

House Research Act Summary

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Section**Article 1: Higher Education****Overview**

This article contains higher education appropriations and policy changes. The article includes supplemental appropriations and policy related to the Office of Higher Education, Minnesota State Colleges and Universities, University of Minnesota, and the Ombudsman for Mental Health and Developmental Disabilities. It includes language based on the following House bills.

- H.F. 2660 (Baker), with modifications.
- H.F. 3801 (Isaacson), with modifications.
- H.F. 3526 (Heintzeman), with modifications.
- H.F. 2547 (Norton), with modifications.
- H.F. 3789 (Nornes).
- H.F. 3237 (Nornes), with modifications.
- H.F. 2896 (Daniels), with modifications.
- H.F. 3275 (Nornes).
- H.F. 2576 (Murphy, E.), with modifications.
- H.F. 2815 (Nornes), with modifications.
- H.F. 3553 (Pugh), with modifications.
- H.F. 3090 (O'Neill).

1 Appropriations. Specifies that appropriations in sections 2 to 5 are for fiscal year 2016 and 2017.

2 Minnesota Office of Higher Education. Appropriates funds for programs at the Minnesota Office of Higher Education (OHE):

Subd. 1. Total appropriations. Stipulates that a total of \$3,210,000 in FY 2017 is appropriated to OHE.

Subd. 2. Equity in postsecondary education grants. Appropriates \$500,000 FY 2017 for the equity and postsecondary education grant program. Permits OHE to use up to \$25,000 for administrative costs related to the program. Stipulates that the appropriation is one-time.

Policy language for the program is in section 31.

Subd. 3. State grant. Appropriates \$2,000,000 in FY 2017 for the state grant program. Stipulates that the appropriation is one-time. This appropriation will fund the reduction in the Assigned Family Responsibility in section 8. The Commissioner of Higher Education has the authority to use any excess funds appropriated to the State Grant Program to increase the living and miscellaneous expense allowance.

Subd. 4. Addiction medicine graduate fellowship program. Appropriates \$210,000 in fiscal year 2017 to establish a grant program to support physicians who

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enroll in an addiction medicine fellowship program. Sets the base for the program at \$210,000 in fiscal year 2018 and \$0 in fiscal year 2019.

This language is based on H.F. 2660 (Baker), with modifications.

Subd. 5. Student and employer Connection Information System. Appropriates \$500,000 in fiscal year 2017 for a grant to the Saint Paul Foundation. The Foundation must use the grant to create a Web-based job and intern seeking software tool that blind matches employers with high school and postsecondary students. Stipulates that no more than three percent of the appropriation may be used for administrative expenses. Requires a report to the higher education committees of the legislature by January 15, 2017. Sets the base for the appropriation at \$405,000.

This language is based on H.F. 3801 (Isaacson), with modifications.

3 Board of Trustees of the Minnesota State Colleges and Universities. Appropriates funds to the Board of Trustees of the Minnesota State Colleges and Universities (MnSCU).

Subd. 1. Total appropriations. Stipulates that a total of \$790,000 in FY 2017 is appropriated to MnSCU.

Subd. 2. Operating support and protecting affordability. Appropriates \$570,000 in fiscal year 2017 to MnSCU for operating support and protecting affordability. This appropriation funds a portion of MnSCU's FY 2017 supplemental budget request.

Subd. 3. MnSCU open textbooks. Appropriates \$100,000 in FY 2017 for programs that promote adoption of open textbooks. Requires a report to the higher education committees of the legislature by January 15, 2017. Stipulates that the funds are a one-time appropriation. This language is based on H.F. 3526 (Heintzeman), with modifications.

Subd. 4. MnSCU open textbook library. Appropriates \$100,000 in FY 2017 to expand and promote the open textbook library to MnSCU faculty. Stipulates that the funds are a one-time appropriation. This language is based on H.F. 3526 (Heintzeman), with modifications.

Subd. 5. Cook County Higher Education Board. Appropriates \$20,000 in FY 2017 to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota.

4 Board of Regents of the University of Minnesota. Appropriates funds to the Board of Regents of the University of Minnesota.

Subd. 1. Total appropriations. Stipulates that a total of \$900,000 in FY 2017 is appropriated to the University of Minnesota.

Subd. 2. Health training restoration. Appropriates \$800,000 in FY 2017 for health training restoration. Stipulates that the appropriation must be used to fund the Mobile Dental Clinic, residencies in the Department of Family Medicine, and the expansion of geriatric education and family programs.

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Subd. 3. Rochester Campus, collegiate recovery program. Appropriates \$100,000 in FY 2017 to design and implement a collegiate recovery program at the Rochester campus. Stipulates that the funds are a one-time appropriation available until the end of FY 2019. Specifies the purpose of the program and the activities that may be included. Requires a report to the legislature no later than January 1, 2020.

The language in this subdivision is based on H.F. 2547 (Norton), with modifications.

- 5 Office of the Ombudsman for Mental Health and Developmental Disabilities.** Appropriates \$100,000 to the Ombudsman’s office for the duties of the office related to clinical drug trials at the University of Minnesota Department of Psychiatry. These duties are described in sections 22 to 25.
- 6 MnSCU two-year college program; administrative costs.** Permits MnSCU to immediately access administrative funds related to the occupational scholarship pilot program.
- In 2015, the legislature enacted a pilot program to provide scholarships for enrollment in eligible technical education programs that lead to employment in high demand occupational fields. In general, the scholarships are available to Minnesota students who completed an AmeriCorps program immediately after graduating high school, earning a GED, or completing an adult basic education program.
- As part of this pilot program, the legislature appropriated \$225,000 to MnSCU for information technology and administrative costs associated with implementing the program. This appropriation was made available for fiscal year 2017. Fiscal year 2017 begins July 1, 2016.
- This bill would allow MnSCU to access the IT and administrative cost appropriation sooner—rather than waiting until the new fiscal year begins in July, the funds would be available upon enactment of the bill.
- This language is based on H.F. 3789 (Nornes).
- 7 Receipt of donations; money; grants.** Permits the commissioner of higher education to accept donations, grants, bequests, and other gifts of money. Funds received under this provision must be used to carry out the office’s responsibilities, as specified in section 136A.01. Funds received under the provision are deposited in a special revenue account, appropriated to the commissioner for the purposes for which they were granted, and are available until expended.
- This language is based on H.F. 3237 (Nornes), with modifications.
- 8 Assigned Family Responsibility.** Reduces the dependent student Assigned Family Responsibility in the state grant program from 96 percent to 94 percent of the student’s expected family contribution.
- 9 Satisfactory academic progress.** Provides a modified standard of “satisfactory academic progress” for students with an intellectual disability enrolled in certain postsecondary transition programs.

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The effect of this change is to extend eligibility for state financial aid programs—including the state grant—to participants in the MnSCU pilot program established in section 2, and to participants in similar programs at other postsecondary institutions in Minnesota.

This language is based on H.F. 2896 (Daniels), with modifications.

- 10 Surplus appropriation.** Repeals OHE’s authority to increase the tuition and fee maximums for the state grant program if the program has surplus appropriations in the second year of the biennium. This authority was granted as part of the 2015 higher education omnibus bill. OHE would retain the authority to increase the living and miscellaneous expense allowance if the grant program has surplus appropriations.

- 11 Eligible students.** The child care grant program provides financial assistance to resident postsecondary students to reduce the costs of child care. Under current law, the program is only open to undergraduate students without a baccalaureate degree who have not completed eight full-time semesters. Section 4 would permit graduate students to participate in the child care grant program, provided that they have been enrolled for fewer than eight semesters in a graduate or professional degree program.

This language is based on H.F. 3275 (Nornes).

- 12 Amount and length of grants.** Adjusts the child care grant program formula to account for the fact that full-time enrollment for graduate students is six credits.

- 13 Application for loan forgiveness.** Removes language requiring an individual to reapply for the teacher shortage loan forgiveness for five consecutive school years—this language has been clarified and moved in section 6 of the bill. Clarifies that an applicant may receive a loan forgiveness award if the applicant works in a licensure field or economic development region experiencing a teacher shortage.

This language is based on H.F. 3237 (Nornes).

- 14 Amount of loan forgiveness.** Stipulates that an applicant may not receive more than five teacher shortage loan forgiveness awards.

This language is based on H.F. 3237 (Nornes).

- 15 Disbursement.** Under the teacher shortage loan forgiveness program, an award recipient must provide proof to the commissioner that he or she applied the award to his or her student loan balance. Current law requires the recipient to provide proof within 60 days of *receiving* an award; the bill would change this to within 60 days of the *disbursement* of the award.

This language is based on H.F. 3237 (Nornes).

- 16 Promotion of Federal Public Service Loan Forgiveness Programs.**

Subd. 1. Definitions. Defines “employer,” “employment certification form,” “federal loan forgiveness program,” “public service loan forgiveness program,” and “public service organization.”

Subd. 2. Promotion of loan forgiveness programs. Requires OHE to develop and distribute informational materials to increase public awareness of federal loan forgiveness programs.

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At a minimum, the commissioner must develop:

- (1) a one-page letter to individuals who may be eligible for the public service loan forgiveness program, and briefly describes how to participate;
- (2) a detailed fact sheet about the program; and
- (3) answers to frequently asked questions about the program.

Permits OHE to distribute a document published by a federal agency in place of publishing its own document.

Subd. 3. Publication of informational materials. Requires the OHE to publish the informational materials developed under subdivision 2 on its Web site.

Subd. 4. Disclosure of eligibility for student loan forgiveness. (a) Requires employers to provide their employees with information about their potential eligibility for the federal public service loan forgiveness program. On January 1, 2017, and annually thereafter, employers must provide their employees with the informational materials developed by OHE under section 1 of the bill.

(b) Requires employers to provide the informational materials developed by OHE to their employees within two weeks of a new employee's first day of employment.

(c) Requires an employer whose employee requests the employer certification form to provide the form to the employee.

This language is based on H.F. 2576 (E. Murphy), with modifications.

17 Promotion of Teacher Loan Forgiveness Programs. Requires the Commissioner of Higher Education to provide information about student loan forgiveness programs to teacher education programs. Requires teacher education programs to provide the same information to their teacher education students.

18 Dual training account. Establishes a dual training account in the special revenue fund in the state treasury. Requires appropriations to the dual training grant program be deposited in the account, and appropriates those funds to OHE. Stipulates that money in the account is available until expended.

This language is based on H.F. 3801 (Isaacson), with modifications.

19 Administration expenses. Permits OHE to expend up to five percent of the appropriation for the dual training grant program to administer the program.

This language is based on H.F. 3801 (Isaacson), with modifications.

20 Planning information for postsecondary education. Requires OHE to gather information about the dual credit acceptance policies of colleges and universities in Minnesota, and include this information in the informational materials packet that it annually distributes to middle and high school students. Specifies that OHE must gather information about concurrent enrollment, postsecondary enrollment, advanced placement, and international baccalaureate courses. Requires OHE to post the information gathered on its Web site.

This language is based on H.F. 2815 (Nornes), with modifications.

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21 ACT or SAT college ready score. Forbids a state college or university from requiring an individual to take a remedial, noncredit course in a subject area if that individual has received a college-ready SAT score. Requires a state college or university to consider an individual's scores on the Minnesota Comprehensive Assessments, in addition to other factors, when deciding if an individual is admitted or may enroll.

22 Office of Ombudsman; creation; qualifications; functions. Amends § 245.92. The Ombudsman for Mental Health and Developmental Disabilities acts on behalf of persons who receive services and treatment for mental illness, developmental disabilities, chemical dependency, or emotional disturbance. In this role, the ombudsman may, on behalf of a person receiving services, accept complaints, act as an advocate, or investigate the actions of an agency, facility, or program. This article would expand the role of the ombudsman to include oversight of the treatment of individuals who are enrolled in clinical drug trials at the University of Minnesota Department of Psychiatry.

A special review of a clinical drug study at the University of Minnesota Department of Psychiatry was conducted by the Office of the Legislative Auditor. In the March 19, 2015, report, the auditor recommended that the legislature should enact legislation to authorize the Ombudsman for Mental Health and Developmental Disabilities to monitor individuals who are enrolled in Department of Psychiatry clinical drug trials.

Section 22 requires the Office of the Ombudsman for Mental Health and Developmental Disabilities to monitor treatment of individuals who are enrolled in clinical drug trials at the University of Minnesota Department of Psychiatry.

The language in sections 22 to 25 are based on H.F. 3553 (Pugh), with modifications.

23 Powers of ombudsman; reviews and evaluations; recommendations. Amends § 245.94.

Subd. 1. Powers. Allows the ombudsman to gather records related to clinical drug trials from the University of Minnesota Department of Psychiatry. Requires the ombudsman to ensure that the Department of Psychiatry complies with the protections for human subjects required by federal law and the Institutional Review Board.

Subd. 2. Matters appropriate for review. Instructs the ombudsman to give particular attention to the death or unusual injury of any individual who is enrolled in a Department of Psychiatry clinical drug trial.

Subd. 2a. Mandatory reporting. Requires the lead investigator of a clinical drug trial at the Department of Psychiatry to notify the ombudsman within 24 hours of a client death or serious injury.

Subd. 3. Complaints. Allows the ombudsman to accept a complaint from any source concerning an action or inaction of the University of Minnesota Department of Psychiatry related to an individual who is enrolled in a clinical drug trial. Provides that the university shall not punish or unfavorably alter a participant's treatment as a result of an investigation or complaint. Prohibits the university from taking adverse action against any person who makes a complaint or assists in an investigation. Allows the ombudsman, at the request of the complainant, to maintain the complainant's identity as confidential.

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Subd. 4. Recommendations to agency. No changes.

Subd. 5. Recommendations to University of Minnesota. Requires the ombudsman to make recommendations to the Board of Regents for corrective action if, after investigation, the ombudsman determines a complaint has merit or an investigation reveals noncompliance with the protection of human subjects or the Institutional Review Board.

- 24 Specific reports.** Amends § 245.95, subd. 1. Adds the University of Minnesota Department of Psychiatry and its clinical drug trial employees to the definition of “agency, facility, program, or person” for purposes of this subdivision.
- 25 Medical Review Subcommittee.** Amends § 245.97, subd. 5. Allows the subcommittee to review the death of a participant in a clinical drug trial conducted by the Department of Psychiatry and make a preliminary determination whether the death warrants investigation and reporting as required by laws on the protection of human subjects.
- 26 Reporting.** Removes language requiring OHE to annually report data about the MnSCU Occupational Scholarship Pilot to the legislature. Requires the commissioner to instead report the data to the legislature in January 2017 and January 2018. The program is a pilot program for which the appropriation in fiscal year 2019 is \$0. Under current law, OHE would be required to report about the program even if it no longer exists.

This language is based on H.F. 3237 (Nornes).

- 27 Pilot program created.** The 2015 higher education omnibus bill created a pilot program through which the Office of Higher Education would make grants to provide financial counseling to individuals related to their student loan debt. The bill included language requiring that counseling be provided to borrowers who are 30 to 60 days delinquent at the time they are referred to or identified for counseling.

This section repeals requirements that student loan counseling must be provided to borrowers who are 30 to 60 days delinquent when they are referred to the program or identified as candidates for counseling. This change is effective retroactively to July 1, 2015.

This language is based on H.F. 3090 (O’Neill).

- 28 State grant tuition caps.** Sets the state grant program tuition maximum at \$5,736 for students in two-year schools and \$14,186 for students in four-year programs.
- 29 MnSCU program for students with intellectual and developmental disabilities; plan required.** Requires MnSCU to develop a plan for offering a program for students with intellectual and developmental disabilities. The program developed must provide an inclusive, two-year full-time residential college experience for participants, and must lead to an appropriate academic credential upon completion.

Subd. 1. Pilot program required. Requires the plan to be developed.

Subd. 2. Program locations. Requires an assumption that the program would be offered at up to four college or university campuses, prioritizing a campus’ ability to offer a robust program using existing facilities and resources, and a goal to provide the program in diverse regions of the state.

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Subd. 3. Program enrollment and admission. Provides standards for enrollment and admission of participants in the program. The enrollment goal for each program must be ten incoming students per year.

Subd. 4. Program curriculum and activities. Establishes the required curriculum and activities of the program. The program must include core academic courses, as well as opportunities for participants to engage fully in campus life.

Subd. 5. Progress reports to legislature. Requires MnSCU to submit a report to the legislature describing plans for the program no later than January 15, 2017. The report must include strategies for recruitment of applicants and strategies to address anticipated needs that cannot be met using existing resources.

The language in this article is based on H.F. 2896 (Daniels), with modifications.

30 University of Minnesota and MnSCU budget allocation reports. Requires the University of Minnesota and MnSCU to report to the higher education committees of the legislature on the factors they consider when allocating funds to system campuses. Specifies questions the reports must address. Requires the systems to complete the reports by February 1, 2017.

31 Equity in education and job connection grant program.

Subd. 1. Grants. Requires OHE to award grants to improve the postsecondary attendance, completion, retention, and job attainment of historically underrepresented college students. Requires that the grants be provided to state colleges, universities, and private organizations, and assist the state in meeting its postsecondary attainment goals. Provides examples of the kinds of services that grant recipients must provide.

Requires OHE to structure grants for the sustainability of the programs funded.

Requires OHE to provide approximately 50 percent of grant dollars to private organization programs, to the extent that there are sufficient applications. Stipulates that private postsecondary institutions are not eligible for grants.

Subd. 2. Application process. Stipulates the application process for the grant program. Requires OHE to support projects providing services to eligible students throughout the state. Describes the required components of the grant application. Stipulates that grant recipients must specify program and student outcome goals and performance measures for the goals.

Subd. 3. Advisory committee. Requires OHE to establish an advisory committee to review applications for the grants and advise OHE on grant recipients and amounts. Describes individuals the commissioner may appoint to the committee.

Subd. 4. Outcome report. Requires grant recipients to annually report to OHE on their program goals, student goals, and activities implemented. Lists required components of the report. To the extent possible, requires data reported to be broken down by Pell grant qualification, race, and ethnicity.

Subd. 5. Legislative report. Requires OHE to report to the legislative committees with jurisdiction over higher education on the grant program by January 15 of each year through 2021. Specifies details that must be included in the report.

Section**Article 2: Agriculture**

- 1 Appropriations.** Provides boilerplate appropriations language.
- 2 Department of Agriculture.** Appropriates supplemental general fund dollars to the Minnesota Department of Agriculture (MDA) for specified purposes, including grants to the University of Minnesota for specified projects, the new Tractor Rollover Protection Pilot Program, and the new Agricultural Emergency Account established below.
- 3 Agricultural emergency account; appropriation.** Establishes a dedicated account in the agricultural fund. Money in the account is appropriated to MDA for emergency response and preparedness pertaining to agricultural emergencies. Authorizes MDA to transfer account dollars to other agencies and the University of Minnesota. Requires an annual report.
- 4 Good food access program.** Establishes the new program and a corresponding account in the agricultural fund. The program would provide financial and technical assistance to nonprofit and for-profit grocers and small food retailers who provide underserved communities access to affordable, nutritious, and culturally-appropriate food. MDA could contract with one or more organizations to offer loans and technical assistance to eligible applicants.

Subd. 1. Definitions. Defines key terms, including “economic or community development financial institution,” “financing,” “low-income area,” “moderate-income area,” “technical assistance,” and “underserved community.”

Subd. 2. Program established. Establishes the program and its purposes and directs MDA to implement the program in cooperation with public and private partners.

Subd. 3. Good food access account. Creates a new program account in the agricultural fund to hold money appropriated by the legislature and any contributions from other sources. Appropriates money in the account to MDA for program purposes.

Subd. 4. Program administration. Requires MDA to be administrator of the good food access account for auditing purposes. Requires MDA to establish program requirements and a competitive project-selection process. Authorizes MDA to receive money from philanthropic foundations, financial investors, and other nonstate sources. Authorizes MDA to contract with one or more economic or community development financial institutions to manage the loan/nongrant portion of the program. Authorizes MDA to contract with one or more qualified organizations or public agencies with relevant expertise to provide technical assistance to grantees. Provides that any balance in the account at the end of a state fiscal year remains in the account and does not cancel. Requires MDA to determine each biennium the appropriate allocation of program dollars between loans, grants, technical assistance, and other financial assistance. Requires MDA to convene an advisory committee to encourage public-private, cross-sector collaboration and investment in the program and to ensure that

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program intent is maintained throughout implementation. Requires MDA to manage and promote the program in cooperation with the advisory committee. Requires MDA to establish annual project monitoring and accountability mechanisms in cooperation with the advisory committee.

Subd. 5. Eligible projects. Requires MDA to establish project eligibility guidelines and application processes in cooperation with program partners and advisors. Specifies that all projects must either be in an underserved community or serve primarily underserved communities in low-income and moderate-income areas. Lists loan-eligible projects such as new construction, renovation, expansion, and infrastructure upgrades at grocery stores and small food retailers to improve availability of and access to affordable nutritious food and to build capacity in areas of greatest need. Lists projects eligible for grants and technical assistance – feasibility studies, new construction, renovations, expansion of operations, and infrastructure upgrades for small food retailers.

Subd. 6. Qualifications for receipt of financing and other financial or technical assistance. Provides that for-profit and nonprofit entities are eligible for program grants and technical assistance, or loans from a participating economic or community development financial institution. Lists four requirements that each applicant must satisfy. Requires applicants, for at least five years, to: accept SNAP (formerly Food Stamps) benefits; apply for permission to accept WIC benefits and to accept them if approved; allocate at least 30 percent of their retail space to certain affordable, nutritious, and culturally-appropriate foods; comply with MDA’s data collection and reporting requirements; and promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas who reflect area demographics, including communities of color. Exempts small food retailers from the 30-percent-allocation requirement and authorizes them to use program assistance for specific purposes.

Subd. 7. Additional selection criteria. Requires MDA, in cooperation with any contractors and the advisory committee, to consider five additional criteria when reviewing applicants.

Subd. 8. Eligible costs. Identifies six purposes eligible for assistance under the program.

Subd. 9. Legislative report. Requires MDA, in cooperation with program contractors, to report to the legislature by January 15 each year. Lists metrics that must be summarized in the report.

- 5 Good food access program advisory committee.** Establishes the program’s advisory committee and identifies its duties. Identifies interests and organizations that must be represented on the committee. Specifies that at least half of the members or their organizations must reside in or serve rural Minnesota. Authorizes MDA to remove members and fill any vacancies. Requires the committee to advise MDA regarding specified program features. Requires MDA to convene the committee at least twice each year. States that the Commissioner of Agriculture is the chair of the committee and requires MDA to provide

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administrative support. Provides that committee members serve without compensation or payment of expenses. Extends the existence of the committee indefinitely.

- 6** **Definitions.** Expands the definition of loan-eligible best management practices under the Agriculture Best Management Practices (AgBMP) Loan Program to include practices, techniques, and measures that achieve federal and state safe drinking water standards.
- 7** **Eligible projects.** Provides that drinking water projects funded through the AgBMP Loan Program must (1) remediate the adverse environmental impacts or presence of contaminants in private drinking well water, (2) implement BMPs to achieve state and federal drinking water standards, and (3) satisfy all other AgBMP loan requirements.
- 8** **Tractor rollover protection pilot grant program.** Creates a pilot program to subsidize at least 70 percent of a farmer's or school's documented cost to purchase, ship, and install an eligible rollover protective structure (ROPS) on a tractor built prior to 1987. This pilot program statute would expire on June 30, 2019. MDA would administer the ROPS program and could spend up to 20 percent of program dollars to promote and administer the program. Requires MDA to accept nonstate funds for this new program.
- 9** **Registration application and gross sales fee.** Requires persons and companies that register nonagricultural pesticides with MDA to pay the gross sales fee only on that portion of their sales that exceeds \$70,000. (The registration fee of \$350 would cover sales up to \$70,000: \$70k x .005 = \$350).
- 10** **Activities authorized.** Technical. Eliminates a reference to the NextGen Energy Board, which expired in 2015.
- 11** **Agriculture research, education, extension, and technology transfer grant program.** Provides that MDA is to award any AGREET dollars allocated for agriculture research, extension, and technology transfer to the University of Minnesota for use by any of the listed university units. Requires MDA and a representative of the University of Minnesota's College of Food, Agricultural and Natural Resource Sciences (CFANS) to consult the advisory panel when awarding grants and removes the CFANS representative from the panel. Provides that advisory panel members representing specific named organizations are to be appointed by their organization, not MDA. Eliminates the Minnesota Agricultural Fertilizer Research and Education Council from the list of eligible grant recipients.
- Effective date: This section is effective the day following final enactment.
- 12** **Biobased content.** Technical. Defines the term for purposes of MDA's three bioeconomy grant programs (i.e., the Advanced Biofuel Production Incentive Program, the Renewable Chemical Production Incentive, and the Biomass Thermal Production Incentive). The identical, prior statutory definition for "biobased content" expired with the NextGen Energy Board statute in 2015.
- 13** **Biobased formulated product.** Technical. Same situation as the "biobased content" section above.
- 14** **Biobutanol.** Technical. Same situation as the "biobased content" and "biobased formulated product" sections above.

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- 15 Biobutanol facility.** Technical. Same situation as the “biobased content,” “biobased formulated product,” and “biobutanol” sections above.
- 16 Quarterly.** Defines the term for purposes of the grant cycles in MDA’s bioeconomy grant programs.
- 17 Renewable chemical.** Technical. Eliminates a reference to an expired statute.
- 18 Eligibility.** Converts annual production minimums and maximums that determine eligibility for MDA’s Advanced Biofuel Production Incentive Program to the corresponding quarterly values. Expands eligibility for the Advanced Biofuel Production Incentive Program to include producers of biobutanol (as defined above), regardless of whether the biobutanol satisfies the federal and state definitions of an “advanced biofuel” by achieving 50 percent lifecycle greenhouse gas emissions relative to conventional fuels.
- 19 Eligibility.** Eliminates a reference to an expired statute. Converts annual production minimums and maximums that determine eligibility for MDA’s Renewable Chemical Incentive Program to the corresponding quarterly values.
- 20 Payment amounts; bonus; limits.** Technical. Fixes an error in the Biomass Thermal Production Incentive Program statute.
- 21 Eligibility.** Converts annual production minimums and maximums that determine eligibility for MDA’s Biomass Thermal Production Incentive Program to the corresponding quarterly values.
- 22 Siding production incentive.** Establishes a program to incentivize the production of siding from forest resources. Eligible siding production would begin in state fiscal year 2018. MDA would make payments to eligible siding producers at the rate of \$7.50 per 1,000 square feet of siding produced for up to ten years. To be eligible, a company must produce at least 200 million square feet of siding; total program payments are limited to the first 400 million square feet of siding per year. Establishes forest management and/or harvest requirements that pertain to the land where the forest resources are obtained. Authorizes a statutory appropriation capped at no more than \$3,000,000 per fiscal year.
- 23 When prepared.** Technical. Updates the reference to the statutory definition of “biobutanol facility” in a statute that grants exemptions to the environmental assessment worksheet and environmental impact statement requirements for certain proposed projects.
- 24 Expiration.** Extends the Farmer-Lender Mediation Act for two years, to June 30, 2018. In general, the Farmer-Lender Mediation Act requires creditors to offer mediation to a farmer before terminating a contract for deed or collecting on a debt secured by agricultural property.
Effective date: This section is effective the day following final enactment.
- 25 Protection services.** Modifies a 2015 appropriation to MDA. Requires MDA to assist any entity that has explored the feasibility of establishing a state- or federally-inspected food processing facility within 30 miles of a correctional institution in northeastern Minnesota.
- 26 Agriculture, bioenergy, and bioproduct advancement.** Requires MDA to transfer dollars appropriated last session for agricultural rapid response under the AGREET program to the University of Minnesota’s Agricultural Experiment Station. Requires MDA to transfer all

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undesignated AGREET funds each year to the University of Minnesota for agricultural research, extension, and technology transfer. Extends into fiscal year 2017 the availability of dollars appropriated for AGREET in fiscal year 2016. Extends into fiscal year 2017 the availability of dollars appropriated to MDA for food hub grants in fiscal year 2016.

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

- 27 Avian influenza response activities.** Reduces MDA's 2015 appropriation for avian influenza emergency response. Expands the Board of Animal Health's eligible uses of money appropriated in 2015 for avian influenza emergency response to include any animal disease emergency and provides examples of eligible BAH activities. Modifies disaster assistance contingency account language to align with modifications in article 4, section 16, of this act.

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

- 28 Good food access advisory committee.** Requires MDA and designating authorities to make initial appointments to this new committee by July 1, 2016. Requires MDA to convene the first advisory committee meeting by September 1, 2016.

- 29 Farmer-lender mediation task force.** Requires MDA to convene a task force that will provide recommendations to the legislature by February 1, 2017. Task force membership is provided.

- 30 Transfer required.** Transfers a specific portion of a 2015 general fund appropriation for Rural Finance Authority disaster recovery loans back to the general fund.

- 31 Repealer.** Repeals a 2015 law that would have extended the Farmer-Lender Mediation Act by one year if the legislature did not meet in regular session during calendar year 2016.

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

Article 3: Environment and Natural Resources

- 1 Appropriations.** Technical.
- 2 Pollution Control Agency.** Appropriates \$2,620,000 in fiscal year 2017 to the Pollution Control Agency (PCA) for various purposes.
- 3 Natural Resources.** Appropriates \$2,269,000 in fiscal year 2016 and \$14,432,000 in fiscal year 2017 to the Department of Natural Resources (DNR) for various purposes.
- 4 Board of Water and Soil Resources.** Appropriates \$479,000 in fiscal year 2017 to the Board of Water and Soil Resources (BWSR) for a working lands watershed restoration program.
- 5 Legislature.** Appropriates \$25,000 in fiscal year 2016 to the Legislative Coordinating Commission for the Aggregate Resources Task Force established in this article.
- 6 Administration.** Appropriates \$250,000 in fiscal year 2016 to the commissioner of administration for the school trust lands director to initiate real estate development projects on school trust lands.

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- 7 **Nonindigenous species.** Amends § 17.4982, subd. 18a. Technical.
- 8 **Game and fish rules.** Amends § 84.027, subd. 13. Technical.
- 9 **Game and fish expedited permanent rules.** Amends § 84.027, subd. 13a. Technical.
- 10 **License required; exemptions.** Amends § 84.091, subd. 2. States that Minnesota tribal band members possessing a valid tribal identification card are deemed to have a permit from the DNR to harvest wild rice.
- 11 **Exemptions.** Amends § 84.798, subd. 2. Exempts off-road vehicles (ORVs) operated with a valid state trail pass from ORV registration requirements (a new option for resident state trail passes is established in the next section).
- 12 **Off-road vehicle state trail pass.** Amends § 84.8035. Provides an option for residents to purchase a temporary (30 day) trail pass in order to operate an ORV on state and grant-in-aid ORV trails and ORV use areas rather than registering their ORV. The pass would cost \$20, the same cost as the existing nonresident pass.
- 13 **Aquatic macrophyte.** Amends § 84D.01, subd. 2. Clarifies the definition of “aquatic macrophyte” to include macro algae (for example, starry stonewort recently discovered in Minnesota).
- 14 **Prohibited activities.** Amends § 84D.05, subd. 1. Removes an exception from the ban on possessing prohibited invasive species for those who had lawfully acquired them dead.
- 15 **Nonnative species, aquatic plants, and aquatic macrophytes; parts and life stage.** Adds § 84D.075. Clarifies that laws relating to nonnative species, aquatic plants, and aquatic macrophytes apply to all parts of the organism whether dead or alive.
- 16 **Exceptions.** Amends § 84D.09, subd. 2. Allows a person driving a commercial garbage vehicle to transport aquatic macrophytes (aquatic plants) from riparian property to a legal disposal site provided the site is at least 100 feet from any surface water, ditch, or land that seasonally floods.
- 17 **Persons transporting water-related equipment.** Amends § 84D.10, subd. 4. Clarifies that requirements to drain water from boats and related equipment prior to transporting do not apply to transporting the boat within the immediate area required for loading and preparing the boat for transport.
- 18 **Lake Minnetonka pilot study.** Allows the DNR to issue a permit to certain service providers (dock installers, boat rental providers, etc.) to allow the return of water-related equipment with zebra mussels attached back to Lake Minnetonka after being stored for the season. Requires the service providers to have a corporate surety bond in favor of the state for \$50,000 payable upon violation of chapter 84D (the state’s invasive species laws). The provision expires December 1, 2018.
- 19 **Prohibited invasive species.** Amends § 84D.11, subd. 1. Corresponding change related to the previous section.
- 20 **Warnings; civil citations.** Amends § 84D.13, subd. 4. Allows civil citations to be issued to a person who fails to comply with an aquatic invasive species (AIS) decontamination order

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(when a unit is onsite or when required to do so by a certain date) or failing to complete the AIS offender training course.

- 21 Civil penalties.** Amends § 84D.13, subd. 5. Establishes civil penalties for failing to comply with a decontamination order when the decontamination unit is onsite (\$250); for failing to complete decontamination or remove invasive species by the date required (\$250); and for failing to complete AIS offender training (\$25).
- 22 Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton, Koochiching, and Itasca Counties.** Amends § 85.015, subd. 13. Renames portions of the Arrowhead, Taconite, and Tomahawk State Trails as the David Dill Trail.
- 23 Enclosed accommodation compartment.** Adds § 86B.005, subd. 4a. Defines “enclosed accommodation compartment” for purposes of the new carbon monoxide detector requirement for boats established in this bill to include a boat with a space that contains designated sleeping accommodations, a galley area with sink and a head compartment.
- 24 Enclosed occupancy compartment.** Adds § 86B.005. Defines “enclosed occupancy compartment” for purposes of the new carbon monoxide detector requirement for boats established in this bill.
- 25 Marine carbon monoxide detection system.** Adds § 86B.005, subd. 8a. Defines “marine carbon monoxide detection system” for purposes of the new carbon monoxide detector requirement for boats established in this bill.
- 26 Carbon monoxide detection device requirements.** Adds § 86B.532.

Subd. 1. Requirements. Prohibits a boat with an enclosed accommodation compartment from being operated on state waters or sold in the state unless the boat has a functioning marine carbon monoxide detection system installed

Subd. 2. Boating safety course. Requires state sponsored or approved boating safety courses to incorporate information about the dangers of carbon monoxide poisoning while boating and how to prevent it.

Subd. 3. Carbon monoxide poisoning warning labels. Requires boats with enclosed accommodation compartments to have carbon monoxide poisoning warning labels affixed to certain areas of the boat.

Subd. 4. License agents; distribution. Requires all gasoline powered motorboats operated on state waters with an enclosed occupancy compartment to have warning labels affixed to them, and requires the DNR to send out informational brochures and warning labels to all motorboat owners with a boat 19 feet or greater, and provide the same to licensing agents. License agents are required to make the brochures and labels available and make an effort to inform new owners of the requirements. Requires the DNR to highlight the new requirements in watercraft renewal notices and in the department’s Minnesota Boating Guide.

Subd. 5. Safety warning. States that a first violation of the section results only in a safety warning and subsequent violations are petty misdemeanors.

Provides an effective date of May 1, 2017.

Section

- 27** **Transfer-on-death title to watercraft.** Adds § 86B.841. This section creates a transfer-on-death title that can be used to transfer a watercraft to a named beneficiary when the owner of the watercraft dies.
- Subd. 1. Titled as transfer-on-death.** Allows the owner of a watercraft, when the owner is a natural person, to designate a beneficiary on the title of a watercraft to allow the beneficiary to own the watercraft after the death of the owner or last surviving joint owner, allowing the watercraft to transfer to a beneficiary outside of the estate. This subdivision provides that transfer is subject to the rights of third parties (including creditors) and the rights of a third party continue after the transfer.
- Subd. 2. Designation of beneficiary.** The law does not require the beneficiary to pay any money for the beneficiary designation or transfer, other than the cost of a new title when the previous owner has died, and does not require the beneficiary to agree to the beneficiary designation.
- Subd. 3. Interest of beneficiary.** Allows the beneficiary to be changed at any time by the owner by filing for a new certificate of title.
- Subd. 4. Vesting of ownership in beneficiary.** Provides that the ownership is transferred to the beneficiary on the owners death and that the watercraft becomes part of the decedent's estate if the beneficiary died before the decedent.
- Subd. 5. Rights of creditors.** Provides that transfer is subject to the rights of third parties and the rights of a third party continue after the transfer. This subdivision also provides that a watercraft that is transferred through a transfer-on-death (TOD) is still subject to claims for medical assistance, claims from the county social service agencies, or claims from the Department of Revenue, and when the estate of the watercraft owner cannot pay those debts, the debt or lien continues to apply against the beneficiary until the vehicle is sold or transferred to a third party who has no actual knowledge of the claim or lien.
- 28** **Prescribed burn.** Adds § 88.01, subd. 28. Provides a definition of “prescribed burn” for purposes of provisions dealing with fire permits.
- 29** **Imposition of restrictions.** Amends § 88.22, subd. 1. Clarifies that prescribed burns are also subject to suspension of permits when the DNR determines, by written order, that certain fire restrictions are necessary.
- 30** **Forest management investment account; cost certification.** Amends § 89.0385. Requires certified costs for forest management activities on nonstate lands to be deposited in the forest management investment account (FMIA)
- 31** **Expiration.** Amends § 93.5536, subd. 3. Extends the expiration date of the Mineral Coordinating Committee by ten years (to June 30, 2026). The Mineral Coordinating Committee is a committee made up of the following members: commissioner of natural resources; commissioner of the Pollution Control Agency; commissioner of Iron Range Resources and Rehabilitation board; director of the Minnesota Geological Survey; dean of the University of Minnesota Institute of Technology; director of the Natural Resources Research Institute; and four members appointed by the governor. The committee's purpose is to “plan for diversified mineral development.”

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- 32 Minerals management account.** Amends § 93.2236. Requires the balance in the minerals management account above \$3,000,000 to be transferred to the permanent school fund quarterly rather than annually. The minerals management account receives revenues from state mineral leases and the amount above \$3,000,000 is distributed to the permanent school fund (for school trust lands), the permanent university fund (for university lands), and to other taxing districts in proportion to the revenues raised by the respective lands in the last biennium.
- 33 Classes of land; definitions.** Amends § 94.3495, subd. 2. Modifies the definition of “class 1 land” and defines “school trust land” and “university land” in order to remove the prohibition on exchanging school trust lands and university lands using the expedited land exchange process.
- 34 Valuation of land.** Amends § 94.3495. Requires the county to approve the value determined by the DNR for purposes of exchanging DNR lands for tax-forfeited lands, and the “governmental subdivision” to approve the value when exchanging DNR lands for lands administered by other government subdivisions of the state (ex. other state agencies) for purposes of the expedited exchange process. Modifies the methods that can be used for valuing lands. Requires school trust lands and university lands exchanged under the expedited exchange process to be exchanged only for lands of equal or greater value unlike lands currently eligible for the expedited exchange process that must be exchanged for “substantially equal value” (the lands do not differ in value by more than 10 percent when the lands are both over 100 acres and 20 percent in other circumstances).
- 35 Mineral and water power rights and other reservations.** Amends § 94.3495, subd. 7. Removes a requirement that deeds conveying land under the expedited land exchange process include a reverter that would require the land to revert back to the conveying government unit if the receiving government unit sells, exchanges, or otherwise transfers title of the land within 40 years without prior written approval from the conveying government unit.
- 36 Wolf licenses; account established.** Amends § 97A.075, subd. 7. Prohibits funds in the wolf management and monitoring account from being spent on indirect costs or agency shared services.
- 37 Personal possession.** Amends § 97A.405, subd. 2. Allows a person with a lifetime hunting/fishing license to use their driver’s license or Minnesota identification card (ID) with a lifetime license designation as proof of having the proper hunting/fishing license (a provision requiring the issuance of driver’s licenses or IDs with the designation is established later on in the act).
- 38 Nonresident active members of National Guard.** Adds § 97A.465, subd. 8. Allows a nonresident who is an active member of the state’s National Guard to obtain a resident license to hunt/fish.
- 39 Resident lifetime game and fish license.** Adds § 171.07, subd. 19. Requires the Department of Public Safety to maintain records it receives from the DNR indicating individuals who have purchased lifetime licenses for purposes of the lifetime hunting/fishing designations.

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Requires the department to include the designation on licenses/IDs issued to those with lifetime hunting/fishing licenses.

- 40 Fish and Wildlife Management.** Amends Laws 2014, ch. 312, art. 12, § 6, subd. 5 as amended. Expands the use of a previous appropriation for Asian youth fishing recruitment and extends the appropriation to June 30, 2017.
- 41 Land and Mineral Resources management.** Amends Laws 2015, First Spec. Sess. ch. 4, art. 3, § 3, subd. 2. Modifies a prior appropriation to remove match requirements for certain mineral research appropriations.
- 42 Parks and Trails Management.** Amends Laws 2015, First Spec. Sess. ch. 4, art. 3, § 3, subd. 5. Allows the DNR to use up to 2.5 percent of a previous appropriation for parks and trails grants to local units of government for administration of the grants.
- 43 Surplus state land sales.** Amends Laws 2015, First Spec. Sess. ch. 4, art. 4, § 131. Modifies a law passed last year requiring the school trust lands director and DNR to identify and sell at least \$3,000,000 of state lands by expanding the provision to include lands that are suitable to exchange with school trust lands for purposes of compensating the permanent school fund. Allows the DNR to sell lands bordering public water for the purposes of this section and requires 10 percent of the proceeds from the sale of lands to be used for work associated with the Boundary Waters Canoe Area Wilderness land exchange and sale projects.
- 44 Cold Spring water appropriation permits; report.** Requires the DNR to modify the permit for the city of Cold Spring to allow the city to take an additional 100 million gallons of water from certain wells provided the city and any area brewery permit holders reduce other water appropriations by 10,000,000 gallons. The changes would be on an interim basis not to exceed five years. Requires the city and any other affected permit holders to comply with all existing reporting requirements and demonstrate that the increased pumping does not cause violations of the Safe Drinking Water Act. Requires the DNR to conduct necessary monitoring, submit annual reports, and submit a final report by January 15, 2022.
- 45 Marine carbon monoxide detectors; report.** Requires the DNR to submit a report to the legislature by November 1, 2017, regarding issues encountered with implementation of the new carbon monoxide detector requirements for boats established in this bill, changes to industry standards, and best practices for preventing carbon monoxide poisoning.
- 46 Prescribed burn requirements; report.** Requires the DNR, in cooperation with prescribed burning professionals and others, to develop criteria for certifying entities to conduct a prescribed burn under a general permit. Requires the DNR to submit a report back to the legislature with recommendations on any legislative changes necessary by January 15, 2017.
- 47 Sand Dunes State Forest; report.** Prohibits the DNR from logging or otherwise removing trees for the purposes of creating oak savanna in the Sand Dunes State Forest until July 1, 2017 and requires the commissioner to submit a report to the legislature on the progress made on collaborating with local citizens and other stakeholders over the past year when making certain decisions.
- 48 Lake service provider feasibility report.** Requires the DNR to submit a report to the legislature on the feasibility of expanding the pilot program for service providers on Lake Minnetonka (established in section 12) to other lakes by January 15, 2019.

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- 49** **Workers' compensation for volunteers; report.** Requires the DNR to make recommendations to the legislature on how to clarify the state's liability for workers' compensation for volunteers of nonprofit organizations providing service on DNR lands by January 15, 2017.
- 50** **Aggregate Resources Task Force.** Establishes an Aggregate Resources Task Force consisting of eight legislative members. Specifies the appointment process, structure, and duties of the task force. Requires the task force to submit a report to the legislature by January 15, 2018, and sunsets the task force 45 days after the report is submitted or June 30, 2018, whichever is earlier.
- 51** **Appropriation reallocation.** Allows the Minneapolis Park and Recreation Board to reallocate fiscal year 2016 and 2017 parks and trails funds to different projects according to its most recent priority rankings submitted to the Metropolitan Council.
- 52** **Citation.** States that sections 23, 24, 25, 26, and 45 (sections establishing the new carbon monoxide requirements for boats) may be known as "Sophia's Law."
- 53** **Repealer.** Repeals § 116P.13 (the Minnesota future resources fund) on July 1, 2018, and cancels money remaining in the account to the general fund.

Article 4: Public Safety and Corrections**Overview**

This article appropriates money to the Supreme Court, District Courts, Guardian Ad Litem Board, Human Rights Department, Department of Corrections, and Department of Public Safety. In addition, it extends and expands the authorization to use disaster contingency account for avian flu response and other agricultural emergencies. Finally, it makes various policy changes related to: driver's license designations, special liquor licenses, sensory testing research, fine allocation, and crimes relating to hiring minors in prostitution and felony assault involving bias.

1 to 7 **Appropriations.**

These sections contain the article's supplemental appropriations, including:

Supreme Court

- \$1,000,000 in FY17 for safe and secure courthouse grants (onetime).

District Courts

- \$1,547,000 in FY17 to increase the juror per diem from \$10 to \$20 and juror mileage reimbursement from 27 cents to 54 cents per mile.

Guardian Ad Litem Board

- \$878,000 in FY17 to hire additional guardians ad litem to represent children in juvenile and family court cases.

Section**Human Rights**

- \$180,000 in FY17 for a St. Cloud office.

Corrections

- Institutions: \$4,037,000 in FY16 and \$10,671,000 in FY17 for employee compensation, the challenge incarceration program, and 24-hour nursing (MCF-Shakopee).
- Community Services: \$241,000 in FY16 and \$2,566,000 in FY17 for employee compensation, the challenge incarceration program, reentry and halfway house services grants, and a high-risk revocation reduction program in the metro.
- Operations Support: \$63,000 in FY16 and \$2,189,000 in FY17 for employee compensation and IT critical updates (onetime).

Public Safety

- \$1,600,000 in FY17 for six forensic scientists (increases to eight in tails), grants for legal representation in child protection cases, and grants to combat sex trafficking.
- \$4,500,000 in FY17 from the trunk highway fund for a State Patrol Academy.

- 8 Medical alert identifier.** Allows a medical alert identifier on a driver's license or Minnesota identification card to be either graphic or written.
- 9 Living will/health care directive designation.** Allows a living will/health care directive designation on a driver's license or Minnesota identification card to be either graphic or written.
- 10 Veteran designation.** Allows a veteran or veteran 100 percent T&P designation on a driver's license or Minnesota identification card to be either graphic or written.
- 11 Registration required.** Amends the predatory offender registration statute by striking language. This change expands registration in prostitution offenses to include not only cases where a minor victim is under 13, but also undercover operations where the victim is reasonably believed to be under 13. *See* section 15.
- 12 Sensory testing.** Allows sensory testing research services to possess and serve alcohol as part of their business operations.
- 13 Allocation.** Provides that for purposes of fine allocation, the county attorney shall be considered an attorney for the town(ship), and the fine allocation will be based on the prosecutorial authority under which the county attorney is acting. In cases where the county attorney is prosecuting a case under the authority of the township attorney, the allocation is as follows: two-thirds to the city or town in which the offense was committed and one-third to the general fund.
- 14 Felony assault motivated by bias.** Increases the statutory maximum by 25 percent for felony assault motivated by bias. Applies to first- through third-degree assault.
- 15 Hiring a minor to engage in prostitution.** Amends the crime of hiring or offering to hire an individual to engage in prostitution when the actor reasonably believes the individual is a minor. This law was created last year to provide penalties in undercover operations, but was limited to a five-year felony. This bill would create tiered penalties based on the age of the minor:

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- 5-year felony if the minor is reasonably believed to be 16 or 17
- 10-year felony if the minor is reasonably believed to be 13, 14, or 15
- 20-year felony if the minor is reasonably believed to be under 13.

- 16** **Avian influenza emergency response.** Extends the authorization to use disaster contingency account monies to pay for costs of eligible avian influenza emergency response activities. The revised language would permit monies in the account to be used for “any agricultural emergency” and makes the monies in the account available for these purposes through fiscal year 2019. Requires reports from the commissioner of management and budget to the Legislature by both January 15, 2018, and January 15, 2020, on monies used from the account to fund these activities.
- 17 to 21** **Special liquor licenses.** Authorize liquor licenses for St. Cloud State University, the Indiafest festival on the Capitol grounds, a major league soccer stadium in St. Paul, the Prairie Ridge golf club in Janesville, and a restaurant in Minneapolis.
- 22** **Repealer.** Repeals an 1891 law that prohibited liquor licenses from being issued in the Lakeside neighborhood of Duluth.

Article 5: Broadband Development

- 1** **Department of Employment and Economic Development. [Border-To-Border Broadband Development Program.]** Appropriates \$35 million in FY 2017 from the general fund for broadband grants, of which no more than \$5 million may be used for grants in unserved areas, and up to \$1,000,000 for administrative costs, including mapping. Up to \$500,000 may be used for grants in areas with a significant proportion of low-income households.
- 2** **[116J.394] Definitions.** Amends the definition of “underserved areas” to include areas lacking broadband service at speeds of 100 megabits per second download and 20 megabits per second upload.
- 3** **[116J.395] Border-to-border broadband development grant program.**
Subd. 4. Application process. Requires the commissioner of the Department of Employment and Economic Development (DEED) to publish the criteria and weighting scheme that will be used to evaluate or rank applications at least 30 days before applications may be submitted for the current grant cycle.
- 4** **[116J.395] Border-to-border broadband development grant program.**
Subd. 5. Application contents. Adds to required information in application written notice to incumbent broadband providers inquiring of provider’s plans to upgrade broadband service in the proposed project area presently, and the provider’s response.
- 5** **[116J.395] Border-to-border broadband development grant program.**
Subd. 5a. Challenge process. Allows an existing broadband service provider to file a challenge with the commissioner with respect to a proposed grant project, stating

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the provider's intention to offer broadband service in the proposed project area at speeds equal to or greater than the state's broadband speed goals within 18 months of the current grant cycle awards. If the commissioner finds the challenge credible, no grant award is to be made to the challenged project. If a provider fails to construct a successfully challenged project, the provider may not raise a challenge for the next two grant cycles.

6 **[116J.395] Border-to-border broadband development grant program.**

Subd. 8. Application evaluation report. Requires the Office of Broadband Development to submit an annual report to the legislature listing all grant applications received during the previous year, the grant amounts requested and awarded, and the results of any quantitative scoring system used to rank applications.

7 **[116.397] Updated broadband deployment data and maps.** Requires annual updating of deployment data and maps by the Office of Broadband Development. Provides that data provided by broadband service providers is nonpublic, but that maps are public data.

8 **[116J.398] Broadband prevailing wage exemption.** Exempts from prevailing wage requirements the construction of last-mile infrastructure funded with grants from this section.

9 **[237.012] Broadband goals.**

Subd. 1. Universal access and high-speed goal. Updates target dates for state broadband goal of universal access to minimum speeds of 25 megabits download and three megabits upload from 2015 to 2022. Adds the goal that by 2026 all households have access to broadband speeds of 100 megabits download and 20 megabits upload. Updates to 2020 the target date for Minnesota's goal to be among the top five states for broadband speed and access.

Article 6: Energy

1 **[115C.09] Reimbursement.**

Subd. 1. Reimbursable costs. Allows, under the Petrofund program, which reimburses owners of leaking underground storage tanks for 90 percent of the costs of remediating the environmental damage resulting from a petroleum release, the cost of tank removal to be reimbursable if it is part of a corrective action and is approved by the commissioner.

2 **[115C.09] Reimbursement.**

Subd. 3. Reimbursements; subrogation; appropriation. Increases the maximum reimbursement for costs associated with a single release of petroleum from \$1,000,000 to \$2,000,000.

3 **[115C.13] Repealer.** Extends the repeal of statutes governing the Petrofund program by five years, to June 30, 2022.

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- 4 **[216B.16] Rate change; procedure; hearing.**
 Subd. 12. Exemption for small gas utility franchise. Increases from 2,000 to 5,000 the maximum number of natural gas companies a public utility may serve without being required to be subject to price regulation by the Minnesota Public Utilities Commission.
- 5 **[216B.47] Property tax adjustment; cooperative association.** Allows a cooperative association that has elected to be price regulated by the Public Utilities Commission to file for the commission's approval an adjustment for real and personal property taxes, fees, and permits.
- 6 **[216B.1691] Renewable energy objectives.**
 Subd. 10. Utility acquisition of resources. Strikes references to Community-Based Economic Development (C-BED) projects, certain community-based wind developments, in accord with repeal of the C-BED statute under section 16.
- 7 **[216B.241] Energy conservation improvement.**
 Subd. 1c. Energy-saving goal. Allows municipal utilities and electric coops to count energy savings from electric utility infrastructure projects toward a utility's energy-savings goal.
- 8 **[216B.243] Certificate of need for large energy facility.**
 Subd. 8. Exemptions. Exempts from the requirement to obtain a certificate of need from the Public Utilities Commission prior to construction repowering projects that increase the efficiency of a wind or solar energy generating system without increasing its capacity. Also exempted are wind and solar projects whose capacity is increased, provided a signed interconnection agreement reflecting the increase is provided by the Midcontinent Independent System Operator.
- 9 **[216C.02] Energy conservation in public building.**
 Subd. 3. Parking ramp. Authorizes the commissioner of commerce to grant an exemption to allow a commercial parking facility to be heated under certain conditions.
- 10 **[216E.03] Designating sites and routes.**
 Subd. 5. Environmental review. Requires a finding in an environmental impact statement done for a cogeneration facility regarding the net impact of carbon dioxide emissions, taking into account both the cogeneration facility and the utility serving it.
- 11 **[216H.01] Definitions.**
 Subd. 1a. Cogeneration facility or combined heat and power facility.
 Definition.
- 12 **[216H.03] Failure to adopt greenhouse control plan.**
 Subd. 1. Definition; new large energy facility. Amends the definition of "new large energy facility" to exclude a cogeneration facility receiving electric service from a public utility, thereby exempting the plant from the prohibition against construction

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in the absence of an implemented plan that reduces statewide carbon dioxide emissions.

- 13** **[373.48] Financing energy purchase contracts; participation in generation and transmission projects.**
- Subd. 3. Joint purchase of energy and acquisition of generation projects; financing.** Strikes references to Community-Based Economic Development (C-BED) projects, certain community-based wind developments, in accord with repeal of the C-BED statute under section 16.
- 14** **Laws 2001, ch. 130, § 3. Assessment.** Allows the state propane education and research council to assess propane producers and marketers up to the maximum assessment allowed under federal law for the national council, currently capped at one-half cent per gallon, unless a majority referendum vote approves a higher level.
- 15** **Laws 2014, ch. 198, art. 2, § 2. Effective date; application.** Extends by one year, to January 1, 2016, the effective date of a provision prohibiting reimbursements under the Petrofund program for applications submitted more than seven years after the corrective action was implemented.
- 16** **Repealer.** Repeals Minnesota Statutes, section 216B.12, the C-BED provisions, and section 216C.39, a revolving loan fund for C-BED projects.

Article 7: Economic Development

- 1** **Appropriations.** Specifies definition of fiscal year.
- 2** **Department of Employment and Economic Development.** Appropriates \$11,721,000 in fiscal year 2017 for the following purposes:
- Redevelopment grants;
 - Duluth North Shore Sanitary District;
 - Business development specialists;
 - Bureau of Small Business;
 - Child care business startup manuals;
 - Initiative foundations;
 - Emerging entrepreneur program;
 - Economically depressed second class city;
 - Film production jobs program;
 - Lake Mille Lacs area economic relief;
 - Child care supply grants in greater Minnesota;
 - City of Madelia;

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- Minnesota 21st Century Fund;
- Small business development centers;
- MnDRIVE;
- Rural career counselors;
- Occupational Development Corporation, Inc.;
- Northern Bedrock Historic Preservation Corps;
- Northeast Higher Education District;
- Day training and rehabilitation grants;
- Extended employment services provider rate increases; and
- Reduces appropriations to the Minnesota Investment Fund and the Minnesota Job Creation Fund.

- 3 Department of Labor and Industry.** Appropriates \$350,000 in fiscal year 2017 for the apprenticeship program and to provide outreach and education regarding access to public accommodations.
- 4 Explore Minnesota Tourism.** Appropriates \$1,073,000 in fiscal year 2017 for the Mille Lacs Tourism Council and a pilot project for securing major events.
- 5 Housing Finance Agency.** Appropriates \$1,750,000 in onetime funding for fiscal year 2017 for the Exploited Families Rental Assistance pilot program, competitive grants to communities for housing near job growth areas, and for the Workforce and Affordable Homeownership Development Program.
- 6 Commerce.** Appropriates \$1,332,000 in fiscal year 2017 for energy regulation and planning and for actuarial work for principle-based-reserves.
- 7 Public Utilities Commissions.** Appropriates \$225,000 in fiscal year 2016 and \$577,000 in fiscal year 2017.
- 8 Assigned risk transfer.** Specifies that any amount of an unused appropriation made to the Department of Labor and Industry in 2014 will revert to the general fund rather than the assigned risk plan.
- 9 Workers' compensation system reform.** Conforming change related to section 8. Applies a June 30, 2016 sunset.
- 10 Workforce development.** Redirects a 2015 appropriation to the St. Cloud Area Somali Salvation Organization to the St. Cloud Somali Youth Organization.
- 11 Bureau of Mediation Services.** Increases the 2017 appropriation to \$2,622,000.
- 12 Mortality table.** Authorizes the use of the Commissioners 2017 Standard Ordinary Mortality Table to determine minimum non-forfeiture standards for policies issued on or after January 1, 2017.

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- 13 Mortality table; exception.** Authorizes the use of the Commissioners 2017 Standard Ordinary Mortality Table to determine minimum valuation standards for policies issued on or after January 1, 2017.
- 14 Minnesota 21st Century Fund.** Renames the Minnesota Minerals 21st Century Fund and broadens its focus.
- 15 Iron Range Resources and Rehabilitation Board contribution.** Conforming change to renaming of fund in section 14.
- 16 Grant program established.** Sections 16 to 19, amend the Greater Minnesota Business Development Public Infrastructure Grant program.
- 17 Eligible projects.** Allows grants to be made for an industrial park even if no business has committed to locate in the park.
- 18 Application.** Modifies eligibility criteria for grants to allow for expected results in attracting investment or creating jobs.
- 19 Maximum grants amount.** Increases grants maximums from \$1,000,000 to \$2,000,000.
- 20 Bureau of Small Business.**
- Subd. 1. Generally.** Adds technical assistance center and other technical assistance to scope of activities of the Bureau of Small Business.
- Subd. 2. Duties.** Specifies the provision of business finance assistance and information as a duty of the bureau; updates mediums for contacting the bureau; and provides specificity regarding the development of the bureau's public awareness program regarding state assistance programs for small businesses.
- 21 Angel investment credit; qualifying investors.** Expands the securities for which non-accredited investor can claim an angel investment tax credit to include securities registered under the MNVEST registration exemption that was enacted by the 2015 Legislature. This exemption allows certain small offerings typically marketed over the Internet (often referred to as crowdfunding). The offerings are subject to dollar limits (typically \$1,000,000 or \$2,000,000 amounts). Effective beginning in tax year 2016.
- 22 Grant allowed.** Increases, from \$9,000 to \$11,000, the maximum amount of pay-for-performance grants for certain job training programs.
- 23 Qualified job training program.** Changes requirements for a job training program to be eligible for pay-for-performance grants under section 116J.8747.
- 24 Board.** Sections 24 to 37 rename and reconfigure the Urban Initiative Board into the Minnesota Emerging Entrepreneur Program.
- 25 Department.** Specifies references to Department of Employment and Economic Development.
- 26 Low-income area.** Defines a low-income area to include all areas outside of the metropolitan area.

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- 27 Low-income person.** Defines a low-income person as a person with an annual income adjusted for family size of no more than 80 percent of the area median family income for the county of residence.
- 28 Metropolitan area.** Provides statutory cross reference.
- 29 Minority person.** Defines minority person.
- 30 Program.** References emerging entrepreneur program.
- 31 Veteran.** Defines veteran.
- 32 Person with disabilities.** Defines person with disabilities.
- 33 Membership.** Establishes a Minnesota Emerging Entrepreneur Board and specifies its membership to include: the commissioner of DEED and human rights; the chair of the Metropolitan Council; and 12 public members. Members must include veterans and persons with disabilities.
- 34 Board responsibilities.** Directs the board to submit a report, provide information, and act as a liaison between the department and nonprofit corporations engaged in small business development support activities.
- 35 Technical assistance.** Directs the board to provide technical assistance and informational outreach programs to lenders, nonprofit corporations, and low-income and minority communities.
- 36 Reports.** Requires annual reporting.
- 37 Minnesota Emerging Entrepreneur program.** Establishes the program to award grants to nonprofit corporations to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities.
- 38 Exceptions.** Extends a licensing exemption for certain boilers to the sooner of August 1, 2018, or the effective date of rules regulating high pressure boiler attendance requirements at a designated sawmill.
- 39 Establishment (family homeless prevention and assistance program).** Changes the eligibility requirements for a family or person that is eligible to receive assistance through this state program to include individuals who are 24 years of age or younger. The current law allows individuals up to age 22 to use the program if they are single persons who do not have dependent children.
- 40 Set aside (family homeless prevention and assistance program).** Amends the requirement that provides that a grant must go to an area outside the Twin Cities metropolitan area to allow that grant to go to a single tribe or a group of tribes applying for a grant under the family homeless prevention and assistance program.
- 41 Workforce and affordable homeownership development program.**
- Subd. 1. Establishment.** Creates a new housing program operated by the Minnesota Housing Finance Agency (MHFA) to fund grants and loans to nonprofits, cooperatives, and community land trusts to develop workforce and affordable homeownership projects.

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Subd. 2. Use of funds. Allows MHFA to award grants for development costs, rehabilitation of existing structures, land development, and residential housing to projects that will serve households that meet the income requirements of the Economic Development and Housing Challenge Fund, unless the project is intended to construct housing for low and moderate income families.

Subd. 3. Application. Requires the commissioner of housing finance to develop an application process and to consult with interested stakeholders to develop the guidelines for the program.

Subd. 4. Awarding grants. Provides that grants shall be given preference based on the amount of nonstate contributions to the project.

Subd. 5. Statewide program. Provides that MHFA will attempt to distribute the grants equally between the metro area and areas outside the metro.

Subd. 6. Report. Requires the commissioner of MHFA to submit an annual report to the chairs of the House and Senate housing and workforce development committees.

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

- 42 **Effective date.** Delays the effective date of PERB operations until July 1, 2107.
- 43 **Explore Minnesota Tourism.** Specifies a portion of an appropriation made in 2015 is for the Northern Lights International Music Festival.
- 44 **Day training and habilitation grant program.** Directs the commissioner of DEED to establish a day training and habilitation grant program in fulfillment of the Olmstead Plan purpose of ensuring persons with disabilities have choices for employment in the most integrated setting. Provides definitions, requires a competitive process for grants, specifies eligibility, and requires consultation and reporting.
- 45 **Rental assistance program.** Requires the commissioner of MHFA to establish a pilot rental assistance program for families and children who have been the victims of trafficking and domestic violence, including sexual assault victims and victims of forced marriage and who are from emerging communities. The grants must be to nonprofits that can provide linguistically and culturally appropriate services. This section provides the eligibility for grant recipients, including the requirement that recipients of the rental subsidy must pay rent at 30 percent of their income. This section also requires the organizations receiving grants to provide aggregate data on participants to evaluate the program.
- 46 **Lake Mille Lacs economic relief program.** Requires Mille Lacs County to create an economic relief program for businesses affected by declines in walleye fishing on Lake Mille Lacs. The program may include provision of grants, loans, and forgivable loans. The program is restricted to areas around Lake Mille Lacs and to businesses in certain industries. Mille Lacs County must create performance measures, which will be monitored by the commissioner of employment and economic development.
- 47 **Revisor instructions.** Directs the revisor to correct any reference to the Urban Initiative Board to reflect new Emerging Entrepreneurs program.

Section**Article 8: Labor and Industry**

- 1 **Effective date of rules.** Allows a board proposing a rule to find that an effective date earlier than 270 days after publication in the State Register is necessary to protect public health and safety. This is an addition to the commissioner's authority to do so under current law.
- 2 **Ban on lead in plumbing.** Updates maximum lead content limits for pipes and pipefittings conveying potable water to .25 percent.
- 3 **Application, examination, and license fees.** Specifies that journeyman plumber licenses expire on December 31 of each odd numbered year after issuance or renewal. Strikes obsolete language.

Article 9: Unemployment Insurance Advisory Council Housekeeping

- 1 **Covered employment [268.035, subd. 12].** Modifies what constitutes "covered employment" when applying section 268.095. Under former law, because of the definition, any federal or railroad employment cannot be "better work." Thus, if an applicant quits employment to work for the federal government or a railroad, and the job does not work out, the applicant is denied benefits. This corrects that.
- 2 **Wages [268.035, subd. 29].** Conforms to MN Supreme Court decision that held one aspect of current definition of "wages" preempted by the federal ERISA law. Uses the analogous Wisconsin statute as a model.
- 3 **Not eligible [268.085, subd. 2].** Makes technical change related to timing of ineligibility for fraud.
- 4 **Continued request for unemployment benefits by electronic transmission [268.0865, subd. 3].** Changes deadline for sending electronic request for continued benefits from three weeks to four. Makes technical and stylistic changes.
- 5 **Continued request for unemployment benefits by mail [268.0865, subd. 4].** Changes deadline for sending mail request for continued benefits from three weeks to four. Makes technical and stylistic changes.
- 6 **Quit defined [268.095, subd. 2].** Clarifies that the concept of "constructive voluntary quit" does not apply in the context of unemployment insurance.
- 7 **Discharge defined [268.095, subd. 5].** Clarifies that the concept of "constructive discharge" does not apply in the context of unemployment insurance.
- 8 **Unemployment benefit overpayments [268.18].** Rewrites the section regarding repayment of benefit overpayments. Does not change substantive law or department practice.
- 9 **Effective date.** Provides effective date of Article 2 as July 31, 2016, unless specified otherwise.

Section**Article 10: Unemployment Insurance Advisory Council Technical**

- 1 **Earnings [268.035, subd. 12e].** Defines “earnings.”
- 2 **Noncovered employment [268.035, subd. 20].** Makes stylistic changes, and deletes unnecessary clauses.
- 3 **Nonprofit organization [268.035, subd. 20b].** Defines “nonprofit organization.”
- 4 **Suitable employment [268.035, subd. 23a].** Makes stylistic changes, and deletes redundant clause.
- 5 **Social Security old age insurance benefits [268.085, subd. 4].** Makes stylistic changes.
- 6 **Deductible earnings [268.085, subd. 5].** Deletes unnecessary language.
- 7 **Revisor’s instruction.** Provides Revisor’s instruction.
- 8 **Effective date.** Provides effective date of Article 3 as July 31, 2016.

Article 11: Unemployment Insurance Advisory Council Policy

- 1 **Tax rate for new employers [268.051, subd. 5].** Modifies the mechanism for determining experience tax rates for new employers. Under the law, industries are broken down into very specific categories using the North American Industry Classification System. The change should provide a more accurate estimate of what a new employer’s experience rating is likely to be. The provision will take effect in 2018.
- 2 **Limitation on applications and benefit accounts [268.07, subd. 3b].** Allows an applicant seven days after applying for benefits to request backdating of benefits. Current law allows backdating to the Sunday of the week before the application for benefits is filed but only if the applicant requests so on the application. Some applicants do not realize backdating is available, and this change should provide for some flexibility.
- 3 **Quit [268.095, subd. 1].** Makes several changes to the subdivision allowing exceptions to denial of benefits for applicants who quit previous employment.
 - Removes some subjectivity to a provision that allows benefits for those who quit a job for a better job but do not stay at the new job long enough to satisfy the ineligibility period required under section 268.095, subdivision 10.
 - Eliminates the causal connection required for the exception to denial of benefits for an applicant who quit a new job within 30 days of starting employment. Under the change an applicant is entitled to the exception if the new employment is “unsuitable.”
 - Restricts the exception for denial of benefits for those who quit a job because a spouse takes a new job. Under the new law, an applicant is only allowed the exception (1) if the spouse is in the military or (2) if the spouse’s employer

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transferred the spouse to a new location, making it impractical for the applicant to commute.

- 4 **Determination [268.101, subd. 2].** Changes the period in which a determination of ineligibility for benefits due to fraud may be made from four years to 48 months. The change simply brings consistency of time periods used; all other periods for determining eligibility are in months not years.
- 5 **Administrative penalties [268.182, subd. 2].** Conforms to change made in section four above.
- 6 **Effective date.** Provides effective date of July 31, 2016, for Article 1, unless specified otherwise.

Article 12: Equity

1 **Appropriation.** Specifies fiscal years for appropriations.

2 **Equity appropriations.**

Subd. 1. Total Appropriations. Appropriates \$35,000,000 in fiscal year 2017 for equity items.

Subd. 2. Department of Employment and Economic Development (DEED). \$34,250,000 is for DEED for the following purposes and organizations:

- Neighborhood Development Center grants;
- Youth grants;
- St. Paul YWCA;
- Minneapolis YWCA;
- EMERGE Community Development;
- Metropolitan Economic Development Association (MEDA);
- Minneapolis Foundation;
- Twin Cities R!SE;
- Career connections pathways;
- High-wage, high-demand, nontraditional jobs;
- Youth at work competitive grants;
- Southeast Asian economic disparities grants;
- Latino Communities United in Services (CLUES);
- American Indian Opportunities and Industrialization Center;
- White Earth Nation Integrated Business Development System;
- Emerging Entrepreneurs program;

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- Pathways to Prosperity adult workforce competitive grants;
- Capacity building grants to nonprofits offering workforce and economic development programming;
- Somali youth grants and Youthprise;
- Ujamaa Place;
- Enterprise Minnesota;
- Centers for Independent Living Services;
- State Services for the Blind; and
- Construction Careers Foundation.

Subd. 3. Minnesota Housing Finance Agency. Provides \$750,000 in one-time funding in 2017 for grants to Build Wealth MN and programs that assist landlords with the costs associated with renting to high-risk tenants.

- 3 Expenditures under specified amounts.** Contains a conforming change to implement sections 4, 5, and 6.
- 4 Purchasing methods.** Permits the Commissioner of Administration to award a contract under \$25,000 to a small business or small targeted group business for goods, services, or construction, without competitive bidding.
- 5 Veteran-owned small businesses.** Permits the Commissioner of Administration to award a contract under \$25,000 to a veteran-owned small business for goods, services, or construction.
- The Commissioner of Administration may require a prime contractor for construction or professional or technical services to subcontract with a veteran-owned small business, but the commissioner must provide a process for waiving this requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may offer financial incentives for prime contractors to exceed goals for using veteran-owned small business subcontractors and financial penalties for failing to meet those goals. A prime contractor that is a veteran-owned small business is not subject to the subcontracting requirement.
- 6 Economically disadvantaged areas.** Eliminates an existing four percent preference on bidding on construction contracts for businesses in economically disadvantaged areas, so that these businesses would be subject to an existing preference of up to six percent. Permits the Commissioner of Administration to award a contract under \$25,000 for goods, services, or construction, to a small business in an economically disadvantaged area without competitive bidding. This section permits the commissioner to designate a purchase of goods or services for award only to a small business in an economically disadvantaged area if at least three such business are likely to respond to a solicitation.

The Commissioner of Administration may require a prime contractor for construction or professional or technical services to subcontract with a small business located in an economically disadvantaged area, but must provide a process for waiving this requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may offer financial incentives for prime contractors

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to exceed goals for using subcontractors that are located in economically disadvantaged areas and financial penalties for failing to meet those goals. A prime contractor that is a small business located in an economically disadvantaged area is not subject to the subcontracting requirement.

- 7 **Designated purchases and subcontractor goals.** Permits the commissioner to designate contracts to groups consisting of any combination of small businesses, small targeted group businesses, veteran-owned small businesses, or small businesses located in an economically disadvantaged area, if the commissioner determines that at least three businesses in two or more disadvantaged categories are likely to respond. Permits the commissioner to set goals for contractors to subcontract with businesses from any combination of the disadvantaged categories.
- 8 **Procurement procedures.** Provides that, unless otherwise provided, all laws and rules governing procurement apply equally small businesses receiving preferences under chapter 16C.
- 9 **Youth at Work grants program.** Directs the commissioner of DEED to award grants to workforce development and training to economically disadvantaged or at risk youth ages 14 to 24. Provides the program is a competitive grant program.
- 10 **Women and high-wage, high-demand, nontraditional jobs grant program.** Modifies program to focus on STEM and defines women and girls of color. The commissioner must give priority to programs that assist women and girls of color and STEM occupations.
- 11 **Requirements for grants to individually specified recipients.** Specifies requirements and parameters for grants when the recipient is individually specified.
- 12 **Ethnic Council review.** Authorizes commissioners to consult with four ethnic councils regarding implementation of program funded under this article.

Article 13: State Departments and Veterans

- 1 **Appropriations.** Provides that appropriations in this act are added to appropriations made in the 2015 state government finance bill.
- 2 **Administration.** Appropriations for administrative costs under the Olmstead plan, Veterans' Voices program, and software to facilitate targeted group business utilization and data reporting.
- 3 **Minnesota Management and Budget.** Appropriations for statewide information systems technology and revenue uncertainty reports.
- 4 **Revenue.** Appropriations for tax refund fraud protection software and services, communication and outreach, and technology, audit, and fraud staff.
- 5 **Amateur Sports Commission.** Appropriation for Mighty Ducks program
- 6 **Humanities Center.** Appropriation for Veterans' Voices program.
- 7 **Minnesota State Retirement System.** Appropriation for judges retirement fund.

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- 8 Military Affairs.** Appropriation for payroll costs and contracted costs of training and testing to provide security at National Guard facilities.
- 9 Veterans Affairs.** Appropriations for Cottages of Anoka, State Soldiers Assistance Grants, a mental health study, and a disabled veterans interim housing study.
- 10 Public Safety.** Appropriation for grant to Arrowhead Regional Development Commission for assessment of law enforcement needs for detention facilities in northeast Minnesota.
- 11 State match.** Provides that process for Legislative Advisory Commission review of requests to spend federal money applies to money that has been awarded. Current law uses different wording (e.g. “becomes available” or “received”) in regard to this review.
- 12 Increase in amount.** Similar to prior section.
- 13 Interim procedures; urgencies.** Similar to prior section.
- 14 Legislative Advisory Commission review.** Similar to prior section.
- 15 Interim procedures; nonurgencies.** Provides that requests for expenditure of federal funds made while the legislature is not in session can be made the later of October 1 or 100 days before the start of the next legislative session.
- 16 Withdrawal of commission recommendation.** Clarifies that an LAC member may withdraw a negative recommendation or a recommendation for further review.
- 17 Withdrawal of request.** Clarifies that MMB may withdraw a request to spend federal money.
- 18 Revenue uncertainty information.** Requires the commissioner of management and budget to report to the legislature within 14 days of a budget forecast on uncertainty in Minnesota’s general fund revenue projections.
- 19 Additional revenues; priority.** Provides that Minnesota Management and Budget must allocate forecasted general fund surplus dollars to the budget reserve until it returns to the February 2016 forecast balance of \$1,596,522,000. Eliminates obsolete and expired Closed Landfill Investment Fund and Metropolitan Landfill Contingency Action Trust Account transfer requirements.
- 20 Purchases.** Requires that whenever practicable public entities purchase printer or duplication cartridges that have ten percent postconsumer material, are remanufactured, or are backed by a vendor-offered program that will take back used cartridges and ensure they are recycled.
- 21 State agency technology projects.** Provides that any unexpended operating balance appropriated to a state agency may be transferred to an account for the information technology cost of a specific project, subject to review of the Legislative Advisory Commission (LAC).
- 22 Charges.** Authorizes the Office of MN.IT Services to receive a fund transfer under the prior section, for purchase of information technology systems and services.
- 23 Legislative Advisory Commission review.** Provides that agency funds may not be transferred to MN.IT under the prior section until the proposed transfer has been submitted to

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the LAC. Specifies a process for LAC review, including the potential for the LAC to seek additional information. Authorizes MMB to approve the transfer unless the LAC makes a negative recommendation. Provides that an LAC recommendation must be made at a meeting, unless a written recommendation is signed by all members entitled to vote.

- 24 Lapse.** Provides that unspent amounts transferred to MN.IT under the prior sections lapse after four years to the fund from which the receipts were transferred.
- 25 Report.** Requires the MN.IT chief information officer to report by September 15 of each odd-numbered year regarding receipts credited to MN.IT under the prior sections. The report must include a description of projects funded.
- 26 Certification of qualified small businesses.** Modifies the definition of a “qualified small business” for purposes of the angel investment tax credit. This definition sets the rules for businesses in which investments qualify for the tax credit. Under present law, at least 51 percent of the payroll of these business must be for Minnesota employees. The change applies a similar 51-percent minimum requirement to contracts for services (i.e., 1099 contractors as compared with W-2 employees). A similar requirement is applied to businesses seeking to qualify under the set aside rules for Greater Minnesota (i.e., 51 percent must be in Greater Minnesota). DEED (the agency administering the credit) is required to waive the requirement if the business certifies that the contract services cannot be done in Minnesota. A waiver or exemption applies for six months and an additional certification must be filed to extend it.
- 27 Credit allowed.** Authorizes \$10 million of angel credit certificates for calendar year 2017. Present law authorizes \$15 million for calendar year 2016, but the law expires at the end of 2016 and no credit authorizations are provided after that. The \$7.5 million set aside for Greater Minnesota and minority-owned or woman-owned businesses is converted to one-half of the authorization. This is proportionately equivalent to the current set aside of \$7.5 million out of a total of \$15 million.
- 28 Sunset.** Extends the expiration of the angel credit by one year, extending its availability for new credits through 2017.
- 29 Board of Barber Examiners.** Provides that the Board of Barber Examiners will have four, instead of three, barber members. As under current law, there will continue to be one public member.
- 30 Officers; compensation; fees; expenses.** Clarifies that section 214.09, governs compensation for board members. Under section 214.09, compensation is \$55 per day spent on board activities, plus expense reimbursement.
- 31 Fees.** Strikes references to various fees relating to apprentices.
- 32 Registration mandatory.** States that registration of the practice of barbering serves public health and safety. States that a registered barber may provide barbering services only in a registered barber shop or school, unless prior authorization is given by the board. Strikes references to apprentices. Provides that barber shop registration cards must be issued to the barber shop establishment address. Provides that barber instruction must be provided only in registered barber schools.

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- 33 **Definitions.** Amends list of practices that constitute barbering. Defines “barber school,” “barber shop,” “certificate of registration,” “designated registered barber,” and “registered barber.”
- 34 **Persons exempt from registration.** Under current law, nurses and nursing aides are exempt from barbering laws while performing professional duties under supervision of an RN. This section expands the exemption to include nurses and nursing aides under supervision of a physician. Amends the exemption for cosmetologists to apply when they are providing cosmetology services, as defined in law. Current law says that cosmetologists shall not hold themselves out of barbers or practice in a barber shop. This section strikes “except in the case of nail technicians” from this provision. Current law exempt persons who perform barbering services for charitable purposes and without compensation in certain facilities. This section adds individual homes to that exemption.
- 35 **Who may receive certificates of registration.** States requirements for receiving a certificate of registration as a registered barber: (1) complete ten grades of education; (2) successfully complete 1,500 hours of study in a barber school; and (3) pass an exam.
- 36 **Qualifications; instructor.** Clarifies the reference to experience in other states in the law governing qualifications for barber instructors.
- 37 **Examinations.** Strikes language stating that a temporary instructor certificate may be valid only until the next examination. The current law, saying that the board may prescribe terms and conditions for this, is not changed.
- 38 **Barber schools.** Amends various provisions relating to barber schools, including prerequisites to admission, maximum hours of schooling per day, course of instruction, student/instructor ratio, own requirements, and requirements for a designated operator.
- 39 **Application; fee.** Requires application for examination to be notarized.
- 40 **Examinations.** States educational requirements for barber students who completed school more than four years prior to application and for registered barbers who fail to renew for four or more years. Strikes requirement for an oral test. Strikes references to apprentices.
- 41 **Certificate or registration; fees.** Strikes references to apprentices.
- 42 **Examination of nonresidents.** Amends provisions governing licensure by presenting credentials for another state or country, and provisions governing educational requirements for individuals without credentials from another state or country.
- 43 **Temporary military permits.** Strikes references to apprentice barbers.
- 44 **Certificates of registration and temporary permits to be displayed.** Provides that an instructor’s and a school’s certificates of registration must be displayed in a part of the barber school that is accessible to the public.
- 45 **Certificates of registration must be renewed annually.** Strikes references to registered apprentices.
- 46 **Registration actions.** Strikes references to apprentices and updates statutory range references.

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- 47 Reinstatement.** Updates statutory range references.
- 48 Administrative penalties.** Provides that penalty for missing or lapsed shop registration is *up to* \$500 (instead of \$500), and penalties for unregistered barbers are *up to* \$500 (first occurrence) and \$1,000 (second occurrence).
- 49 Violations.** Strikes references to apprentices. Changes “beauty parlor” reference to refer instead to “cosmetology salon.” Refers to “sanitation and disinfection” provisions, replacing “sanitary” provisions, and makes this reference apply to any barber workstation in a shop or school.
- 50 Perjury.** Changes statutory range references.
- 51 Rules.** Changes statutory range references. Refers to “sanitation and disinfection” provisions, replacing “sanitary” provisions. Strikes reference to apprentices.
- 52 Not to serve certain persons.** Strikes references to specific diseases and conditions, leaving in place a reference to a person, in a dangerous or infectious state of disease, with contagious or infectious disease. Changes statutory range references.
- 53 Highway contracts with tribal authorities.** For construction of highways on tribal lands, authorizes the commissioner of MnDOT to award a specified preference for Indian-owned contractors, or to allow the tribal authority to award and administer the construction contract, under specified conditions.
- 54 Application.** Amends the Veterans Preference Act to provide that a political subdivision may require a veteran to complete an initial hiring probationary period. Provides that veterans employed by political subdivisions have the same rights and legal protections that state employees have under paragraph (b) of this section.
- 55 Veterans Preference Act.** Amends the process for removing a veteran from government employment under the Veterans Preference Act in the following ways:
- provides that the rights under this section apply after any initial hiring probationary period expires;
 - requires a veteran who has been notified of intent to discharge to request a hearing under this section within 30 days, instead of 60 days;
 - grants a veteran the right to have a challenge to a removal or discharge heard by an arbitrator, even if the veteran’s employer has a civil service board or commission or merit system authority; and
 - requires the employer to pay all costs associated with the hearing except that the employer is not required to pay the veteran’s attorney fees unless the hearing reverses the level of the alleged incompetency or misconduct requiring discharge.
- 56 James Metzen Mighty Ducks Ice Center Act.** Provides that sections 240A.085 to 240A.11 may be cited as the James Metzen Mighty Ducks Ice Center Development Act.
- 57 Income tax subtraction; military retirement pay.** Allows an income tax subtraction for military retirement pay. The subtraction would apply to retirement pay for service in the active component of the military (U.S. Code Title 10, sections 1401 to 1414), for retirement pay for service in the reserve component (U.S. Code Title 10, section 12733), and for

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survivor benefit plan payments (U.S. Code Title 10, sections 1447 to 1455). Coordinates the subtraction with the income tax credit for past military service so that the subtraction and credit cannot both be claimed. Effective for tax year 2016.

- 58 Payment to the manufactured home relocation trust fund.** Increases from \$12 to \$15 (or from \$1 to \$1.25 per month) the annual payment that park owners may collect for the relocation trust fund.
- 59 Payment to the Minnesota manufactured home relocation trust fund.** Changes a reference to the annual payment to the relocation trust fund from \$12 to \$15, in connection with the change in the prior section.
- 60 Change in use; relocation expense; payments by park owner.** In the law governing payments from the manufactured home relocation trust fund, changes the maximum payments to \$7,000 for a single-section and \$12,500 for a multisection manufactured home. Amends the section dealing with payments that can be made if efforts to relocate a home have failed to provide that if the appraised market value cannot be determined, the tax market value, averaged over a period of five years, can be used. Increases maximum reimbursements to \$8,000 for a single-section and \$14,500 for a multisection manufactured home. Provides a minimum reimbursement of \$2,000 for a single section and \$4,000 for a multisection home.
- 61 Plaque to honor Capitol construction workers.** Requires the commissioner of administration to place a plaque or marker in the Capitol to honor workers who constructed the State Capitol and those who worked on subsequent projects to preserve the building. Requires a contest for sixth graders to submit designs.
- 62 Study on Veterans' unmet needs for behavior and mental health services.** Requires the commissioner of veterans affairs to study and report to the legislature on unmet needs among veterans for behavioral and mental health services.
- 63 Feasibility Study on Partnership to provide interim housing for disabled veterans.** Requires the commissioner of veterans affairs to study the feasibility of partnering with an established nonprofit organization to provide interim housing for disabled veterans.
- 64 Medal of Honor memorial.** Provides for the commissioner of administration to place a memorial on the State Capitol grounds to honor Minnesotans awarded the Medal of Honor. This is contingent on raising money from nonstate sources to pay for construction and maintenance.
- 65 Legislative Advisory Commission; federal funds.** Requires Minnesota Management and Budget, in consultation with legislative nonpartisan fiscal staff, to review and recommend federal funds that should not be subject to review by the LAC.
- 66 Legislative Surrogacy Commission.** Creates a Legislative Commission on Surrogacy. Requires the commission to report by December 15, 2016, on specified issues relating to surrogacy.
- 67 LCPFP Study of Joint Budget Target Process.** Requires the Legislative Commission on Planning and Fiscal Policy to make recommendations on the process and timing for the legislature to establish joint budget targets.

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- 68 Rulemaking.** Authorizes the Board of Barber Examiners to use expedited rulemaking procedures to amend Minnesota Rules, chapter 2100, to conform with this act. (Chapter 2100 contains all of the board's rules).
- 69 Transitioning apprentice barbers to registered barbers.** Provides that an apprentice barber practicing on August 1, 2016, is eligible to apply for registered barber status. An apprentice barber must take the registered barber exam. Provides that all apprentice barber registrations will be discontinued on December 31, 2017.
- 70 Repealer.** Repeals sections:
- 154.03: Apprentices may be employed
 - 154.06: Certificates of a registered apprentice
 - 154.11, subd. 2: Temporary apprentice permits for nonresidents
 - 154.12: Examination of nonresident apprentices

Article 14: Miscellaneous

- 1 Income tax credit for stillbirths.** Allows a refundable individual income tax credit for the parents of stillborn children for whom a record of birth resulting in stillbirth was issued by the Department of Health. The credit equals \$2,000, and is allowed only for the taxable year in which the stillbirth occurred.
Effective beginning in tax year 2016.
- 2 Manufactured housing and park trailers; modular housing.** Adds modular housing (prefabricated housing) to the list of housing taxed based on 65 percent of the sale price. This provides roughly comparable tax treatment between traditional new housing (sales tax is paid on construction materials used in building traditional homes) and modular housing.
Effective for sales made after June 30, 2016.
- 3 Killed in the line of duty.** Conforms Minnesota's definition of "killed in the line of duty" with the definition found in the federal Hometown Heroes Act for purposes of awarding benefits to the survivors of public safety officers who are killed in the line of duty. The key changes are that the definition (1) expands coverage for accidental deaths while on duty from just peace officers to all public safety officers, and (2) expands coverage to officers who die from work-connected heart attacks, strokes, and vascular ruptures.
- 4 Public safety officer.** Expands the definition of "public safety officer" for purposes of providing survivor benefits to include State Patrol employees who are assigned to provide Capitol security.
- 5 Appropriation; public safety.** Appropriates an additional \$260,000 to provide public safety officer survivor benefits.

Section**Article 15: Children and Families****Overview**

This article amends provisions related to child sex trafficking, modifies the Food Stamp (also known as SNAP) Employment and Training Program requirements related to how federal funds are used, creates a child support task force, and creates a new parenting expense adjustment for use in calculating child support obligations. It makes changes to chapter 260C to conform to federal permanency and foster care requirements.

- 1 **Duties of director.** Amends § 145.4716, subd. 2. Directs the director of child sex trafficking prevention at the Minnesota Department of Health to manage the program in section 609.3241 that distributes funds to crime victim services organizations to serve sexually exploited youth. (Under current law this grant program is managed by the commissioner of public safety.)
- 2 **Youth eligible for services.** Amends § 145.4716, by adding subd. 3. Specifies that youth age 24 and younger are eligible for safe harbor services provided by the commissioner of health and for shelter, housing beds, and services provided by the commissioner of human services for sexually exploited youth and youth at risk of sexual exploitation. (Currently these services are provided to youth age 18 and younger.)
- 3 **Federal reimbursement.** Amends § 256D.051, subd. 6b. Adds language to the Food Stamp Employment and Training Program statute specifying how the federal appropriation for the program must be used. Requires the commissioner to report, by February 15, 2017, to the legislative committees with jurisdiction over the food stamp program on the progress of securing additional federal reimbursement funds. Allows service providers to be paid with federal funds for Food Stamp employment and training costs they incur.
- 4 **Basic monthly rate.** Amends § 256N.26, subd. 3. Effective July 1, 2017, increases the basic monthly Northstar Care rate 15 percent.
- 5 **Income inclusions.** Amends Minnesota Statutes 2015 Supplement, § 256P.06, subd. 3. Clarifies that all child support arrears are to be included in determining the income of an assistance unit.
- 6 **Case transfer process.** Creates § 260C.125. Establishes the procedures and requirements for the transfer of responsibility for the placement and care of an Indian child in out-of-home placement from the responsible social service agency to a tribal IV-E agency or Indian tribe.
- 7 **Administrative or court review of placements.** Amends Minnesota Statutes 2015 Supplement, § 260C.203. Makes technical changes and strikes language that is recodified in a separate section in chapter 260C. Changes made to conform to federal law.
- 8 **Out-of-home placement; plan.** Amends Minnesota Statutes 2015 Supplement, § 260C.212, subd. 1. Makes changes to conform to federal law.

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- 9 Support age-appropriate and developmentally appropriate activities for foster children.** Amends Minnesota Statutes 2015 Supplement, § 260C.212, subd. 14. Defines “developmentally appropriate” and clarifies the meaning of “reasonable and prudent parenting.” Requires the commissioner to provide guidance to foster parents and residential staff. Changes are to conform to federal law.
- 10 Duties of commissioner.** Amends Minnesota Statutes 2015 Supplement, § 260C.215, subd. 4. Makes changes to conform to federal law.
- 11 Reentering foster care and accessing services after 18 years of age and up to 21 years of age.** Amends Minnesota Statutes 2015 Supplement, § 260C.451, subd. 6. Makes technical changes.
- 12 Administrative or court review of placements.** Amends § 260C.451, by adding subd. 9. Requires the court to conduct annual reviews to determine if the responsible social service agency is making reasonable efforts to finalize the permanency plan for the child. Lists the factors the court must consider. Changes are made to conform to federal law.
- 13 Successful transition to adulthood.** Creates § 260C.452. Section created to conform to federal requirements for states to have in place a mechanism to help youth who leave foster care at 18 to 21 years of age transition successfully to adulthood.
- 14 Child in permanent custody of responsible social services agency.** Amends Minnesota Statutes 2015 Supplement, § 260C.521, subd. 1. Clarifies the purpose of the annual permanency review for children who are placed in foster care.
- 15 Successful transition to adulthood for children in voluntary placement.** Creates § 260D.14. For children in voluntary foster care placement, requires the responsible social services agency to provide the same case planning requirements required for children in court-ordered placement. Requires judicial or administrative reviews and notice of the right to continued access to services past 18 years of age.
- 16 Modification of parenting plan or order for parenting time.** Amends § 518.175, subd. 5. Makes structural changes to the subdivision. Instructs the court to modify an existing parenting plan or court order, if the plan or order cannot be used to determine the number of overnights or overnight equivalents the child has with each parent, so that the number of overnights or overnight equivalents the child has with each parent can be determined.
Effective date. Provides an August 1, 2018, effective date.
- 17 Obligor.** Amends Minnesota Statutes 2015 Supplement, § 518A.26, subd. 14. To the definition of obligor, new language is added to provide that if a parent has more than 55 percent parenting time, there is a rebuttable presumption that the parent will have a zero dollar basic support obligation. Lists the types of evidence that can be produced to overcome the presumption. Adds that a zero support obligation does not relieve a party from paying arrears.
Effective date. Provides an August 1, 2018, effective date.

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- 18 Computation of child support obligations.** Amends § 518A.34. Makes technical changes to conform with the changes made to the parenting expense adjustment formula in section 518A.36. Adds a new paragraph to establish the method of determining child support obligations when parents have split custody of joint children.
- Effective date.** Provides an August 1, 2018, effective date.
- 19 Determination of support obligation.** Amends § 518A.35, subd. 1. Provides that if a parent does not have court-ordered parenting time, the parenting expense adjustment must not be applied. Clarifies that when the public authority initiates a support action, the parenting expense adjustment does not need to be applied unless the obligor has court-ordered parenting time.
- Effective date.** Provides an August 1, 2018, effective date.
- 20 Parenting expense adjustment.** Amends § 518A.36.
- Subd. 1. General.** Adds that parenting time means the percentage of time a child spends with a parent during a calendar year according to a court order and averaged over a two-year period.
- Subd. 2. Calculation of parenting expense adjustment.** Establishes a new formula for determining the parenting expense adjustment.
- Subd. 3. Calculation of basic support when parenting time is equal.** Strikes language made obsolete by the new parenting expense adjustment.
- Effective date.** Provides an August 1, 2018, effective date.
- 21 Modification.** Amends Minnesota Statutes 2015 Supplement, § 518A.39, subd. 2. Adds that if child support was established by applying a parenting expense adjustment under previously existing child support guidelines and there is no parenting plan or order from which overnights or overnight equivalents can be determined, then there is a rebuttable presumption that the established child support obligation will continue after modification unless the modification is based on a change in parenting time.
- Adds that on the first modification following implementation of the amended guidelines the modification may be limited if the variance would create hardship for either party. Provides that hardship includes eligibility for assistance under chapter 256J.
- Makes a technical change to reference the amended child support guidelines.
- Effective date.** Provides an August 1, 2018, effective date.
- 22 Child Support Task Force.** Creates § 518A.79.
- Subd. 1. Establishment; purpose.** Creates the Child Support Task Force to advise the commissioner of human services on matters related to the child support guidelines.
- Subd. 2. Members.** Paragraph (a) identifies the agencies, entities, and individuals who are to make up the 15 member task force.
- Paragraph (b) provides that task force members shall be compensated as provided in section 15.059, subdivision 3.

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Subd. 3. Organization. Requires the commissioner of human services to convene the first meeting of the task force. Instructs the members to elect a chair and other officers. Requires the task force to meet at least three times per year, with one meeting devoted to collecting public input.

Subd. 4. Staff. Provides that the commissioner shall provide staff, office space, and administrative services for the task force.

Subd. 5. Duties. Paragraph (a) lists the general duties of the task force. Paragraph (b) lists the priority duties of the task force.

Subd. 6. Consultation. Requires the chair to consult with the Cultural and Ethnic Communities Leadership Council at least annually. This council also advises the commissioner.

Subd. 7. Report and recommendations. Instructs the commissioner to prepare a report for the legislature that summarizes the activities of the task force, issues identified by the task force, methods taken to address these issues, and recommendations for legislative action, if needed. Requires the first report to be submitted February 15, 2018, and biennially thereafter.

Subd. 8. Expiration. Provides that the task force expires June 30, 2019, unless extended by the legislature.

Effective date. Provides an immediate effective date.

- 23 Penalty assessment authorized.** Amends § 609.3241. Transfers management of the program to distribute funds to crime victim services organizations that serve sexually exploited youth from the commissioner of public safety to the commissioner of health.
- 24 Definitions.** Amends Minnesota Statutes 2015 Supplement, § 626.556, subd. 2. Amends the definition of sexual abuse in the Maltreatment of Minors Act. Effective May 29, 2017, the term includes a child who is the victim of sex trafficking.
- 25 Agency responsible for assessing or investigating reports of sexual abuse.** Amends Minnesota Statutes 2015 Supplement, § 626.556, subd. 3e. Provides that the local welfare agency is responsible for investigating when a child is identified as a victim of sex trafficking effective May 29, 2017.
- 26 Establishment of team.** Amends § 626.558, subd. 1. Adds children’s advocacy centers to the list of programs and entities that can serve on the multidisciplinary child protection team.
- 27 Duties of team.** Amends § 626.558, subd. 2. Allows children’s advocacy centers to provide case consultation to community-based agencies.
- 28 Children’s advocacy center; definition.** Amends § 626.558, by adding subd. 4. Provides the definition of “children’s advocacy center” for purposes of this section.
- 29 Direction to commissioner; income and asset exclusion.** Prohibits the commissioner of human services from counting payments made to families by a demonstration project as income or assets for purposes of determining eligibility for various human services programs including child care assistance, MFIP, MA, and MinnesotaCare. Defines “income and child development in the first three years of life demonstration project.” Provides that this section

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will only be implemented if Minnesota is chosen as a site for the federal demonstration project, and provides a January 1, 2022, expiration date. Requires the commissioner to report to the legislature on the outcomes of the demonstration project by January 1, 2023.

Effective date. Provides that paragraph (b) (counting payments made to families by a demonstration project) is effective August 16, 2016, or upon federal approval, whichever is later.

Article 16: Chemical and Mental Health**Overview**

This article decreases the county share for chemical dependency treatment for fiscal year 2017, and prohibits using a facility's designation as an institution for mental diseases as a factor in making placement decisions.

The article directs the commissioner of human services to establish pilot projects to provide treatment and services to pregnant and postpartum women with substance use disorders.

As part of a federal planning grant for the Excellence in Mental Health demonstration project, this article authorizes the commissioner to develop certification standards for certified behavioral health clinics, establish a prospective payment system for services provided by these clinics, and to consult with stakeholders in the development and implementation of the clinics.

- 1 Certified community behavioral health clinics.** Amends Minnesota Statutes 2015 Supplement, § 245.735, subd. 3. Paragraph (a) establishes the certification standards for certified community behavioral health clinics (CCBHC).

Paragraph (b) allows the commissioner to certify a CCBHC that is unable to provide one of the services listed in paragraph (a) if the entity has a contract with a collaborating organization that will provide the services.

Paragraph (c) allows a CCBHC to receive payment without a county contract or approval for services. Provides that there is no county share when medical assistance pays a CCBHC for services. Requires the CCBHC's county to provide a letter of support to the commissioner in order for the CCBHC to be certified.

Paragraph (d) allows the commissioner to grant variances to state licensure or certification requirements as long as the variances do not conflict with federal requirements.

Paragraph (e) requires the commissioner to issue a list of required and recommended evidence-based practices that must be used by CCBHCs.

Paragraph (f) requires the commissioner to establish a prospective payment system for medical assistance payments for services delivered by CCBHCs. Allows the commissioner to include quality bonus payments based on federal criteria and the clinic's provision of evidence-based practices. Provides that the payment system does not apply to

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MinnesotaCare or to services that have cost-based rates under other law. Provides that implementation of the payment system is effective July 1, 2017, or upon federal approval, whichever is later.

Paragraph (g) instructs the commissioner to seek federal approval for continued federal financial participation for payment of CCBHC services after the federal demonstration period ends for CCBHCs that were certified during the demonstration period. Provides that payment for CCBHC services shall end effective July 1, 2019, if federal financial participation cannot be obtained.

Paragraph (h) allows the commissioner to establish a limit on the number of certified clinics so that claims will not exceed funds budgeted for this purpose. Provides that preference shall be given to certain clinics.

Paragraph (i) requires the commissioner to recertify CCBHCs at least every three years. Instructs the commissioner to develop a decertification procedure.

Effective date. Provides that this section is effective the day following final enactment.

- 2 **Public participation.** Amends Minnesota Statutes 2015 Supplement, § 245.735, subd. 4. Requires the commissioner to consult, collaborate, and partner with stakeholders in developing and implementing certified community behavioral health clinics.

Effective date. Provides that this section is effective the day following final enactment.

- 3 **Rental assistance.** Amends § 245.99, subd. 2. Modifies criteria for the receipt of housing assistance so that persons with a serious mental illness can receive up to 90 days of rental assistance.

Effective date. Provides an immediate effective date.

- 4 **Culturally specific program.** Amends § 254B.01, subd. 4a. Modifies culturally specific programs to include subprograms for the purpose of receiving enhanced chemical dependency rates.

Effective date. Provides an immediate effective date.

- 5 **Division of costs.** Amends § 254B.03, subd. 4. Reduces the county share of cost for chemical dependency treatment to 15 percent for fiscal year 2017 only. The current county share is 22.95 percent. Makes a conforming reduction to the percent reimbursement from the state to the county if the state makes collections from private or third-party payments.

Effective date. This section is effective July 1, 2016.

- 6 **Eligibility for treatment in residential settings.** Amends § 254B.04, subd. 2a. Requires that if a person meets the criteria for residential placement, a facility's designation as an institution for mental diseases (IMD) must not be a factor in the placement decision.

Effective date. This section is effective July 1, 2016.

- 7 **Rate requirements.** Amends Minnesota Statutes 2015 Supplement, § 254B.05, subd. 5. Modifies culturally specific programs to include subprograms for the purpose of receiving enhanced chemical dependency rates.

Effective date. Provides an immediate effective date.

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- 8 Allocation of collections.** Amends § 254B.06, subd. 2. Changes the allocation of collections for fiscal year 2017 only. To conform to the change in county share of cost in subdivision 1, the amendment to this subdivision requires the commissioner to allocate 15 percent of the collection to the county of financial responsibility.
- Effective date.** This section is effective July 1, 2016.
- 9 Reimbursement for institutions for mental disease.** Amends § 254B.06, by adding subd. 4. Prohibits the commissioner from denying reimbursement to a program designated as an IMD due to a reduction in federal financial participation and the addition of new residential beds.
- 10 Pilot projects; treatment for pregnant and postpartum women with substance use disorder.** Adds § 254B.15. Directs the commissioner of human services to establish pilot projects, within the limits of federal funds available specifically for this purpose, to provide substance use disorder treatment and services to pregnant and postpartum women.
- Subd. 1. Pilot projects established.** Directs the commissioner of human services to establish the pilot projects. Lists criteria the pilot projects must meet, and requires pilot projects to provide a portion of the treatment and services to women on an outpatient basis.
- Subd. 2. Federal funds.** Requires the commissioner to apply for any available federal grant funds for the pilot projects.
- 11 Start-up grants.** Amends § 256B.0622, by adding subd. 12. Allows the commissioner to use grant funds for ACT teams, IRTS, or crisis residential services.
- Effective date.** Provides an immediate effective date.

Article 17: Direct Care and Treatment**Overview**

This article modifies the county share of cost for services provided to clients at various state-operated services inpatient programs, requires the executive director of the Minnesota Sex Offender Program (MSOP) to complete an annual report, and requires the commissioner to issue quarterly reports on specific information for Anoka-Metro Regional Treatment Center, Minnesota Security Hospital, and the Community Behavioral Health Hospitals.

- 1 Client's county.** Amends § 246.50, subd. 7. Strikes obsolete language and inserts a cross reference.
- 2 Liability of county; reimbursement.** Amends § 246.54, as amended by Laws 2015, chapter 71, article 4, section 2. Restructures this section to more clearly identify the county share of cost for various state-operated services inpatient programs. Adds that a county is responsible for 100 percent of the cost at a community behavioral health hospital when it is clinically appropriate for the client to be discharged and 100 percent of the cost for a client at the

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residential competency restoration program once charges against the client have been resolved or dropped. Adds that a county is responsible for ten percent of the cost for each day a client is at the Minnesota Security Hospital or the forensic nursing home. For forensic transition services, a county is responsible for 50 percent for each day a client spends in the program. For the residential competency restoration program, a county is responsible for 20 percent for each day a client spends in the program and is in need of services, and 50 percent for each day a client is in the program, but is no longer in need of restoration services.

- 3** **Civily committed sex offender's county.** Amends § 246B.01, subd. 1b. Strikes obsolete language and inserts a cross reference.
- 4** **Annual performance report required.** Amends § 246B.035. Changes the reporting date from January of each year to February 15 of each year beginning in 2017.
- 5** **Report on Anoka-Metro Regional Treatment Center (AMRTC), Minnesota Security Hospital (MSH), and Community Behavioral Health Hospitals (CBHH).** Requires the commissioner of human services to issue a public quarterly report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services. Lists the specific information that must be included in the quarterly reports, including, number of licensed beds, budgeted capacity, number of OSHA recordable injuries, number of clinical positions budgeted and percentage filled, and the number of direct care positions budgeted and percentage filled.

Article 18: Continuing Care**Overview**

This article provides for nursing facility moratorium exception funding, modifies the certified nursing assistant reimbursement program, modifies the sunset date for the commissioner to issue licenses for five-bed corporate foster care homes, and provides various instructions to the revisor.

- 1** **Moratorium exception funding.** Amends § 144A.073, subd. 13. Clarifies that the commissioner of health may approve moratorium exception projects, in fiscal year 2013, for which the full annualized state share of MA costs does not exceed \$1,000,000 plus any carryover of previous appropriations for this purpose.
- Effective date.** Provides a retroactive effective date of July 1, 2012.
- 2** **Moratorium exception funding.** Amends § 144A.073, subd. 14. Clarifies that the commissioner of health may approve moratorium exception projects, in fiscal year 2015, for which the full annualized state share of MA costs does not exceed \$1,000,000 plus any carryover of previous appropriations for this purpose.
- Effective date.** Provides a retroactive effective date of July 1, 2014.

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- 3** **Moratorium exception funding.** Amends § 144A.073, by adding subd. 15. In fiscal year 2017, allows the commissioner of health to approve moratorium exception projects for which the full annualized state share of MA costs does not exceed \$1,000,000 plus any carryover of previous appropriations for this purpose.
- 4** **Nursing homes and certified boarding care homes.** Amends § 144A.611, subd. 1. Modifies reimbursable expenses payable to nursing assistants by: (1) adding textbooks to the list of reimbursable expenses; and (2) allowing adult training programs to be reimbursed. Updates a cross-reference.
- Effective date.** Makes this section effective for costs incurred on or after October 1, 2016.
- 5** **Reimbursement for training program and competency evaluation costs.** Amends § 144A.611, subd. 2. Makes a conforming change.
- Effective date.** Makes this section effective for costs incurred on or after October 1, 2016.
- 6** **Reimbursement for adult basic education components.** Amends § 144A.611, by adding subd. 4. Paragraph (a) requires nursing homes and certified boarding care homes to provide reimbursement for costs related to additional adult basic education components of an approved nursing assistant training program.
- Paragraph (b) lists the adult basic education components eligible for reimbursement and limits reimbursement of those components to 30 percent of the cost of tuition, textbooks, and competency evaluation.
- Paragraph (c) prohibits an adult training program from billing program students, nursing facilities, or certified boarding care homes until the program student has been employed by the nursing facility as a certified nursing assistant for at least 90 days.
- Effective date.** Makes this section effective for costs incurred on or after October 1, 2016.
- 7** **Adult foster care and community residential setting license capacity.** Amends § 245A.11, subd. 2a, as amended by Laws 2016, ch. 163, art. 3, § 5, if enacted. Changes the sunset date of the commissioner's authority to issue five-bed licenses to corporate adult foster care homes from June 30, 2019, to June 30, 2017.
- 8** **Employee scholarship costs and training in English as a second language.** Amends § 256B.431, subd. 36. Updates a cross-reference to conform to the changes made to section 144A.611 (reimbursable expenses payable to nursing assistants).
- Effective date.** Makes this section effective for costs incurred on or after October 1, 2016.
- 9** **Revisor's instruction.** Paragraph (a) instructs the revisor of statutes to codify the HCBS innovation pool language that is currently in Laws 2015, chapter 71, article 7, section 55.
- Paragraph (b) instructs the revisor to change cross-references in Minnesota Rules, chapters 2960, 9503, and 9525, resulting from the repealer adopted in the new Positive Support Strategies rule. Allows the revisor to make technical and other necessary changes to preserve the meaning of the text.
- Effective date.** Provides an immediate effective date for paragraph (b).

Section**Article 19: Health Care****Overview**

This article contains provisions related to the Medical Assistance (MA) and MinnesotaCare programs. The articles increases reimbursement rates for certain providers, modifies spousal anti-impoverishment and MA recovery procedures, transfers money from the health care access fund to the general fund, requires reporting of agency agreements and fund transfers, makes changes in MinnesotaCare eligibility and enrollment procedures, and makes other changes related to state public health care programs.

- 1 **Transfers.** Amends § 16A.724, subd. 2. Increases the maximum permitted transfer from the health care access fund to the general fund for FY 2017, from \$48 million to \$122 million, and also provides that the amount transferred in any biennium thereafter shall not exceed \$244 million. (This transfer is related to payment of the MinnesotaCare provider and premium taxes by state public health care programs.)
- 2 **Reports on interagency agreements and intra-agency transfers.** Amends § 62V.05, by adding subd. 12. Requires the MNsure board to provide quarterly reports to the legislative committees with jurisdiction over health and human services policy and finance on: (1) interagency agreements and service level agreements, and renewals or extensions, with a value of more than \$100,000, or related agreements with a cumulative value of more than \$100,000; and (2) transfers of appropriations of more than \$100,000 between accounts within or between agencies. Specifies report requirements.
- 3 **Reports on interagency agreements and intra-agency transfers.** Amends § 256.01, by adding subd. 41. Requires the commissioner of human services to provide quarterly reports to the legislative committees with jurisdiction over health and human services policy and finance on: (1) interagency agreements and service level agreements, and renewals or extensions, with a value of more than \$100,000, or related agreements with a cumulative value of more than \$100,000; and (2) transfers of appropriations of more than \$100,000 between accounts within or between agencies. Specifies report requirements.
- 4 **Definitions.** Amends § 256B.059, subd. 1. Removes the definition of “spousal share” for purposes of MA “spousal anti-impoverishment” provisions. Provides a June 1, 2016, effective date.
- 5 **Assessment of marital assets.** Amends § 256B.059, subd. 2. Requires the total value of spousal assets to be assessed upon application for MA payment of long-term care services. (Under current law, this assessment could also be done at the beginning of the first continuous period of institutionalization.) Provides a June 1, 2016, effective date.
- 6 **Community spouse asset allowance.** Amends § 256B.059, subd. 3. Increases the community spouse asset allowance to \$119,220 (the federal maximum; subject to an annual adjustment based on the CPI) or the amount required by court order to be paid to the community spouse. Provides a June 1, 2016, effective date.

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- 7** **Asset availability.** Amends § 256B.059, subd. 5. Allows an institutionalized spouse to maintain medical assistance eligibility when excess assets owned by the community spouse are retirement funds or funds protected for postsecondary education of a child under age 25. Provides that the retirement accounts are protected until the community spouse is eligible to withdraw funds without penalty. Requires that denial of eligibility must cause an undue hardship to the family. Provides that there shall not be an assignment of spousal support or a cause of action against the spouse for funds protected in retirement and college savings accounts.
- Also makes conforming changes related to elimination of the concept of spousal share and the increase in the community spouse asset allowance.
- Provides a June 1, 2016, effective date. Requires the commissioner to cease implementation of the hardship waiver if federal approval is not obtained.
- 8** **Temporary application.** Amends § 256B.059, by adding subd. 6. Applies the spousal anti-impoverishment provisions to an institutionalized spouse applying for home and community-based waivers for persons with disabilities or applying for services under community first services and supports, effective June 1, 2016. Effective March 1, 2017, applies the spousal anti-impoverishment provisions to persons enrolled in home and community-based waivers before June 1, 2016. This applies during the period in which federal law requires the temporary application of the spousal anti-impoverishment provisions.
- 9** **Citizenship requirements.** Amends § 256B.06, subd. 4. Provides Emergency Medical Assistance coverage of kidney transplants, for persons diagnosed with end stage renal disease who are currently receiving dialysis services, and who are potential candidates for a kidney transplant.
- 10** **Payment for ambulance services.** Amends § 256B.0625, subd. 17a. Effective July 1, 2016, increases MA payment rates for ambulance services by five percent, for ambulance service providers that: (1) have a base of operations located outside the seven-county metropolitan area, and outside Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or (2) have a base of operations located within a municipality with a population of less than 1,000. Requires capitation payments to managed care and county-based purchasing plans for ambulance services provided on or after January 1, 2017, to be adjusted to reflect the rate increase.
- 11** **Other clinic services.** Amends § 256B.0625, subd. 30. Requires the commissioner to seek a federal 1115 waiver to obtain a 100 percent federal match for Indian health service or tribal organization facilities that are dually certified under the Indian Health Care Improvement Act and as federally qualified health centers.
- 12** **Indian health services facilities.** Amends § 256B.0625, subd. 34. Requires MA payments to dually certified facilities to be at the encounter rate or a rate that is substantially equivalent, effective upon federal approval. Strikes an obsolete reference to General Assistance Medical Care.

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- 13 Community emergency medical technician services.** Amends § 256B.0625, by adding subd. 60a.
- (a) Provides medical assistance (MA) coverage of services provided by a community emergency medical technician (CEMT) who is certified by the Emergency Medical Services Regulatory Board under section 144E.275, subdivision 7, when the services are provided according to this subdivision.
- (b) Allows a CEMT to provide a hospital discharge visit when ordered by a treating physician. Specifies the criteria for a visit.
- (c) Allows CEMTs to provide safety evaluation visits to individuals who have repeat ambulance calls due to falls, have been discharged from a nursing home, or have been identified by their primary care provider as at risk for nursing home placement. Requires the visit to be ordered by a primary care provider in accordance with the individual's care plan. Specifies criteria for visits.
- (d) Requires CEMTs to be paid at \$9.75 per 15-minute increment. Provides that a safety evaluation visit cannot be billed for the same day as a posthospital discharge visit for the same recipient.
- Provides that the section is effective July 1, 2017, or upon federal approval, whichever is later.
- 14 Policy and applicability.** Amends § 256B.15, subd. 1. Makes a conforming change related to modifications in procedures for MA recoveries, by striking a reference to the total cost of care.
- 15 Estates subject to claims.** Amends § 256B.15, subd. 1a. Limits claims against the estate of a person over 55 years of age who did not receive institutional services to the amount of medical assistance correctly paid on behalf of the individual prior to January 1, 2014. Clarifies that claims against the estates of individuals age 55 or older who received nursing facility services, home and community-based services, or related hospital and prescription drug benefits on or after January 1, 2014, are allowed.
- Provides that this section is effective upon federal approval and applies retroactively to services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.
- 16 Limitations on claims.** Amends § 256B.15, subd. 2. Paragraph (a) adds language to clarify that this paragraph applies to services rendered prior to January 1, 2014.
- Paragraph (b) provides that claims for services rendered on or after January 1, 2014, must only include nursing facility services, home and community-based services, or related hospital and prescription drug benefits provided for individuals age 55 or older. States that claims must not include interest.
- Provides that this section is effective upon federal approval and applies to services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.
- 17 Dental reimbursement.** Amends § 256B.76, subd. 2. Effective January 1, 2017, increases MA payment rates by 9.65 percent for dental services provided outside the seven-county metropolitan area. States that the increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, and Indian health services. Effective

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January 1, 2017, requires payments to managed care and county-based purchasing plans to reflect this payment increase. Also sunsets, on January 1, 2017, a rate increase for dental providers located outside the seven-county metropolitan area.

18 Critical access dental providers. Amends § 256B.76, subd. 4. (a) Increases critical access dental provider payment rates, except for those set under paragraph (b), to 37.5 percent above the rate that would otherwise apply, effective July 1, 2016. (The current rate enhancement is 35 percent.)

(b) Retains the 35 percent enhanced critical access dental rate for dental clinics or dental groups owned and operated by an HMO that meets specified criteria.

(c) Requires the critical dental provider payment rate for services provided to enrollees of a managed care or county-based purchasing plan to be calculated based on the plan's fee-for-service rate, rather than a capitated or cost-based payment rate.

(d) Modifies criteria for critical access dental providers by: (1) including hospital-based dental clinics owned and operated by a former state hospital meeting specified criteria; and (2) broadening the criteria to include dentists in private practice located within the seven-county metropolitan area for whom more than 50 percent of patient encounters are with persons uninsured or covered by MA or MinnesotaCare and dentists located outside of the seven-county metropolitan area for whom more than 25 percent of patient encounters are with persons who are uninsured or covered by MA or MinnesotaCare. (Under current law, a dentist in private practice must be located in a health professional shortage area, meet the 50 percent patient encounter criteria, and provide a level of service critical to maintaining patient access.)

19 Reimbursement for basic care services. Amends § 256B.766. The amendment to paragraph (i) strikes language requiring the MA payment rate for durable medical equipment, prosthetics, orthotics, or supplies to be restored to the January 1, 2008, MA fee schedule. Also prohibits the commissioner from applying any MA payment reductions to durable medical equipment as a result of Medicare competitive bidding.

A new paragraph (j) increases the MA payment rate for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009, by 9.5 percent effective July 1, 2015. Further increases payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the MA fee schedule, whether or not they were subject to the Medicare competitive bid that took effect in January of 2009, by 2.94 percent. Exempts the following from this paragraph: items subject to volume purchase, products subject to the preferred diabetic testing supply program, certain items provided to dually eligible recipients, and individually priced items. States that managed care and county-based purchasing plan payments shall not be increased to reflect the rate increases in this paragraph.

Provides a retroactive effective date of July 1, 2015.

20 Child. Amends § 256L.01, subd. 1a. Excludes from the definition of "child" used for the MinnesotaCare program: the unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's spouse. Provides an immediate effective date.

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- 21** **Income.** Amends § 256L.01, subd. 5. Defines “income” for MinnesotaCare as current income, or the income for the 12-month eligibility period if income fluctuates. Current law refers to projected annual income. Provides an effective date of July 1, 2017.
- 22** **Social security number required.** Amends § 256L.04, subd. 1a. Clarifies that the requirement that MinnesotaCare applicants provide a Social Security number applies if required by federal regulations. Provides an immediate effective date.
- 23** **Third-party liability, paternity, and other medical support.** Amends § 256L.04, subd. 2. Makes cooperation with the state agency to identify and claim third-party payment voluntary. Eliminates the requirement that enrollees cooperate with DHS in establishing paternity of an enrolled child and obtaining medical support. Provides an immediate effective date.
- 24** **Annual income limits adjustment.** Amends § 256L.04, subd. 7b. Requires income limits for MinnesotaCare to be adjusted each July 1, rather than on January 1. Provides a July 1 2017, effective date.
- 25** **Redetermination of eligibility.** Amends § 256L.05, subd. 3a. Provides that the 12-month MinnesotaCare eligibility period begins the month of application. Beginning July 1, 2017, requires the commissioner to implement renewals throughout the year according to federal guidance. (Under current law, all eligibility redeterminations occur during the MNsure open enrollment period.) Provides a July 1, 2017, effective date.
- 26** **Commissioner’s duties and payment.** Amends § 256L.06, subd. 3. Requires the commissioner to forgive the past-due premium for persons disenrolled for nonpayment of premiums, prior to issuing a premium invoice for the fourth month following disenrollment. Provides an immediate effective date.
- 27** **General requirements.** Amends § 256L.07, subd. 1. Provides that coverage terminates on the last day of the calendar month in which the commissioner sends advance notice that a family or individual is not eligible for MinnesotaCare due to exceeding the program income limit. (Under current law, coverage terminates the last day of the calendar month following the month in which the commissioner makes a determination of ineligibility due to excess income.) Provides an immediate effective date.
- 28** **Critical access dental providers.** Amends § 256L.11, subd. 7. Effective July 1, 2016, increases MinnesotaCare critical access dental provider payments from 30 to 32.5 percent above the rate that would otherwise have been paid, except that rates remain at 30 percent above the rate that would otherwise have been paid, for providers described in section 256B.76, subdivision 4, paragraph (b).
- 29** **Premium determination for MinnesotaCare.** Amends § 256L.15, subd. 1. For purposes of waiving MinnesotaCare premiums, requires the commissioner to accept attestation of American Indian status as verification, until the federal government approves an electronic data source for this purpose. Provides an immediate effective date.
- 30** **Direction to the commissioner of human services; notice.** Requires the commissioner to provide notice of changes in MA recovery procedures to all individuals that received MA non-long-term care services on or after July 1, 2014. Requires notice to be provided within 90 days from the date of enactment.

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31 **Repealer.** Repeals section 256B.059, subdivision 1a (reference to first continuous period of institutionalization for purposes of spousal anti-impoverishment provisions), effective June 1, 2016.

Repeals sections 256L.04, subdivisions 2a (requirement to apply for other benefits) and 8 (applicants potentially eligible for MA); 256L.22; 256L.24, 256L.26, and 256L.28 (these four sections relate to the children's health program), the day following final enactment.

Article 20: Health Department**Overview**

This article modifies programs operated by the Health Department, including radon testing and mitigation, health maintenance organization quality of care complaints, home care licensure, hospice licensure, funeral establishments, and health information technology. It establishes a greater Minnesota family medicine residency grant program, and a grant program to provide screening and treatment for pre- and postpartum mood and anxiety disorders.

- 1** **Radon testing and mitigation data.** Adds subd. 5 to § 13.3805. Classifies data maintained by the Department of Health that relate to radon testing and mitigation sites as private data on individuals or nonpublic data.
- 2** **Application review.** Amends § 62D.04, subd. 1. Requires an applicant for a certificate of authority to operate as a health maintenance organization to include a peer review process as part of its arrangements for ongoing evaluation of the quality of health care.
- 3** **Report requirements.** Amends § 62D.08, subd. 3. Requires the annual report submitted to the commissioner of health by a health maintenance organization to include data on the number of complaints received and the category of each complaint, as defined by the commissioner. Lists complaint categories that must be included, requires the commissioner to define complaint categories by July 1, 2017, and requires the categories to be used by health maintenance organizations beginning in calendar year 2018.
- 4** **Quality of care complaints.** Adds § 62D.115. Defines quality of care complaint, and requires each health maintenance organization to develop and implement a quality of care complaint investigation process that includes a written policy and procedures for the receipt, investigation, and follow-up of complaints. Requires the process to include descriptions of levels of severity of complaints, requires all quality of care complaints to be investigated, and establishes requirements for investigation findings, records, and tracking. Requires all health maintenance organizations to submit data to the commissioner on the number of complaints per category, and requires health maintenance organizations to maintain records of complaints for five years. Specifies that the requirements in this section do not apply to complaints to a health maintenance organization from a public health care program enrollee.
- 5** **Coordination with national HIT activities.** Amends § 62J.495, subd. 4. Adds the following activities to the commissioner of health's duties to coordinate the use of health

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information technology: (1) providing financial and technical support to health care providers to encourage implementation of admission, discharge, and transfer alerts and care summary and document exchange transactions, and to evaluate the impact of health information technology on cost and quality of care; (2) providing educational resources and technical assistance to health care providers and patients regarding privacy, security, and consent laws governing health information; (3) assessing the state's legal, financial, and regulatory framework for the exchange of health information, and recommending modifications to allow providers to securely exchange data in compliance with patient preferences; and (4) seeking public input on patient impact and costs of obtaining patient consent to release health records.

- 6 Account establishment.** Amends § 62J.496, subd. 1. Expands the allowable uses of funds in the electronic health record system revolving account, to allow funds to be used for the commissioner of health's activities listed in section 62J.495, subdivision 4, related to coordination of health information technology activities. Provides that the commissioner will not award new loans or loan guarantees from this account after July 1, 2016.
- 7 Reports on interagency agreements and intra-agency transfers.** Adds subd. 6 to § 144.05. Requires the commissioner of health to provide quarterly reports to the chairs and ranking minority members of the health and human services committees on (1) interagency agreements or service level agreements, or renewals or extensions of existing agreements, with a state agency or state department or MN.IT with a value of more than \$100,000, or related agreements with the same department or agency with a cumulative value of more than \$100,000; and (2) appropriation transfers with a value of more than \$100,000 between accounts within or between agencies. Lists what the quarterly report must include.
- 8 Greater Minnesota family medicine residency grant program.** Adds § 144.1912. Creates a program administered by the commissioner of health to award grants to family medicine residency programs that are located outside the seven-county metro area and that have a demonstrated history of training physicians for practice outside the metro area.

Subd. 1. Definitions. Defines terms "commissioner" and "eligible family medicine residency program."

Subd. 2. Program administration. Directs the commissioner to award grants to existing, eligible, nonprofit family medicine residency programs to fund new and existing residency positions. Requires funds to be allocated first for new residency positions, with remaining funds allocated for existing positions. Allows the commissioner to fund a new residency position for up to three years, lists allowable uses for grant funds, and prohibits funds from supplanting other funds available for residency positions.

Subd. 3. Applications. Establishes a process for programs to apply for grant funds.

Subd. 4. Program oversight. Requires the commissioner to collect information from residency programs that the commissioner needs to administer and evaluate the grant program. Specifies what the evaluation must include and requires the commissioner to continue to collect data on greater Minnesota family medicine residency shortages.

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- 9 Rulemaking.** Amends § 144.4961, subd. 3. Clarifies the authority of the commissioner of health to adopt rules to establish licensure requirements and work standards for indoor radon in dwellings and other buildings.
- 10 System tag.** Amends § 144.4961, subd. 4. Requires radon mitigation systems installed on or after January 1, 2018, to have radon mitigation tags provided by the commissioner of health (current law requires radon mitigation tags for systems installed on or after October 1, 2017).
- 11 License required annually.** Amends § 144.4961, subd. 5. Modifies the services for which radon licensure is required, to not require licensure for persons, firms, or corporations that sell devices to detect radon indoors. Also removes an exemption for retail stores that is no longer needed, since licensure is no longer required for entities that sell radon detection devices. Makes this section effective January 1, 2018.
- 12 Exemptions.** Amends § 144.4961, subd. 6. Exempts the following from licensure requirements for radon testing and mitigation professionals and firms:
- employees of a firm or corporation that installs radon control systems in newly constructed Minnesota homes;
 - building officials that enforce the Building Code or their designees; and
 - persons and entities that distribute radon testing devices or information for educational purposes.
- 13 Licensing fees.** Amends § 144.4961, subd. 8. Modifies radon licensure fees for measurement professionals, mitigation professionals, and mitigation companies. Specifies that employees or subcontractors supervised by a licensed mitigation professional are not required to be licensed. Waives the license fee for mitigation companies that employ only one licensed mitigation professional.
- 14 Local inspections or permits.** Adds subd. 10 to § 144.4961. Provides that the Minnesota Radon Licensing Act does not preclude local units of government from requiring additional permits or inspections for radon control systems, and does not supersede local inspection or permit requirements.
- 15 Application; newly constructed homes.** Adds subd. 11 to § 144.4961. Specifies the Minnesota Radon Licensing Act does not apply to newly constructed Minnesota homes prior to the issuance of a certificate of occupancy.
- 16 Hospice provider.** Amends § 144A.75, subd. 5. Removes a reference to “terminally ill” from the definition of “hospice provider” to conform with changes made to the definition of “hospice patient” in section 144A.75, subdivision 6.
- 17 Hospice patient.** Amends § 144A.75, subd. 6. Expands the definition of “hospice patient” to include an individual who is age 21 or younger; has been diagnosed with a chronic, complex, and life-threatening illness contributing to a shortened life expectancy; and is not expected to survive to adulthood. Adding these patients to the definition allows them to receive services from a hospice provider.

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- 18 Hospice services; hospice care.** Amends § 144A.75, subd. 8. Amends the definition of “hospice services” or “hospice care” to conform with changes made to the definition of “hospice patient.”
- 19 Residential hospice facility.** Amends § 144A.75, subd. 13. Amends the definition of “residential hospice facility” to clarify that the facility resembles a single-family home that has been modified to address life safety, accessibility, and care needs.
- 20 Respite care.** Adds subd. 13a to § 144A.75. Adds a definition of “respite care.” This definition is similar to the definition of respite care found in hospice services rules at Minnesota Rules, part 4664.0020, subpart 5, except the definition in this bill includes a reference to residential hospice facility.
- 21 Grant program; screening and treatment for pre- and postpartum mood and anxiety disorders.** Adds § 145.908. Directs the commissioner of health to establish a grant program, within the limits of federal funds available specifically for this purpose, to provide culturally competent screening and treatment for pre- and postpartum mood and anxiety disorders in pregnant women and women who have given birth in the last 12 months.
- Subd. 1. Grant program established.** Directs the commissioner of health to establish the grant program. Allows organizations to use grant funds to establish new programs, or to expand or maintain existing programs. Requires the commissioner to prioritize funding for screenings in primary care settings.
- Subd. 2. Allowable uses of funds.** Lists required and permitted uses of funds.
- Subd. 3. Federal funds.** Requires the commissioner to apply for any available federal grant funds for the program.
- 22 Requirements for funeral establishment.** Amends § 149A.50, subd. 2. Makes a change to requirements for funeral establishments to conform with changes made to section 149A.92, which governs preparation and embalming rooms.
- 23 Establishment update.** Amends § 149A.92, subd. 1. Removes a requirement that all funeral establishments must, by July 1, 2017, contain a preparation and embalming room that complies with the standards in this section. Instead, requires a room used by a funeral establishment for preparation and embalming to comply with the standards in this section, and allows a funeral establishment with branch locations to have one prep and embalming room that complies with the standards in this section for all locations. Specifies a funeral establishment where no preparation and embalming is performed does not need to have an on-site prep and embalming room.
- 24 Recreational camping area.** Amends § 327.14, subd. 9. In a chapter on regulation of camping areas by the commissioner of health, amends the definition of recreational camping area to exclude the following from Health Department regulation and fees: a privately owned camping area used for no more than once a year for no longer than seven days in a row by members of a private club who pay dues.

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

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- 25** **Effective date.** Modifies the effective date for provisions requiring radon mitigation system tags and requiring licensure for radon testing and mitigation professionals and firms, from October 1, 2017, to July 1, 2016.
- 26** **Repealer.** Repeals section 149A.92, subdivision 11, the day following final enactment. This subdivision specifies that all funeral establishments where human remains are present for preparation and embalming, viewings, visitations, services, and holding must comply with the requirements for preparation and embalming rooms.

Article 21: Health-Related Occupational Licensing**Overview**

This article creates licensure requirements for genetic counselors and for orthotists, pedorthists, and prosthetists.

- 1** **Definitions.** Creates § 147F.01. Defines the following terms as used in this practice act: “ABGG,” “ABMG,” “ACGC,” “board,” “eligible status,” “genetic counseling,” “genetic counselor,” “licensed physician,” “NSGC,” “qualified supervisor,” “supervisee,” and “supervision.”
- 2** **Scope of practice.** Creates § 147F.03. Lists the type of services provided by a licensed genetic counselor.
- 3** **Unlicensed practice prohibited; protected titles and restrictions on use.** Creates § 147F.05.

Subd. 1. Protected titles. Prohibits use of the titles “genetic counselor,” “licensed genetic counselor,” “gene counselor,” “genetic consultant,” “genetic assistant,” or “genetic associate” unless the individual is licensed as a genetic counselor.

Subd. 2. Unlicensed practice prohibited. Prohibits the practice of genetic counseling unless licensed as a genetic counselor, or subject to an exception as provided in subdivision 3 of this section.

Subd. 3. Other practitioners. Paragraph (a) provides nothing in this practice act shall limit the practice of other licensed professionals who are operating within their scope of practice.

Paragraph (b) provides that a license is not required for individuals who are employed by the federal government or federal agency, students enrolled in an accredited genetic counseling program or students who have graduated within the past six months and are scheduled to take the certification examination, a visiting certified genetic counselor working as a consultant, or are licensed to practice medicine under chapter 147.

Subd. 4. Sanctions. Provides that violation of this section is a misdemeanor and is subject to sanctions under section 214.11.

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- 4 Licensure requirements.** Creates § 147F.07.
- Subd. 1. General requirements for licensure.** Requires applicants to submit a completed application along with the required fees, evidence of graduation from an accredited genetic counseling program, valid and current certification from a national certification program, and additional information requested by the board.
- Subd. 2. Licensure by reciprocity.** Requires an applicant to hold a current genetic counselor or medical geneticist registration or license in another jurisdiction whose standards meet or exceed those of Minnesota, and to meet specified requirements in subdivision 1. Requires the applicant to provide letters of verification from each jurisdiction in which the applicant is registered or licensed.
- Subd. 3. Licensure by equivalency.** Allows the board to grant a license to an individual who does not meet the certification requirements in subdivision 1, but who has been employed as a genetic counselor for a minimum of ten years and provides specified documentation to the board.
- Provides that this subdivision expires February 1, 2018.
- Subd. 4. License expiration.** Provides that a license is valid for one year.
- Subd. 5. License renewal.** Requires a genetic counselor to submit a renewal application and the required fee, evidence of compliance with continuing education requirements, and any additional information requested by the board.
- 5 Board action on applications for licensure.** Creates § 147F.09. Requires the board to take action on each application submitted and provide written notice to the applicant of the action taken. Allows the board to investigate information provided by an applicant. Provides that if the board denies a license, grounds for denial must be disclosed to the applicant along with the applicant's right for a review of the board's decision.
- 6 Continuing education requirements.** Creates § 147F.11. Paragraph (a) requires genetic counselors to complete a minimum of 25 hours of approved continuing education units during each two-year period.
- Paragraph (b) allows the board to grant a variance to the continuing education requirements.
- 7 Discipline; reporting.** Creates § 147F.13. Provides that disciplinary action and reporting requirements are subject to sections 147.091 to 147.162, disciplinary provisions of the Board of Medical Practice.
- 8 Licensed genetic counselor advisory council.** Creates § 147F.15.
- Subd. 1. Membership.** Requires the board to appoint a five member council. One member must be a licensed physician, one a public member, and three licensed genetic counselors.
- Subd. 2. Organization.** Provides that section 15.059 governs the organization and administration of the council.

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Subd. 3. Duties. Requires the council to advise the board on licensing standards and complaints, enforcement of the Genetic Counselor Practice Act, and provide for distribution of information on genetic counselor practice standards.

Subd. 4. Expiration. Provides that the council does not expire.

- 9 Fees.** Creates § 147F.17. Establishes fees for license application, initial license and annual renewal, provisional license, and a late fee. Allows the board to prorate fees. Provides that fees are nonrefundable. Requires fees to be deposited in the state government special revenue fund.
- 10 Short title.** Creates § 153B.10. Provides the title for this act.
- 11 Definitions.** Creates § 153B.15. Defines the following terms: “advisory council,” “board,” “custom-fabricated device,” “licensed orthotic-prosthetic assistant,” “licensed orthotic fitter,” “licensed orthotist,” “licensed pedorthist,” “licensed prosthetist,” “licensed prosthetist orthotist,” “NCOPE,” “orthosis,” “orthotics,” “over-the-counter,” “off-the-shelf,” “pedorthic device,” “pedorthics,” “prescription,” “prosthesis,” “prosthetics,” “resident,” “residency,” and “supervisor.”
- 12 Exceptions.** Creates § 153B.20. Exempts the following from the provisions of this act:
- licensed physicians, osteopathic physicians, or podiatric physicians who are providing service within the scope of their practice;
 - professionals, such as physical therapists and occupational therapists, who are providing services within the scope of their practice;
 - individuals who practice orthotics, prosthetics, or pedorthics as part of their employment by the federal government or federal agency;
 - orthotic, prosthetic, or pedorthic students, residents, and interns; or an orthotist, prosthetist, pedorthist, prosthetic orthotist, assistant, or fitter who is licensed in another state or another country that has equivalent licensure requirements, and has applied for licensure under this act.
- 13 Orthotics, Prosthetics, and Pedorthics Advisory Council.** Creates § 153B.25.
- Subd. 1. Creation; membership.** Paragraph (a) establishes the seven member advisory council. Requires five members to be professionals licensed under this act, one member to be a licensed podiatrist, and one to be a public member.
- Paragraph (b) provides that the council is to be organized under section 15.059.
- Subd. 2. Duties.** Lists the duties of the council.
- 14 Licensure.** Creates § 153B.30.
- Subd. 1. Application.** Requires applicants to submit a license application in the format required by the board, accompanied by the required nonrefundable fee.
- Subd. 2. Qualifications.** Requires applicants to meet the certification requirements of applicable national certifying board at the time of application and to be in good standing with the certifying board.

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Subd. 3. License term. Provides that a license is valid for a term of up to 24 months beginning on January 1, or commencing after fulfilling the license requirements and ending on December 31 of the following year.

- 15 Employment by an accredited facility; scope of practice.** Creates § 153B.35. Allows a licensee to provide limited, supervised patient care beyond their scope of practice if:
- the licensee is employed by a facility that is accredited by a national accrediting organization in orthotics, prosthetics, and pedorthics;
 - written objective criteria are provided by the facility to describe the knowledge and skills required by the licensee to demonstrate competence to provide services outside the licensee's scope of practice;
 - the licensee is under the direction of a supervisor licensed as an orthotist, prosthetist, or pedorthist who is employed by the facility; and the patient care occurs in compliance with facility accreditation standards.

- 16 Continuing education.** Creates § 153B.40.

Subd. 1. Requirement. Requires each licensee to comply with the continuing education requirements imposed by their certifying board.

Subd. 2. Proof of attendance. Requires each licensee to submit to the board proof of attendance at approved continuing education programs during the licensure period.

Subd. 3. Extension of continuing education requirements. Allows a licensee, for good cause, to apply for a six-month extension in order to complete continuing education requirements. Allows up to two consecutive extensions. "Good cause" is defined as unforeseen hardship.

- 17 License renewal.** Creates § 153B.45.

Subd. 1. Submission of license renewal form. Requires a licensee to submit a signed renewal application to the board that is postmarked no later than January 1.

Subd. 2. Renewal application postmarked after January 1. Requires the applicant to pay a late renewal fee if the application is postmarked after January 1.

Subd. 3. Failure to submit renewal application. Paragraph (a) requires the board to mail a notice to a licensee who fails to apply for license renewal. Provides that the notice must contain information on the steps that must be taken by the licensee to renew the license or to voluntarily terminate the license.

Paragraph (b) provides that a licensee's failure to respond to the notice shall result in expiration of the license and termination of the right to practice.

Paragraph (c) provides that an expired license may be reinstated.

- 18 Name and address change.** Creates § 153B.50. Paragraph (a) instructs a licensee to notify the board of any name change within 90 days of the change.

Paragraph (b) requires a licensee to maintain a correct address with the board. Instructs a licensee to notify the board of any address change within 90 days of the change.

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- 19 Inactive status.** Creates § 153B.55. Paragraph (a) allows a licensee to place the licensee's credential on active status.
- Paragraph (b) requires a licensee who requests restoration of a credential to complete a license renewal application and pay the current renewal fee.
- Paragraph (c) provides that a person whose license is on inactive status cannot practice.
- 20 License lapse due to military service.** Creates § 153B.60. Allows service members whose license expire while on active duty or while in training or education prior to induction, to have their license renewed or restored without paying a late fee or a restoration fee.
- 21 Endorsement.** Creates § 153B.65. Allows the board to issue a license, without examination, to applicants who are certified by a national certification organization.
- 22 Grounds for disciplinary action.** Creates § 153B.70. Paragraph (a) lists the grounds for adverse action by the board against an applicant or licensee.
- Paragraph (b) provides that a license to practice is automatically suspended if a guardian is appointed for the licensee or the licensee is committed by an order of the court under the Minnesota Commitment Act. Allows a licensee to be reinstated upon proof by clear and convincing evidence that the licensee has been rehabilitated.
- Paragraph (c) allows the board to require a licensee to submit to a mental or physical examination when the board has probable cause to believe the licensee is unable to practice due to intoxication, addiction to drugs, or mental or physical illness. Provides that the failure of a licensee to submit to an examination constitutes an admission of the allegations.
- Paragraph (d) allows the board to obtain a licensee's medical data and health records, without the consent of the licensee, if the board has probable cause to believe the licensee is unable to practice due to intoxication, addiction to drugs, or mental or physical illness.
- Paragraph (e) requires the board to hold a hearing within 30 days when the board issues an order of immediate suspension of a license.
- 23 Investigation; notice and hearings.** Creates § 153B.75. Authorizes the board to investigate alleged violations of the practice act, conduct hearings, and impose corrective or disciplinary action as provided in section 214.103 (health-related licensing boards; complaint, investigation, and hearing).
- 24 Unlicensed practice.** Creates § 153B.80.
- Requires individuals to hold a license in order to practice one of the professions regulated by this act; and
 - prohibits any individual from holding oneself out as a professional regulated by this act if the person is not regulated; and makes it a misdemeanor for a person to practice or hold oneself out as an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or fitter without a license. Grants the board the authority to seek a cease and desist order.
- 25 Fees.** Creates § 153B.85. Lists various application and renewal fees.

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- 26** **Consent form; fees; fingerprints.** Amends § 214.075, subd. 3. Updates criminal history record check statute for the health-related licensing boards.
- 27** **First appointments, first meeting, and first chair of the Orthotics, Prosthetics, and Pedorthics Advisory Council.** Instructs the board to make appointments to the council by September 1, 2016. Requires the council to convene by November 1, 2016.

Article 22: Human Services Forecast Adjustments**Overview**

Adjusts appropriations for fiscal years 2016 and 2017 for forecasted programs administered by the Department of Human Services.

Article 23: Health and Human Services Appropriations**Overview**

Appropriates money or adjusts appropriations for fiscal years 2016 and 2017 for the Department of Human Services, the Department of Health, certain health-related licensing boards, the Ombudsman for Mental Health and Developmental Disabilities, and the Department of Commerce.

Article 24: Teachers

- 1** **Duties of the Board of Teaching.** Makes technical and clarifying changes to standardize the statutory names of teacher licenses. Makes other grammatical corrections. Strikes duplicative language. (n) Requires the Board of Teaching to adopt rules to require at least one hour of suicide prevention best practices for renewal of an existing license.
- (d) Permits the Board of Teaching to grant a one-year professional license, which the board may renew two times, to a qualified person to teach in a Montessori program operated by a district or charter school.
- (e) Permits the Board of Teaching to grant a one-year waiver, renewable two times, to qualified individuals enrolled in an alternative preparation program leading to certification or licensure as a career and technical education instructor or teacher. Directs the board to strongly encourage Minnesota teacher preparation programs and institutions to develop alternative pathways for this purpose.
- Makes paragraph (n) effective immediately and applicable for teachers renewing their licenses beginning August 1, 2017.
- Makes paragraphs (d) and (e) effective for the 2016-2017 through the 2018-2019 school years.

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Makes subdivision 4, paragraph (m), effective immediately and applies to teachers renewing their teaching licenses beginning August 1, 2017. Makes subdivision 10, paragraph (d), effective for the 2016-2017 through 2017-2018 school years. Otherwise effective August 1, 2016.

- 2 **Qualified teacher defined.** Strikes obsolete language defining highly qualified teacher under the federal No Child Left Behind Act.
- 3 **Board to issue licenses.** Makes technical and clarifying changes to standardize the statutory names of teacher licenses. Makes other grammatical corrections. Strikes duplicative language.
- 4 **Applicants trained in other states.** Makes technical and clarifying changes to standardize the statutory names of teacher licenses and the process for licensing applicants trained in other states. Makes other grammatical corrections.
- 5 **Alternative teacher preparation program and preliminary teacher license.** Makes technical and clarifying changes to standardize the statutory names of teacher licenses.
- 6 **Development, evaluation, and peer coaching for continuing contract teachers.** (b) For teachers generally, makes providing all enrolled students with improved and equitable access to effective and more diverse teachers a goal of the teacher development and evaluation process. Allows the annual teacher evaluation process to include mentoring and induction programs for teachers who are members of populations underrepresented among the licensed teachers in the school or district and who reflect the diversity of the enrolled students.
- Makes this section effective for the 2016-2017 school year and later.
- 7 **Development, evaluation, and peer coaching for continuing contract teachers.** (b) For teachers in first class city school districts, makes providing all enrolled students with improved and equitable access to effective and more diverse teachers a goal of the teacher development and evaluation process. Allows the annual teacher evaluation process to include mentoring and induction programs for teachers who are members of populations underrepresented among the licensed teachers in the school or district and who reflect the diversity of the enrolled students.
- Makes this section effective for the 2016-2017 school year and later.
- 8 **Restructured pay system.** Strikes obsolete language.
- 9 **Alternative teacher professional pay system.** As a condition of eligibility for Q-Comp funding, requires interested districts and schools to have a world's best work force plan instead of an educational improvement plan.
- 10 **Approval process.** Strikes a statutory cross reference to conform this Q-Comp section with the change in required plans under the preceding section in this article.
- 11 **Report; alternative teacher professional pay system.** Conforms these sections to the repeal of **section 122A.413**, Educational Improvement Plan, and replaces this requirement with the world's best work force reporting.

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- 12 Supplemental agreements; alternative teacher pay.** Strikes a statutory cross reference to conform this Q-Comp section with the change in required plans under the two preceding sections in this article.
- 13 Basic alternative teacher compensation aid.** Increases the aid entitlement for fiscal year 2016 to allow additional schools to participate.
Makes this section effective immediately.
- 14 Alternative teacher compensation revenue for Perpich Center for Arts Education and multidistrict integration collaboratives.** Strikes a statutory cross reference to conform this Q-Comp section with the change in required plans under the three preceding sections in this article.
- 15 General control of schools.** (a) Grants the teacher of record the general control and government of the school and classroom.
(b) Allows a teacher to remove students from class for violent or disruptive conduct, consistent with a school board's district-wide school discipline policy.
Makes this section effective for the 2016-2017 school year and later.
- 16 Staff development report.** Strikes language requiring school districts and school sites to write and submit a staff development activity and expenditure report to the education commissioner. Instead requires school districts and school sites to include the staff development report in the district's world's best work force report. Strikes language requiring the commissioner to submit annual staff development data to the legislature.
- 17 Establishment.** Allows the commissioner to award additional joint grants to postsecondary institutions and school districts to prepare American Indian teachers if additional funds are available.
- 18 Center functions.** Strikes an obsolete reference to highly qualified teacher under the federal No Child Left Behind Act.
- 19 Achievement and integration for Minnesota.**
- Subd. 1. Program to close the academic achievement and opportunity gap; revenue uses.** (c) Directs districts receiving achievement and integration revenue to use the revenue for: integrated learning environments that give students improved and equitable access to effective and more diverse teachers, among other outcomes; for improved and equitable access to effective and diverse teachers, among other outcomes; and rigorous career and college readiness programs and effective and more diverse instructors for underserved student populations, among other purposes.
(d) Allows eligible districts to adopt policies to increase the diversity of district teachers and administrators using achievement and integration revenue.
- Subd. 2. Plan implementation; components.** Includes among the components of a long-term achievement and integration plan: professional development opportunities for teachers and administrators who are members of populations underrepresented among licensed teachers or administrators in the district or school and who reflect the diversity of the enrolled students; and increased programmatic opportunities and

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effective and more diverse instructors focused on rigor and career and college readiness for underserved students. Requires the long-term plan to contain goals for reducing the disparities in equitable access to effective and more diverse teachers and increasing racial and economic diversity and integration in schools and districts, among other goals.

Subd. 3. Public engagement; progress report and budget process. Requires participating school boards to hold at least one annual hearing to publicly report on progress in improving students' equitable access to effective and more diverse teachers and in realizing racial and economic diversity and integration in schools and districts, among other measures.

Subd. 5. Evaluation. Directs the education commissioner to evaluate the efficacy of district plans in reducing disparities in academic performance among specified categories of students, in improving students' equitable access to effective and diverse teachers and in realizing racial and economic diversity and integration.

Makes this section effective for the 2016-2017 school year and later.

- 20 Survey of districts.** Directs the education commissioner, when surveying the state's school districts and teacher preparation programs, to submit a biennial report to the legislature on students' access to effective and more diverse teachers who reflect the diversity of district students.
- 21 Career and technical education certification and licensure.** (a) Directs the MnSCU Board of Trustees to provide an alternative preparation program allowing individuals to be certified as a career and technical education instructor. Allows the Board of Trustees to locate the first such program in the seven-county metropolitan area.
- (b) Directs the MnSCU Board of Trustees, in consultation with the Board of Teaching, to develop an alternative preparation program to certify and license career and technical education instructors and teachers.
- Makes this section effective for the 2016-2017 academic year.
- 22 Staff development grants for intermediate school districts and other cooperative units.** For fiscal years 2017, 2018, and 2019 only, provides staff development grants to intermediate school districts and other cooperatives equal to \$1,000 times the full-time equivalent number of licensed instructional staff and nonlicensed classroom aides employed by the intermediate or other cooperative in the previous year. Requires the staff development grants to be used for at least: (1) proactive behavior management; (2) personal safety training; (3) de-escalation techniques; and (4) adapting curriculum and pedagogy for students with complex learning and behavioral needs. Requires the commissioner to prorate the grants if available funding is insufficient.
- Makes this section effective for fiscal year 2017 and later.
- 23 Career and Technical Educator Licensing Advisory Task Force.** Provides for the creation, membership, duties, reporting requirements, and other administrative provisions of a Career and Technical Educator Licensing Advisory Task Force.
- Makes this section effective immediately.

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- 24** **Legislative study group on educator licensure.** (a) Establishes a 12-member legislative study group to review the 2016 OLA report on teacher licensing and to report to the legislature by February 1, 2017, on recommendations for restructuring Minnesota's teacher licensure.
- (b) Includes six currently serving house members, including the chair of the house Education Innovation Policy Committee, three appointed by the house speaker and three appointed by the house minority leader, and six currently serving senate members, including the chair of the senate education committee, three appointed by the senate majority leader and three appointed by the senate minority leader, as study group members.
- (c) Requires appointments to be made by June 1, 2016, and causes the appointments to expire on February 2, 2017. Requires the leader of the caucus in the affected body to which a vacating study group member belonged to fill any vacancy that occurs. Directs the chair of the House Education Innovation Policy Committee to convene the first meeting. Requires the study group to meet periodically. Directs the Legislative Coordinating Commission to provide technical and administrative assistance upon request.
- (d) Directs the study group to consult with the Board of Teaching, the education department, the Board of School Administrators, and other interested and affected stakeholders.
- (e) Causes the study group to expire on February 2, 2017, unless extended by law.
- Makes this section immediately effective.

Article 25: Education Excellence

- 1** **School crisis response teams.** Requires the commissioner of education to collect, maintain, and make available to school districts contact information for school crisis response teams. Requires the commissioner of education to work cooperatively with the Minnesota School Safety Center to help develop school crisis response teams in regions of the state where an existing crisis response team has not yet been formed.
- 2** **Conduct of school on certain holidays.** (b) Allows districts to honor Constitution Day and Citizenship Day by providing opportunities for students to learn about American government, law, history, and geography by, among other activities, taking the same test that applicants for naturalization do.
- 3** **Required knowledge and understanding of civics.** (a) Defines "civics test" to mean 50 of the 100 questions U.S. Citizenship and Immigration Services officers use to select the questions they pose to applicants for naturalization. Directs the Learning Law and Democracy Foundation, in consultation with civics teachers, to select by July 1 of each year the 50 civics test questions and to transmit the questions to the department and the Legislative Coordinating Commission, which must post the questions by August 1.
- (b) Requires public school students to correctly answer at least 30 of the 50 civics test questions. Allows school districts and schools to record on the student's transcript whether the student correctly answered at least 30 civics test questions. Allows school districts and schools to exempt students with disabilities from this requirement if the student's

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individualized education program team determines the requirement is inappropriate and establishes an alternative requirement. Allows a school district or school to administer the civics test in a language other than English.

(c) Allows school districts to administer the civics test as part of the social studies curriculum. Prohibits a district from preventing a student from graduating or denying a student a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.

(d) Prohibits the commissioner, school districts, and schools from charging students any fees related to this test.

Makes this section effective for students enrolling in grade 9 in the 2017-2018 school year and later.

4 **Required academic standards.** (a) Includes the content of the civics test in the statewide social studies standards.

(c) Directs the education department to adopt, review, and revise nationally recognized prekindergarten through grade 12 physical education standards and benchmarks as Minnesota's required physical education academic standards. Allows the department to modify and adapt the standards and benchmarks to accommodate state interests. Directs the department to post samples of existing assessments for school districts to use as an alternative to local assessments to assess students' mastery of the physical education standards.

Makes paragraph (c) effective beginning in the 2020-2021 school year.

5 **Rulemaking.** Directs the education commissioner to adopt statewide rules for implementing physical education standards.

6 **Revisions and reviews required.** (g) Directs the education commissioner to implement a review of physical education standards and related benchmarks beginning in the 2022-2023 school year and every ten years thereafter.

7 **Physical education; exclusion from class; recess.** Allows a student to be excused from a physical education class: (1) if the student submits information signed by a physician that physical activity will jeopardize the student's health; (2) if being excused meets the child's unique and individualized needs according to their individualized education program, 504 plan, or individualized health plan; or (3) if the parent or guardian requests an exemption on religious grounds. Strongly encourages school not to exclude students from recess due to punishment or disciplinary action.

8 **Performance measures.** Strikes student performance on the National Assessment of Educational Progress (NAEP) as a world's best work force measure of district and school progress.

9 **Adopting plans and budgets.** Requires a world's best work force plan to include a process to: assess and identify students to participate in gifted and talented programs and accelerate their instruction, and to adopt early admission procedures under Minnesota's gifted and talented program; and examine the equitable distribution of teachers and strategies to ensure

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low-income and minority children are not taught by inexperienced, ineffective, or out-of-field teachers.

- 10** **District advisory committee.** Consistent with school performance reports and the world's best work force, directs local school boards to examine the equitable distribution of effective, experienced, and in-field teachers.

Makes this section effective for the 2016-2017 school year and later.

- 11** **Site team.** Requires a school's site team under the world's best workforce law to include an equal number of teachers and administrators and at least one parent. Makes the site team responsible for creating an instruction and curriculum improvement plan.

- 12** **Report.** Requires a school board to report on its efforts to equitably distribute diverse, effective, experienced, and infield teachers.

- 13** **Identification; report.** (a) Directs school districts to summarize their efforts to screen and identify students with dyslexia or convergence insufficiency disorder.

(b) Requires districts to provide alternative instruction to students identified under paragraph (a).

- 14** **Gifted and talented students program.** Requires school districts to adopt guidelines and procedures for students, including early learners, to participate in Minnesota's gifted and talented program, consistent with the district's world's best work force plan for assessing and evaluating student progress.

- 15** **Character development education.**

Subd. 1. Character development education. (b) Allows character development education to include a voluntary elementary, middle, and high school program that incorporates the history and values of Congressional Medal of Honor recipients.

Subd. 1a. Staff development; continuing education. Allows staff development opportunities under section 122A.60 to include training in character development education that incorporates the history and values of Congressional Medal of Honor recipients. Encourages local continuing education and relicensure committees to approve up to six clock hours of continuing education for licensed teachers who complete the character development education training.

Subd. 2. Funding sources. Allows districts to accept programs funded through the Congressional Medal of Honor foundation.

Makes this section effective immediately.

- 16** **Statewide testing.** (e) Directs districts to pay one time for a student in grade 11 or 12 to take the ACT or SAT to the extent state funding is available.

(m) Directs the commissioner, in consultation with the Minnesota State Colleges and Universities (MnSCU) chancellor, to establish empirically derived benchmarks on the high school tests that reveal a trajectory toward career and college readiness.

Makes this section effective for the 2016-2017 school year.

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- 17 Department of Education assistance.** Requires a proposal for the statewide testing system to include disclosures containing comprehensive information regarding test administration monitoring practices and data privacy safeguards for student information to be transmitted to or used by the bidder.
- 18 Database.** Requires the commissioner to establish a reporting system for teachers, administrators, and students to report service disruptions and technical interruptions.
- 19 Limits on local testing.** (c) Requires districts and charter schools each year before the start of school to post on the official Web site a testing calendar for the year, and indicate the reason for each test and whether it is a local option or required by state or federal law.
Makes this section effective for the 2016-2017 school year and later.
- 20 School district assessment committee.** (a) Requires a school district without a collectively bargained agreement about selecting assessments to establish a committee to advise the school board on administering tests in addition to those required under state and federal law unless the district has a world's best workforce advisory committee to serve this purpose. Requires a district's assessment committee to include an equal number of teachers and administrators and at least one parent.
Makes this section effective for the 2016-2017 school year and later.
- 21 Student performance data.** Directs the education commissioner to use student categories under the federal Elementary and Secondary Education Act and other student categories when organizing and reporting demographic data on students to policy makers.
Makes this section effective for the 2017-2018 school year and later.
- 22 Student participation.** Directs the commissioner to make a prescribed form available for parents to complete if they refuse to have their children participate in testing.
Makes this section effective for the 2016-2017 school year and later.
- 23 Access to information.** Directs a school district to provide teachers with the same information parents are provided about their student's current and longitudinal performance and progress on the state academic standards as measured by state assessments.
- 24 Retaliation prohibited.** Protects from retaliation an employee who discloses information about difficulties in administering tests.
Makes this section effective for the 2016-2017 school year and later.
- 25 Student academic achievement and growth.**
- Subd. 1. Student indicators of growth.** Strikes obsolete references to the No Child Left Behind Act and substitutes a reference to federal expectations.
- Subd. 2. Federal expectations for student academic achievement.** (a) Strikes an obsolete reference to adequate yearly progress under the No Child Left Behind Act.
(d) Directs the education commissioner to post aggregated and disaggregated student growth, learning, and outcome data.
- Subd. 3. State growth target; other state measures.** Strikes obsolete references to student categories identified under the No Child Left Behind Act and substitutes

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references to student categories identified under the federal Elementary and Secondary Education Act. Adds student categories based on race, ethnicity, refugee status, language proficiency, disabilities, poverty, immigrant, and homeless status, and enrollment in foster care for purposes of state accountability reports on course completion, rigorous course taking, and student engagement and connection. Requires the commissioner to include data on all enrolled pupils who are or were counted as English learners.

Subd. 4. Improving schools. Strikes an obsolete reference to student growth measures and substitutes a reference to high performing schools identified under federal education law.

Makes the section effective for the 2017-2018 school year and later.

- 26 School accountability.** Strikes adequate yearly progress and student performance references made obsolete by the reauthorized federal Elementary and Secondary Education Act and substitutes references to federal expectations. Defines department data on the world's best workforce and state learning and outcome data as nonpublic data until the department publicly releases the data. Requires the education commissioner to report: the academic progress of all enrolled public school pupils who are or were counted as English learners; and the foster care status of all enrolled public school students who are or were in foster care, among other reporting requirements.

Makes this section effective for the 2016-2017 school year except the requirement to report civics test data is effective for the 2018-2019 school year and later.

- 27 District surveys to collect student information; parent notice and opportunity for opting out.** Requires districts and charter schools to notify students and parents about student surveys, to inform parents when surveys are administered, and to allow parents to review the survey and opt their student out of participating. Prohibits districts and schools from imposing a penalty on a student who opts out of participating in a survey.

Makes this section effective for the 2016-2017 school year.

- 28 Report to commissioner of education.**

Subd. 1. Exclusions and expulsions; physical assaults. Directs school boards to submit an electronic report to the education commissioner on incidents involving a student's physical assault of a teacher and to include information on the district's response to the assault.

Subd. 2. Report. (a) Requires school boards to include state student identification numbers on affected students when submitting disciplinary reports on students' physical assault of a teacher, among other information.

(b) Directs the education commissioner to aggregate data reported under paragraph (a) and to include the aggregated data in the annual school performance reports.

Makes this section effective for the 2016-2017 school year and later.

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- 29 Policy components.** Requires a school district's removal from class policy to state that students must be immediately removed from class if they engage in assault or violent behavior. Directs the principal to determine the appropriate removal period in consultation with the classroom teacher.
- 30 Notification; teachers' legitimate educational interest.** (a) Establishes a teacher's legitimate educational interest in knowing which students placed in the teacher's classroom have a history of violent behavior, including any documented physical assault of a district employee by the student.
- (b) Directs representatives of a school board and the exclusive representative of the teachers to discuss policies for notifying teachers and other district employees about students with a history of violent behavior, including any documented physical assault of a district employee by the student.
- Makes this section effective for the 2016-2017 school year and later.
- 31 Teacher-governed schools; grants.** Establishes a grant program to encourage licensed teachers at a school site to explore and develop teacher-governed schools. Allows the commissioner to award planning and start-up grants on a first-come first-served basis. Requires grant recipients to submit to the commissioner recommended best practices based on their experience.
- 32 Lotteries.** Allows children of district staff to receive priority in the open enrollment lottery.
- Makes this section effective immediately and applicable to nonresident students whose applications have not yet been accepted or rejected.
- 33 Application and reporting requirements.** Integrates the school readiness biennial plan into the world's best work force plan.
- Makes this section effective July 1, 2016.
- 34 Full-service community school program.** Increases the annual award amount a school site may receive from \$100,000 to \$150,000. Requires a site deciding not to use planning funds to submit their plan with the application.
- 35 English learner data.** Requires English learner data to include all pupils who are currently or were previously counted as an English learner and the data to be disaggregated by currently counted and previously counted English learners.
- Makes the section effective for the 2017-2018 school year and later.
- 36 Participating school; American Indian school.** Corrects a title reference under federal law.
- 37 Prekindergarten through grade 12 parental rights coded elsewhere.**
- Subd. 1. Scope.** Indicates the sections referred to in subdivisions 2 to 30 of this section are codified elsewhere in Minnesota's education code and govern parent rights on topics related to prekindergarten through grade 12 education.
- Subds. 2 to 30.** List statutory provisions contained in Minnesota's education code establishing parent rights related to their students' kindergarten through grade 12 education.

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- 38 Requirement.** (c) Requires a student identified as being unable to read at grade level to receive alternative instruction.
- 39 Implementation of Elementary and Secondary Education Act.** Strikes obsolete language related to the federal No Child Left Behind Act. Substitutes a reference to the federal Elementary and Secondary Education Act.
- 40 Governance.** (b) Requires Perpich Center for Arts Education board members to complete board training.
Makes this section effective immediately.
- 41 ACT college ready score; MCA career and college-ready benchmarks.** Prohibits a state college or university from requiring an individual to take remedial noncredit courses if the individual received a college ready ACT score or met a career and college-ready MCA benchmark within the last five years. Recognizes only qualifying ACT and SAT scores and MCA benchmarks met within the previous five years for purposes of this section. Requires MnSCU institutions to post notice of the exemption from remedial course taking on its Web page explaining student course placement requirements.
Makes this section effective for the 2016-2017 school year and later.
- 42 MCA; career and college-ready benchmarks; remedial education.** (a) Precludes a state college or university from requiring an individual to take a remedial, noncredit course if the individual met a career and college-ready MCA benchmark in that subject area.
(b) Directs the commissioner to notify students and families that students who meet a career and college-ready MCA benchmark are not required to take a remedial course at a MnSCU institution.
Makes this section effective in the 2016-2017 or the 2017-2018 school year and later, depending on when the MnSCU chancellor approves the MCA benchmarks.
- 43 Teacher shortage loan forgiveness.** Increases the teacher loan forgiveness program appropriation in fiscal year 2017 to 2,200,000. Makes \$200,000 the base appropriation for the program in fiscal year 2018 and later.
Causes unexpended fiscal year 2017 funds to remain available until June 30, 2019.
- 44 Alternative compensation.** Updates alternative teacher compensation aid amounts.
- 45 Achievement and integration aid.** Updates achievement and integration aid.
- 46 Reading Corps; appropriation.** Increases the appropriation for the Minnesota Reading Corps to \$7,125,000 in fiscal year 2017 and makes the appropriation available through June 30, 2019. Makes the base appropriation for fiscal year 2018 and later \$5,625,000.
- 47 Collaborative Urban Educator; appropriations.** See fiscal tracking sheets.
- 48 Museums and Education Centers; appropriations.** See fiscal tracking sheets.
- 49 Full-service community schools; appropriations.** See fiscal tracking sheets.
- 50 American Indian teacher preparation grants; appropriations.** See fiscal tracking sheets.
- 51 Race 2 Reduce; appropriations.** See fiscal tracking sheets.

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- 52** **Education partnership pilots; appropriations.** See fiscal tracking sheets.
- 53** **Northside Achievement Zone; appropriations.** See fiscal tracking sheets.
- 54** **St. Paul Promise Neighborhood; appropriations.** See fiscal tracking sheets.
- 55** **Agricultural educator grants.** Establishes a grant program to pay agricultural education teachers for work over the summer with high school students on extended projects.
- 56** **Support our students grant program.**
- Subd. 1. Definitions.** Defines “student support services personnel” and “new position.”
- Subd. 2. Purpose.** Declares that the purpose of the grant program is to address shortages of student support services personnel; decrease caseloads for existing student support services personnel; ensure that students receive effective academic guidance; ensure that student support services personnel serve within the scope and practice of their training and licensure; fully integrate learning supports, instruction, and school management; and improve school safety and school climate.
- Subd. 3. Grant eligibility and application.** Allows a school district, charter school, intermediate school district, or other cooperative unit to apply for a six-year matching grant.
- Subd. 4. Allowed uses; match requirements.** Requires the grant to be used to hire a new position. Requires a local match for each year of the grant.
- Subd. 5. Report required.** Requires a grant recipient to submit a report indicating how the new positions affected two or more of the following measures: school climate; attendance rates; academic achievement; career and college readiness; and postsecondary completion rates.
- 57** **Student discipline working group.** Establishes a student discipline working group to review the Pupil Fair Dismissal Act and related student discipline provisions. Requires the working group to submit a report to the legislature with recommendations on improving disciplinary policies, practices, and procedures.
- Makes this section effective immediately.
- 58** **Northwest regional partnership concurrent enrollment education program.** Creates a continuing education program for concurrent enrollment teachers in Northwestern Minnesota. Requires the Lakes Country Service Cooperative, the Northwest Service Cooperative, and Minnesota State University-Moorhead to provide the program jointly. Requires MSU-Moorhead to develop an online curriculum to allow teachers to attain graduate credits at reduced credit rates. Grants priority in the program to teachers employed by a district that is a member of either of the two service cooperatives. Requires the partnership to submit an annual progress report to the legislature, commissioner of education, and the MnSCU Board of Trustees.
- Makes this section effective July 1, 2016.

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- 59 Appropriation; student teachers in shortage areas; grants.** Appropriates \$1,000,000 in fiscal year 2017 from the general fund to the commissioner of the Office of Higher Education for grants to student teachers in shortage areas. Makes this appropriation available until June 30, 2019.
- 60 MCA College-Ready Benchmarks' MnSCU participation.** Requires the MnSCU chancellor to approve or reject high school MCA benchmarks.
- 61 Certification incentive revenue.** Requires the education commissioner to consult with the governor's workforce development council and the P-20 education partnership to compile a list of qualifying career and technical certificates. Provides funding to school districts equal to \$500 times the number of students in the district who earn one or more career and technical certificates.
- Caps the statewide revenue amount at \$1,000,000 and authorizes the education commissioner to spread the funding out over the next three fiscal years.
- Requires the commissioner to report to the legislature on the program by February 1, 2017, and again on February 1, 2018.
- Makes this section effective immediately.
- 62 Appropriations.** See fiscal tracking sheets.
- 63 Repealer.** (a) Repeals sections 122A.413, subdivision 3 (Educational Improvement Plan); and 122A.43, subdivision 6 (Short-Limited Contracts Optional Report).
- (b) Repeals section 122A.413, subdivisions 1 and 2 (Educational Improvement Plan).

Article 26: Charter School Technical and Grammatical Changes

This article makes technical and grammatical corrections to the charter schools statutes.

Article 27: General Education

- 1 Length of school year; hours of instruction.** Requires that the school calendar for prekindergarten, if offered by the district, must include at least 350 hours of instruction for the school year.
- Makes this section effective for the 2016-2017 school year and later.
- 2 Cooperative unit defined.** Explicitly adds special education cooperatives to the types of joint governance units that are considered "cooperative units" for purposes of the school code.
- 3 Federal child and adult care food program.** Authorizes a multisite sponsoring organization to demonstrate its financial viability to the Minnesota Department of Education (MDE) through a letter from a CPA. Requires MDE to post child and adult care food program information on its Web site. Requires the commissioner of education to perform an

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expedited review of any multisite sponsoring organization's application if that application was submitted after July 1, 2015, and the application's denial was based in part on the multisite sponsoring organization's financial viability.

- 4** **Program reimbursement.** Provides that the state reimburses a district \$1.30 for each school breakfast served to a prekindergarten pupil.

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

- 5** **No fees.** Prohibits a district from charging a fee for a school breakfast served to a prekindergarten pupil.

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

- 6** **Voluntary prekindergarten program.**

Subd. 1. Establishment; purpose. Authorizes a school district, charter school, or combination thereof to operate a voluntary prekindergarten program for four-year-old pupils. Clarifies that the purpose of a prekindergarten program is to prepare students for kindergarten entry.

Subd. 2. Program requirements. Requires that a program under this section meet certain program characteristics related to instruction, assessment, class size, teacher compensation, teacher qualifications, community involvement and coordination, parent engagement, and professional development, among other requirements. Requires districts and charter schools to include prekindergarten elements in the world's best workforce report.

Subd. 3. Mixed delivery of services. Authorizes a district or charter school to contract with a charter school, Head Start or child care center, licensed family child care programs, or community-based organization to provide the prekindergarten program.

Subd. 4. Eligibility. Provides that a child is eligible to participate if they are at least four years old on September 1 and complete all required screenings within 90 days of enrollment.

Subd. 5. Application process; priority for high poverty schools. Provides for application and notification deadlines. Requires certain information related to the proposed program and estimated participation in the application materials. Requires the commissioner to proportionally allocate the funds available among four groups of applicants: (1) Minneapolis and Saint Paul; (2) metro-region school districts; (3) rural region school districts; and (4) charter schools. Requires that, within each of the four applicant groups, priority be given to applicants based on (1) the concentration of kindergarten students who qualify for free or reduced price lunch, and (2) the availability of three- or four-star Parent Aware rated programs within or near the district. Provides that an approved applicant shall remain approved, regardless of later changes in the concentration of students eligible for free- or reduced-price lunch.

Subd. 6. Program and revenue limits. Limits the number of prekindergarten pupil units for a district to no more than 60 percent of that district's kindergarten pupil units. Limit the statewide aid entitlement for the prekindergarten program to

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\$27,092,000 for fiscal year 2017, \$27,239,000 in fiscal year 2018, and \$26,399,000 for fiscal year 2019 and later.

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

- 7 **English learner.** Provides that a prekindergarten pupil may meet the definition of “English learner” for the purposes of English learner programming and aid.
Makes this section effective for revenue in fiscal year 2017 and later.
- 8 **Eligible pupils.** For the 2016-2017 school year only, allows an English learner with an interrupted formal education, who is 21, but not yet 22, to participate in the graduation incentives program and in concurrent enrollment course.
- 9 **Pupil unit.** Provides that the pupil units for a prekindergarten pupil, except a pupil with a disability or assessed for a disability, equals the greater of 0.6 or the ratio of the number of hours of instruction to 850.
Makes this section effective for revenue in fiscal year 2017 and later.
- 10 **Compensation revenue pupil units.** Clarifies the calculation of compensation revenue pupil units for prekindergarten programs in the first year of operation.
Makes this section effective for revenue in fiscal year 2017 and later.
- 11 **Declining enrollment revenue.** Excludes prekindergarten pupil units from the calculation of declining enrollment revenue for fiscal years 2017 to 2019.
- 12 **Operating capital levy.** Changes the operating capital equalizing factor for fiscal year 2017 and later to offset increased levies associated with other provisions in this bill. Strikes other obsolete language.
Makes this section effective for revenue in fiscal year 2017 and later.
- 13 **Equity revenue.** Extends equity revenue bump to all school districts in the state (this increase is currently available only to school districts with their administrative offices located in the metro area). Sets the bump at 16 percent for fiscal years 2017, 2018, and 2019 and 25 percent for fiscal years 2020 and later.
- 14 **Duties; powers; school trust lands director.** Authorizes the school trust lands director to enter into joint powers agreements, evaluate and initiate real estate development projects on school trust lands, and serve as temporary trustee in cases of eminent domain.
- 15 **Statewide average revenue.** Grants MDE another two months to prepare the annual report that measures the disparity in adjusted general revenue among school districts by changing the date the report must be prepared from October 1 to December 1 (this delay allows the MDE to use more current data). Delays the date for the commissioner of education to make recommendations based on the results of the report from January 15 to February 1. Clarifies that the definition of adjusted general revenue includes local optional revenue.
- 16 **Compensatory revenue; intermediate district.** Clarifies the calculation of compensatory revenue for the newly formed intermediate district.

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- 17 Appropriation; general education aid.** Adjusts general education aid for forecast changes, increases the appropriation for the added equity aid, and adds funding for the Glenville-Emmons referendum adjustment.
- 18 Appropriations; school lunch.** Increases school lunch aid for voluntary prekindergarten pupils.
- 19 Appropriations; school breakfast.** Increases school breakfast aid for voluntary prekindergarten pupils.
- 20 Voluntary boundary alignment; Moorhead and Dilworth-Glyndon-Felton school districts.**

Subd. 1. Boundary realignment allowed. Specifically authorizes the school boards of Independent School District Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton (DGF) to align their shared district border.

Subd. 2. Plan to establish new boundaries. Allows the Moorhead and DGF school boards to jointly adopt a written plan to realign their school district boundaries. Requires the plan to identify each group of parcels that will be transferred between the districts and specifies the method for transferring the blocks of parcels between the districts. Requires the plan to be filed with both the county auditor and the commissioner of education. Requires the districts to publish the plan in enough detail to describe each of the blocks of parcels to be transferred. Requires the same notice to be mailed to each property owner affected by the border realignment.

Subd. 3. Bonded debt. Requires each parcel to pay the property taxes, including the facilities levies, of the district to which the parcel is attached for that year.

Subd. 4. County auditor notified. Requires the districts to annually notify the county auditor of any movement of parcels during that year in the form and manner specified by the county auditor. Requires the county auditor to notify affected parcel owners of the boundary change in the year that the change occurs.

Subd. 5. Report to Department of Education. Requires the school boards to file a copy of the plan with MDE. Requires the districts to report any other information necessary for MDE to calculate school aids and levies for the two school districts.

Makes this section effective upon the parties meeting the requirements of a local approval clause, meaning the school boards will need to approve the law and file the appropriate certified documents with the secretary of state before the act is effective.

- 21 Glenville-Emmons school district.** Corrects a mistaken date on the ballot authorizing the Glenville-Emmons school district operating referendum (the ballot stated the referendum was first effective for taxes payable in 2017 instead of fiscal year 2017).
- 22 Equity revenue in fiscal year 2017.** Makes the equity revenue increase authorized in section 13 payable entirely in state aid for fiscal year 2017 only.

Section**Article 28: Charter Schools**

- 1 Eligible authorizers.** Removes the requirement that charitable organizations serving as a charter school authorizer must be members of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations.
- 2 Application content.** Requires a prospective charter school authorizer to include in its application certain information about the capacity of the organization to serve as an authorizer.
- Makes this section effective January 1, 2017.
- 3 Review by commissioner.** (a) Directs the education commissioner to review an authorizer's performance every five years, subject to paragraphs (b) and (c).
- (b) and (c) Require the commissioner to use appropriate criteria, developed in consultation with stakeholders, to review the authorizer's performance. Require the education commissioner to minimize duplicative reporting to the extent practicable. Direct the commissioner, when reviewing an authorizer's performance, not to (1) fail to credit, (2) withhold points, or (3) otherwise penalize an authorizer for failing to charter additional schools or for the absence of complaints against the authorizer's chartered schools.
- Makes this section effective immediately.
- 4 Withdrawal.** Clarifies that, if the governing board of an approved authorizer votes to withdraw for a reason unrelated to any cause under section 124E.10, subdivision 4, the same process applies to the change of authorizer as in the case where an authorizer and the charter school board of directors mutually agree not to renew the contract.
- 5 Contents.** (a) Provides for a preoperational planning period instead of a preoperational planning year.
- (b) Directs charter schools to design their programs to meet the world's best work force goals.
- 6 Mutual nonrenewal.** Allows a change in charter school authorizers if the governing board of an approved authorizer votes to withdraw as an authorizer for a reason unrelated to the statutory causes for not renewing or terminating a charter school contract. When pursuing a change in authorizers under this subdivision, requires the authorizer that is the party to the charter contract to inform the proposed authorizer about unmet contract outcomes, among other required information.
- 7 Annual public reports.** (b) Requires an authorizer to submit an annual public report to the education commissioner by January 15 for the previous school year ending June 30 that includes at least key indicators of school academic, operational, and financial performance.
- 8 Cash flow adjustment; charter schools.** Removes the 200 maximum pupil limitation on an eligible special education charter school that requests an accelerated cash flow schedule.

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- 9** **Effective date.** Allows prekindergarten deaf and hard-of-hearing pupils to enroll in a charter school beginning in the 2016-2017 school year and deletes a previously enacted condition allowing such enrollment only if the commissioner determined no added cost would be attributable to the pupil.
- Makes this section effective immediately.
- 10** **Charter school building lease aid.** Updates charter school building lease aid amounts for additional prekindergarten pupils.

Article 29: Special Education

- 1** **Planning for students' successful transition to postsecondary education and employment; personal learning plans.** (e) Indicates that if the individualized education program or standardized written plan of a student with disabilities meets the components of a plan required in this section, no additional transition plan is needed.
- 2** **Qualified interpreters.** Strikes a reference to the resource center and substitutes and makes a technical correction to a reference to the state specialist for deaf and hard-of-hearing.
- 3** **Eligibility.** Changes a reference from an individual interagency intervention plan to a standardized written plan.
- 4** **Individualized education programs.** (b) Clarifies requirements when a district makes a determination of other health disability. Indicates that if the individualized education program of a student with disabilities meets the components of a personal learning plan, no additional transition plan is needed.
- 5** **Student information systems; transferring records.** (a) Directs districts, beginning July 1, 2018, to contract for a student information system that is Schools Interoperability Framework compliant.
- (b) Requires the commissioner of education to certify that MDE's online case management system is compatible with vendor information systems before requiring a district to use an online case management reporting system.
- (c) Requires the commissioner to specify whether a compatible compliant system exists and to list vendor systems that meet compatibility criteria.
- Makes this section effective immediately.
- 6** **Facilitated team meeting.** Makes a technical change to refer to a multiagency team.
- 7** **Physical holding or seclusion.** (a) Requires a school, before secluding a student, to review and document in the student's individualized education program whether the student has any known medical or psychological conditions that might recommend against seclusion. Strikes obsolete language.
- (b) Directs school districts to provide the education department with data on incidents of seclusion and the students who are secluded. Requires the department to collect and publish the data. Directs the department to contact and provide technical assistance to a school

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district after reviewing the district's seclusion data. Substitutes references to prone restraints with references to seclusion.

Makes this section effective for the 2016-2017 school year and later.

- 8 Prohibitions.** Adds prone restraint to the list of prohibited restrictive procedures.
Makes this section effective immediately.
- 9 Nonresident tuition rate; other costs.** Clarifies that an intermediate school district or special education cooperative may recover its unreimbursed costs of service to special education pupils, including costs for building leases, debt service levies, and indirect costs in membership fees and nonmember access fees from each student's resident district. Clarifies the definition of general education revenue used to compute the nonresident tuition rate.
- 10 Use of reimbursements.** Requires school districts to reserve third-party revenue and spend the revenue only for the purposes enumerated in this section.
- 11 Advisory committees.** (b) Requires the advisory committees for the deaf and hard-of-hearing and for the blind and visually impaired to each review, approve, and submit a biennial report on eligible children's education outcomes to the education commissioner, the legislature, and the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans.
- 12 Special education aid.** Requires the Department of Education to include procedures in the Uniform Financial and Reporting Standards (UFARS) system to track third-party billing proceeds at the school building level. Requires third-party billing revenue to be included in the cross-subsidy report and excluded from the calculation of special education excess cost aid.
- 13 Definitions; special education excess cost.** Clarifies the definition of general education revenue used to calculate unreimbursed nonfederal special education expenditures.
- 14 Alternative attendance programs.** Clarifies the definition of general education revenue in order to calculate the unreimbursed cost of providing special education and services.
- 15 Appropriation.** Increases the special education aid appropriation by \$69,000 per year starting in fiscal year 2017 for additional special education aid to allow the Metro Deaf charter school to directly enroll prekindergarten pupils. Adjusts the appropriation for forecast changes.
- 16 Reducing state-generated special education paperwork.** Requires the education commissioner in fiscal year 2017 and in fiscal year 2018 to use existing budgetary resources to remove 25 percent of the state-generated special education paperwork burden on special education teachers.
Makes this section effective immediately.
- 17 Appropriation canceled.** Cancels the remaining portion of the fiscal year 2014 appropriation (\$1,686,000) transferred to MN.IT and returns the unspent balance to the state general fund.
Makes this section effective immediately.

Section**Article 30: Facilities and Technology**

- 1** **Contracts.** Excludes school district contracts for information systems software from the uniform municipal contracting law and bidding process otherwise applicable to contracts exceeding \$100,000.
- 2** **Definitions; eligible debt service.** Removes energy loans from the definition of eligible debt service.
- 3** **Equalized debt service levy.** Modifies the calculation of equalized debt service levies. Provides that, beginning in fiscal year 2018, the equalizing factors for first and second tier equalized debt services levies annually adjust for changes in the total statewide adjusted net tax capacity per pupil unit.
Makes this section effective for taxes payable in 2017 and later.
- 4** **Radon testing.** Clarifies that a school district's costs associated with radon testing should be included in the district's ten-year facility plan and are eligible expenses under the long-term facilities maintenance revenue program (radon testing was previously covered under a district's health and safety program).
- 5** **Solar panel fire safety.** Clarifies that a solar photovoltaic system installed at a school must comply with the most recently-adopted version of the Minnesota electric code.
- 6** **Long-term facilities maintenance revenue.** Modifies the calculation of long-term facilities maintenance revenue to include costs approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.
Makes this section effective for revenue in fiscal year 2017 and later.
- 7** **Facilities plan; long-term facilities maintenance revenue program.** Clarifies that a school district's ten-year facilities plan must be updated annually and submitted to the commissioner of education by July 31 of each year.
- 8** **Long-term facilities maintenance equalization revenue.** Clarifies the calculation of the portion of a school district's long-term facilities maintenance revenue that is subject to equalization.
- 9** **Long-term facilities maintenance equalized levy.** Clarifies that "average tax base per pupil unit" should be calculated using only school district pupil units (and not charter school pupil units) as the denominator.
- 10** **Long-term facilities maintenance unequalized levy.** Defines a district's long-term facilities maintenance unequalized levy as the difference between the district's total long-term facilities maintenance revenue and the district's long-term facilities maintenance equalized revenue.
- 11** **Long-term facilities maintenance equalized aid.** Defines a school district's long-term facilities maintenance equalized aid as the difference between the district's long-term facilities maintenance equalized revenue and the district's long-term facilities maintenance equalized levy.

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- 12 Allowed uses for long-term facilities maintenance revenue.** Allows a school district to transfer any long-term facilities maintenance revenue from the general fund (where the program's revenue is currently held) to the district's debt redemption fund to make the principal and interest payments on any bonds issued for long-term facilities maintenance projects.
- 13 Restrictions on long-term facilities maintenance revenue.** Corrects an erroneous cross reference.
- 14 Bonds for building calamities.** Transfers the authority for a school district to issue general obligation bonds to fund a rebuilding project resulting from a building calamity (fire, flood, etc.) from the health and safety revenue program to the long-term facilities maintenance program.
- 15 Review and comment.** Specifically exempts long-term facilities maintenance projects that are already included in a district's ten-year plan from the facilities review and comment process.
- 16 Deficits; exemption.** Updates an obsolete reference from the capital expenditure fund (a fund that was eliminated about 20 years ago) to the reserve for operating capital account in the general fund.
- 17 Account transfer for reorganizing districts.** Clarifies that a school district that has reorganized (consolidating or dissolving) is prohibited from transferring funds out of its long-term facilities maintenance account in the general fund.
- 18 Elimination of reserve accounts.** Closes each district's health and safety accounts (as the program is replaced by the long-term facilities maintenance revenue program) as of June 30, 2019, and transfers any balances into the unassigned general fund. Transfers any balance remaining in the alternative facilities account to the long-term facilities maintenance account in the building construction fund as of June 30, 2016.
- 19 Energy conservation.** Eliminates obsolete references to energy conservation loans received prior to March 1, 1998.
- 20 Taconite payment and other reductions.** Replaces obsolete references to health and safety revenue with references to long-term facilities maintenance revenue.
- 21 Required debt service levy.** Requires one-day bond sales if approved, to be funded through a local tax increase. Clarifies that the required debt service levy does not include amounts necessary for repayment of three types of bonds that have separate revenue authority:
- (1) long-term facilities maintenance revenue bonds (§ 123B.595);
 - (2) bonds for certain capital equipment (§ 123B.61); and
 - (3) bonds for certain capital facilities (§ 123B.62).
- 22 Early repayment.** Authorizes a school district with an outstanding balance on its maximum effort capital loan to refinance its local bonds and repay to the state an amount equal to the remaining original principal amount that is still outstanding and forgives any accumulated interest on the state maximum effort capital loan.

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- 23 Appropriation; long term maintenance equalization aid.** Increases this appropriation for prekindergarten programs.
- 24 Internet broadband expansion; innovative grants.** Creates a matching grant program for school districts seeking to expand student connectivity. Authorizes grants of up to \$50,000. Encourages cooperative applications. Requires grant applications to demonstrate that appropriate filtering technology will apply to Wi-Fi hot spots.
- 25 Appropriation.** Appropriates \$500,000 for grants for broadband Wi-Fi hot spots and \$2,200,000 for districts that repay a maximum effort capital loan.
- 26 Repealer.** Repeals the following:
- ▶ § 123B.60, subd. 2. – health and safety revenue pledged for calamity bonds; and
 - ▶ § 123B.79, subds. 2 and 6. – obsolete school fund and account references for technical colleges and certain separation and retirement benefits.

Article 31: Early Childhood Education

- 1 Home visiting revenue.** Modifies the home visiting levy program into a home visiting revenue program. Makes districts that are eligible to levy for early childhood family education eligible to receive home visiting revenue. Increases the amount for home visiting from \$1.60 per person under five residing in the district to \$3.00 per person under five residing in the district.
- Makes this section effective for revenue in fiscal year 2018 and later.
- 2 Home visiting levy.** Modifies the home visiting levy program by establishing an equalized levy based on adjusted net tax capacity per adjusted pupil unit.
- Makes this section effective for revenue in fiscal year 2018 and later.
- 3 Home visiting aid.** Provides home visiting aid according to the share of revenue provided by the home visiting levy.
- Makes this section effective for revenue in fiscal year 2018 and later.
- 4 Parent-child home program; appropriation.** Increases the appropriation for the parent-child home program by \$2,000,000 for fiscal year 2017 only. Directs the increase to be used over the next three fiscal years.
- 5 Quality rating system; appropriation.** Increases the appropriation for the Quality Rating and Improvement System by \$2,000,000 for fiscal year 2017 only.
- 6 Appropriation; St. Cloud Area School District.** Appropriates \$430,000 in fiscal year 2017 from the general fund to the commissioner of education for a grant to the St. Cloud Area School District to establish a preschool pilot program directed toward serving low income and English language learners. Allows funds to be used for staff costs, curriculum, equipment, and student transportation. Authorizes the funds to carry forward until expended.

Section**Article 32: Self-Sufficiency and Lifelong Learning**

- 1 **Program requirements.** Clarifies the eligible age of participation in adult basic education programs.
- 2 **Program approval.** Clarifies that a consortium applying for adult basic education aid may consist of districts, nonprofit organizations, or both.
- 3 **GED test fees.** Authorizes the commissioner to pay 100 percent of the fee charged to an eligible individual for the costs of one full battery of GED tests for fiscal year 2017 only.
- 4 **GED tests; appropriation.** Increases the appropriation for the costs of GED tests by \$120,000 for fiscal year 2017 only. Makes \$125,000 the base appropriation for fiscal year 2018 and later.
- 5 **Appropriation; adult basic education aid.**

Subd. 1. Adult basic education. Appropriates \$400,000 for fiscal year 2017 only for three adult basic education programs for innovative programming. Allocates the money among the three programs based on the number of students served by each program.

Subd. 2. Adult basic education grants. Appropriates 400,000 for adult basic education grants for a college readiness academy, a contextualized GED or Adult Diploma Program, and navigating and advising support services.

Article 33: State Agencies

- 1 **Teachers' and administrators' licenses; fees.** Clarifies language.
- 2 **Appropriations; Department of Education.** Beginning in fiscal year 2017, removes riders on the MDE agency budget for transfer to the Board of Teaching and the Board of School Administrators as this organization will now receive direct appropriations.
- 3 **Appropriation; Board of Teaching.** Appropriates \$1,018,000 in fiscal year 2017 to the Board of Teaching for board operations. Includes \$80,000 for an electronic job board. Adds \$30,000 in fiscal year 2016 to fund a Board of Teaching deficiency. Adds \$2,750,000 for PBIS. Adds \$1,000,000 for technology and security enhancements. Appropriates licensure via portfolio money.

Article 34: Forecast Adjustments

This article makes adjustments to education appropriations to align with the February 2016 forecast.