rate increase to quality improvement projects.
- 72 Commissioner to seek amendment for exception to consumer-directed community supports budget methodology.** Amends Laws 2012, ch. 247, art. 4, § 47. Requires the commissioner of human services to seek federal approval to modify the consumer-directed community supports budget methodology to account for day services for people 21 years old and older graduating from high school between 2013 and 2015.
- 73 Effective date.** Amends Laws 2013, ch.108, art. 7, § 14. Modifies the effective date of the MA autism early intensive intervention benefit. Makes this section effective retroactively from March 1, 2014.
- 74 Home and community-based settings transition plan.** Requires the commissioner of human services to develop a transition plan to comply with the final federal rule defining home and community-based settings. Requires the commissioner to consult with specified individuals and agencies in developing the plan. Requires the commissioner to submit the plan to CMS by December 31, 2014. Requires the commissioner to provide a report with the plan submitted to CMS to the legislature by January 15, 2015. Requires the report to contain any recommended legislation and funding requests necessary to implement the transition plan.
- 75 Provider rate and grant increases effective July 1, 2014.** Provides a five percent reimbursement rate increase for various home and community-based services providers effective July 1, 2014. Requires 80 percent of the payment increase to be used to increase compensation-related costs for employees. Ties one percent of the rate increase to quality improvement projects.
- 76 Disability waiver reimbursement rate adjustments.**
- Subd. 1. Historical rate.** Requires the commissioner of human services to adjust the historical rates calculated under the disability waivers rate system for the reimbursement rate increases effective April 1, 2014, and July 1, 2014.

**Section**

**Subd. 2. Residential support services.** Requires the commissioner of human services to adjust certain rates calculated for residential support services under the disability waivers rate system for the reimbursement rate increases effective April 1, 2014, and July 1, 2014.

**Subd. 3. Day programs.** Requires the commissioner of human services to adjust certain rates calculated for day programs under the disability waivers rate system for the reimbursement rate increases effective April 1, 2014, and July 1, 2014.

**Subd. 4. Unit-based services with programming.** Requires the commissioner of human services to adjust certain rates calculated for unit-based services with programming under the disability waivers rate system for the reimbursement rate increases effective April 1, 2014, and July 1, 2014.

**Subd. 5. Unit-based services without programming.** Requires the commissioner of human services to adjust certain rates calculated for unit-based services without programming under the disability waivers rate system for the reimbursement rate increases effective April 1, 2014, and July 1, 2014.

**77 Revisor's instruction.** Paragraph (a) instructs the revisor to change the term “defective person” to “persons with developmental disabilities.”

Paragraph (b) instructs the revisor to change the term “health and safety” to “health and welfare.”

### **Article 28: Public Assistance Simplification**

Danyell Punelli (651-296-5058)

#### **Overview**

This article establishes a new chapter of law, chapter 256P, which contains uniform procedures for determining and verifying eligibility for several human services programs including general assistance (GA), Minnesota Supplemental Aid (MSA), group residential housing (GRH), and the Minnesota Family Investment Program (MFIP).

- 1 Amount of contribution.** Amends § 254B.04, subd. 3. Removes a reference to GA earned income savings accounts, which are repealed in section 37. Makes this section effective October 1, 2015.
- 2 Income.** Amends § 256D.02, subd. 8. Modifies language in the GA statute related to income, adds a cross-reference to the new chapter 256P, and updates terminology. Makes this section effective February 1, 2015.
- 3 Agency.** Amends § 256D.02, subd. 12. Modifies the definition of “agency” by cross-referencing chapter 256P.

**Section**

- 4 Transfers of property.** Amends § 256D.05, subd. 5. Modifies how transfers of property are treated under the GA program by removing references to MFIP property transfers and adding a cross-reference to chapter 256P. Makes this section effective June 1, 2016.
- 5 Eligibility; amount of assistance.** Amends § 256D.06, subd. 1. Modifies the GA earned income disregard by removing language disregarding the first \$50 of earned income per month and adding a cross-reference to chapter 256P. Makes this section effective October 1, 2015.
- 6 Eligibility.** Amends § 256D.08, subd. 1. Removes exclusion of certain resources when determining eligibility for GA and adds a cross-reference to chapter 256P. Makes this section effective June 1, 2016.
- 7 Verification.** Amends § 256D.08, by adding subd. 3. Requires agencies to use the procedures established in chapter 256P to verify eligibility for GA. Makes this section effective February 1, 2015.
- 8 Administrative hearing prior to adverse action.** Amends § 256D.10. Removes a cross-reference that is repealed in section 37. Makes this section effective June 1, 2016.
- 9 Verification of information.** Amends § 256D.405, subd. 1. Modifies the MSA program by removing language regarding verification of information and adds a cross-reference to chapter 256P. Makes this section effective February 1, 2015.
- 10 Reports.** Amends § 256D.405, subd. 3. Updates terminology and makes this section effective February 1, 2015.
- 11 Resource standards.** Amends § 256D.425, subd. 2. Clarifies that for persons receiving SSI benefits, the determination of resources does not change. For persons not receiving SSI benefits, the resource standards are governed by chapter 256P. Makes this section effective June 1, 2016.
- 12 Agency.** Amends § 256I.03, by adding subd. 1a. Defines “agency” under the GRH program.
- 13 Individual eligibility requirements.** Amends § 256I.04, subd. 1. Updates terminology and makes technical changes. Modifies resource restrictions and standards and references chapter 256P. Makes this section effective June 1, 2016.
- 14 Agency.** Amends § 256J.08, by adding subd. 2a. Defines “agency” under the MFIP program.
- 15 Income.** Amends § 256J.08, subd. 47. Modifies the definition of “income” by removing a cross-reference to chapter 256J and adding a cross-reference to chapter 256P. Makes this section effective June 1, 2016.
- 16 Minnesota Family Investment Program or MFIP.** Amends § 256J.08, subd. 57. Removes an obsolete cross-reference.

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- 17 Significant change.** Amends § 256J.08, subd. 83. Modifies the definition of “significant change” by removing a cross-reference to chapter 256J and adding a cross-reference to 256P. Makes this section effective October 1, 2015.
- 18 MFIP eligibility requirements.** Amends § 256J.10. Removes a cross-reference to chapter 256J and adds a cross-reference to 256P. Makes this section effective June 1, 2016.
- 19 Initial income test.** Amends § 256J.21, subd. 3. Modifies MFIP initial income tests by adding cross-references to chapter 256P and removing language related to disregards and modifications of child support orders. Makes this section effective October 1, 2015.
- 20 Monthly income test and determination of assistance payment.** Amends § 256J.21, subd. 4. Modifies MFIP monthly income tests and determination of assistance payment by adding cross-references to chapter 256P, removing language related to modifications of child support orders, and clarifying language regarding the MFIP transitional standard. Makes this section effective October 1, 2015.
- 21 Participant’s completion of recertification of eligibility form.** Amends § 256J.30, subd. 4. Updates cross-references by adding a cross-reference to chapter 256P. Makes this section effective February 1, 2015.
- 22 Changes that must be reported.** Amends § 256J.30, subd. 9. Updates cross-references and terminology. Removes a cross-reference to the shared household standard, which is repealed in section 37. Makes this section effective January 1, 2015.
- 23 Verification of information.** Amends § 256J.32, subd. 1. Modifies verification of information for MFIP eligibility by requiring the process under chapter 256P. Makes this section effective February 1, 2015.
- 24 Prospective eligibility.** Amends § 256J.33, subd. 2. Makes technical changes and updates cross-references. Makes this section effective June 1, 2016.
- 25 Treatment of income and lump sums.** Amends § 256J.37, as amended by Laws 2013, ch. 107, art. 4, § 15.

**Subd. 1. Deemed income from ineligible assistance unit members.** Updates terminology, modifies the MFIP earned income disregard by requiring determination of the disregard under chapter 256P, removes language related to modifications of child support orders, and clarifies the MFIP transitional standard.

**Subd. 1a. Deemed income from disqualified assistance unit members.** Makes technical changes, modifies the MFIP earned income disregard by requiring determination of the disregard under chapter 256P, removes language related to modifications of child support orders, and clarifies the MFP transitional standard.

**Subd. 1b. Deemed income from parents of minor caregivers.** Modifies disregards for the purpose of deeming income from parents of minor caregivers.

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**Subd. 2. Deemed income and assets of sponsor of noncitizens.** Updates terminology.

**Subd. 3. Earned income of wage, salary, and contractual employees.** Updates terminology.

**Subd. 3a. Rental subsidies; unearned income.** Updates terminology.

**Subd. 4. Self-employment.** Modifies the definition of “self-employment” by cross-referencing the definition in chapter 256P.

**Subd. 5. Self-employment earnings.** Modifies the determination of self-employment earnings by requiring determination under chapter 256P.

**Subd. 6. Self-employment budget period.** Modifies the self-employment budget period by requiring agencies to budget self-employment earned income according to chapter 256P.

**Subd. 7. Farm income.** Modifies the treatment of farm income by treating it as self-employment income under chapter 256P and requiring agencies to budget farm income as self-employment earned income according to chapter 256P.

**Subd. 8. Rental income.** Modifies treatment of rental income by making it subject to the requirements of chapter 256P.

**Subd. 9. Unearned income.** Updates terminology.

**Subd. 10. Treatment of lump sums.** Updates terminology.

Makes the amendments to subdivisions 1, 1a, 1b, and 2 effective October 1, 2015.

Makes the amendments to subdivisions 4, 5, 6, 7, and 8 effective February 1, 2015.

Makes the amendments to subdivisions 9 and 10 effective January 1, 2015.

- 26 Eligibility.** Amends § 256J.425, subd. 1. Removes a cross-reference to the MFIP shared household standard, which is repealed in section 37. Makes this section effective January 1, 2015.
- 27 Status of disqualified participants.** Amends § 256J.425, subd. 7. Removes a cross-reference to the MFIP shared household standard, which is repealed in section 37. Makes this section effective January 1, 2015.
- 28 Verification requirements.** Amends § 256J.95, subd. 8. Removes a cross-reference to MFIP verification factors, which are repealed in section 37. Requires eligibility verification to follow requirements in chapter 256P. Makes this section effective February 1, 2015.
- 29 Property and income limitations.** Amends § 256J.95, subd. 9. Updates terminology and modifies asset limits and exclusions by applying the limits and exclusions under chapter 256P for DWP participants. Makes this section effective June 1, 2016.

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- 30**      **Diversionsary work program grant.** Amends § 256J.95, subd. 10. Updates cross-references. Makes this section effective January 1, 2015.
- 31**      **Applicability.** Creates § 256P.001. Makes GA, MSA, GRH, and MFIP subject to the requirements of chapter 256P, unless otherwise specified or exempted.
- 32**      **Definitions.** Creates § 256P.01. Defines “agency,” “earned income,” “earned income disregard,” “equity value,” “personal property,” and “self-employment.”
- 33**      **Personal property limitations.** Creates § 256P.02. Establishes personal property limitations. Prohibits the equity value of an assistance unit’s personal property from exceeding \$10,000. Limits personal property to cash, bank accounts, liquid stocks and bonds that can be readily accessed without financial penalty, and vehicles that are not excluded. Excludes one vehicle per assistance unit member age 16 or older. Specifies the process for determining the value of non-excluded vehicles. Makes this section effective June 1, 2016.
- 34**      **Earned income disregard.** Creates § 256P.03. Exempts participants who qualify for MSA or GRH on the basis of eligibility for SSI from this section. Establishes the earned income disregard, which is the first \$65 of earned income plus one-half of the remaining earned income per month. Makes this section effective October 1, 2015.
- 35**      **Documenting, verifying, and recertifying eligibility.** Creates § 256P.04.

**Subd. 1. Exemption.** Exempts participants who receive MSA and who maintain SSI eligibility under MSA and GRH from the reporting requirements of this section, with certain exceptions.

**Subd. 2. Verification of information.** Limits agencies to only requiring verification of information necessary to determine eligibility and the amount of the assistance payment. Requires agencies to assist applicants or participants in obtaining verifications and required documents when the applicant or participant is unable to do so.

**Subd. 3. Documentation.** Requires applicants or participants to document required information or authorize the agency to verify the information. Places the burden of providing documentary evidence to verify eligibility on the applicant or participant. Requires agencies to accept a signed personal statement from an applicant or participant when determining personal property values. Requires the signed statement to include general penalty warnings and a disclaimer that any false or misrepresented information is subject to prosecution for fraud.

**Subd. 4. Factors to be verified.** Lists the factors the agency must verify at application.

**Subd. 5. MFIP-only verifications.** Lists additional information agencies must verify for MFIP.

**Subd. 6. Personal property inconsistent information.** Specifies the process for

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documenting and verifying eligibility if there is inconsistent information known to the agency related to personal property.

**Subd. 7. Documenting and verifying inconsistent information.** Requires the agency to document the reason for verifying information in the financial case record when inconsistent information is verified.

**Subd. 8. Recertification.** Specifies the procedure for recertifying eligibility.

**Subd. 9. MFIP-only recertification.** Lists additional information that must be verified as part of an MFIP recertification.

**Subd. 10. Participant's completion of form for recertification of eligibility.** Requires participants to complete forms prescribed by the commissioner for recertification of eligibility. Requires agencies to end benefits when a participant fails to submit the recertification form and verifications before the end of the certification period. Requires benefits to be reinstated and made available retroactively for the full benefit month if a participant submits the recertification form within 30 days of the termination of benefits.

**Subd. 11. Participant's completion of household report form.** Specifies procedures when a participant is required to complete a household report form.

**Subd. 12. Contacting third parties.** Prohibits agencies from requesting information about an applicant or participant that is not of public record from a source other than agencies, the department, or the U.S. DHHS without the applicant's or participant's prior written consent. Allows agencies to use a single consent form to contact a group of similar sources, such as banks or insurance agencies, but the sources to be contacted must be identified by the agency prior to requesting the applicant's consent.

**Subd. 13. Notice to undocumented persons; release of private data.** Requires agencies to provide notification to undocumented persons regarding the release of personal data to the U.S. CIS and develop protocols regarding the release or sharing of data about undocumented persons with the U.S. CIS.

**Subd. 14. Requirement to report to United States Citizenship and Immigration Services (CIS).** Requires the commissioner to comply with specified federal law.

**Subd. 15. Personal statement.** Specifies the circumstances under which an agency may accept a personal statement from an applicant or participant when requested documentation is unavailable.

**Subd. 16. Excluded resources.** Excludes payments of funds made according to litigation and subsequent appropriation by the United States Congress to compensate members of Indian tribes for the taking of tribal lands by the federal government.

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Makes this section effective February 1, 2015.

**36 Self-employment earnings.** Creates § 256P.05.

**Subd. 1. Exempted programs.** Exempts participants who qualify for MSA and GRH on the basis of eligibility for SSI from this section.

**Subd. 2. Self-employment income determinations.** Lists the methods agencies must use in determining self-employment income.

**Subd. 3. Self-employment budgeting.** Specifies the self-employment budget period begins in the month of application or in the first month of self-employment. Requires applicants and participants to choose the method for determining self-employment earned income.

Makes this section effective February 1, 2015.

**37 Repealer.** Paragraph (a) repeals Minn. Stat. 2012, §§ 256J.08, subds. 55a (MFIP standard of need) and 82a (shared household standard); and 256J.24, subd. 9 (shared household standard; MFIP), effective January 1, 2015.

Paragraph (b) repeals Minn. Stat. 2012, §§ 256D.405, subds. 1a (exemption) and 2 (redetermination of eligibility); 256J.08, subd. 42 (gross receipts); and 256J.32, subds. 2 (documentation), 3 (contacting third parties), 4 (factors to be verified), 5a (inconsistent information), 6 (recertification), 7 (notice to undocumented persons; release of private data), 7a (requirement to report to United States Citizenship and Immigration Services), and 8 (personal statement), effective February 1, 2015.

Paragraph (c) repeals Minn. Stat. 2012, § 256D.06, subd. 1b (earned income savings account), effective October 1, 2015.

Paragraph (d) repeals Minn. Stat. 2013 Supplement, § 256J.08, subd. 24 (disregard), effective October 1, 2015.

Paragraph (e) repeals Minn. Stat. 2012, §§ 256D.08, subd. 2 (rulemaking; exclusion of property); and 256J.20 (property limitations), effective June 1, 2016.

**Article 29: Chemical and Mental Health**

Lynn Aves (651-296-8079)

**Overview**

This article modifies various mental health crisis services, adjusts treatment rate methodologies, and requires the commissioner to issue reports.

**1 Transition plan related to termination of contract.** Amends § 245.466, by adding subd. 3a. Requires counties to prepare a transition plan to provide for continuity of patient care in

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the event the county terminates a contract with a community mental health center or community support services program.

- 2 Plan for transfer of clients and records upon closure.** Amends § 245A.04, by adding subd. 15a. Paragraph (a) requires licensed providers, except for child care providers, to submit a written plan to the commissioner describing how the agency will provide for the transfer of clients and records if the agency closes.
- Paragraph (b) requires the plan to include the method by which the agency will transfer clients and records to another agency or county agency for continuation of services.
- Paragraph (c) requires a plan for the transfer and acceptance of closed records.
- 3 Treatment alternatives.** Amends § 253B.066, subd. 1. Adds that the court may order the client to participate assertive community treatment, crisis assessment and stabilization, and partial hospitalization as part of an early intervention plan.
- 4 Rate methodology.** Amends § 254B.12. Creates two subdivisions in this section.
- Subd. 1. CCDTF rate methodology established.** This subdivision contains the original statutory language.
- Subd. 2. Payment methodology for highly specialized vendors.** Paragraph (a) requires the commissioner to seek federal authority to develop separate payment methodologies for chemical dependency treatment provided under the CCDTF by a state-operated vendor, or for individuals with the most complex and difficult care needs. Makes this methodology effective for services provided on or after October 1, 2015, or on or after receipt of federal approval, whichever is later.
- Paragraph (b) requires that the commissioner receive legislative approval before implementing the approved payment methodology.
- 5 Citizenship requirements.** Amends § 256B.06, subd. 4. Allows a nonprofit center serving victims of torture to establish itself as a provider of mental health targeted case management services.
- 6 Eligibility.** Amends § 256B.0615, subd. 3. Adds consumers of mental health mobile crisis intervention services to the list of those eligible for peer support services.
- 7 Definitions.** Amends § 256B.0624, subd. 2. Updates definitions related to mental health crisis services.
- 8 Mobile crisis intervention staff qualifications.** Amends § 256B.0624. Requires team members to have experience working with families and in treatment engagement strategies.
- 9 Crisis assessment and mobile intervention treatment planning.** Amends § 256B.0624, subd. 6. Adds that when a service recipient's crisis is stabilized, the team must ensure the recipient is able to follow up on service referrals, follow up to ensure the recipient is receiving services, and offer to work with the recipient to develop an advance directive, if the

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recipient does not have one.

- 10 Recipient file.** Amends § 256B.0624, subd. 10. Adds that a service recipient's file must contain the recipient's advance directive if one is available.
- 11 Monthly rates; exemptions.** Amends § 256I.05, subd. 2. Makes a rate adjustment for Andrew Residence.
- 12 Direction to commissioner; report on program waiting lists.** Requires the commissioner of human services to prepare a list of all of the waiting lists for services the commissioner oversees and directs. Specifies the information that must be included in the list. Requires this information to be provided to the governor, the chairs and ranking minority members of the relevant legislative committees, and the Legislative Reference Library by December 1, 2014.
- 13 Mentally ill offenders arrested or subject to arrest; working group.** Establishes a working group to address issues related to offenders with mental illness who are arrested or subject to arrest. Specifies issues to be addresses, membership, and administration of the working group. Requires the working group to issue a report to the chairs and ranking minority members of human services and public safety committees.
- 14 Detoxification services plan.** Instructs the commissioner of human services to develop a plan to include detox services as a covered medical assistance service. Requires the commissioner to submit the plan to the legislature by December 15, 2014.
- 15 Report on rate setting methodology for mental health services.** Requires the commissioner of human services is provide a report to the chairs of the human services finance committees by February 1, 2015, that assesses the rate setting methodology for specified mental health services. Requires the report to present alternative payment structures that would ensure adequate reimbursement for community mental health services.

**Article 30: Health and Human Services Appropriations**

Jamie Olson (651-296-5043)

**Overview**

Provides appropriations. See spreadsheet for details.

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**Article 31: Human Services Forecast Adjustments**

Jamie Olson (651-296-5043)

**Overview**

Each year, the legislature adjusts the actual amount appropriated for each forecasted Human Services program to match the forecast level of spending for that program. This article reflects those changes in each appropriation.