

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 797

**DATE:** April 11, 2007

**Version:** Second committee engrossment

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**Subject:** Omnibus Higher Education and Work Force Funding and Policy

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## Article 1: Higher Education Appropriations

### Overview

Summary of appropriations. Makes general fund appropriations of \$1.561 billion for fiscal year 2008 and \$1.644 billion for fiscal year 2009 and health care access fund appropriations of \$2.16 million each year. Total appropriations for the biennium are \$3.21 billion.

- 1 Higher education appropriations. Provides for appropriations by fiscal years.
- 2 See section 1.
- 3 Minnesota Office of Higher Education.

Subd. 1. Total appropriations. Appropriates \$198.0 million for fiscal year 2008 and \$198.6 million for fiscal year 2009.

Subd. 2. Minnesota GI bill . Appropriates \$10 million each year, with \$152,000 in FY 08 and \$104,000 in FY 09 for administrative costs. Administrative costs must be included in the 2010-2011-agency base.

Subd. 3. State grants. Appropriates \$150.154 million in FY 08 and \$151.124 million in FY 09 with authority to carry forward or back either year's appropriation. Increases the tuition and fee maximums to \$9,957 from \$9,438 for four-year programs and to \$4,717 in the first year and \$4,859 in the second year (from \$6,436) for two-year programs. Increases the living and miscellaneous allowance used to calculate the grant award from \$5,340 to \$6,241. (Two temporary increases in the LME occurred as directed in law, bringing the LME used to calculate 2006-2007 grant awards to \$6,065.) Other changes to the state grant program are made in article 3.

Subd. 4. Safety officers survivors. Appropriates \$100,000 each year for grants for dependent children and spouses of public safety officers killed in the line of duty with authority to carry forward or back either year's appropriation.

Subd. 5. Interstate tuition reciprocity. Appropriates \$2 million each year for interstate payments under the reciprocity program with authority to carry forward or back either year's appropriation.

Subds. 6 to 14. Other appropriations. Makes base level appropriations for state work study (\$12.444 million each year), child care grants (\$4.934 million each year), MnLINK gateway (\$400,000 each year), and Midwest compact (\$90,000 each year).

Increases appropriations for:

- Learning Network of Minnesota (\$4,800,000 up from \$4,225,000), Minitex (\$5,881 million each year up from \$4,381 million), and
- Minnesota college savings plan (\$1.12 million up from \$1.02 million). Changes

in the distribution of matching grants for the college savings plan are made in article 3.

Provides funding:

- \$265,000 for a grant to increase service learning and community collaboration and the Minnesota campus compact with a \$2 campus for \$1 state match requirement;
- \$100,000 each year for loan repayment and forgiveness programs;
- \$250,000 in the first year to the Augsburg program for chemically dependent students; \$500,000 each year for the TEACH initiative,
- \$40,000 the first year for the Washington Center for Internships, and \$
- 50,000 in the first year for the speech pathologist loan forgiveness program, and
- \$2 million over the biennium for the ACHIEVE+ as pilot project to provide students in rural areas with academically challenging education opportunities.

Subd. 15. United Family Residency Program. Ap propriates \$360,000 each year to support up to 18 resident physicians each year for family care medicine in underserved areas.

Subd. 16. Agency administration. Appropriates \$2.69 million in FY 08 and \$2.731 million in FY 09 including \$39,000 in FY 08 and \$80,000 in FY 09 for compensation costs.

Subd. 17. Balances forward. Provides that balances in this section are available in the second year.

Subd. 18. Transfers. Authorizes the transfer of funds from other programs to financial aid programs and the reciprocity program.

Subd. 19. Reporting. Requires updated state grant projections by November 1 and February 15 considering the most recent information and consultation with representatives of postsecondary education and financial aid administrators, Finance, the governor's office, and legislative staff. Requires a report to the legislature on participation in postsecondary education comparing state grant recipients to other students on income, persistence and graduation. Authorizes the office to match student data as necessary to complete the study.

4 Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 1. Total appropriations. \$668.388 million in fiscal year 2008 and \$704.288 million in fiscal year 2009.

Subd. 2. Central office and shared services unit. Appropriates \$40.2 million each

fiscal year.

Subd. 3. Operations and maintenance. Appropriates \$628.2 million in fiscal year 2008 and \$644.1 million in fiscal year 2009, including:

- funding for the board's initiatives,
- funding to reduce tuition increases to two percent,
- funding for technology with a requirement that all new positions are created at the campus without any increase in permanent positions in the office of the chancellor,
- \$400,000 each year for community-based energy pilot projects at Mesabi Range Technical and Community college, Minnesota West Community and Technical college, and Riverland Community college.
- \$750,000 onetime for a modular clean-room at St. Paul college,
- \$300,000 in FY 2008 for a study of higher education needs in the Mesabi Range region,
- \$120,000 each year and in the base for Cook County Higher Education Board,
- \$2 million in FY 08 and \$1 million in FY 09 and in the base for the Northeast Minnesota Higher Education District to reestablish technical education in area high schools including the purchase of equipment,
- \$50,000 for St. Paul college to purchase a Ford Ranger truck to retrofit as a proto type for the manufacture of battery powered vehicles,
- \$100,000 each year for expenses of a division 1 women's hockey team at a school with total enrollment of less than 7,000,
- \$450,000 each year for a workforce and economic development center at the Mesabi Range Community and Technical college to support the eFolio Minnesota system with an annual report to the IRRRB and DEED,
- \$1 million in FY 08 to improve textbook purchasing practices in collaboration with student associations, including pilot projects with a report to the legislature.

Subd. 4. Board Policies. Requires the MnSCU board to adopt policies allowing students to use waivers and other payment plans for books purchased at campus bookstores and to set the maximum credits required for a degree at 120 semester credits for a baccalaureate degree and 60 credits for an associate degree.

Subd. 1. Appropriations. Appropriates \$696.082 million in fiscal year 2008 and

\$742.143 million in fiscal year 2009.

Subd. 2. Operations and maintenance. Appropriates \$611.1 million in fiscal year 2008 and \$667.6 million in fiscal year 2009, including;

- funding for the board's initiatives,
- \$2.25 million each year for banded tuition at the coordinated campuses to reduce tuition costs,
- \$7 million for scholarships, with a 2 to 1 match, to reduce the impact of rising tuition,
- \$12.4 million in fiscal year 2009 to reduce tuition increases with any amount not used for this purpose returned to the general fund,
- \$300,000 onetime for the Center for Transportation Studies to finish a greenhouse gas study with a report,
- \$250,000 each year, onetime to establish an India Center,
- \$750,000 to assist the neighborhood alliance and for projects eligible for funding,
- \$300,000 onetime for a Dakota language teacher training program on the Twin Cities campus,
- \$400,000 each year for the Institute for Sustainable Agriculture to study the prairie plants for bioenergy,

Subd. 3. Health care access fund. Appropriates \$2.2 million each year for primary care education.

Subd. 4. Special Appropriations. Appropriates \$65.8 million for fiscal year 2008 and \$65.4 million for fiscal year 2009, including the following:

- \$52.6 million and \$52.3 million for the agriculture and extension service which includes funding for research efforts to demonstrate a renewed emphasis on production agriculture, renewable energy from biomass, extending the vegetable growing season, soil fertility, disease treatment through plant and livestock cells, use of biofuels coproducts, rapid agricultural response, UMore Park research, and organic research and education with a report to the legislature on funded research;
- \$5.3 million each year for health sciences including \$346,000 each year for the St. Cloud residency program;
- \$1.3 million each year for the institute of technology,
- \$6.5 million each year for various system special appropriations including an additional \$100,000 for the industrial relations education special.

Subd. 5. University of Minnesota and Mayo Foundation Partnership. \$17 million in fiscal year 2008 and \$7 million in fiscal year 2009 and in the base is appropriated for the collaborative research partnership with an annual report to the legislature and the governor.

Subd. 6. Academic health center. Estimates that the appropriation from a dedication

of a portion of the cigarette tax is \$22.2 million each year.

6 Mayo Clinic. Appropriates \$1.202 million in fiscal year 2008 and \$1.25 million in fiscal year 2009, as follows:

- \$591,000 in FY 08 and \$615,000 in FY 09 is for a capitation rate in the medical school for each Minnesota resident student to increase doctors practicing in rural areas, with authority to transfer money as needed between years and with the base for the next biennium set at \$640,000 in FY 10 and \$665,000 in FY 11;
- \$611,000 in FY 08 and \$635,000 in FY 09 for a stipend to support up to 27 residents and the base set at \$660,00 in FY 10 and \$686,000 in FY 11.

7 Legislative commission on postsecondary funding. Establishes a 12 member legislative commission on postsecondary funding-six members each from the house of representatives and the senate-to develop an alternative funding formula or method for postsecondary education. The commission must report to the legislature by June 30, 2008.

8 University of Minnesota Minneapolis area neighborhood alliance. Defines the following terms:

- *Alliance* is a representative body including the University of Minnesota, the city of Minneapolis, neighborhood organizations and business associations;
- *Board* is the Board of Regents;
- *Report* is the report *Moving Forward together; University of Minnesota Minneapolis Area Neighborhood Impact Report*;
- *University partnership district* is the neighborhoods around the University;
- *University* is the University of Minnesota.

Provides authority to the alliance for projects to maintain the district as a viable place for study, research, and living. Projects include those outlined in the report, and others to improve the area. Requires the Board to report to the legislature by January 15, 2009, on the use of money appropriated for this purpose.

## **Article 2: Minnesota GI Bill for Veterans**

1 Responsibilities. Assigns administrative responsibility to the Minnesota Office of Higher Education.

2 Minnesota GI Bill Program. Creates new law in Ch. 197 for the *Minnesota GI Bill Program*

Subd. 1. Policy established. To provide educational benefits to Minnesota veterans who have served honorably in peacetime or war, and to the spouses and children of veterans who have died or become disabled due to their military service.

Subd. 2. Definitions. Key definitions include:

- *Cost of Attendance* - defined by cross-reference to existing statute in the State Grant Program administered by the Office of Higher Education. It consists of tuition and fees, as well as a specified amount at any given institution for living and miscellaneous expenses.
- *Eligible Institution* - Includes any approved public or private postsecondary educational institution in Minnesota.
- *Eligible Student* - the veteran or surviving spouse or dependent must have applied for both the federal Pell Grant and the State Grant, and must be making satisfactory academic progress while enrolled half-time or more in an undergraduate program, must apply for this program before the end of the semester (not for reimbursement after the fact), and must meet other requirements.
- *Veteran* - defined by cross reference to Chapter 197, and also includes a service member who has met the qualifications for becoming a veteran but who is still serving in active military duty.

Subd. 3. Program establishment. Establishes the program, the citation as the Minnesota GI Bill Program, and stipulates that it is funded by a biennial appropriation to the Office of Higher Education. Requires public institutions to participate.

Subd. 4. Duties; responsibilities. The director of the Office of Higher Education, in consultation with the commissioner of Veterans Affairs, shall establish policies and procedures for managing the program. The director may delegate any administrative responsibilities to the participating eligible institutions.

Subd. 5. Eligibility. Establishes eligibility criteria including: a veteran with honorable active service at any time since the start of the Persian Gulf War (Aug. 2, 1990); a non-veteran who has served honorably for 16 years or more as a member of the Minnesota National Guard or other Reserves, with any part of that service after the start of the Persian Gulf War; the surviving spouse or child of such veteran who has died as a result of that military service; the spouse or child of such veteran who has a *total and permanent service-connected disability*.

In addition, the veteran or service member must have had Minnesota as the person's *state of residence* at the time of the person's initial enlistment or any reenlistment.

Additionally, the person receiving the benefits must be a *Minnesota resident*, defined by cross-reference to existing Office of Higher Education program statutes.

And finally, the person receiving the benefit must be an *eligible student*.

Paragraph (b) stipulates that eligibility terminates when a person becomes eligible for

*senior citizen* rates at public postsecondary institutions (age 62).

Paragraphs (c) and (d) specify types of proof that may be required to establish eligibility, and establish an eligibility appeals process, with final authority resting with the director.

Subd. 6. Benefit Entitlement Amount. Applicants, if approved, are funded to the extent of the appropriation.

Paragraph (b) - the *Last-Dollar-In* calculation formula. In any semester, the amount of the educational assistance for an eligible person is:

- The *cost of attendance* at that public institution:
- minus the amount of the person's federal Pell Grant, if any;
- minus the amount of the person's State Grant amount, if any; and
- minus the amount of all other federal military or educational benefits being received by the person, if any.

This calculation formula ensures that the Minnesota GI Bill grant amount will be treated for tax purposes as *The Last-Dollar-In*, according to the Office of Higher Education.

Paragraph (c) - Maximum Amounts.

- \$1,250 per semester for full-time enrollment;
- \$3,570 per state fiscal year; and
- \$10,000 total during the person's lifetime.

Effective date. July 1, 2007.

3 Annual review and recommendation. Requires the director and commissioner to review participation and make recommendations to the legislature on benefits and funding.

### **Article 3: Related Higher Education**

## **Overview**

This article makes changes to the Office of Higher Education (Office), establishes new grant and loan repayment programs, and makes changes to existing programs for higher education.

1 Minnesota office of higher education.; data sharing. Eliminates a citation to a section repealed in this article governing data sharing.

2 Construction management education program. Establishes a 25-cent surcharge on

nonresidential construction permits and an account to the deposit the funds that are used to support the construction management education program managed by the office of higher education and established in this article.

3 Establishment; membership; Minnesota Agriculture Education Leadership Council.  
Expands membership to 17 members by adding a representative of the Minnesota Private Colleges Council.

4 Revision and reviews required. Requires the commissioner of education and MnSCU to ensure that passing grades on the 11<sup>th</sup> grade mathematics test and 10<sup>th</sup> grade reading and language tests indicates that a student is ready for college courses immediately after graduation.

5 Graduation requirements; course credits. Adds a requirement that the commissioner of education communicate college readiness expectations to all high school students in Minnesota by the beginning of ninth grade.

6 Reports. Requires public postsecondary systems to report on instructional expenditures and enrollment to the Office and Finance for inclusion in the biennial budget documents. A data advisory task force must consult on specific data reporting requirements.

7 Resident tuition. Establishes criteria for qualifying for resident tuition based on a student attending a Minnesota high school for three years, graduation or attainment of a GED and registration or enrollment in a public postsecondary institution.

8 Performance and accountability. Eliminates a requirement that public postsecondary systems report on performance using measures for a performance funding provision that is repealed in this article.

9 College readiness . Requires MnSCU, with the commissioner of education, to establish assessments for 10<sup>th</sup> and 11<sup>th</sup> grade students to ensure that passing scores represent college readiness. College readiness is defined as being able to take college courses immediately after graduation. MnSCU admission materials must indicate the level of academic preparation required to take college courses after high school graduation.

10 Definitions. Updates a citation.

11 Senior citizen. Expands eligibility for seniors, 62 and older, to take classes at public postsecondary institutions to include persons 60 or older who receive a railroad retirement annuity.

12 Fees and tuition. Clarifies that the public postsecondary governing boards may set administrative fees for senior citizens taking college classes in an amount to recover costs.

13 Term; income of senior citizens. Eliminates professional continuing education programs from the types of education that are excluded from the senior citizen education benefits.

14 Definitions. Adds a new definition section for the chapter governing the Office of Higher Education and defines "office" to mean the Office of Higher Education.

15 Responsibilities. Updates a statutory reference in the definition section on the Office's responsibilities.

16 Expiration. Repeals the expiration of student advisory groups.

17 Collecting fees. Updates a statutory reference in the section authorizing the office to charge fees.

18 Reporting; reciprocity. Adds a requirement to an existing report. by the Office of Higher Education to include summary statistics on graduates, degrees, and graduation year for reciprocity students attending Minnesota institutions.

19 Eligible institutions. Clarifies a definition of institutions eligible to participate in financial aid programs. Requires private institutions to be registered or licensed and be a Pell grant participant by July 1, 2011.

- 20 Grant stipends. Decreases the student share to 45.5 percent of the cost of attendance from 46 percent. The student share is one of factors used to calculate the value of a state grant. Costs at the postsecondary institution selected by the student are used for the cost of attendance.
- 21 Eligible students. Clarifies the enrollment status treatment for students who get an additional semester of state grant eligibility after withdrawing for active military service.
- 22 Teacher education and compensation helps; Minnesota early childhood teacher retention programs. Creates § 136A.126.

Subd. 1. TEACH. Establishes the teacher education and compensation helps (TEACH) program to provide tuition scholarships, education incentives, and an early childhood teacher retention program. Requires the director of the Minnesota Office of Higher Education to transfer funds provided through a grant to a nonprofit organization licensed to administer TEACH.

Subd. 2. Program components. Paragraph (a) lists the activities for which the nonprofit organization must distribute funds, including tuition scholarships and education incentives.

Paragraph (b) lists the criteria applicants must meet in order to receive a scholarship. Gives higher priority to lower wage earners when awarding scholarships. Requires scholarship recipients to contribute 10 percent of the total scholarship and be sponsored by their employers, who must also contribute to the scholarship. Requires scholarship recipients who are self-employed to contribute 20 percent of the total scholarship.

Paragraph (c) requires the organization to also distribute funds for teacher retention incentives. Lists the criteria applicants must meet in order to receive a retention incentive. Gives lower wage earners high consideration. Specifies on what the amount of the incentive must be based. Lists eligibility criteria providers must meet in order to be eligible for the retention incentive.

Subd. 3. Advisory committee. Requires TEACH and the Minnesota early childhood teacher retention programs to have an advisory board as prescribed by the national TEACH organization.

- 23 Construction management education program. Establish a program to make awards to improve construction management courses at MnSCU institutions from the account and surcharge in section 2. Authorizes an advisory board consisting of representatives of designated contracting organizations and public postsecondary education. Grants may be awarded from the account to MnSCU institutions for construction management education, for specified degrees, and to develop curriculum meeting certain criteria in specified amounts based on \$3,000 per eligible graduate up to maximum awards of \$20,000 to \$100,000 or \$25,000 per year for an accreditation award.

Requires annual reports from each institution receiving a grant on enrollment, placement of graduates, and continuing education offerings in construction management.

Authorizes up to \$15,000 a year from the account for the administration of the program.

- 24 Scope. Technical change.

- 25 Eligible institution. Clarifies a definition of institutions eligible to participate in student loan

programs. Requires private institutions to be registered or licensed and be a Pell grant participant by July 1, 2011.

26 Loan forgiveness program for speech-language pathologists. Establishes an account under the Office of Higher Education for the recruitment and retention of licensed speech-language pathologists. Establishes a forgivable loan program administered by the Office for graduates who become licensed to work with students with speech and hearing disorders and are employed as a speech-language pathologist. Up to the limits of the appropriations, one-fourth of the principal of the loan balance is forgiven for each year of eligible employment in specified programs. Loans of less than \$2,500 are forgiven at \$1,250 per year. Loans may be deferred for a student enrolled in an eligible advanced degree program.  
27 Payments; work study. Authorizes payment for one term in an academic year when a student is not enrolled or enrolled less than half time, if the student enrolls at least half time the next academic term.

28 Revenue bonds; limit. Increases the revenue bond limit for the higher education facilities authority from \$800 million to \$950 million.

29 Grants; intervention for college attendance. Expands the purpose for the existing grant program to include college retention in addition to attendance. Expands the population receiving outreach services to include historically underrepresented college students.

30 Eligible students; intervention for college attendance. Specifies that undergraduates are eligible if they met the eligibility criteria when they were in 6<sup>th</sup> through 12<sup>th</sup> grade.

31 Application process. Incorporates postsecondary retention into the application process for the grant program.

32 Program evaluation. Incorporates undergraduate retention into the report and evaluation for the grant program.

33 Membership; Board of Trustees. Increases the number of trustees on the governing board of the Minnesota State Colleges and Universities to 17 from 15, including two members of the AFL-CIO appointed by the governor.

34 Union member selection. Requires the AFL-CIO to develop criteria and a process to recommend four candidates for the MnSCU board to the governor. Two of the candidates must be appointed.

35 Time reporting. Eliminates an obsolete reporting requirement.

36 Activity funds. Eliminates the reference to the deposit of activity funds (amounts related to the administration and provision of supplemental student activities) into the state treasury.

37 Banking services. Authorizes the Board of Trustees to control the deposit of all MnSCU receipts including appropriations, tuition and fees, activity funds and other revenues into depositories selected by the board. The board's authority includes specifying all conditions related to deposits and the depository, and compensation or consideration for depository services.

38 Amount of matching grant. Increases the college savings program matching grant by \$100 to a maximum of \$400 for annual family income of \$50,000 or less, and to ten percent of contributions for family income between \$50,000 and \$80,000 from the five percent in current law.

39 Minnesota West Community and Technical College at Worthington; YMCA lease agreement. Authorizes the MnSCU Board of Trustees to enter into a 40-year lease agreement for campus land to construct a YMCA facility consistent with MnSCU building standards and the campus master plan.

40 Interest rate swap and other agreements; implementation plan. Authorizes the office to develop a plan to implement various types of agreements in conjunction with their bonding

41 authority and to report to the legislature by January 15, 2008.  
Repealer. (a) Repeals the funding policies and procedures for public higher education including Minnesota Statutes, 135A.031, subdivisions 1 to 6 (providing appropriations for instructional services for certain enrollments, adjustments for performance and change items), 135A.032 (appropriations for noninstructional services), and 135A.033 (performance funding). Repeals sections 136A.07 (a requirement for the Office of Higher Education to report in even number years with information to be included with the governor's budget), and 136A.08, subdivision 8 (data sharing request for the Office to develop data collection procedures for monitoring students participating in reciprocity agreements).

(b) Repeals Minnesota Statutes, sections 137.0245 the regent candidate advisory council and 137.0246 the process for making regent candidate recommendation to the legislature.

#### **Article 4: Textbook Pricing and Access**

### **Overview**

This article establishes procedures for providing information on the costs and formats of textbooks and instructional materials.

1 Textbook disclosure, pricing and access.

Subd. 1. Short title. Provides that the section may be cited as the Textbook Disclosure, Pricing and Access Act.

Subd. 2. Purpose and intent. States the purpose is to ensure students have better access to affordable course materials through improved education and cooperation of everyone involved in the selection, sale, and purchase of these materials.

Subd. 3. Definitions. Defines the following terms:

- *Bundled* means packaging together of material for sale;
- *Bookstore* means a store affiliated with a campus or under contract to sell material to students;
- *Course material* means textbooks and other instructional material sold to students;
- *Custom course material* means material packaged or sold for a specific course;
- *Distributor* means a contractor that sells, distributes, inventories or markets materials for bookstores or postsecondary institutions;
- *Postsecondary institution* means an institution in Minnesota eligible to participate in the state grant program;
- *Publisher* means an organization that sells or contracts for the sale of course materials to postsecondary institutions or bookstores.

Subd. 4. Publisher disclosure. Requires publishers or distributors to provide on a Web site, in a publication or in writing, if requested, identifying information on course

material including the price, the format (bundled or unbundled), price of components for bundled materials, availability of alternative formats, recent revisions, and return policies. The information must be available beginning January 1, 2008. Faculty or others who select course material may make a written request for information, which a publisher must respond to in seven days. Disclosure is not required for mass market or trade books.

Subd. 5. Payment for course material. Directs each postsecondary institution to adopt policies that let students include payment for course material purchased at an affiliated bookstore in the same payment plan for tuition and fees.

Subd. 6. Notice to purchase. Requires instructors to make an effort to notify bookstores of their orders 30 days or more before the term begins. A bookstore must provide students with identifying information on the course material, including the prices, the available formats, prices for bundled and unbundled components, and price and availability of alternative formats.

Subd. 7. Educational strategies. Requires the Office of Higher Education to work with postsecondary institutions during the next biennium on educational materials and sponsor events to provide education for all involved individuals and entities on strategies for reducing the students' costs of course materials.

The office is also required to develop and maintain an electronic form that can be used to request information from publishers.

## **Article 5: Private Institutions**

### **Overview**

Article 5 changes the Office of Higher Education regulation of private postsecondary institutions.

- 1 Policy. Clarifies that private schools are included in the state policy for higher education, including both for profit and non profit institutions.
- 2 Citation. Authorizes citation as the Minnesota Private and Out-of-State Public Postsecondary Education Act
- 3 School. Changes the definition used to regulate private schools to include schools located outside Minnesota that contract with Minnesota schools to provide postsecondary education to Minnesota residents.
- 4 Registration. Clarifies requirement for annual registration includes offering degree programs.
- 5 Information required for registration. Specifies the information that must be accompanied by an affidavit, including information on business organization, financing, officers and faculty, and information on the school facilities and offerings. Provides the Office with authority to request and verify information, assess penalties, and recover expenses.
- 6 School closure. Requires a school to cooperate with the Office to minimize disruption to students when the school closes by providing specified information.
- 7 Additional security. Requires an institution to post a \$10,000 to \$250,000 bond if it has

been notified by the federal government that it is below standards for participation in federal financial aid.

- 8 Approval of degrees and name. Requires accreditation by a recognized organization to be registered to offer a degree. Specifies the business and academic information that a school must provide the Office to register degrees and get name approval. Sets standards for degree approval including teachers, programs, and facilities necessary. Provides for the use of the terms *academy*, *institute*, *college*, and *university*. Allows a grandfathered approval of names in use before August 1, 2007. Also provides for an appeal process for disapproval of a name.
- 9 Exemptions. Updates citations.
- 10 Exemption; religious schools. Updates citations. Requires a statement of the religious nature of academic awards by institutions with an exemption.
- 11 List. Clarifying change-replacing *schools* with *registered institutions*.
- 12 Unauthorized representations. Specifies which statements may be used by registered institutions to refer to their status as being registered by the office.
- 13 Risk analysis. Requires the Office to develop standards for evaluating the potential for schools to fail or fall below standards, including measures of financial stability and non-financial trend analysis, using regularly reported data.
- 14 Records. Replaces existing record keeping requirements for registered schools with requirements that each school, including distance schools with Minnesota students, keep specified student records for 50 years and file a record keeping plan that meets listed requirements.
- 15 Fees. Establishes new registration fees for adding a degree level (\$2,000 per program), adding a program (\$500 per program), fact-finding or office visits (\$300 base fee, \$300 per team member per day for site visits plus travel costs), and to modify programs (\$100 if the change is 25 percent or more from approved time measure or content, or a change in academic measures).
- 16 Penalty. Provides that failure to comply with the requirement for registration is a violation subject to a fine not to exceed \$500 per day.
- 17 Technical. Changes to update citations.
- 18 Office of Higher Education; office. Defines *office* to mean the Office of Higher Education in the chapter on licensing postsecondary schools.
- 19 School. Clarifies the definition that excludes registered private institutions and exempt private institutions.
- 20 Technical. Changes to update citations or clarify requirements.
- 21 Technical. See section 20
- 22 Technical. See section 20
- 23 Catalog, brochure, or electronic display. Adds a notice to students on transferability of credits to the requirements for licensing applicants under current law
- 24 Technical. Changes to clarify requirements.
- 25 Technical. Changes to clarify requirements.
- 26 Renewal licensure fee; late fee. Adds a \$3,000 maximum to the \$100 per day late fee for license renewals in current law.
- 27 Contract information. Adds a prohibition to the current requirements for enrollment contracts used by schools that they cannot include a wage assignment provision or a confession of judgment clause.
- 28 Cancellation occurrence. Clarifies requirements for when a student is considered to have withdrawn.

- 29 Instrument not to be negotiated. Technical change  
30 Disclosure required. Clarifies the existing requirements for disclosure and advertisements.  
31 Penalty. Clarifies the existing authority to impose penalties for failure to comply and sets a maximum fine of \$500 per day per violation of requirements.  
32 Exemptions. Makes conforming changes to the exemptions and eliminates an exemption for driver training schools.  
33 Exemption; religious schools. Exempts religious schools or departments owned by bona fide religious organizations or churches offering programs particular to the faith and intended to prepare students for religious vocations or religious life from the licensing requirements. Requires a statement of the religious nature of academic awards by institutions with an exemption.  
34 Effective date; transition process. Requires qualifying schools to change their registration or licensing status before the expiration of their current registration or license. Authorizes the Office to extend existing licenses or registrations, as necessary, to facilitate the new process.

## **Article 6: Jobs and Economic Development Appropriations**

### **Overview**

This article makes appropriation to the Departments of Employment and Economic Development and Labor and Industry, and various boards and small agencies.

- 1 Jobs and economic development appropriations. Summarizes appropriations by fund.  
2 Jobs and economic development. Provides for appropriations for fiscal year 2008 and 2009.  
3 Department of Employment and Economic Development. Appropriates \$100.8 million in fiscal year 2008 and \$66 million in fiscal year 2009.

Includes appropriations for:

- The Rural Policy and Development Center at St. Peter, Minnesota for research on emerging economic and social issues in rural Minnesota with an equal match;
- Women Venture for women's business development;
- University Enterprise Laboratories for emerging bioscience companies as onetime funding;
- Redevelopment grant program in law as onetime funding;
- Public facilities authority for small communities wastewater treatment programs;
- Urban initiative program, including the a grant to the Metropolitan Economic Development Association as onetime funding;
- Minnesota Inventors Congress including youth inventors;

- Paradise Center for the Arts in Faribault for handicapped accessibility;
- Greater Minnesota business development investment fund created in article 7;
- Small business growth accelerator through Minnesota Technology, Inc. as onetime funding;
- Northome to replace a fire damaged municipal building with a match required;
- Establishment of a technology and commercialization unit in DEED as onetime funding;
- Agriculture-based bioscience training and testing center in Worthington as onetime funding;
- BioBusiness Alliance of Minnesota for bioscience business development programs for specified uses;
- Walker area community center with a required match;
- Pine Island Economic Development Authority for predesign of utility extension to Elk Run as onetime funding;
- Thomson Township for industrial park infrastructure improvements as onetime funding;
- Cleanup of lake debris from a tornado in LeSueur County as onetime funding;
- Bioscience business development and commercialization grants with an evaluation team to distribute grants based on job creation, long term growth and other criteria with a report to the legislature as onetime funding;
- Urban challenge grant program including a grant for the global market as onetime funding;
- Development of a biobusiness marketing program focusing on areas outside the metropolitan area meeting certain criteria with a report to the legislature as onetime funding;
- Nanotechnology development fund created in this article to promote advanced instrumentation as onetime funding;
- Joint study by public postsecondary institution and the center for rural development of the renewable energy economy for trained workers with a report to the legislature as onetime funding;

- Minnesota 21<sup>st</sup> century fund to restore money unalloted in 2003;
- Payment of debt service on bonds issued by St. Paul for the convention center;
- Organizations in Blue Earth, Fairbault and Martin Counties for entrepreneur and small business development; and
- Minnesota Investment Fund.

Makes appropriations to the workforce development division for:

- Job skills partnership with carry forward and back authority;
- Twin Cities RISE! for training;
- Opportunities Industrialization Centers from the workforce development fund;
- Extended employment services, including services for persons with severe disabilities or mental illness from both the general fund and the workforce development fund;
- Centers for independent living;
- State services for the blind;
- Minnesota employment center for people who are deaf or hard-of-hearing from both the general fund and the workforce development fund;
- Vocational rehabilitation program including interpreters for a program for the deaf, hard of hearing and deaf-blind persons;
- Advocating change together for services for persons with developmental and mental illness disabilities;
- Lifetrack Resources for immigrant services;
- Youthbuild;
- Summer youth employment in Minneapolis from the workforce development fund;
- Northern Connections for a pilot workforce program with a required match;
- Ramsey County Building Lives Program as onetime funding;
- Hennepin-Carver Workforce Investment Board for collaborative regional

health care training;

- Workforce Development, Inc. for demand-driven employment pilot project in Mower, Freeborn, Dodge, and Steele counties as onetime funding;
- HIRED for industry sector training initiatives as onetime funding;
- A nonprofit to increase employment opportunities for disabled persons;
- Minnesota youth program from the workforce development fund;
- Minnesota Alliance of Boys and Girls Clubs for statewide youth job skills development from the workforce development fund with a required match;
- Ramsey County summer youth employment program for at-risk youth.

Deed is also required to provide funding for the Minnesota conservation corp for interpreters and stipends for deaf students. Deposit and transfer language is provided for movement of funds between the unemployment insurance special administration account and the workforce development fund.

4 Department of Labor and Industry. Makes appropriations from the general, workers compensation, and workforce development funds.

Includes appropriations for:

- Vinland Center for rehabilitation services;
- Safe patient handling grants under a new program from the workers' compensation fund;
- A meatpacking industry ombudsman created in this bill;
- Apprenticeship program including the labor education and advancement program grants from the workforce development fund;
- Prevailing wage enforcement; and
- Certification of independent contractors.

5 Bureau of mediation services. Makes general fund appropriations for services and grants.

6 Workers compensation court of appeals. Makes appropriations from the workers compensation fund.

7 Board of accountancy. Makes general fund appropriations

8 Board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design. Makes general fund appropriations

9 Board of barber examiners. Makes general fund appropriations

10 Minnesota boxing commission. Makes general fund appropriation for transition to self-funding.

- 11 Bioscience zone designation. Requires the commissioner of DEED to establish criteria for new zones based on community resources, infrastructure and business.
- 12 Nanotechnology development fund.

Subd. 1. Nanotechnology fund. Creates a nanotechnology development fund in the state treasury and appropriates money from the fund to the Department of Employment and Economic Development (DEED.)

Subd. 2. Program established. Creates a nanotechnology development fund program to be administered by DEED to develop a collaborative economic development program among the state, private industry and academia focused on:

- promoting increased use of advanced nanoinstrumentation for characterization, fabrication and other processes;
- providing research consulting by knowledgeable specialists; and
- providing student internship opportunities.

Subd. 3. Definitions. Provides a definition of "qualifying Minnesota small business" to mean (a) a Minnesota business that has less than 50 employees; or (b) a Minnesota business with up to 100 employees that demonstrates financial adversity or risk, or a major prospect of aiding the business's outlook by use of nanotechnology in the business's offerings.

Subd. 4. Use of Funds. Specifies the use of funds from the nanotechnology fund to include onetime grants to businesses to:

- add nanotechnology applications to products under development by Minnesota businesses;
- promote the depth, breadth and value of technologies under development with the aid of nanotechnology;
- encourage frequent use of nanoinstrumentation;
- provide small businesses with broader access to experienced research consultants; and
- increase the number of researchers experienced working with nanoinstrumentation.

Subd. 5. Grant applications and awards. Allows the commissioner to give priority to grant applicants:

- whose intellectual property would benefit from the use of nanoinstrumentation; and

- who are currently using nanoinstrumentation and who wish to increase access to experienced research consultants.

Other factors that may be considered in awarding grants include: planned frequency and usage of nanoinstrumentation by grant applicants and an applicant's demonstration of rental of nanoinstrumentation. Grants awarded must include verification of matching rental fees or internship stipends paid by the grantee; and total amount paid to each grantee of at least \$500 and not more than \$20,000 within the biennium.

Subd. 6. Administration. Requires the commissioner of DEED to administer the program and maintain records.

Subd. 7. Gifts and donations. Allows gifts and donation to be made to the nanotechnology development fund.

Subd. 8. Report. Requires the commissioner to report by June 30 of each odd numbered year to the legislature on the use of the nanotechnology development fund.

- 13 Work group. Directs the commissioner of DEED to convene a workgroup to evaluate the wage incentive program and to make recommendations to the legislature by January 15, 2008.

### **Article 7: Employment and Development-Related Provisions**

## **Overview**

This article makes changes to existing programs in the Department of Employment and Economic Development (DEED) and Labor and Industry (DOLI) and creates new programs.

- 1 Use of funds for unemployed worker assistance. Allocates the use of funds from the Wagner-Peyser Act to require that at least 75 percent be used for employees at workforce centers providing direct assistance to unemployed or underemployed workers and no more than 25 percent be used for assistance to business.

- 2 Greater Minnesota business development investment fund. Establishes a new revolving investment fund for regional organizations in Greater Minnesota eligible for the existing challenge grant program. Money in the fund can be used by the regional organizations to provide debt or equity capital for new and expanding businesses.

Establishes criteria for loaning up to \$2 million to a regional organization, including: a ten-year term, at one percent interest; repayment through annual interest only payments for ten years followed by a total repayment of the principal; a formal loan agreement; timelines for making business investments subject to the requirements in the law; and submission of an annual report.

- 3 Grant account; contaminated site cleanup and development. Allows money in this account to be available until spent, regardless of the source of the money. Current law limits the availability to four years.

- 4 Qualifying site; contamination cleanup development grant. Eliminates criteria related to the value of the site relative to the estimated cleanup costs. A relative cost factor is added to the

priorities for these grants under section 5.

5 Priorities; contamination cleanup development grant. Includes a measure of cleanup costs relative to current market value in one of the factors the commissioner must consider in making grants when applications exceed funds available.

6 Commissioner discretion; redevelopment grant. Specifies that in fiscal years 2008 and 2009, 75 percent of available grant funds must be used in Greater Minnesota. In fiscal year 2010 and beyond, at least 50 percent of the grant money is for Greater Minnesota.

7 Priorities; redevelopment grant. Authorizes the commissioner to consider factors other than the five characteristics listed in current law, including the net return of public benefits. Grants must be distributed to distribute money within and outside the metropolitan area. Twenty five percent or more of the funds for grants must be for sites outside the metropolitan area, unless applications from Greater Minnesota account for less than 25 percent of the funds.

8 Generally; Minnesota trade office. Provides that the office must serve as Minnesota's office of protocol for visits by representatives of foreign governments and as a liaison to the foreign diplomatic corps in the state.

9 **Workforce development intermediaries.** Under the jobs skills partnership, this section defines *workforce development intermediaries* as entities with a track record of providing employment services to low-income individuals by bringing together employers, workers, and funding sources to implement the pathway to career advancement projects.

10 Pathways program. Makes these workforce development intermediaries eligible for grants awarded by the pathways program and it reduces the cash or in-kind match required of pathways projects from a one-to-one match to one-half-to-one match.

11 Definitions; dislocated worker. Includes persons who have been terminated or have received a termination notice resulting from a plant closing or substantial layoff in the definition of dislocated worker.

12 Determination and collection of special assessment. Maintains the employer assessment for the workforce development fund at the current level of .10 percent.

13 Nonprofit corporation loans. Sets the rate charged by a nonprofit making loans through a grant under the urban challenge grant program at the Wall Street prime rate plus four percent and authorizes the nonprofit to charge and retain an origination fee.

14 Small business growth acceleration program. Creates a new program administered by Minnesota Technology, Inc. to assist businesses with gap financing for technology and other improvements.

To be eligible a business must:

- be a manufacturer or in manufacturing-related services with 100 or fewer employees; and
- apply as required with a plan for technology and business improvement.

Minnesota Technology provides project funding, through a written agreement, to accelerate improvements if it determines that the improvements would not be done without an award. Funding is limited to half of the project costs or a maximum of \$25,000 per project per year. A single company is limited to \$50,000 in a calendar year. Program funds must only be

used for services and products to enhance business operations.

Minnesota Technology must report annually to the legislature on the award of funds, the estimated and actual impact of the funds awarded.

15 Packinghouse Workers Bill of Rights.

Subd. 1. Definition . Specifies that "employer" means an employer with 25 or more employees in the meatpacking industry and defines "meatpacking industry" to include business operations in which slaughtering, butchering, meat canning, meat packing, meat manufacturing, poultry canning, poultry packing, poultry manufacturing, pet food manufacturing, processing of meatpacking products or rendering is conducted.

Subd. 2. Right to adequate facilities. Requires an employer to provide adequate and working restroom facilities; adequate room for meal and rest breaks; adequate locker facilities; and adequate time for necessary restroom breaks. Provides state and federal statutory cross-references to existing rights when available.

Subd. 3. Right to adequate equipment and training. Requires an employer to furnish adequate equipment and training for performance of tasks assigned to employees and requires an employer to make skill development and training opportunities, including supervisory training, available.

Subd. 4. Information provided to employee. Outlines the minimum information about employee rights and duties that employers must provide to employees in an employee's native language or through written materials, as required by state or federal law or a valid collective bargaining agreement, to include:

- a complete description of the salary and benefit plans;
- a job description;
- a description of leave policies;
- a description of work hours and work hour policies;
- a description of any occupational hazards known to exist;
- information about federal and state rights to organize and bargain collectively;
- information about federal and state rights to a safe workplace; and
- information about federal and state rights to be free from discrimination.

Also provides state and federal statutory cross-references to the items enumerated above.

Subd. 5. Civil Action. Allows any person aggrieved by a violation of this section to file suit in any district court. The penalty for intentional violation of this law may be an award

of damages up to and including an amount equal to the original damages plus injunctive relief.

Subd. 6. Criminal Penalty. An employer in violation of this section is guilty of a misdemeanor.

16 Meatpacking Industry Workers Rights Ombudsman.

Subd. 1. Position Established. Creates a meatpacking industry workers rights ombudsman within the Department of Labor and Industry (DOLI). The commissioner, in consultation with the chairs of the House and Senate committees with jurisdiction over labor and employment issues, appoints the ombudsman.

Subd. 2. Duties. Directs the ombudsman to inspect and review practices and procedures of meatpacking operations in the state and to ensure that worker rights enumerated in section 1 are protected.

Subd. 3. Access. Specifies that the ombudsman or its designee shall have access to all meatpacking operating in the state at any time meatpacking products are being processed and industry workers are on the job.

Subd. 4. Office. Requires DOLI to provide necessary office space, furniture, equipment, supplies, and assistance as needed for the ombudsman.

Subd. 5. Language preference. Specifies that a preference among applicants for the ombudsman position will be given to persons who are fluent in languages in addition to English.

Subd. 6. Report. Requires the ombudsman to report by December 1 of each year to the legislature and governor on any recommended action necessary to provide for the fair treatment of workers in the meatpacking industry.

17 Forfeiture of employer rights. Limits an employers rights to an invention or proposal by an employee when the employer fails to make a substantial investment within five years.

18 Prohibited employment relating to the presence of liquor. Prohibits employing anyone under the age of 18 where liquor is served or in any capacity that involves liquor with certain exceptions.

19 Legislative findings and purpose. Specifies that enforcement personnel for worker safety programs should be located in areas where the incidence of workplace fatalities, injuries and complaints are high.

20 Citation. Adds § 182.6551. Gives this section the title "Safe Patient Handling Act."

21 Definitions. Adds § 182.6552. Defines terms for this section.

Subd. 1. Direct patient care worker. Defines "direct patient care worker" as an individual who directly provides physical care to patients, including nurses.

Subd. 2. Health care facility. Defines "health care facility" as a hospital, outpatient surgical center or nursing home.

Subd. 3. Safe patient handling. Defines "safe patient handling" as a process that uses equipment, rather than people, to transfer and move patients, and reduces injuries to

employees and patients.

Subd. 4. Safe patient handling equipment. Defines "safe patient handling equipment" as engineering controls, lifting and transfer aids, or mechanical assistive devices used to move patients, instead of manual lifting.

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Safe patient handling program. Adds § 182.6553.

Subd. 1. Safe patient handling program required. Requires all licensed health care facilities to adopt a safe patient handling policy to minimize manual lifting by January 1, 2008. Lists requirements for safe handling programs, including:

- assessment of hazards relating to patient handling;
- an adequate supply of safe patient handling equipment;
- training for nurses and direct patient care workers ;
- procedures to ensure construction plans are consistent with program goals;
- periodic evaluations of the program.

Subd. 2. Safe patient handling committee. (a) Requires licensed health care facilities to establish a safe patient handling committee by July 1, 2008.

(b) Sets out requirements for membership of the committee, including the following:

- at least half must be non-managerial nurses and direct patient care workers.
- in facilities where nurses and patient care workers are represented by a collective bargaining agreement, the union will select some members of the committee.

(c) Allows health care organizations with one or more facilities to have a committee at each or one to serve all the facilities. Specifies member requirements if the organization uses one committee.

(d) States that employees who serve must be compensated for their hours.

Subd. 3. Facilities with existing programs. States that facilities that currently have a policy, and a committee, are considered to be in compliance. Requires that these committees satisfy the requirements set out in subdivision 2.

Subd. 4. Committee duties. Specifies the duties of the committees, including, but not limited to, the following:

- complete a patient handling assessment;
- make recommendations relating to equipment, training and procedures.

Subd. 5. Training materials. Requires the commissioner to develop training materials on implementation of this section.

Subd. 6. Enforcement. Requires the commissioner of labor and industry to enforce the Safe Patient Handling Act.

Subd. 7. Grant Program. Authorizes the commissioner to make grants of up to \$40,000 per facility to a facility to acquire safe patient handling equipment and for

training on safe patient handling and equipment. The grants must be matched dollar for dollar by a grantee.

- 23 Payments that delay unemployment benefits. Provides a severance disregard for receiving unemployment benefits for the first \$10,000 of severance or other types of payments to employees with an annual salary or wages under \$75,000. Effective for benefits paid January 1, 2006 and thereafter.
- 24 Unemployment insurance benefits telephone system. Requires a phone system for unemployment insurance benefits that permits callers to speak directly to an unemployment insurance specialist.
- 25 Supported employment. Adds to the definition, under vocational rehabilitation, that employment is considered supported if it occurs at a facility that has been certified by the commissioner of DEED as integrated.
- 26 Affirmative business enterprise employment. Defines "affirmative business enterprise employment" for the purposes of vocational rehabilitation as being employment with paid work at a facility certified by the commissioner of DEED. This is also considered community employment for funding under Minnesota rules if wages paid are equal to or above the employer's usual wage rate and all employees have the same benefit package.
- 27 Appointment; membership; rehabilitation facility board. Reduces the number of voting members on the local board to seven members from nine. Eliminates the requirements for representation on the board from specific groups. The board is established by the local government or nonprofit and is necessary to receive assistance as a rehabilitation facility.
- 28 Integrated setting. Authorizes the commissioner to certify, after a site review, paid work at a rehabilitation setting as an integrated setting.
- 29 Local planning assistance. Provides that a regional development commission (RDC) may develop a program to support local government planning. In the absence of an RDC, the commissioner of employment and economic development (DEED) may select a regional organization to fulfill this function. Requires submission of an annual work program from each RDC or regional organization to DEED.
- 30 Workforce enhancement fee. Authorizes the commissioner of DEED to increase the special assessment on employers from .10 percent to .12 percent of taxable wages if the need for services exceed the available resources.
- 31 Federal procurement liaison. Authorizes the commissioner of DEED to establish and operate a technology and commercialization unit within the department. The appropriation may be used to coordinate efforts to procure federal resources for collaborative research and development projects aimed at small and medium sized businesses; promote contractual relationships with Minnesota based federal contractors and Minnesota based subcontractors; assess the research and development potential of small and medium sized businesses; undertake activities to link Minnesota companies with federal request for proposal (RFP) opportunities; and develop a framework for Minnesota companies to establish sole-sourcing relationships with federal agencies.
- 32 Location of northern Minnesota inspectors. Requires the commissioner of Labor and Industry to assign three occupational and safety inspectors to offices on the Iron Range and in Bemidji by the end of 2007.
- 33 Role of state legislature in trade policy. Requires the legislature to consent to a trade agreement for the state to be bound by the agreement. Establishes a process for legislative involvement in trade decisions, including:

- requiring the governor to inform the legislative leadership of both parties and both bodies of trade agreements;
- requiring the legislative contacts to be the official liaison to receive information on trade agreements and their impact on state law or regulation; to request analysis of the impact on legislative authority and the economy, to inform members of the legislature on the trade issues that have implications for the state, to communicate with legislative committees, and to communicate legislative concerns and actions to the governor and U.S. trade representatives;
- requiring specified actions before the state consents to the terms of a trade agreement, including submission by the governor of the request to the legislative contacts with the final text, and submission of a report from the Department of Administration in consultation with other state agencies analyzing how the agreement will change existing law, administrative actions, and draft legislation to implement; and
- requiring one or more public hearings before a legislative vote on specific provisions of an agreement.

States that the legislature believes Congress should instruct the U.S. trade representative to consult states before trade negotiations and to seek approval from state legislatures, as well as governors, before binding them to conform state law to the trade requirements. The Minnesota attorney general must notify the trade representative within 30 days of this policy

- 34 Study; safe patient handling. Requires the commissioner of labor and industry to study ways to require workers' compensation insurers to incorporate compliance with these safe handling programs in determining premium costs. Requires the commissioner to report the results to the legislature by January 15, 2008.
- 35 Work group; safe patient handling. Directs the commissioner DOLI to convene a group to assess use, options, and barriers for safe patient handling equipment. Requires a report to the legislature by January 15, 2008.
- 36 Effect on rules. Directs the commissioner of labor and industry to make conforming changes to rules to reflect prohibited employment of persons under age 18 where liquor is served or present.
- 37 Public facilities authority funding. Directs the PFA to continue projects on the 2006 priority list until resolution of the Maple Lake and Annandale issues before the Minnesota Supreme Court.
- 38 Repealer. Repeals section 16C.18, subdivision 2, DEED report on small and targeted business procurement.

## **Article 8: Licensing and Wages**

### **Overview**

1 Hair Braiding.

Subd. 1. Registration. Requires that any person engaged in hair braiding solely for

compensation as a profession, to register with the Minnesota Board of Barber and Cosmetology Examiners in a form determined by the board.

Subd. 2. Definitions. Provides a definition of "hair braiding."

Subd. 3. Requirements. Requires that in order to register, any person engaged in hair braiding solely for compensation as a profession must satisfactorily complete instruction at either an accredited school or by an individual. The instruction must be reported to and posted by the Minnesota Board of Barber and Cosmetology Examiners. Persons licensed as cosmetologists are not required to register.

Subd. 4. Curriculum. An accredited school or individual approved by the board who desires to provide coursework required under subdivision 3, shall have curriculum in place by January 1, 2008.

The section is effective July 1, 2008.

- 2 Examination of records. Expands the existing authority of the commissioner of the Department of Labor and Industry (DOLI) to inspect, examine, and investigate places of business, employment records of employers, wage claims or complaints to cover the state's prevailing wage laws.
- 3 Compliance orders. Adds the state's prevailing wage laws and whistleblower laws to the list of statutes for which the commissioner can issue a compliance order.
- 4 Civil actions. Authorizes a district court to award appropriate relief including reinstatement, back pay, restoration of lost service credit, compensatory damages and the expungement of adverse records of a state employee or applicant for state employment for a person who was the subject of the misconduct under whistleblower protections.
- 5 Court actions; private parties. Adds the state's prevailing wage laws to the sections of employment law for which an employee can bring civil action to address violations of the law.
- 6 District court jurisdiction. Allows prevailing wage violation cases to be brought to district court.
- 7 Attorney fees and costs. Allows a court to order an employer found in violation of the state's prevailing wage laws to pay reasonable costs, disbursements, witness fees and attorney fees.
- 8 Investigation of certain complaints. Directs the commissioner to investigate any matter that alleges a whistleblower protection violation in public employment. The identify of the person initiating the investigation shall be classified as private data except that the person's identity may be disclosed to a law enforcement agency conducting a criminal investigation of the matter. If the commissioner determines there is reasonable cause to believe that an employer has engaged in improper activity, the commissioner must report on that to the head of the employing agency or appropriate employing authority, and if appropriate to the attorney general, relevant legislative policy committees or anyone else the commissioner deems appropriate. Any head of an employing agency or appropriate appointing authority that the commissioner has notified, must report back to the commissioner within 30 days regarding subsequent actions taken.
- 9 Investigation Procedure. Directs the commissioner to investigate a written complaint of reprisal or retaliation within 10 working days of its submission and to complete findings of the investigation within 60 days.
- 10 General authority. Expands the commissioner's general rulemaking authority to cover

prevailing wage laws.

- 11 Recordkeeping. Adds the prevailing wage laws to the current recordkeeping requirements imposed on employers. Also adds a new requirement that each employer subject to prevailing wage laws must keep the prevailing wage master job classification for each employee working on the project for each hour worked. The records must be maintained for three years after the contracting authority has made final payment on a public works project.
- 12 Contract requirements. Gives a contracting authority the ability to require that the contractor or subcontractor must furnish any and all payrolls and that the contracting authority may examine all records related to wages paid under prevailing wage agreements. The requirements of this subdivision are in addition to other current requirements or authority that applies to prevailing wage projects.
- 13 Determination and posting. Requires each contractor or subcontractor performing work on a public project to keep prevailing wage information posted conspicuously.
- 14 Examination and investigation. Directs DOLI to hire at least three investigators to perform on-site previews, receive and investigate complaints and to conduct training and outreach to contractors and contracting authorities regarding prevailing wage projects. If the commissioner issues a compliance order, the commissioner may also issue an order to a contracting authority to withhold payment until the investigation is complete and the dispute is resolved.
- 15 Prevailing wage violations. Authorizes the commissioner to issue compliance orders for violations of prevailing wage laws that permit the contracting authority to withhold payments.
- 16 Independent contractors.

Subd. 1. Scope. Applies the following definitions to the terms used in the bill:

- "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.
- "Department" means the Department of Labor and Industry (DOLI).
- "Commissioner" means the commissioner of DOLI or a designee who is either an employee of the department or a person working under contract with DOLI.
- "Individual" means a human being.
- "Day" means calendar day.
- "Knowingly" means knew or could have known with the exercise of reasonable diligence.
- "Document" or "documents" includes a specified list of items including paper, audio, digital and any other form or manner.

Subd. 2. Limited Application. Limits the application of the bill to commercial or residential building construction or improvement services.

Subd. 3. Relationship. Includes the workers compensation (M.S. 176), labor relations

(M.S. 177), child labor (M.S. 181A), OSHA (M.S. 182) and unemployment insurance (M.S. 268) laws in the scope of coverage under this bill and specifies that as of January 1, 2009, an individual who performs services for a person that are in the course of the person's trade, business, profession or occupation is an employee of that person.

Subd. 4. Independent Contractor. Specifies that a person is an independent contractor only if they have obtained an independent contractor exemption certificate and meet all of the requirements set forth in subdivision 6.

Subd. 5. Application. Specifies the information that must be on the application form for an independent contractor exemption certificate including the applicant's: full name, residential and business addresses and telephone numbers, the service for which an exemption certificate is sought, social security number, federal employer identification number, any other information determined necessary by the commissioner and a sworn statement.

The commissioner has 30 days to grant or deny an application, which is valid for two years after approval. The commissioner has the authority to revoke a certificate once issued and an individual has the authority to cancel a certificate. An individual may request a hearing if the certificate is denied or revoked by notifying the commissioner within 30 days after receiving the notice of denial or revocation.

Subd. 6. Qualifications. Specifies the qualifications for an independent contractor exemption certificate to include:

- The individual is performing services listed on the exemption certificate;
- The individual maintains a separate business with the an office, equipment, materials and other facilities;
- The individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the IRS in the previous year;
- The individual is operating under contract to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;
- The individual is incurring the main expenses related to the service performed;
- The individual is responsible for the satisfactory completion of the services and is liable for a failure to complete the services;
- The individual receives compensation under the contract on a commission or per-job bid basis and not on any other basis;
- The individual may realize a profit or suffer a loss under the contract;

- The individual has continuing or recurring business liabilities or obligations; and
- The success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. Prohibited activities. Prohibits an individual from:

- performing work as an independent contractor without a valid exemption certificate;
- transferring an exemption certificate to another individual or allowing someone else to use the certificate;
- altering or falsifying an exemption certificate;
- misrepresenting the individual's status as an independent contractor; or
- making a false material statement, representation or certification or omitting material information or altering, concealing or failing to file a required document.

A person shall not require an individual through coercion, misrepresentation or fraudulent means to adopt independent contractor status; knowingly misrepresent that an individual who has not been issued an exemption certificate is an independent contractor; or make a false or incomplete statement or file a false or incomplete document.

A person for whom an individual is performing services must obtain a copy of the independent contractor exemption certificate before services may commence. The person for whom an individual is performing services must retain a copy of the certificate for five years from the date of receipt.

Subd. 8. Remedies. Any person in violation of this subdivision is subject to a penalty assessed by DOLI of up to \$5,000 per violation. Penalties are deposited in the Assigned Risk Safety Account.

Subd. 9. Commissioner. Specifies the powers of the commissioner in carrying out this law including the inspection of premises, the issuance of subpoenas, examination of records and in-person interviews.

Subd. 10. Notice. Specifies that service of a document may be by mail, personal service or other mechanism specified by the commissioner.

Subd. 11. Fax. Provides for service through facsimile.

Subd. 12. Time period. Provides for the computation of time periods under this section.

Subd. 13. Rulemaking. Provides the commissioner of DOLI in consultation with the commissioners of the Department of Revenue (DOR) and Department of Employment and Economic Development (DEED) to adopt, suspend, amend or repeal rules relating the responsibilities under this section. This subdivision is

effective the day after enactment.

Subd. 14. Fee. Specifies that the fee or a new or renewal of an independent contractor exemption certificate is \$150. The fee may be reduced if an individual applies for a contractor license and independent contractor certificate at the same time.

Subd. 15. Review and Notice. Requires DOLI to notify DOR and DEED when there is reason to believe that the requirements for holding an independent contractor exemption certificate are not being met. The commissioner of revenue is directed to review 1099 information returns of the individuals in question.

Subd. 16. Data. Provides that certifications are public data while applications and required documentation are private data.

This section is effective July 1, 2008.

17 Disclosure of Information by Employees.

Subd. 1. Prohibited action. Specifies that certain existing protections only apply to claims involving a matter of public concern. Also adds to the prohibition on employers from not discharging, disciplining, threatening or otherwise discriminating against or penalizing a public employee because:

- a public employee refuses to alter, dilute, or suppress the objective representation or communication of scientific or technical data or findings of economic or environmental impact; or
- a public employee communicates the findings of a scientific or technical study that the employee in good faith believes to be accurate.

Clarifies that the disclosures permitted under this section do not authorize disclosure of trade-secret information otherwise protected by law.

18 Use of authority to influence or interfere with disclosure of information. Prohibits a public employer from using or attempting to use the employer's authority or influence to intimidate, threaten, or coerce anyone for the purpose of interfering with whistleblower protections, or any other legal rights related to the person's employment.

19 Individual remedies, penalty. Adds the new whistleblower protection language of section 6 to the list of sections under which a civil action by an injured employee is permitted.

20 Reprisals. Allows a public employee or applicant to file a written complaint with the commissioner of labor and industry regarding an alleged whistleblower protection violation within 12 months of the most recent alleged act of reprisal. Creates a penalty of imprisonment in the county jail for up to one year and a \$10,000 fine for any person who engages in acts of reprisal, retaliation, threats, coercion or similar acts against state employees or applicants. Also allows punitive damages if the actions are proven to be malicious. The burden of proof is on the employer to demonstrate the activity was justified.

21 Termination of Sales Representatives. Specifies that a provision in a contract between a plumbing equipment sales representative and a principal purporting to waive any provision of the Termination of Sales Representative Act shall be void.

22 Rules. Makes conforming changes for Plumbing Board.

23 Plumbing board. Establishes a board of 12 designated voting members to specify and administer the state plumbing code

- 24 Local regulations. Changes references from the commissioner of health to the commissioner  
of labor and industry and provides that no city or town may require a license for persons  
performing building sewer or water service installation who have completed pipe laying  
training as prescribed the commissioner of labor and industry.
- 25 License required. Requires plumbing licenses to be issued by the department of labor and  
industry.
- 26 Journeyman exam. Conforming change.
- 27 Restricted plumber license. Establishes criteria for a journeyman license for use in cities  
under 5,000 population. Establishes a restricted journeyman plumber license for any person  
who applies to the commissioner of Labor and Industry and provides evidence of having at  
least two years of practical plumbing experience in the plumbing trade prior to applying for  
a license. A restricted master plumbing license shall be granted to any person who applies to  
the commissioner and provides evidence of having at least four years of practical plumbing  
experience in the plumbing trade prior to application. Applications for the licenses must be  
submitted prior to January 1, 2008, and may be renewed annually for as long as the licensee  
engages in the plumbing trade. Failure to renew a license within 12 months of its expiration  
will result in permanent forfeiture of the restricted licenses. The licenses cannot be sold or  
transferred. Cities and towns are authorized to require a license for persons performing  
building sewer or water service installation who have completed pipe laying training as set  
forth by the commissioner. Restricted master plumbers and restricted journeyman plumbers  
may engage in the plumbing trade only in cities and towns with a population of 5,000 or  
fewer based on the federal census.
- 28 Reciprocity with other states. Provides for reciprocal temporary licenses valid for five years.  
29 Application. Conforming changes
- 30 Boxing commission regulatory authority; fees. Expands the authority of the commission  
over tough person contests, mixed martial arts and ultimate fight contests. Increases fees for  
licenses issued by the commission and adds fees for certain related licenses.
- 31 Regulatory authority. See section 30
- 32 License expiration. Specifies that licenses issued by the boxing commission are effective for  
one-year from the date of issuance.
- 33 Fee schedule. Provides a new schedule of fees for licenses issued by the Minnesota Boxing  
Commission.
- 34 Repealer. Repeals the section of statute that specified that licensing requirements only apply  
in cities having a population of 5,000 or more.

## **Article 9: High Pressure Piping**

### **Overview**

This article establishes a 12 member board of high pressure piping systems appointed by the governor and confirmed by the senate to specify and administer the Minnesota code for high pressure piping. The article also makes conforming changes to existing law, provides for reciprocity with other states through issuance of a temporary license and provides for the transfer of authority from the commissioner of labor and industry to the new boards.

- 1 Supervision of high pressure piping. Directs DOLI to supervise all high pressure piping under rules adopted by the board created in section 5

- 2 Board. Specifies that "Board" means the Board of High Pressure Piping Systems.
- 3 Permissive municipal regulation. Makes conforming changes to reflect authority of board under section 1.
- 4 Filing and inspection fees. Makes conforming changes to reflect authority of board under section 1
- 5 High pressure piping systems board.

Subd. 1. The board will have twelve members representing various aspects of the industry appointed by the governor and confirmed by the senate.

Subd. 2. The board has the power to elect its own chair, specify the high pressure piping code to be followed in the state; make determinations with regard to complaints, code amendments, code compliance and clarifications; adopt rules regarding the licensure and regulation of persons engaged in high pressure piping, and adopt rules regarding continuing education of regulated individuals.

Subd. 3. The board's budget will be submitted to the commissioner of labor and industry who will collect fees set by the board sufficient to provide for the board's operation. The commissioner is responsible for enforcement of the codes and licensing requirements set by the board.

- 6 License required; rules; time credit. Makes conforming change.
- 7 High pressure pipefitting business license. Makes conforming change.
- 8 Reciprocity. Allows issuance of a temporary license without examination if a person holds a valid license from another state that Minnesota determines has licensing standards equivalent to those in effect in this state. Applicants granted a temporary license may acquire a total of 24 months of experience before they must pass the licensing exam in this state. Applicants have five years to comply with this requirement.
- 9 Application; fees. Makes conforming changes.
- 10 License revocation. Makes conforming change.
- 11 Deposit of fees. Makes conforming change.
- 12 Transfer of authority. Transfers the department's current rulemaking authority to the Board of High Pressure Piping.
- 13 Meeting; appointments. Requires board members to be appointed by July 1, 2007, and the first meeting to occur by September 1, 2007.

## Article 10: IRRRB

### Overview

This article appropriates money and outlines policy changes related to Iron Range Resources and Rehabilitation.

- 1 Hockey heritage surcharge.
  - Subd. 1. Imposes a 25-cent surcharge on the sale of every ticket to a NCAA Division One men's hockey event in the state.
  - Subd. 2. Collection; remittance. Specifies that all sellers of these tickets with nexus in Minnesota collect the surcharge. The seller must report and remit the surcharge revenues on a return as proscribed the commissioner of revenue.
  - Subd. 3. Administration. Extends the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal and administrative provisions of the state general sales tax to the hockey ticket surcharge.
  - Subd. 4. Deposit of revenues. Directs the commissioner of revenue to deposit all revenues derived from the hockey ticket surcharge in a special revenue fund. The amount deposited in this fund is appropriated to the IRRRB for payment to the city of Eveleth to support of the Hockey Hall of Fame provided that it continues to operate in the city of Eveleth.
- 2 Iron Range Resources and Rehabilitation Board. Reduces the membership of the IRRRB from 13 to 10 members with five each appointed by the Senate and the House of Representatives. Current law language directing the senate majority leader, speaker of the house of representatives and the governor to each appoint a non-legislator who resides in the taconite assistance area is stricken.
- 3 Taconite economic development fund. Directs that money held in the IRRRB taconite economic development fund for each taconite and direct reduced ore producer may be released by the commissioner for the acquisition of plant and stationary mining equipment for the producer. Effective for expenditures from these funds approved beginning the day following final enactment, the commissioner is authorized to release the funds only if the proposed expenditure is approved by a majority of the members of the IRRRB. If a producer uses money released from the fund prior to enactment and subsequently removes the equipment from the taconite tax relief area within ten years of receipt of the money from the fund, a portion of the money must be repaid to the taconite economic development fund as set forth in current law.
- 4 Appropriation; Iron Range Resources and Rehabilitation. Appropriates \$500,000, onetime, in fiscal year 2008 from the Iron Range Resources and Rehabilitation Board (IRRRB) fund for allocation as follows:
  - \$225,000 for Aitkin County Growth, Inc to extend electric service and other infrastructure to a peat project in Spencer Township;
  - \$75,000 for a nonprofit organization for preservation of B'nai Abraham synagogue in Virginia;

- \$150,000 for a grant to the Iron Range Youth in Action Program to assist in employing youth for community center construction; and
- \$50,000 for a grant to the Iron Range Retriever club for pond and field construction.

5 IRRRB building. Designates the IRRRB office building in Eveleth as the Joe Begich Building and requires it to be signed with the name at every entrance.

## **Article 11: Electrical**

### **Overview**

1 Personal direct supervision. Amends the definition of personal supervision to include direct supervision, which means that a licensed electrician is supervising an unlicensed individual during the entire workday. The licensed individual must be physically present at the work site and immediately available to the unlicensed person. Electronic supervision does not meet the requirement of physically present and immediately available.

2 Board of Electricity. Changes the composition of the board of electricity to be 12 members appointed by the governor and confirmed by the senate. The board is to be comprised of two representatives of electrical suppliers in rural areas, two master electricians who are contractors, two journeyman electricians, one registered consulting engineer; two power limited technicians, and two public members. The 12<sup>th</sup> member is the commissioner of labor and industry or a designee who shall be a non-voting member of the board.

3 Powers. Removes the board's authority to engage and fix the compensation of inspectors and hire employees and to issue, renew, revoke or suspend licenses and to enforce and impose remedies. The board is to serve in an advisory capacity to the commissioner.

4 Unlicensed individuals. Specifies that an unlicensed individual means an individual who has not been licensed by the board as a class A master electrician or as a class A journeyman electrician. An unlicensed individual cannot perform electrical work that is required to be performed by a licensed individual unless the individual has registered with the board as an unlicensed individual and subsequently works under the direct supervision of a licensed electrician.

5 Registration of unlicensed individuals. Requires unlicensed individuals performing electrical work to register with the department of labor and industry.

6 Reciprocity. Amends the reciprocity law by providing that the commissioner may enter reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring that the applicant pass an examination as long as the applicant:

- submits an application;
- pays a fee
- holds a valid comparable license in the state participating in the agreement.

The applicant must have acquired the license in a qualifying state through an examination deemed equivalent to those required in this state.

## **Article 12: Apprenticeship Board**

### **Overview**

This article renames the Apprenticeship Advisory Council to the Apprenticeship Board and gives the new board oversight authority in the administration of the apprenticeship law.

- 1 Purpose. Changes references to the Apprenticeship Advisory Council to the Apprenticeship Board.
- 2 Council to board. Changes references to the Apprenticeship Advisory Council to the Apprenticeship Board.
- 3 Duties and functions. Changes references to the Apprenticeship Advisory Council to the Apprenticeship Board.
- 4 Rules. Provides that if the commissioner of labor and industry refuses to accept, adopt and issue by rule or other appropriate action a board proposal, the commissioner must provide a written explanation of the reason for refusal. The explanation must be sent to the board within 30 days after the board submits the proposal to the commissioner.