

# HOUSE RESEARCH

## Bill Summary

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**Overview**

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

**Section**

**Article 1: Higher Education**

Matt Gehring (651-296-5052)

- 1 MnSCU; settlement of employment contracts.** Appropriates \$17 million to the Board of Trustees for purposes of settling its outstanding labor contracts. The Board’s appropriation base is increased by \$14 million in fiscal years 2016 and 2017.

**Article 2: Housing**

Mary Mullen (651-296-9253)

**Overview**

This article changes rider language 2014-2015 housing finance agency appropriations and requires the housing finance agency to send the draft and final affordable housing plan to the legislature.

- 1 Total appropriation.** Adds rider language to the 2013 appropriations to the Minnesota

**Section**

Housing Finance Agency (MHFA) to continue ongoing efforts to reduce the racial and ethnic disparities gap in homeownership rates and increase the resources to achieve that goal.

- 2       **Challenge Program.** Provides \$500,000 from the Challenge Fund appropriation be used for homeownership opportunities for families with a disabled child who have recently faced eviction. This section returns the money to general Challenge Fund uses if the money is not used by October 31, 2014.
- 3       **Housing Trust Fund.** Removes a onetime appropriation in the 2013 housing omnibus bill from the Housing Trust Fund for a grant to the nonprofit organization that is administering the state demonstration project for high-risk adults.
- 4       **Affordable housing plan; disparities report.** Requires MHFA to provide the draft and final version of the affordable housing plan, the agency's annual plan providing information on the use of funding the agency receives, to the legislature.

**Article 3: Department of Employment and Economic Development; Department of Labor and Industry Appropriations**

Anita Neumann (651-296-5056)

- 1       **Appropriations.** Technical specifications regarding applicable fiscal years.
- 2       **Department of Employment and Economic Development.** Provides appropriations. See spreadsheet for details.
- 3       **Department of Labor and Industry.** Provides appropriations. See spreadsheet for details.
- 4       **Business and community development.** Modifies an appropriation for the Minnesota Investment Fund made in 2013 to specify that up to three percent of the amount appropriated may be used for administrative expenses; and reduces from \$1,250,000 to \$750,000, the match requirement for a one time grant to the city of Morris for loans or grants for agricultural processing facilities or energy efficiency improvements.
- 5       **Minnesota Trade Office.** Clarifies appropriation for a grant to Voice of East Africa Women Inc.
- 6       **Vocational rehabilitation.** Extends for one year the time limit for the allocation of extended employment funds to Courage Center/Allina Health systems.
- 7       **Telecommunications.** Clarifies an appropriation rider enacted in 2013 for telecommunications access through the LCC.

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### **Article 4: Economic Development and Workforce Development**

Anita Neumann (651-296-5056)

- 1 **Definitions.** (h) “Underserved areas” means areas lacking access to wireless broadband service at speeds that meet the state goals of 10-20 Mbps download/5-10 Mbps upload.  
  
(i) “Unserved areas” means areas lacking access to wireless broadband service at speeds of 4 Mbps download/1 Mbps upload.
- 2 **Border to border broadband development grant program.**
  - Subd. 1. Establishment.** Establishes a broadband grant and loan program under the commissioner of employment and economic development.
  - Subd. 2. Eligible expenditures.** Provides that grants and loans may support the development of middle- and last-mile broadband infrastructure supporting broadband speeds of at least 100 megabits per second upload and download.
  - Subd. 3. Eligible applicants.** Lists eligible applicants, including businesses, political subdivisions, nonprofits, and co-ops.
  - Subd. 4. Application process.** Directs the commissioner to develop administrative procedures governing the application process and to act as fiscal agent for the program.
  - Subd. 5. Application contents.** Specifies application contents, including number of end-users who will acquire broadband access, evidence of community support for the project, sources of supplemental funding, and other information.
  - Subd. 6. Awarding grants and loans.** Lists factors the commissioner must give priority to in evaluating applications. The commissioner must give priority to projects constructed in unserved areas and may give priority to those constructed in underserved areas.
- 3 **Border to border broadband fund.**
  - Subd. 1. Account established.** Establishes the border-to-border broadband account in the state treasury, and directs the commissioner to credit to the account appropriations and transfers to the account.
  - Subd. 2. Expenditures.** Specifies allowable expenditures from the account, including grants awarded by the program, and as a supplement to revenues raised by local bond sales for broadband development. Expenditures also include up to three percent of the amount of grants awarded for the department’s administrative expenses.
  - Subd. 3. Restrictions.** Provides that no more than one-third of grant funds may be awarded to applicants from areas whose household density exceeds 100 households per square mile.

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

- 4 **Citation; Regenerative Medicine Development Act.** Provides citation.
- 5 **Definitions.** Provides definitions.
- 6 **Office of Regenerative Medicine Development.** Establishes an Office of Regenerative Medicine Development to provide business development services and outreach to promote and expand the regenerative medicine industry in Minnesota.
- 7 **Workforce program outcomes.** Directs the commissioner of employment and economic development (DEED) to develop and implement a comprehensive system for data collection, reporting and analysis of the effects and outcomes for adult workforce development programs and services.
- 8 **Approved training programs.** Authorizes the commissioner of labor and industry to grant exemptions from child labor laws for minors participating in job training programs approved by the commissioner and for those participating in valid apprenticeship programs.
- 9 **Innovation voucher pilot program.** Directs the commissioner of DEED to develop and implement an innovation voucher pilot program to provide financial assistance to small businesses purchasing technical assistance and services for research, technical development, product development, commercialization, technology exploration and improved business practices. The maximum voucher award is limited to \$25,000 per business. Vouchers require a 50 percent match.
- 10 **Commissioner's accountability plan.** Requires the commissioner of DEED to report to the house and senate on a plan and needs for financing to design and implement a performance accountability outcome measure system for programs under Chapter 116J and 116L.
- 11 **New employee training partnership.** Provides financial assistance to employers for the training costs of new employees. The assistance is limited to businesses in the non-metro area and priority is given to employers in counties with an unemployment rate that is 1.5 percentage points higher than the state average rate. Training rebates equal up to \$3,000 per employee or \$4,000 per employee for employees that are veterans, disabled or long term unemployed.
- 12 **Pilot program; precision manufacturing and health care services.** Directs the commissioner of labor and industry to establish a pilot program for developing competency standards for an apprenticeship program in precision manufacturing and health care services.
- 13 **Pilot program; information technology.** Directs the commissioner of employment and economic development to establish a pilot program to develop competency standards for an information technology apprenticeship program.
- 14 **Outcomes.** Establishes the expected outcomes of the precision manufacturing and health care services and information technology apprenticeship pilot programs.

**Section**

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

**Article 5: Workers' Compensation**

Anita Neumann (651-296-5056)

- 1 Occupational disease.** Codifies the recommendations of the workers compensation advisory council clarifying provisions related to post traumatic stress disorder. Specifies that for the purposes of workers' compensation reinsurance association losses and retention limits, one or more compensable mental impairment claims arising out of a single event or occurrence constitutes a single loss occurrence. This is effective for employees with dates of injuries on or after October 1, 2013.
- 2 Payment to fund.** Makes adjustment to calendar year references and changes "premium surcharge" to "policyholder surcharge." Directs that if the current calendar year earned standard premium is not available, the commissioner shall estimate the portion of the total assessment allocated to insured employers using the earned standard workers' compensation premium from the preceding calendar year with a reconciliation and final determination by the commissioner when the current year information is available, but no later than December 1 of the following calendar year.
- 3 Refunds.** Updates language to incorporate reference to reconciliation and determination under previous section.
- 4 Medical bills and records.** Specifies references for medical services provided on or after October 1, 2014.
- 5 Relative value fee schedule.** Deletes obsolete language.
- 6 Initial report, written report.** Deletes reference to "telegraph."
- 7 Settlement and pretrial conferences; summary decision.** Removes reference to section deleted in repealer.
- 8 Repealers.**

**Article 6: Miscellaneous for Jobs and Economic Development**

Anita Neumann (651-296-5056)

- 1 Receipt of gifts; money; appropriation.** Authorizes the commissioner of mediation services to apply for and accept money.
- 2 Meetings by telephone or other means.** Modernizes provisions for meeting requirements related to the St. Paul Port Authority by cross references to section 13D.015.

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### **Article 7: Commerce**

Andrew Biggerstaff (651-296-8959)

- 1 **Explore Minnesota Tourism.** Appropriates a \$100,000 grant to the Mille Lacs Tourism Council to be spent enhancing tourism promotion for the Mille Lacs lake area. This grant is made from the 2015 Explore Minnesota appropriation. Also appropriates an additional \$100,000 from the 2015 Explore Minnesota Tourism appropriation for additional marketing activities.
- 2 **Racing Commission.** Appropriates \$185,000 in the biennium from the racing and card playing regulation account in the special revenue fund to the Minnesota Racing Commission. These funds are for litigation and mediation devices, along with other regulatory activities.

### **Article 8: Public Safety and Corrections Appropriations**

Rebecca Pirius (651-296-5044)  
Jeffrey Diebel (651-296-5041)

## **Overview**

This article contains supplemental appropriations to the Department of Corrections, the Department of Public Safety, and the POST Board.

### **Article 9: Public Safety and Corrections**

Rebecca Pirius (651-296-5044)  
Jeffrey Diebel (651-296-5041)

- 1 **Disclosure.** Authorizes disclosure of private or confidential court services data to crime victims as provided in section 13.  
**Effective.** January 1, 2015. [H.F. 2142, 2<sup>nd</sup> eng., § 1]
- 2 **Public benefit data.** Provides that upon request, the commissioner of corrections or its designee shall disclose, to a victim of domestic violence, enhanced notification of the 5-digit zip code of the offender's residency upon or after release from DOC custody, unless the offender is not under supervision, the zip code is unavailable, or disclosure creates a risk.  
(§ 609.02, subd. 16 – definition of “qualified domestic violence-related offenses”)  
**Effective.** January 1, 2015. [H.F. 2142, 2<sup>nd</sup> eng., § 2]
- 3, 6, 7, & 9 **Fifth-degree criminal sexual conduct.** Expand the felony 5<sup>th</sup> degree criminal sexual conduct (CSC) offense. Under these sections, a person who engages in either (1) nonconsensual sexual contact with another person, or (2) masturbation or lewd exhibition of

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the genitals in front of a minor under the age of 16 may be sentenced to up to ten years in prison if the person has a qualifying prior offense within the past ten years.

The list of qualifying prior offenses is as follows: (1) criminal sexual conduct 1-5 (§§ 609.242 to 609.3451); (2) criminal sexual predatory conduct (§ 609.3453); (3) solicitation of a child (§ 609.52); (4) indecent exposure (§ 617.23); (5) use of a child in a sexual performance (§ 617.246); (5) child pornography (§ 617.247); or (6) a similar qualifying offense from another state. A juvenile adjudication is not a prior offense for purposes of this offense.

Also authorizes a court to stay a sentence for up to six years for a person who commits a gross misdemeanor 5<sup>th</sup> degree CSC offense. **[H.F. 1851, as amended]**

- 4 & 5** **Fire safety account.** Provides that the commissioner of public safety shall not expend funds from the fire safety account without the recommendation of the Fire Service Advisory Committee. Provides that the advisory committee does not expire. **[H.F. 2972]**
- 8** **Offender location.** Adds a new subdivision to section 611A.06 – Right to Notice of Release. Provides a victim with the same rights as found in section 2. Classifies the victim’s identifying data as private data on individuals.

**Effective.** January 1, 2015. **[H.F. 2142, 2<sup>nd</sup> eng., § 3]**

### **Article 10: Disaster Assistance for Public Entities; Federal Aid Granted**

Colbey Sullivan (651-296-5047)

## **Overview**

This article requires the state to pay 100 percent of the nonfederal share (often referred to as the “match”) of FEMA-eligible disaster costs for state agencies, American Indian tribes, and local units of government. It also creates a new disaster contingency account to capture expiring appropriations from prior disasters and to statutorily appropriate money to the Department of Public Safety (DPS) to (1) pay the nonfederal share for state agencies, local units of government, and American Indian tribes, and (2) award state disaster assistance grants to American Indian tribes and local units of government under the new program in Article 11. **[H.F. 2701, as amended.]**

- 1** **Local government.** Links the definition of “local government” for state disaster assistance purposes to the federal definition promulgated by FEMA as of 2012. That definition is:

*“Local government:* (i) A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government; (ii) An Indian tribe or authorized tribal organization, or Alaska Native village or organization; and (iii) A rural community, unincorporated town or village, or other public



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entity, for which an application for assistance is made by a State or political subdivision of a State.”

- 2 **Definitions.** Defines key terms, including “local government,” (same as Article 11) “disaster,” and “incident period.”
- 3 **Subgrant agreements; state share.** Requires the state to pay 100 percent of the nonfederal share for FEMA Public Assistance to local units of government, as defined above.
- 4 **Disaster contingency account; appropriation.** Creates a contingency account in the general fund. Establishes an ongoing, statutory appropriation to DPS. The appropriation would provide state dollars to (1) state agencies and local units of government (as defined) to pay 100 percent of the nonfederal share for FEMA public disaster assistance, and (2) local units of government (as defined) under the new program created in article 11. If the balance of the contingency account is not sufficient to make all payments, up to \$4,000,000/fiscal year of additional dollars would be appropriated from the general fund to DPS, but only after the commissioner of management and budget (MMB) reports estimated additional expenditures to legislative committees and approves the payments. Requires an annual report on appropriations and expenditures. Requires the governor to propose funding for the contingency account as part of the governor’s budget recommendation to the legislature. Provides that neither funds in the contingency account nor appropriations from the account expire.
- 5 **Appropriation.** Technical.
- 6 **Local government.** Links the definition of “local government” for purposes of chapter 12A to the new chapter 12 definition established in section 1.
- 7 **Nonfederal share.** Defines the term as the portion of total FEMA Public Assistance Program eligible disaster costs that is not eligible for FEMA reimbursement, not to exceed 25 percent.
- 8 **Nonduplication of federal assistance.** Replaces the term “matching” (money for FEMA assistance) with “cost-share”. Replaces the terms “political subdivision” and “Indian tribe” with the new term “local government” defined in section 1.
- 9 **State cost-share for federal assistance.** Authorizes appropriations to pay for 100 percent of the nonfederal share for state agencies and local units of government.
- 10 **Disaster assistance.** Requires MMB to transfer unspent and expiring disaster assistance appropriations to the new contingency account. Requires MMB to report each transfer to the legislature.
- 11 **Effective date.** This article is effective the day following final enactment.

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### **Article 11: Disaster Assistance for Public Entities; Absent Federal Aid**

Colbey Sullivan (651-296-5047)

#### **Overview**

This article establishes a new disaster relief program for local units of government and American Indian tribes that are not eligible to receive FEMA assistance or corresponding state disaster aid under chapter 12A but sustained eligible damages, on a per capita basis, greater than or equal to 50 percent of FEMA's county per capita impact indicator. **[H.F. 2701, as amended.]**

- 1 Public Disaster Assistance; Absent Federal Aid.** States the purpose of this new chapter.
- 2 Definitions.** Defines key terms, including "local government," (same as Article 10) "disaster," and "incident period."
- 3 Eligibility criteria; considerations.** Authorizes DPS to award grants to eligible local government applicants. Establishes what constitutes a qualifying disaster. Requires DPS to consider an applicant's ability to access other resources and the availability or existence of insurance.
- 4 Eligible costs.** States that eligible costs are those that would be eligible for FEMA Public Assistance Program grants had FEMA assistance been available to the local unit of government. FEMA Public Assistance Program eligible cost categories are:

#### Emergency Work

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

#### Permanent Work

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

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contents and systems; heavy equipment; and vehicles.

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

**5 Applicant's share.** Limits state grants to 75 percent of the applicant's eligible costs. Lists volunteer and in-kind contributions that count as part of the applicant's 25 percent share.

**6 Application process.** Requires DPS to develop application materials. Establishes the application submission and review process.

**7 Claims process.** Requires an applicant to submit a claim for payment of actual and eligible costs. Provides a process for applicants to challenge a claim denial. Authorizes DPS to inspect all work submitted for payment. Requires an applicant to properly account for all disaster grants received and to submit to an audit by DPS or the State Auditor.

**8 Funding from other sources; repayment required.** Requires a grant recipient to refund the money to the state if the recipient subsequently receives money for the same purpose from a different source.

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

## **Article 12: Transportation Appropriations**

Matt Burress (651-296-5045)

### **Overview**

This article contains transportation-related general fund and trunk highway fund direct appropriations, a general fund transfer, adjustments to appropriations for fiscal years 2014-15 made in the biennial transportation budget, and modifications to trunk highway bond appropriations.

**1 Appropriations.** Defines terms. Establishes that appropriations are from the general fund, unless another is named, for the agencies and purposes specified, and do not adjust base appropriations.

**2 Department of Transportation.** Makes general fund and trunk highway fund appropriations to the Minnesota Department of Transportation for fiscal years 2014 and 2015. General fund appropriations are in fiscal year 2015, and consist of:

- ▶ \$32,000 for free 2014 election day transit service in greater Minnesota

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- ▶ \$250,000 for non-capital expenditures in the Safe Routes to School Program
- ▶ \$5 million for highway-rail grade crossings in corridors where oil and other hazardous materials are transported
- ▶ \$500,000 for the Port Development Assistance Program
- ▶ \$4 million for the Transportation Economic Development Program
- ▶ \$10 million for the Corridors of Commerce Program
- ▶ \$15 million, in total, for materials in winter-related local road repair (allocated in proportions matching constitutional and state-aid distribution formulas)

Trunk highway fund appropriations are:

- ▶ \$10 million in fiscal year 2014 for materials in winter-related road repair
- ▶ \$4.37 million in fiscal year 2015 for Willmar district headquarters (added to previous funding)
- ▶ \$3.58 million in fiscal year 2015 for Little Falls truck station (added to previous funding)

- 3 Metropolitan Council.** Makes a total of \$10.4 million in general fund appropriations to the Metropolitan Council in fiscal year 2015. Specifies uses of the funds, which consist of arterial bus rapid transit, bus rapid transit stations, transit shelter improvements, and covering costs of free election day transit service. Requires allocation of \$250,000 to suburban transit providers based on a listing of expenditures developed by the providers.
- 4 Department of Public Safety.** Makes a \$2 million general fund appropriation to the Department of Public Safety in fiscal year 2015 for capitol security, and adjusts the base appropriation by that amount annually. Increases the general fund appropriation to the Department of Public Safety by \$60,000 in fiscal year 2015 for light rail transit safety oversight, and adjusts the base appropriation by that amount annually (which is part of shift of light rail transit oversight duties to the department; see section 13).
- 5 Transfer; railroad and pipeline safety.** Transfers \$2.5 million in fiscal year 2015 from the general fund into a new railroad and pipeline safety account (being established in article 13 of the bill).
- 6 Rochester maintenance facility.** Reduces the appropriation under 2010 capital investment legislation for a new maintenance facility in Rochester.
- 7 Trunk highway fund bond proceeds account.** Reduces the bond sale authorization amount corresponding with the change in section 6.
- 8 Rochester maintenance facility.** Increases the appropriation under 2012 legislation for a new maintenance facility in Rochester (matching the amount of the reduction in section 6).
- 9 Trunk highway fund bond proceeds account.** Increases the bond sale authorization amount corresponding with the change in section 8.

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- 10 Transfers, reductions, cancellations, and bond sale authorizations reduced.** Modifies cancellation of excess funds appropriated for trunk highway repairs due to flooding in 2007, to reduce the amount canceled under a 2012 law.
- 11 Multimodal Systems.** Increases appropriations, by \$1 million in fiscal year 2014 and \$3 million in 2015, made in the 2014-15 biennial budget from the state airports fund for aeronautics (which reduces the fund balance). Permits alternative local contribution rates for funded airports projects compared to what is otherwise required in state statute.
- 12 State Roads.** Makes various increases to trunk highway fund appropriations made in the 2014-15 biennial budget, for operations and maintenance, program planning and delivery, and state road construction. (Additional appropriations are from the trunk highway fund, reducing the fund balance.) Changes include:
- ▶ \$13 million for various operations, maintenance, and project management investments
  - ▶ \$5 annually for snow plowing equipment replacement, which is added to the base appropriation for operations and maintenance
  - ▶ \$6 million authorized for transfer to the Stillwater lift bridge account
  - ▶ \$14 million for improvements to Old Highway 14 as part of a turnback settlement agreement
- 13 Metropolitan Council.** Reduces the Metropolitan Council appropriation by \$60,000 in fiscal year 2015 made in the 2014-15 biennial budget from the general fund for transit, and adjusts the base appropriation. (This is part of shift of light rail transit oversight duties to the Department of Public Safety; see section 4.)
- 14 Effective date; superseding provisions.** Eliminates some of the appropriations and the general fund transfer if a separate bill, H.F. 2395, is enacted, regardless of enactment order.

### **Article 13: Railroad and Pipeline Safety**

Matt Burress (651-296-5045)

## **Overview**

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

- 1 Local incident commander.** Defines a term for the chapter on environmental protection.

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2 **Listed sensitive area.** Defines a term for the chapter on environmental protection.

3 **Unit train.** Defines a term for the chapter on environmental protection.

4 **[115E.042] Preparedness and response for certain railroads and pipelines.**

**Subd. 1. Application.** Requires owners of unit trains and pipelines to comply with this section.

**Subd. 2. Training.** Requires a railroad to offer, by June 30, 2016, specific training to each fire department along the route of a unit train and refresher training every three years thereafter.

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

**Subd. 4. Response capabilities, time limits, drills.** Makes a railroad or pipeline company responsible for deploying sufficient equipment and resources to a discharge site following a discharge. Specifies what resources are required to be deployed at a discharge site at various time periods after a confirmation of a discharge.

**Subd. 5. Prevention and response plans; approval.** Requires a railroad or pipeline company to submit a response plan to the Minnesota Pollution Control Agency, which is due by June 30, 2015. Plans must be updated and submitted for approval every three years.

5 **Railroad and pipeline preparedness; pollution control.** Identifies Pollution Control Agency duties with respect to environmental protection activities related to railroad and pipeline preparedness.

6 **Railroad and pipeline preparedness; public safety.** Identifies Department of Public Safety duties with respect to public safety activities related to railroad and pipeline preparedness.

7 **Positions established; duties.** Expands the number of required MnDOT state rail safety inspectors to three, with a fourth position permitted to be added after July 1, 2015, following consultation. Clarifies MnDOT ability to enter into agreements with the Federal Rail Administration and inspector authority.

8 **Railroad company assessment; account; appropriation.** Includes Class II railroads in a railroad assessment for program costs of state rail safety inspectors, clarifies the assessment basis, and makes technical changes.

9 **[299A.55] Railroad and pipeline safety; oil and other hazardous materials.** Creates a \$2.5 million annual assessment on railroad and pipeline companies and directs use of the funds, to be administered by the Department of Public Safety for training and preparedness on oil and other hazardous materials spills.

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

**Subd. 2. Railroad and pipeline safety account.** Creates a railroad and pipeline safety account. Makes statutory appropriations of available funds, consisting of \$208,000 annually to the Pollution Control Agency, and the remainder to the Department of Public Safety for the purposes set in subdivision 3.

**Subd. 3. Allocation of railroad and pipeline safety funds.** Provides for allocation of funds for training and response preparedness related to rail and pipeline transport of oil and other hazardous substances. Directs allocation of funds, requires consultation, identifies factors for prioritization, and limits uses of funds to training, equipment, supplies, and planning and coordination.

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

**10 Reports on incident preparedness for oil and other hazardous materials transportation.** Requires two legislative reports from the Department of Public Safety on incident response preparedness in the transportation of oil and other hazardous materials. The first is a report due January 15, 2015. Specified content includes a summary of the state's emergency response framework, an assessment of costs and needs, and a response capacity inventory.

The second is an evaluation due November 1, 2017, that includes updates to the first report, analysis of effectiveness of the training and response preparedness activities established in section 9 of this article, and identification of funding levels.

**11 Improvements study on grade crossings and rail safety for oil and other hazardous materials transportation.** Mandates a MnDOT legislative study on grade crossing risk management and improvement along rail corridors in which oil and other hazardous materials are transported. An interim update is due by August 31, 2014, and the final report is due October 31, 2014.

### **Article 14: Transportation Finance Provisions**

Matt Burress (651-296-5045)

## **Overview**

This article contains various transportation finance and fiscal provisions.

**1 Use of funds.** Clarifies permissible uses of the funds in the Stillwater lift bridge endowment account, and removes a limitation on the funds to allow trunk highway dollars transferred into the account to be used for non-trunk highway purposes.

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- 2       **Design.** Sets requirements on design of a new special plate for women veterans, including the inscription “woman veteran.”
- 3       **Expiration date.** Allows special harvest season increase permits to expire at the same time as the end of the registration period for the vehicle.
- 4       **Expiration date.** Allows special forest products permits to expire at the same time as the end of the registration period for the vehicle.
- 5       **Fees; proceeds deposited; appropriation.** Requires a proportionally reduced special permit fee when the permit expiration is set to correspond with the end of the vehicle registration period.
- 6       **Expiration date.** Allows special pulpwood vehicle permits to expire at the same time as the end of the registration period for the vehicle.
- 7       **Six-axle vehicles.** Makes a conforming clarification, to cross reference a provision on proportionally reduced special permit fees when the permit expiration is set to correspond with the end of the vehicle registration period.
- 8       **Seven-axle vehicles.** Makes a conforming clarification, to cross reference a provision on proportionally reduced special permit fees when the permit expiration is set to correspond with the end of the vehicle registration period.
- 9       **Expiration date.** Allows special permits for hauling unprocessed agricultural products to expire at the same time as the end of the registration period for the vehicle.
- 10       **Permit fee; appropriation.** Makes a conforming clarification, to cross reference a provision on proportionally reduced special permit fees when the permit expiration is set to correspond with the end of the vehicle registration period.
- 11       **Expiration date.** Allows special canola-hauling permits to expire at the same time as the end of the registration period for the vehicle.
- 12       **Transit service on election day.** Requires recipients of state assistance for fixed-route transit service in greater Minnesota to provide free transit service on the date of the 2014 state general election.
- 13       **Funding requirement.** Amends a requirement on the minimum level of MnDOT expenditures for “transportation alternatives” (which primarily includes bicycle and pedestrian facilities) from federal assistance, to set the level based on the expenditures over federal fiscal years 2009-12 instead of a rolling average.
- 14       **[219.375] Railroad yard lighting.** Creates a new section of statutes governing lighting requirements for railroad yards.

**Subd. 1. General requirements.** Mandates lighting in railroad yards between sunset and sunrise, including areas of train switching, inspection, assembly, and disassembly. Establishes requirements on the lighting and its upkeep, including



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meeting certain industry standards, minimum height, and required maintenance.

**Subd. 2. Allowances for unusual conditions.** Provides exceptions for maintenance, derailments, severe weather, and reasonable time periods following the listed conditions.

**Subd. 3. Lighting orders; commissioner authority.** Authorizes the Minnesota Department of Transportation (MnDOT) in some situations to give formal orders concerning lighting.

**Subd. 4. Failure to correct.** Creates a separate offense for failure to correct a Commissioner's order issued by MnDOT under subdivision 3.

**Subd. 5. Complaints.** Requires a good faith attempt to address lighting issues with the railroad company before filing a complaint.

**Subd. 6. Waiver.** Permits MnDOT to give a waiver from the lighting requirements if conditions prevent compliance, MnDOT inspects the area, and the waiver would conflict with other MnDOT powers and duties.

**Subd. 7. Violations and penalties.** Sets a penalty of \$500 per lighting violation.

**Subd. 8. Exceptions; applicability.** Applies the lighting requirements to Class 1 and Class 2 railroads, exempts lighting already in place by July 1, 2014, and permits lighting that exceeds the requirements being established.

- 15** **Made in Minnesota solar installations.** Mandates use of solar photovoltaic modules that are made in Minnesota in the construction or maintenance by a railroad company in which such modules are used. Provides exceptions for federal funding conditions, lack of module availability, and resulting loss of federal funds.
- 16** **[299A.017] State safety oversight.** Creates a new section of statute that (1) directs the Department of Public Safety to create an office for rail fixed guideway safety oversight, and (2) authorizes the office to implement light rail safety activities and planning that meets federal law requirements.
- 17** **Transit service on election day.** Requires the Metropolitan Council to provide free regular-route transit service on the date of the 2014 state general election. The requirement also applies to contracted service and suburban transit providers.
- 18** **[473.41] Transit shelters and stops.** Establishes requirements for design of transit shelter and maintenance of shelters and stops in the Twin Cities metropolitan area.

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

**Subd. 2. Design.** Requires transit authorities to create design specifications for transit shelters, which must include appropriate engineering standards, maximized

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protection from the elements, warming capabilities at high-traffic locations as feasible, and accessibility for persons with disabilities and the elderly. Requires consultation with the Metropolitan Council's Transportation Accessibility Advisory Committee.

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

- 19 Watercraft decontamination sites; rest areas.** Directs the departments of Natural Resources and Transportation to cooperatively undertake using rest areas as sites for watercraft decontamination, where feasible with current funding.
- 20 Woman veteran license plates; design.** Provides for consultation and approval of the woman veteran special plates.
- 21 Highway 14 turnback.** Provides for temporary takeover, trunk highway expenditures, and turnback of Old Highway 14 in Steele and Waseca counties in conjunction with a settlement agreement.
- 22 Community destination sign pilot program.** Establishes a pilot program on trunk highway road signs in the city of Two Harbors, for wayfinding to retail services.

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

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

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

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

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

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

## **Article 15: Agriculture, Environment, and Natural Resources Appropriations**

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

- 1 Summary of appropriations.** See spreadsheet or the bill.

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**2-8 Appropriations.** Appropriates supplemental funding for fiscal year 2015 to the Departments of Agriculture and Natural Resources, the Pollution Control Agency, Metropolitan Council, and the University of Minnesota. See spreadsheet or the bill.

### **Article 16: Agriculture, Environment, and Natural Resources Fiscal Implementation Provisions**

Colbey Sullivan (651-296-5047)

Janelle Taylor (651-296-5039)

Bob Eleff (651-296-8961)

- 1 Animal premises data.** Classifies data collected by the Board of Animal Health (BAH) on commercial dog and cat breeders under this article as private or nonpublic, except for information included in the list of licensed breeders in good standing that BAH is required to post on its website under this article.
- 2 Pollution Control Agency.** Provides that information related to priority chemicals that is submitted to the PCA is classified under § 116.9403.
- 3 Apiary.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee-owner compensation program created in this article.
- 4 Bee.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee-owner compensation program created in this article.
- 5 Bee owner.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee-owner compensation program created in this article.
- 6 Colony.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee-owner compensation program created in this article.
- 7 Hive.** Defines the term for purposes of chapter 18B “Pesticide Control” and the bee-owner compensation program created in this article.
- 8 Pollinator.** Defines the term for purposes of chapter 18B “Pesticide Control” and the pollinator-related sections in this article.
- 9 Pollinator enforcement.** Authorizes the Minnesota Department of Agriculture (MDA) to take enforcement action for violations of state pesticide control law that result in harm to pollinators. Penalties collected for these crimes would be deposited in the Pesticide Regulatory Account.
- 10 Pesticide impact on the environment.** Authorizes MDA to assemble a team of pollinator experts to consult on MDA’s pollinator death and illness investigations. MDA could contract with team members under a chapter 16C emergency procurement provision.
- 11 Compensation for bees killed by pesticide; appropriation.** Requires MDA to compensate a bee owner whose bees were killed by acute pesticide poisoning when 1) the pesticide applicator cannot be determined; 2) the pesticide applicator applied the product in an illegal

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manner; or 3) the pesticide applicator applied the product in a legal manner. For categories 1 and 3, MDA would award the bee owner compensation from the Pesticide Regulatory Account in the Agricultural Fund. For category 2, either MDA would not compensate the person or MDA would collect a penalty from the pesticide applicator that is sufficient to compensate the bee owner for the fair market value of the dead bees and award the money to the bee owner. A bee owner must submit a claim of at least \$100 and may receive no more than \$20,000 per fiscal year for all eligible claims. Authorizes a bee owner to contest a claim denial by MDA. States that in order for a bee owner to be eligible for any compensation, the bee owner must have had insurance coverage for no more than 50 percent of the value of their colony. Appropriates up to \$150,000 per fiscal year from the Pesticide Regulatory Account for compensation payments.

- 12**      **Definitions.** Defines terms for purposes of chapter 19 “Apiaries.”
- 13**      **Exemptions.** Exempts certain off-highway motorcycles from registration requirements.
- 14**      **Nonresident off-highway motorcycle state trail pass.** Requires tribal members exempt from off-highway motorcycles and nonresidents to obtain an off-highway motorcycle state trail pass (at a cost of \$20) in order to operate a motorcycle on state or grant-in-aid trails, with certain exceptions.
- 15**      **Requirement.** Allows a vehicle that bears a state parks and trails special plate (being created in this article) to access state parks, recreation areas, and waysides without a state park permit.
- 16**      **State parks and trails donation account.** Establishes a state parks and trails donation account to receive revenues from the new state parks and trails license plate established in this article and appropriates money in the account to the DNR for operation and maintenance of the state parks and trails system.
- 17**      **Disposition of proceeds.** States that interest earned on money in an account where revenues from leasing the Fort Snelling upper bluff accrues to the account and is appropriated annually to the DNR.
- 18**      **Zoological garden.** Designates the Minnesota Zoo as the state’s official pollinator bank, as defined.
- 19**      **Trap shooting sports facility grants.** Requires the commissioner of natural resources to administer a grant program to provide cost-share grants to local recreational trap shooting clubs for up to 50 percent of the cost of developing/rehabilitating trap shooting facilities for public use. Requires a facility rehabilitated/developed with a grant under this section to be open to the general public. Requires the commissioner to give preference to projects that provide the most opportunities for youth.
- 20**      **Water use permit processing fee.** Requires the DNR to waive water use permit fees for installations and projects that use storm water runoff or for public entities that divert water to treat a water quality issue and return the water back to its source without using it for other purposes unless the proposed use adversely affects surface water or groundwater.

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- 21 Recyclable material container requirements; public entities; sports facilities; and commercial buildings.** Requires owners of sports facilities and any commercial building that contracts for more than two cubic yards per week of solid waste collection to recycle solid waste. "Sports facilities" include both professional and collegiate facilities.
- 22 Statewide source reduction goal.** Strikes a 2000 state goal of reducing per capita waste generated by at least 10 percent and substitutes a state and county goal to reduce the generation of municipal solid waste.
- 23 Definition.** Adds the composting of source-separated compostable materials to the definition of recycling in this section. Expands the definition of total solid waste generation to include source-separated compostables and commercial waste.
- 24 County recycling goals.** Increases recycling goals for metropolitan counties from 50 to 75 percent by 2030.
- 25 Purposes for which money may be spent.** Adds composting, including the provision of receptacles for residential composting, to the list of activities that may be financed with county SCORE funds.
- Provides that, of any additional SCORE funds disbursed to metropolitan counties beginning in FY 2015 that exceed a county's 2014 allotment, at least 50 percent must be spent on composting and the remainder on activities that help the county achieve its recycling goal.
- 26 Eligibility to receive money.** Allows counties reporting on SCORE activities to report to the PCA electronically. Requires the reporting of specific recycling and composting activities that help achieve the county's recycling goal.
- 27 Definitions.** Amends § 116.9401. Makes conforming technical change. Adds definitions for "contaminant," "intentionally added chemical," "mouthable," "practical quantification limit," "product category," "product component," "product code," "toy," and "trade association." Modifies the definition of "safer alternative."
- 28 Identification of chemicals of high concern.** Requires any changes to the list of chemicals of high concern to be published on the PCA's Web site and in the State Register.
- 29 Identification of priority chemicals.**
- Subd. 1.** Provides that changes to the list of priority chemicals must be published on the PCA's Web site and in the State Register.
- Subd. 2.** Provides that the presence, concentration, and total amount of a priority chemical in a specific children's product is classified as public data.
- Subd. 3.** Provides that designation or publication of the identity of a priority chemical is not misappropriation of a trade secret.
- 30 Exemptions.** Makes technical change. Expands the list of excluded products to include children's products produced at a rate of less than 3,000 units per year, batteries, interactive

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software, and over-the-counter drugs.

- 31 Donations to the state.** Makes conforming technical changes.
- 32 Children's products; initial notification on priority chemicals.** Specifies when manufacturers and distributors of children's products must report certain information.
- 33 Children's products; full reporting information on priority chemicals; timing.** Specifies a schedule that manufacturers and distributors of a children's product that contains a priority chemical must use to report the information required under section 9 to the PCA, based on aggregate gross sales within and outside the state.
- 34 Children's products; full product reporting information on priority chemicals.** Specifies the full product information that must be reported to the PCA, including the concentration and total amount of the priority chemical in the children's product.
- 35 Children's products; full product reporting information on priority chemicals; second and subsequent reports.** Specifies the information that must be submitted to the PCA every two years after the information submitted under section 36, including attempts made to remove the priority chemical from the children's product and any evaluation made of safer alternatives.
- 36 Children's products; removing a priority chemical; reporting requirement.** Specifies the information that must be submitted to the PCA when a priority chemical has been removed from a children's product.
- 37 Fees.** Requires the PCA to collect certain fees from manufacturers and distributors of children's products. Requires the fees be deposited into the environmental fund.
- 38 State agency duties.** Specifies PCA's duties under this act, including publishing applicable data, making suggestions for reducing or eliminating priority chemicals in specific children's products, and offering grants to develop safer alternatives to priority chemicals.
- 39 Enforcement.** Requires the PCA to enforce this act.
- 40 Rules.** Allows the commissioner to adopt rules under this section.
- 41 Report.** Requires the commissioners of the PCA, Health, and Commerce to report on the agency's implementation of this act by November 15, 2015, and every three years thereafter.
- 42 State parks and trails plates.** Establishes a state parks and trails special plate.

**Subd. 1. General requirements and procedures.** Sets requirements to obtain the special plate, including payment of applicable fees and taxes, ownership of an eligible vehicle, and payment of a donation of at least \$50. Allows for personalized plates.

**Subd. 2. Design.** Directs the Departments of Public Safety and Natural Resources to jointly design the plates in consultation with interested groups.

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**Subd. 3. No refund.** Prevents a refund of the required donation.

**Subd. 4. Plates transfer.** Sets requirements and a \$5 fee for transfer of the plate to another vehicle.

**Subd. 5. Contribution and fees credited.** Directs the required donation to a state parks and trails donation account, and the \$10 plate fee to the vehicle services operating account.

**Subd. 6. Record.** Requires recordkeeping on issuances of the plate.

**Subd. 7. Exemption.** Exempts the special plate from requirements concerning an application fee, survey, and market study required for new plate proposals.

**43 Definitions.** Defines terms used in the following sections, including: “animal,” which means a dog or a cat; “commercial breeder,” which means a person in the breeding business who has ten or more adult animals and whose animals produce more than five litters per year; and “board” which means BAH.

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

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

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

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

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

- (1) violated a provision of Minnesota Statutes, chapters 343 “Prevention of Cruelty to Animals” or 346 “Stray Animals; Companion Animals;”
- (2) failed to meet the requirements of this article;
- (3) violated a local ordinance governing animal breeders;
- (4) was convicted of cruelty to animals in any jurisdiction;
- (5) had a similar license denied, revoked, or suspended by another authority; or
- (6) falsified any information to BAH.

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

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

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

**Subd. 4. Veterinary protocol.** Requires a licensed commercial breeder to establish, maintain, and update a written veterinary protocol. Requires a breeder to issue a veterinary health certificate with every animal sold or otherwise distributed.

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

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

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

**47 Civil enforcement.** Authorizes civil law enforcement, including administrative actions.

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

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

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

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



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

**Subd. 6. Administrative hearing rights.** Provides the procedure for requesting a hearing or appeal of decisions made by BAH.

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

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

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

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

The following actions would be a misdemeanor:

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

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

**51 Applicability.** Provides that the dog and cat breeder sections in this article do not apply to

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veterinary clinics or hospitals or any animals other than dogs or cats.

- 52 Fish and wildlife management.** Modifies a previous appropriation from the heritage enhancement account to allow its use for shooting sports facilities, including the Itasca County Gun Club and grants for trap shooting facilities under the new trap shooting facility grants program established in this article.
- 53 Costs of school trust lands director and Legislative Permanent School Fund Commission.** States that the costs of the legislative director and Legislative Permanent School Fund Commission are to be from the state forest suspense account and the minerals management account for fiscal years 2014 through 2016 and that the director and commission shall submit a proposal to the legislature on funding the commission and director's office using a cost certification method in 2015.
- 54 Recognition; commercial breeder excellence.** Requires BAH to develop a program that recognizes commercial breeders who exceed minimum standards and demonstrate excellence.
- 55 Registration; initial preclicensing inspections.** Requires commercial breeders to pay a registration fee of up to \$250 to register each facility they own beginning July 1, 2014, and ending July 30, 2015. BAH can begin initial preclicensing inspections during that same period. BAH must deposit fees in the new account.
- 56 Bee valuation protocol required.** Requires MDA to report to the legislature by January 15, 2015, a protocol for determining the fair market value of bees for purposes of the new compensation program in this article.
- 57 Invasive terrestrial plants and pests center.** Requests the University of Minnesota to establish an Invasive Terrestrial Plants and Pests Center to research and develop measures to prevent and minimize threats posed by terrestrial invasive plants, weeds, pathogens and pests (including agricultural weeds and pests). Specifies the colleges, departments and outreach centers to be involved. Requires an annual report to be submitted to the legislature on the activities of the center and any recommendations (the center receives funding under this act).
- 58 Repealer.** Repeals Minnesota Statutes 2012, section 115A.551, subdivision 2, county recycling goals for 1993.

### **Article 17: General Education**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

## **Overview**

This article makes changes to general education programs.

- 1 Reserve revenue.** Clarifies that the portion of revenue that each district must reserve for students attending an area learning center or alternative learning program is at least 90 and

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no more than 100 percent of general education revenue received by the district for pupils attending that program.

- 2 **Levy recognition.** Conforms the statutory language governing the levy recognition shift to reflect its full repayment (the levy recognition shift was eliminated through the allocation of state budget surplus under section 16A.152).
- 3 **Enrollment priority; PSEO.** Allows a student who qualifies for the graduation incentives program and enrolls full time in a dual credit middle or early college program to take remedial classes under the Postsecondary Enrollment Options (PSEO) program and receive developmental college credit.
- 4 **Financial arrangements.** Adjusts the formulas for aid payments to colleges and universities participating in the PSEO program to reflect the higher formula allowance and lower pupil weight of secondary students (the 2013 Legislature lowered the pupil weight for secondary students from 1.3 to 1.2 beginning in fiscal year 2015).
- 5 **General education revenue; charter schools.** Clarifies that charter schools do not qualify for location equity revenue (renamed local optional revenue in the recently enacted tax bill) and calculates declining enrollment aid individually for each charter school.
- 6 **English learner.** Increases the maximum number of years a student may receive state-funded English learner services from five to six years. Authorizes a school to continue to provide state-funded services to an English learner who has met the state minimum cutoff score on an English language proficiency assessment, if the student's teachers determine the student needs additional English language services to successfully and fully participate in the general core curriculum in the regular classroom.
- 7 **School district EL revenue.** Increases the English learner program basic revenue from \$704 to \$726 per pupil.
- 8 **Approved recovery program funding.**
  - Subd. 1. Approved recovery program.** Defines "approved recovery program" to mean a course of instruction offered by a recovery school that provides academic services, assists with recovery, and offers care to students recovering from substance abuse or dependency. Allows the program to be offered in a transitional setting. Requires the commissioner to approve the program.
  - Subd. 2. Eligibility.** Makes an approved recovery program eligible for an annual grant of up to \$125,000 to partially pay for support staff, including alcohol and chemical dependency and licensed school counselors, psychologists, nurses, and social workers.

Makes this section effective for fiscal year 2015.
- 9 **Learning year pupil units.** Clarifies the calculation of kindergarten pupils used to calculate learning year program revenue.

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- 10 Basic Revenue.** Increases the basic formula allowance by \$58 per pupil unit (one percent) for fiscal years 2015 and later.
- 11 Extended time revenue.** Clarifies the effective date of the change in the extended time revenue formula to reflect the change in pupil weights beginning in fiscal year 2015.
- 12 Equity revenue.** Qualifies any school district with its administrative office located in Wright, Sherburne, Isanti, or Chisago County for equity revenue. Clarifies that the portion of equity revenue based on each district's referendum allowance is calculated using adjusted, not resident, pupil units.
- 13 Regional equity gap.** Clarifies that regional equity gaps are calculated using adjusted, not marginal cost, pupil units.
- 14 District equity gap.** Clarifies that regional equity gaps are calculated using adjusted, not marginal cost, pupil units.
- 15 Transition revenue.** Clarifies the calculation of transition revenue to reflect the roll-out of alternative compensation (Qcomp) revenue from the general education revenue program.
- 16 Referendum equalization levy.** Removes an obsolete reference.
- 17 Referendum aid guarantee.** Corrects the referendum aid guarantee to reflect location equity revenue.
- 18 Referendum revenue.** Changes an erroneous pupil count reference from marginal cost to adjusted pupil units.
- 19 Board-approved referendum allowance.** Clarifies that a school district first calculates its local optional (location equity) revenue and then its board-approved referendum amounts.
- 20 Safe schools levy.** Increases the safe schools levy for intermediate school districts from \$10 to \$15 per pupil beginning in taxes payable in 2016. Changes an erroneous pupil count reference from marginal cost to adjusted pupil units.
- 21 Definitions; aid payment shift.** Conforms the statutory language regarding the state aid payment shift to its current level (the expanded aid payment shift was eliminated through the allocation of state budget surplus under section 16A.152).
- 22 Payment dates and percentages.** Returns charter school clean-up payments to the same schedule faced by school districts beginning July 1, 2015.
- 23 Alternative attendance programs.** Clarifies a cross reference.
- 24 Innovative delivery of education services and sharing of district resources; pilot project.**

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

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Allows participants to agree to extend the project beyond these timelines.

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

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

- 25 Effective date.** Adjusts the innovative delivery program effective date.
- 26 General education aid appropriation.** Adjusts the general education aid appropriation to reflect the formula allowance increase, the expansion in English learner funding, for forecast adjustments and the correction of the PSEO payment level for colleges and universities.
- 27 Appropriations; recovery school programs.** Appropriates \$500,000 beginning in fiscal year 2015 for recovery school grants under section 8.
- 28 Revisor Instruction.** Instructs the Revisor to change the name of the location equity revenue program to the local optional revenue program consistent with the passage of the 2014 tax bill.

### **Article 18: Education Excellence**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

## **Overview**

This article modifies educational excellence programs.

- 1 Immediate discharge.** (c) Directs a school principal or other school administrator, when a teacher is discharged due to a conviction for child abuse or neglect or a final determination of maltreatment is made, to include the information about the disciplinary action or determination in the teacher's employment record, consistent with the laws governing public personnel data, and provide the board of teaching and the education department with the necessary and relevant information to enable the board and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Declares that information received by the board or the department's licensing division is governed by state licensing data law or other applicable law governing data of the receiving entity. In addition to requiring a background check, directs school boards and other hiring entities to contact the board and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determination identified in this paragraph.

Makes this section effective immediately.

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**2**        **Grounds for discharge or demotion.** (c) Directs a school principal or other school administrator, when a teacher is discharged due to a conviction for child abuse or neglect or a final determination of maltreatment is made, to include the information about the disciplinary action or determination in the teacher's employment record, consistent with the laws governing public personnel data, and provide the board of teaching and the education department with the necessary and relevant information to enable the board and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Declares that information received by the board or the department's licensing division is governed by state licensing data law or other applicable law governing data of the receiving entity. In addition to requiring a background check, directs school boards and other hiring entities to contact the board and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determination identified in this paragraph.

Makes this section effective immediately.

**3**        **Revenue amount; Qcomp.** Clarifies a cross reference in the alternative teacher compensation (Qcomp) program.

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

**5**        **Incentive revenue.** Clarifies that each district's achievement and integration incentive revenue is based on the lesser of the maximum revenue amount or the district's actual approved qualifying expenditures.

**6**        **Concurrent enrollment; appropriation.** Increases funding for Minnesota's concurrent enrollment program for fiscal year 2015 only by \$1.897 million.

**7**        **Early childhood literacy programs.** Increases funding for early childhood literacy programs provided by the Minnesota Reading Corps. Allows up to \$500,000 in fiscal year 2015 to be used to support priority and focus schools and expand kindergarten programming.

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

Makes this section effective immediately.

**9**        **Consultation; career and technical education programs.** (a) Directs the education commissioner to consult with experts knowledgeable about secondary and post secondary career and technical education programs to determine the content, status, and resources of specific career and technical education programs available in Minnesota.

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

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

Makes this section effective immediately.

- 10 Appropriation.** Appropriates \$25,000 for the study of alignment of Minnesota's alternative teacher professional pay system and teacher evaluation program and \$150,000 for the commissioner of education to examine career and technical programs as required by section 8.

### **Article 19: Special Education**

Tim Strom (651-296-1886)

Lisa Larson (651-296-8036)

### **Overview**

This article modifies special education revenue calculations.

#### **1 Standards for restrictive procedures.**

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

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

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

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

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Makes this section immediately effective.

- 2 **Nonresident tuition rate; other costs.** Corrects a cross reference and clarifies that local optional (location equity) revenue is excluded from the definition of general education revenue used to calculate special education tuition rates.
- 3 **Definitions; special education.** Increases the special education aid paid to the Minnesota State Academies for the Deaf and the Blind to cover the costs of one-to-one licensed, certified aides, as required by the child's individualized education program by including the costs in the definitions of "nonfederal special education expenditures" and "old formula special education expenditures."
- 4 **Special education initial aid.** Increases the special education aid paid to the Minnesota State Academies for the Deaf and the Blind to cover the costs of one-to-one licensed, certified child aides, as required by the child's individualized education program.
- 5 **Special education initial aid.** Clarifies that special education pupil transportation costs are excluded when calculating each district's special education initial aid.
- 6 **Cross subsidy reduction aid.** Clarifies the calculation of cross subsidy reduction aid.
- 7 **Special education aid.** Removes an erroneous reference to "initial" aid.
- 8 **Definitions; special education excess cost.** Clarifies the reduction to old formula special education expenditures when calculating excess cost aid and clarifies the treatment of location equity revenue in the general education base revenue.
- 9 **Excess cost aid.** Removes erroneous reference to "initial" aid.
- 10 **Out-of-state tuition.** Clarifies the payment of out-of-state tuition special education aid to resident school districts.
- 11 **Special education paperwork cost savings.** (a) Amends a 2013 general fund appropriation of \$1,763,000 to the department of education for special education paperwork cost savings to allow the appropriation to be used for contracting technology and software for the statewide online special education reporting system.  
  
(b) For compliance and accountability purposes for children with disabilities and to increase the opportunities of educators and service providers to focus on teaching children with disabilities, directs the education commissioner to customize a streamlined, user-friendly statewide online system to collect and report required special education data to individuals with a legitimate educational interest and who are authorized by law to access the data.  
  
(c) Directs the commissioner to consult with various experts on integrating, field testing, customizing, and sustaining the online system. Requires online system outcomes, among other things, to:
  - reduce teachers' paperwork burden and increase their opportunity to focus on



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teaching

- efficiently and effectively transmit transferring students' records, including the records of highly mobile and homeless children with disabilities, among others, to the extent authorized by chapter 13 or other applicable state or federal data practices law governing access to and dissemination of educational records,
- address language and other barriers preventing parents from communicating information about the needs of their children with disabilities,
- help improve the interface among the online systems serving children with disabilities,
- have expert technical assistance readily available to work with/on the online system.

(d) Directs the education commissioner to use federal OSEP model forms to customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this subdivision. Directs the commissioner to use an RFP process to contract for needed technology and software. Requires the online system to be made available to school districts without charge beginning in the 2015-2016 school year. Requires a data audit trail to be established that the responsible authority may access to audit users' activity and for security safeguards. Allows school districts to use the online system or contract with an outside vendor for the 2015-2016 through 2017-2018 school years and requires school districts to use this system beginning in the 2018-2019 school year for compliance reporting.

(e) Directs the commissioner to establish a public Internet web interface to provide information to educators, parents, and the public about special education reports, respond to special education queries, and use the information garnered from the interface to streamline and revise special education reporting and further adapt/customize the online system. Prohibits the web interface from providing access to the educational records of any individual child.

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

Makes this section effective immediately.

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

Makes this section effective immediately.

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

**Section**

**Article 20: Facilities**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

**1 Joint powers cooperative facility.**

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

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

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

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

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

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

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

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

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

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

**2 Consolidation transition aid.** Increases the consolidation transition aid for all consolidating districts from a total of \$300 per pupil to \$300 per pupil for up to five years beginning in fiscal year 2017. Makes a district participating in a joint secondary facilities program

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eligible for the aid. Authorizes the aid for any purpose, including the repayment of building debt.

**3 Duty to maintain elementary and secondary schools.** Makes clear that a school district participating in a joint secondary program is exempt from the requirement to offer all grades within each district.

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

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

**6 Natural disaster debt service equalization.**

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

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

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

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

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

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

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- 7        **Debt service appropriation.** Includes the natural disaster debt service equalization aid in the open and standing appropriation for debt service equalization aid.
- 8        **Review and comment.** Increases the minimum qualifying amount needed to trigger a review and comment from \$1.4 million to \$2 million. Removes the need for a review and comment on most maintenance projects.
- 9        **Information required.** Simplifies and clarifies the types of information that must be submitted by the district to the commissioner for the review and comment.
- 10       **Declining enrollment revenue.** Exempt students attending the Crosswinds school from the declining enrollment revenue formula for fiscal years 2015, 2016, and 2017.
- 11       **Taconite payment and other reductions.** Exempts new taconite payments from the Iron Range school consolidation and cooperatively operated schools account from the taconite levy reduction limits.
- 12       **Abatements.** Includes the natural disaster debt service equalization aid in the aid programs available for abatement aid.
- 13       **Excess tax increment.** Includes the natural disaster debt service equalization aid in the list of aid programs adjusted when excess tax increment payments are received.
- 14       **Powers and duties of the Perpich board.** Broadens the charge to the Perpich board to include operating other schools specifically authorized by state law.
- 15       **Interdistrict voluntary integration magnet program.** Authorizes the board of the Perpich Center for Arts Education to operate a voluntary integration magnet program.
- 16       **Crosswinds Integration Magnet School.**
- Subd. 1. Definitions.** Defines the terms “board” and “Crosswinds school.”
- Subd. 2. Board to operate Crosswinds school.** Authorizes the board of the Perpich Center to operate the Crosswinds school program.
- Subd. 3. General education funding.** Funds the Crosswinds school as if it were a district-run school for purposes of determining general education revenue.
- Subd. 4. Special education funding.** Requires special education funding to be provided to the Crosswinds school as if it were operated by a school district.
- Subd. 5. Pupil transportation.** Authorizes the Perpich Center to provide transportation services for the students attending the Crosswinds school. Reimburses the costs of the transportation through the interdistrict desegregation transportation aid formula.
- Subd. 6. Achievement and integration aid.** Qualifies the Crosswinds school for achievement and integration aid, as if it were a school district.

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

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

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

**17 Equity in telecommunications access.** Increases school district telecommunications access aid by \$5 million per year beginning in fiscal year 2015.

**18 Harambee community school transition.**

**Subd. 1. Facilities.** Authorizes EMID to transfer the Harambee community school to the Roseville School District for operation of a multidistrict integration facility.

**Subd. 2. Student enrollment.** Allows any student who is currently enrolled at the Harambee school to continue attending that school in subsequent years. Allows other students to apply to attend the Harambee school according to the open enrollment process.

**Subd. 3. Compensatory revenue; literacy aid; and Qcomp revenue.** Schools' compensatory revenue, literacy aid, and Qcomp revenue are calculated on the enrollment count for the school site for the previous year; the proposed transfer of the facility will create a new school unit that will not have enrollment counts for the previous year.

**Subd. 4. Year-round programming.** Allows the Harambee school to continue to operate on a year-round calendar (the school is on a calendar called the 45/15 calendar—45 days of instruction, 15 days off from school, with larger breaks in July and December).

**Subd. 5. Pupil transportation.** Authorizes the Roseville school board to continue to provide transportation services for the students attending the Harambee school that are reimbursed under the interdistrict desegregation transportation aid formula.

**19 Transition requirements; Crosswinds School.**

**Subd. 1. Facilities.** Authorizes the East Metro Integration District (EMID) to transfer the Crosswinds school to the Perpich Center for use as an east metropolitan area integration magnet school.

**Subd. 2. Student enrollment.** Allows any student who is currently enrolled at the

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Crosswinds school to continue attending that school in subsequent years. Allows other students to apply to attend the Crosswinds school according to the open enrollment process.

**Subd. 3. Compensatory revenue; literacy aid; and Qcomp revenue.** Schools' compensatory revenue, literacy aid, and Qcomp revenue are calculated on the enrollment count for the school site for the previous year; the proposed transfer of the facility will create a new school unit that will not have an enrollment count for the previous year.

**Subd. 4. Title 1 Funding.** Requires the Crosswinds school to receive Title 1 funding in the same manner as it did when the program was operated by the EMID joint powers board.

- 20 Lease levy; Rosemount school district.** Authorizes independent school district No. 196, Rosemount, to lease a pupil transportation facility (under current law the lease levy may only be used for instructional purposes).
- 21 Repealer.** Repeals the requirement that a school district consult with the commissioner on building projects with a total project costs less than \$500,000.

### **Article 21: Nutrition**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

## **Overview**

This article provides state funding to school districts to cover the current 40 cent per meal student cost of reduced price school lunches.

- 1 School lunch aid computation.** Increases the state payment for each school lunch served to a reduced-price meal eligible student by 40 cents beginning in fiscal year 2015.
- 2 No fees.** Requires each participating provider (school districts, nonpublic schools, and a few other organizations) in the school lunch program to provide free school lunches to each student eligible for a free or reduced price meal. Requires providers to ensure that reminders to students about unpaid meals balances are done sensitively and do not demean students.
- 3 School lunch appropriation.** Increases the fiscal year 2015 school lunch appropriation by \$3.5 million to make reduced price meals free to eligible students and adjusts the appropriation base to match the February 2014 forecast.

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### **Article 22: Early Education, Community Education, Self-Sufficiency and Lifelong Learning**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

#### **Overview**

This article adjusts formula amounts for the adult basic education program.

- 1**      **Developmental screening aid.** Increases developmental screening aid by \$5 for each three and four year old child who is screened.
- 2**      **Amount of aid; school readiness.** Increases the annual aid entitlement for the school readiness program from \$10.095 million to \$12 million per year.
- 3**      **Report required.** Requires the commissioner to report on the evaluation of the early learning scholarship program by January 15, 2016.
- 4**      **Adult basic education supplemental service grants.** Increases the maximum amount of a supplement services grant to any single organization from 20 to 40 percent of the total amount of supplemental service aid.
- 5**      **State total adult basic education aid.** Increases the adult basic education program growth factor from 1.025 to 1.03 for fiscal years 2015 and later. Increases the portion of adult basic education aid available for supplemental service grants from two to three percent of the total program aid.
- 6**      **Program revenue.** Conforms an age limit used to calculate aid based on the number of adults without diplomas to match federal census data characteristics.
- 7**      **School readiness; appropriation.** Increases the school readiness appropriation by about \$2 million per year beginning in fiscal year 2015.
- 8**      **Health and developmental screening aid; appropriation.** Increases the appropriation for development screening aid by \$250,000 for fiscal year 2015.
- 9**      **Adult basic education aid; appropriation.** Increases the appropriation for adult basic education aid by \$225,000 for fiscal year 2015.
- 10**     **Appropriations; Northside Achievement Zone and St Paul Promise Neighborhood.** Appropriates \$1.132 million each to the Northside Achievement Zone and the St. Paul Promise Neighborhood, for fiscal year 2015 and later.

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### **Article 23: State Agencies**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

#### **Overview**

This article appropriates money for state agencies.

- 1 Department of education.** Increases the department of education budget to pay for the grants to the works museum (\$75,000) and the headwaters science center (\$50,000), to supplement the board of teacher budget (\$100,000), to supplement the budget of the Board of Administrators (\$58,000), and for expected rulemaking costs (\$40,000).
- 2 Minnesota State Academies; appropriation.** Increases the fiscal year 2015 appropriation for the Minnesota State Academies by \$300,000.
- 3 Appropriation; Responses to Health Insurance Transparency Act bid requests.** Appropriates \$294,000 to the commissioner of management and budget to comply with the proposed provisions of Minnesota Statutes, section 43A.316 for PEIP insurance bids.

### **Article 24: Forecast Adjustments**

Tim Strom (651-296-1886)  
Lisa Larson (651-296-8036)

#### **Overview**

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

### **Article 25: Health Department**

Jamie Olson (651-296-5043)

#### **Overview**

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

- 1 Restricted construction or modification.** Amends § 144.551, subdivision 1, paragraph (b).



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Adds a project for a 16-bed psychiatric hospital in the city of Thief River Falls, subject to the commissioner of health finding the project is in the public interest after the public interest review is conducted.

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

### **2 Healthy housing grants.** Adds § 144.9513.

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

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

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

(b) Allows the grantee to conduct any of the listed activities, including, but not limited to, implementing and maintaining primary prevention programs, providing training, or provide technical assistance on the implementation of mitigation measures.

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

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

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

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

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provider licenses.

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

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

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

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

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

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

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

**Subd. 9. Study and report about client bills of rights.** Requires the commissioner to consult with various stakeholders to review how to streamline the client bill of rights requirements in sections 144A.44, 144A.441, and 245D.04 for providers whose practices fit into one or several of these practice areas. Requires the evaluation to consider the federal client bill of rights and determine, among other things, whether there are any duplications or conflicts among the rights. Requires the commissioner to report to the legislature by February 15, 2015.

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

- 4** **Duties of director.** Amends § 145.4716, subdivision 2. Expands the duties of the director of child sex trafficking prevention to include managing the requests for proposals for grants for comprehensive services, including trauma-informed, culturally specific services.
- 5** **Provider enrollment.** Amends § 256B.04, subdivision 21. Includes providers licensed as home and community-based services under chapter 144A in Medicare and Medicaid Services

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provider enrollment requirements relating to the entity's compliance officer and the officer's duties.

### **6 Legislative Health Care Workforce Commission.**

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

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

**Subd. 3. Report to the legislature.** Requires the commission to provide a report to the legislature by December 31, 2014, and states report requirements.

**Subd. 4. Assistance to the commission.** Requires the commissioners of health, human services, commerce, and other state agencies to provide assistance and technical support to the commission at the commission's request.

**Subd. 5. Expiration.** States the commission expires January 1, 2015.

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

### **7 Grant programs to address minority health disparities.**

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

**Subd. 2. Grants; distribution.** Requires the commissioner of health to distribute grants for purposes including dementia training and education, a training conference on immigrant and refugee mental health, and other programs prioritized by the commissioner relating to health disparities in minority populations, including, but not limited to, a Somali women-led prevention health care agency focused on minority women's health disparities.

**Subd. 3. Grants; administration.** Requires the commissioner of health to review and competitively award grant applications. Also requires the commissioner to provide technical assistance and program support as needed to grantees. Grantees are required to submit quarterly progress reports to the commissioner.

**Subd. 4. Dementia education and training grant; eligible activities for dementia outreach.** Requires that grants be given to nonprofit organizations with expertise in providing outreach, education, and training on dementia related conditions. Requires grantees to (1) provide educational resources to the general public as well as specific minority populations; (2) promote awareness of those educational resources; and (3) promote use of those educational resources by health care organizations.

### **8 Full-time employee restriction.** Prohibits the Department of Health from hiring more than

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one full-time employee to administer the Healthy Housing grants under section 144.9513.

### **Article 26: Health Care**

Randall Chun (651-296-8639)

## **Overview**

This article requires the commissioner to implement a new hospital payment system based on all patient refined diagnosis-related groups (APR-DRGs), on a budget-neutral basis. The article also contains other provisions related to the administration of state health care programs.

- 1**      **Contract to match recipient third-party liability information.** Amends § 256.01, by adding subd. 38. Allows the commissioner to contract with a national organization to match recipient third-party liability information and provide coverage and insurance primacy information to the department.
- 2**      **Authority.** Amends § 256.9685, subd. 1. Strikes references to general assistance medical care (GAMC), which ended February 28, 2011.
- 3**      **Administrative reconsideration.** Amends § 256.9685, subd. 1a. Strikes a cross-reference to GAMC.
- 4**      **Base year.** Amends § 256.9686, subd. 2. Modifies the definition of base year for hospital reimbursement, to include more than one year recognized by Medicare. Also eliminates a reference to GAMC.
- 5**      **Hospital cost index.** Amends § 256.969, subd. 1. Strikes language that prohibits automatic annual inflation adjustments for hospital payments, and also strikes references to GAMC.
- 6**      **Diagnostic categories.** Amends § 256.969, subd. 2. Directs the commissioner to use the all patient diagnosis-related groups (APR-DRGs) other similar classification programs to determine the relative values of inpatient services and case mix indices. Allows the commissioner to supplement the data with national averages. Makes other related changes.
- 7**      **Hospital payment rates.** Amends § 256.969, subd. 2b. A new paragraph (a) specifies that for discharges on and after September 1, 2014: (1) critical access hospitals shall be paid using a cost-based methodology; (2) long-term care hospitals shall be paid on a per diem methodology; (3) rehabilitation hospitals or units shall be paid under the existing rehabilitation unit methodology in subdivision 12; and (4) all other hospitals shall be paid using a DRG methodology.

The amendment to paragraph (b) strikes language that prohibits hospital rates from being rebased on or after January 1, 2013, and strikes related language on rebasing.

A new paragraph (c) requires, for discharges on or after September 1, 2014, that payment rates for hospitals (other than long-term care and rehabilitation hospitals) be rebased using

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cost and payment methodologies in a manner similar to Medicare. Specifies the base year as FY 2012. Requires rebasing to be budget neutral, with separate budget neutrality calculations determined for payments to critical access hospitals and payments to hospitals reimbursed under the DRG system. Requires past rate increases and decreases to be considered in the budget neutrality calculation.

A new paragraph (d) requires rebased rates to result in no greater than a five percent increase or decrease from base year payments for any hospital, for discharges beginning September 1, 2014 through June 30, 2016. Also allows the commissioner, in making rate adjustments, to consider the impact of changes on specific sets of services and other factors.

The amendment to paragraph (e) specifies additional criteria for hospital payment rates.

- 8 Budget neutrality factor.** Amends § 256.969, by adding subd. 2d. Requires the commissioner, when rebasing payment rates for the rebased period beginning September 1, 2014, to apply a budget neutrality factor to ensure that total DRG payments to hospitals do not exceed the total DRG payments that would have been made had relative rates and weights not been recalibrated.
- 9 Interim payments.** Amends § 256.969, by adding subd. 2e. Allows the commissioner to implement an interim payment process for discharges occurring on or after September 1, 2014 through June 30, 2015, if the new payment system and rebasing is not complete by September 1, 2014. States that process would include payments based on each hospital's average payments per claim for state FY2011 and FY2012 that would be reprocessed upon implementation of the new system.
- 10 Report required.** Amends § 256.969, by adding subd. 2f. Requires the commissioner to report to the legislature on March 1, 2015, and March 1, 2016, on the financial impacts and policy ramifications of the payment methodology changes. Specifies the information that must be provided.
- 11 Payments.** Amends § 256.969, subd. 3a. Requires historical rate adjustments to be incorporated into the rebased rates. Requires the commissioner to notify hospitals of payment rates 30 days prior to implementation. Strikes payment rate reduction language and references to GAMC and makes conforming changes.
- 12 Nonpayment for hospital-acquired conditions and for certain treatments.** Amends § 256.969, subd. 3b. Updates a reference to diagnosis codes, by replacing ICD-9-CM with ICD-10-CM and also strikes specific references to old codes, and to GAMC. Requires the list of hospital acquired conditions to be that defined by the Centers for Medicare and Medicaid Studies on an annual basis.
- 13 Rate increase.** Amends § 256.969, by adding subd. 3d. Increases the payment rate for fee-for-service inpatient hospital admissions by three percent for admissions on or after July 1, 2014, through December 31, 2014.
- 14 Medical assistance cost reports for services.** Amends § 256.969, by adding subd. 4b. Requires critical access hospitals that receive MA payments and hospitals that receive a

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disproportionate population adjustment to annually file MA cost reports within six months of the end of the hospital's fiscal year. Requires DHS to suspend payments to hospitals that fail to file the required report.

- 15**     **Special considerations.** Amends § 256.969, subd. 6a. Eliminates a reference to a repealed subdivision.
- 16**     **Unusual length of stay experience.** Amends § 256.969, subd. 8. Requires the commissioner to establish payment rates for acute transfers occurring on or after September 1, 2014, based on Medicare methodologies. Also eliminates a reference to a repealed subdivision.
- 17**     **Short length of stay.** Amends § 256.969, subd. 8a. Strikes language related to short stay payments.
- 18**     **Hospital residents.** Amends § 256.969, subd. 8c. Requires payments for the first 180 days of inpatient care to be the APR-DRG payment plus any appropriate outliers. Requires payment for medically necessary care subsequent to 180 days to be made at a rate computed as 80 percent of the product of the statewide average cost to charge ratio multiplied by the usual and customary charges.
- 19**     **Disproportionate numbers of low-income patients served.** Amends § 256.969, subd. 9. Eliminates obsolete language related to disproportionate population adjustment payments. Eliminates references to GAMC.
- 20**     **Separate billing by certified registered nurse anesthetists.** Amends § 256.969, subd. 10. Requires hospitals to exclude certified registered nurse anesthetist costs from hospital operating payment rates and makes related changes. Also strikes obsolete language.
- 21**     **Rehabilitation distinct parts.** Amends § 256.969, subd. 12. For discharges on or after September 1, 2014, requires the commissioner, to the extent possible, to replicate the payment rate methodology under the new diagnostic classification system, when establishing relative values for rehabilitation hospitals and rehabilitation distinct parts. Requires the result to be budget neutral.
- 22**     **Transfers.** Amends § 256.969, subd. 14. Requires the commissioner to establish payments rates for acute transfers that are based on Medicare methodologies. Eliminates a reference to repealed subdivisions.
- 23**     **Out-of-state hospitals in local trade areas.** Amends § 256.969, subd. 17. Modifies a provision related to rate calculation for out-of-state hospitals, by changing a reference to a base "year" to base "years" and prohibiting redetermination of diagnostic categories until required by "statute" rather than "rule" as in current law.
- 24**     **Out-of-state hospitals outside local trade areas.** Amends § 256.969, subd. 18. Eliminates a reference to separate operating and property rates.
- 25**     **Long-term hospital rates.** Amends § 256.969, subd. 25. States that long-term care

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hospitals shall be paid a per diem rate established by the commissioner.

- 26 Payment rates for births.** Amends § 256.969, subd. 30. Modifies references to diagnostic categories to reflect the use of APR-DRGs and makes related changes, in a section setting payment rates for births.
- 27 Medicaid waiver requests and state plan amendments.** Amends § 256B.04, by adding subd. 24. Requires the commissioner to publish state Medicaid waiver requests or state plan amendments on the agency's Web site and provide for public comment, prior to submitting these requests to the federal government. Requires the commissioner to consider public comments when finalizing these request and requires the commissioner to publish notice of federal decisions related to the requests on the agency's Web site.
- 28 Excess income standard.** Amends § 256B.056, subd. 5c. Increases the MA spenddown standard for persons who are elderly, blind, or disabled, from 75 to 80 percent of FPG, effective January 1, 2017.
- 29 Other clinic services.** Amends § 256B.0625, by adding subd. 30. A new paragraph (h) requires claims for FQHC and rural health clinic services provided on or after January 1, 2015, to be submitted directly to and paid by the commissioner. Requires the commissioner to provide claims information to managed care organizations.
- A new paragraph (i) requires the commissioner to calculate and pay managed care supplemental payments to clinics, and requires review by the clinic, for clinic services provided before January 1, 2015. Specifies the procedures to be used to resolve issues related to supplemental payments.
- 30 Health care homes advisory committee.** Amends § 256B.0751 by adding subdivision 10.
- (a) Requires the commissioners of health and human services to establish a health care homes advisory committee.
- (b) Requires the committee to include representatives from health care professions and requires at least 25 percent of the committee members to be consumers or patients in health care homes.
- (c) Requires the committee to advise the commissioners on ongoing implementation of the health care programs, including, but not limited to, activities such as implementation of health care homes, potential modifications of the health care home rules or statutes, and consumer engagement.
- (d) Allows the committee to establish subcommittees on specific topics and states that the committee does not expire.
- 31 Payments reported by governmental entities.** Amends § 256B.199. Strikes language requiring certain hospitals to report certified public expenditures and requiring the commissioner to apply for federal matching funds for GAMC expenditures.
- 32 Personal needs allowance.** Amends § 256B.0625, subd. 1. Increases the MA personal

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needs allowance to include income garnished for spousal maintenance under a divorce judgment and decree, and any administrative fees garnished for collection. This increase is solely for the purposes of determining the amount of the personal needs allowance that can be deducted by an MA recipient from income, before contributing the remaining income towards the cost of institutionalized care.

- 33 Supplemental recovery program.** Amends § 256B.69, subd. 34. Narrow the scope of an existing supplemental recovery initiative for third-party liabilities, to focus on those third-party liabilities identified through coordination of benefits information.
- 34 Effective date.** Amends Laws 2013, chapter 108, article 1, section 24. Delays the implementation of presumptive eligibility determinations by hospitals from January 1, 2014, to July 1, 2014.
- 35 Medical assistance spenddown requirements.** Requires the commissioner of human services, in consultation with interested stakeholders, to review MA spenddown requirements and processes for persons with disabilities and persons age 65 or older. Requires the commissioner to report recommendations and their projected cost to the legislative chairs with jurisdiction over health and human services policy and finance, by November 15, 2015.
- 36 Repealer.** Repeals the following subdivisions of § 256.969: 2c (property payment rates), 8b (GAMC hospital admissions), 9a (contingent disproportionate share population adjustments), 9b (outdated rateable reductions), 11 (special rates for hospice, ventilator dependent and other services), 13 (neonatal transfers), 20 (increases for small rural hospitals), 21 (mental health and chemical dependency rates), 22 (outdated disproportionate share hospital adjustment), 26 (rural hospital DRG increases), 27 (disproportionate share hospital adjustment), and 28 (temporary rate increase). Also repeals § 256.9695, subd. 3 (transition period for rates) and 4 (study of hospital payment systems).

### **Article 27: Children and Family Services and Northstar Care for Children**

Lynn Aves (651-296-8079)  
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## **Overview**

This article modifies the Northstar Care for Children. Among other things, it updates background study requirements for individuals seeking permanent legal and physical custody of a child and modifies requirements for kinship assistance agreements. This article also modifies MFIP educational opportunities and modifies the MFIP family cap repeal.

- 1 Fingerprints.** Amends § 245C.05, subd. 5. Adds that individuals seeking to have a child transferred to their permanent legal and physical custody must provide a set of classifiable fingerprints to the commissioner.
- 2 Background studies conducted by the Department of Human Services.** Amends §



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245C.08, subd. 1. Requires the commissioner to review out-of-state criminal history and child abuse data as part of the background study on individuals seeking to have a child transferred to their permanent legal and physical custody. These out-of-state checks are currently required for adoptive and foster parents.

**3 Background studies conducted by the commissioner.** Amends § 245C.33, subd. 1. Establishes the requirements and processes to allow prospective adoptive parents and individuals who are seeking to have legal and physical custody of a child transferred to them permanently to avoid repeat background studies if already licensed as a foster home.

**4 Information commissioner reviews.** Amends § 245C.33, subd. 4. Instructs the commissioner to advise agencies when a repeat background study is not required on prospective adoptive parents and on individuals seeking permanent physical and legal custody of a child.

**5 Work activity.** Amends § 256J.49, subd. 13. Modifies the list of items included in the definition of “work activity” under MFIP by removing certain cross-references and adding Minnesota adult diploma and postsecondary education to the list.

**6 Length of program.** Amends § 256J.53, subd. 1. Increases the length of time a postsecondary education or training program can last, from 24 months to four years, in order to be counted as a work activity under MFIP. Requires participants with a high school diploma, GED, or Minnesota adult diploma to be informed of the opportunity to participate in postsecondary education or training while in MFIP.

**7 Approval of postsecondary education or training.** Amends § 256J.53, subd. 2. Modifies approval of postsecondary education or training requirements under MFIP.

**8 Requirements after postsecondary education or training.** Amends § 256J.53, subd. 5. Increases the length of time a person has to job search after completion of a postsecondary education or training program from six weeks to 12 weeks before the participant must accept any offer of full-time suitable employment.

**9 Basic education; English as a second language.** Amends § 256J.531.

**Subd. 1. Approval of adult basic education.** Expands eligibility for MFIP participants to pursue a GED credential or Minnesota adult diploma as an approved work activity under the MFIP program. Requires participants eligible to pursue a GED credential or Minnesota adult diploma to be informed of the opportunity to participate while in MFIP.

**Subd. 2. Approval of English as a second language.** Removes certain limitations of approval of English as a second language classes as a work activity under MFIP.

**10 General eligibility requirements.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 1. Requires that before a relative can be eligible to receive guardianship assistance, the child must live in the relative’s home for six consecutive months. Requires that the relative be licensed as a foster parent, or meet the alternative listed criteria.

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- 11 Agency determinations regarding permanency.** Amends Minnesota Statutes 2013 Supplement, 2013 Supplement, § 256N.22, subd. 2. Requires the responsible agency to document eligibility determinations when making a determination about placement of a child with a relative custodian.
- 12 Background study.** Amends Minnesota Statutes 2013 Supplement, § 256N.22, subd. 4. Provides that the background studies on relative custodians must meet the requirements of the Adam Walsh Act. Allows relative custodians to avoid a repeat background study if they have a foster care license and the earlier home study met the requirements listed in this section.
- 13 Background study.** Amends Minnesota Statutes 2013 Supplement, § 256N.23, subd. 4. Requires that all adults residing in the home of prospective adoptive parents must have a background study completed that meets the requirements of the Adam Walsh Act. Allows prior background studies to be used when the individual is a currently licensed foster parent and all requirements of the subdivision are met.
- 14 Negotiation of agreement.** Amends Minnesota Statutes 2013 Supplement, § 256N.25, subd. 2. Modifies the requirements related to adoption assistance agreements when the adoptive parents are adopting a child who is considered “at-risk.”
- 15 Renegotiation of agreement.** Amends Minnesota Statutes 2013 Supplement, § 256N.25, subd. 3. Makes technical changes to conform to changes made in section 17.
- 16 Benefits.** Amends Minnesota Statutes 2013 Supplement, § 256N.26, subd. 1. Strikes a reference to guardianship assistance.
- 17 Nonfederal share.** Amends Minnesota Statutes 2013 Supplement, § 256N.27, subd. 4. Clarifies that costs for the phase in of Northstar Care are borne by the state.
- 18 Financial considerations.** Amends § 257.85, subd. 11. Modifies the method used by the commissioner to reimburse the local agency for relative custody assistance payments.
- 19 Out-of-home placement; plan.** Amends § 260C.212, subd. 1. Requires an out-of-home placement plan to include documentation of the permanency plan for the child, when a child cannot be returned to the care of either parent, and documentation necessary to support kinship placement when adoption is not in the child’s best interests.
- 20 Custody to relative.** Amends § 260C.515, subd. 4. Lists the requirements for the transfer of permanent legal and physical custody to a relative, and the factors the court is to consider.
- 21 Adoption study required.** Amends § 260C.611. Provides that a child foster care home study meets the requirements for an adoption home study when the study meets specified requirements, the child resides in the home of the prospective adoptive parents, and the child is under the guardianship of the commissioner.
- 22 Repealer.** Amends Laws 2013, ch. 108, art. 3 § 48. Makes a technical correction to the repeal of the MFIP family cap that was included in the 2013 HHS omnibus bill and moves up

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the effective date by six months. Makes this section effective July 1, 2014.

### **23 Parent Aware quality rating and improvement system accessibility report.**

**Subd. 1. Recommendations.** Requires the commissioner of human services, in consultation with others, to make recommendations to the legislature on (1) increasing accessibility for child care providers to Parent Aware and (2) increasing access to Parent Aware-rated programs for families.

**Subd. 2. Report.** Requires the commissioner to report to the legislature with recommendations by February 15, 2015. Makes this section effective the day following final enactment.

**24 Direction to commissioner.** Requires the commissioner of human services to implement the repeal of the MFIP family cap July 1, 2014. Requires the commissioner to implement a manual procedure to implement the change if systems modifications cannot be complete in time.

**25 Revisor's instruction.** Instructs the revisor to change the term "guardianship assistance" to "Northstar kinship assistance" throughout statute and rule where this term refers to Northstar Care for Children.

**26 Repealer.** Repeals Minnesota Statutes 2013 Supplement, § 256N.26, subd. 7 (special at-risk monthly payment for at-risk children in guardianship assistance and adoption assistance).

## **Article 28: Community First Services and Supports**

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### **Overview**

This article modifies the Community First Services and Supports program.

**1 Community first services and supports (CFSS) organizations.** Amends § 245C.03, by adding subd. 8. Requires the commissioner to conduct background studies on any individual required under the CFSS program to have a background study completed.

**2 CFSS organizations.** Amends § 245C.04, by adding subd. 7. Requires the commissioner to conduct background studies on certain individuals at least upon application for initial enrollment under the CFSS program. Requires the CFSS organization to receive notice from the commissioner that a direct care worker is not disqualified or disqualified but the individual has received a set-aside of the disqualification before the individual begins a position allowing direct contact with clients.

**3 CFSS organizations.** Amends § 245C.10, by adding subd. 10. Charges CFSS organizations a fee of no more than \$20 per background study. Appropriates fees collected under this subdivision to the commissioner for the purpose of conducting background studies.

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- 4**        **Definitions.** Amends § 256.85, subd. 2. Modifies the definitions under the CFSS program by adding definitions for “consultation services” and “worker training and development.” Modifies definitions of “CFSS delivery plan,” “extended CFSS,” “financial management services contractor or vendor,” “health-related procedures and tasks,” “participant’s representative,” “shared services,” and “support worker.” Removes the definition of “support specialist.”
- 5**        **Eligibility.** Amends § 256B.85, subd. 3. Removes the requirement for a CFSS participant to be living in their own home or a foster care setting in order to receive CFSS services. Modifies terminology.
- 6**        **Assessment requirements.** Amends § 256B.85, subd. 5. Specifies an assessment of functional need may occur at the request of the participant under certain circumstances. Removes a limitation that participants residing in a facility may only choose CFSS for the purpose of returning to the community. Specifies that temporary authorization of CFSS services may only occur in the agency-provider model.
- 7**        **CFSS service delivery plan.** Amends § 256B.85, subd. 6. Modifies CFSS service delivery plan requirements by adding requirements to include budget information and a plan for worker training and development. Specifies the duties of the consultation services provider in assisting with the development or modification of the plan. Requires the plan to be approved by the case manager or care coordinator for a waiver or alternative care program participant.
- 8**        **CFSS; covered services.** Amends § 256B.85, subd. 7. Modifies terminology. Modifies the list of covered services by removing transition costs and adding services provided by an FMS contractor under contract with DHS, services provided by a consultation services provider under contract with DHS and enrolled as a Minnesota health care program provider, and worker training and development services. Specifies the requirements for family members to be able to provide CFSS services.
- 9**        **Determination of CFSS service methodology.** Amends § 256B.85, subd. 8. Modifies terminology. Specifies how the service budget for budget model participants is calculated.
- 10**       **Noncovered services.** Amends § 256B.85, subd. 9. Makes technical changes. Modifies the list of noncovered services under the CFSS program by adding several services including IADLs for children under age 18, services provided and billed by a provider who is not an enrolled CFSS provider, services that are used solely as a child care or babysitting service, sterile procedures, giving of injections, home maintenance or chore services, application of restraints or implementation of deprivation procedures, and services to other members of the participant’s household.
- 11**       **Agency-provider and FMS contractor qualifications, general requirements, and duties.** Amends § 256.85, subd. 10. Adds qualifications, requirements, and duties to agency-providers and FMS contractors.
- 12**       **Agency-provider model.** Amends § 256B.85, subd. 11. Updates terminology. Adds

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requirements for participants when purchasing goods under the agency-provider model.

- 13 Requirements for enrollment of CFSS agency-provider agencies.** Amends § 256B.85, subd. 12. Updates terminology. Requires the commissioner to send annual review notifications to agency-providers 30 days prior to renewal and specifies the information that must be included in the notification. Requires agency-providers to submit the required documentation for annual review within 30 days of notification from the commissioner. Requires the agency-provider enrollment number to be terminated or suspended if no documentation is submitted.
- 14 Budget model.** Amends § 256B.85, subd. 13. Requires participants to use an FMS contractor in the budget model. Modifies the list of items for which participants may use their budget allocation under the budget model. Moves language related to disenrollment procedures within this subdivision. Modifies the FMS contractor service functions and requirements. Updates terminology and cross-references.
- 15 Documentation of support services provided.** Amends § 256B.85, subd. 15. Updates terminology.
- 16 Support workers requirements.** Amends § 256B.85, subd. 16. Updates terminology. Prohibits support workers from providing or being paid for more than 275 hours of CFSS per month. Prohibits DHS from disallowing the number of hours per day a support worker works unless it violates other law.
- 17 Exception to support worker requirements for continuity of services.** Amends § 256B.85, by adding subd. 16a. Creates an exception to the support worker requirements under certain circumstances.
- 18 Consultation services description and duties.** Amends § 256B.85, subd. 17. Removes support specialist requirements (“support specialist” was also removed from the definitions in section 4). Adds consultation services definition, description, and duties.
- 19 Consultation service provider qualifications and requirements.** Amends § 256B.85, by adding subd. 17a. Creates consultation service provider qualifications and requirements.
- 20 Service unit and budget allocation requirements and limits.** Amends § 256B.85, subd. 18. Removes the calculation of the service unit and budget allocation from this subdivision (it was moved to section 9).
- 21 Worker training and development services.** Amends § 256B.85, by adding subd. 18a. Specifies worker training and development services criteria.
- 22 Commissioner’s access.** Amends § 256B.85, subd. 23. Updates terminology.
- 23 CFSS agency-providers; background studies.** Amends § 256B.85, subd. 24. Updates terminology.
- 24 Effective date.** Modifies the effective date of the CFSS program. The proposed effective

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date is 90 days after federal approval.

### **Article 29: Continuing Care**

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## **Overview**

This article makes changes to the home and community-based services standards related to the Jensen Settlement, modifies the home and community-based services provider quality add-on and performance incentive program, provides a payment rate increase to nursing facilities to address compensation-related costs, and provides a four percent rate increase for ICF/DDs and home and community-based services providers.

- 1 **Licensing data.** Amends § 13.46, subd. 4. Adds data collected under chapter 245D to the list of data that is considered private data on individuals under the government data practices act.
- 2 **Nursing facility level of care.** Amends § 144.0724. Modifies subdivisions 11 and 12 of this section.

**Subd. 11. Nursing facility level of care.** Modifies the nursing facility level of care criteria effective January 1, 2015.

**Subd. 12 Appeal of nursing facility level of care determination.** Modifies the appeal process for recipients meeting transition population criteria to allow for a longer time period to appeal a nursing facility level of care determination. Makes this section effective January 1, 2015.

- 3 **Positive support strategies and emergency manual restraint; licensed facilities and programs.** Amends § 245.8251.

**Subd. 1. Rules governing the use of positive support strategies and restricting or prohibiting restrictive interventions.** Changes the timeline for DHS to adopt new rules governing the use of positive support strategies. Clarifies that the new rules will apply to people with developmental disabilities in licensed facilities and in licensed services serving people with developmental disabilities. Defines “developmental disability or related condition.”

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

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

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policy changes after adoption of the rules.

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

- 4 **Licensing moratorium.** Amends § 245A.03, subd. 7. Modifies the required closure of corporate foster care beds by giving priority for bed closures to corporate foster care settings licensed for up to five beds that have operated at less than full capacity for 12 or more months as of March 1, 2014.
- 5 **Implementation.** Amends § 245A.042, subd. 3. Adds paragraph (e), which establishes timelines for providers licensed under chapter 245D to execute certain licensing components.
- 6 **Delegation of authority to agencies.** Amends § 245A.16, subd. 1. Specifies certain licensing authority is excluded from the delegation of authority to county and private agencies.
- 7 **Case manager.** Amends § 245D.02, subd. 3. Defines “case manager” for the purposes of chapter 245D.
- 8 **Coordinated service and support plan.** Amends § 245D.02, subd. 4b. Defines “coordinated service and support plan” for the purposes of chapter 245D.
- 9 **Expanded support team.** Amends § 245D.02, subd. 8b. Corrects a cross-reference.
- 10 **Incident.** Amends § 245D.02, subd. 11. Modifies the definition of “incident” to include a mental health crisis that requires a call to a similar mental health response team or service when available and appropriate and makes technical changes.
- 11 **Mechanical restraint.** Amends § 245D.02, subd. 15b. Modifies the definition of “mechanical restraint” so it does not include use of devices that trigger alarms to alert staff of potential wandering or use of medical equipment or orthotic devices ordered by a health care professional used to treat or manage a medical condition.
- 12 **Seclusion.** Amends § 245D.02, subd. 29. Clarifies the definition of “seclusion” to mean when a person is removed from a room involuntarily or involuntarily removing or separating a person from a room or activity and blocking or preventing the person’s return.
- 13 **Support team.** Amends § 245D.02, subd. 34. Modifies the definition of “support team” to include a mental health case manager.
- 14 **Time out.** Amends § 245D.02, subd. 34a. Modifies the definition of “time out” to mean involuntarily removing a person for a period of time to a designated area from which the person is not prevented from leaving. Does not include a person taking a break or a rest from

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an activity for the purpose of providing the person an opportunity to regain self-control.

- 15**     **Unlicensed staff.** Amends § 245D.02, by adding subd. 35b. Defines “unlicensed staff” as individuals not otherwise licensed or certified by a governmental health board or agency.
- 16**     **Applicability.** Amends § 245D.03, subd. 1. Excludes certain out-of-home respite care services from the list of basic support services. Adds the word “adult” to companion services to make terminology consistent. Modifies the list of residential supports and services.
- 17**     **Effect.** Amends § 245D.03, by adding subd. 1a. Describes the purpose of the home and community-based standards under chapter 245D.
- 18**     **Relationship to other standards governing home and community-based services.** Amends § 245D.03, subd. 2. Clarifies which foster care settings are subject to service recipient rights provisions under chapter 245D. Makes technical corrections.
- 19**     **Variance.** Amends § 245D.03, subd. 3. Corrects cross-references.
- 20**     **Protection-related rights.** Amends § 245D.04, subd. 3. Modifies protection-related rights to be clear that participants have the right to be free from restrictive interventions or other prohibited procedures.
- 21**     **Health needs.** Amends § 245D.05, subd. 1. Requires unlicensed staff responsible for medication set up or administration to complete required training.
- 22**     **Medication setup.** Amends § 245D.05, subd. 1a. Clarifies that if medication setup is assigned to the license holder, only then does the license holder need to complete documentation of the setup.
- 23**     **Medication assistance.** Amends § 245D.05, subd. 1b. Modifies the definition of “medication assistance.” Makes technical changes.
- 24**     **Medication administration.** Amends § 245D.05, subd. 2. Clarifies the definition of “medication administration.” Makes technical changes.
- 25**     **Reviewing and reporting medication and treatment issues.** Amends § 245D.05, subd. 4. Eliminates certain reports made to the person’s physician or prescriber as a condition of reporting medication administration under certain circumstances.
- 26**     **Injectable medications.** Amends § 245D.05, subd. 5. Removes subcutaneous or intramuscular from the description of injectable medications.
- 27**     **Psychotropic medication use and monitoring.** Amends § 245D.051.

**Subd. 1. Conditions for psychotropic medication administration.** Updates cross-references and makes technical changes. Removes the requirement for psychotropic medications to be described in the person’s coordinated service and support plan.

**Subd. 2. Refusal to authorize psychotropic medication.** Requires refusal to



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authorize medication administration to be reported to the prescriber as expediently as possible. Prohibits refusals to be overridden without a court order.

- 28 Incident response and reporting.** Amends § 245D.06, subd. 1. Makes a technical change.
- 29 Environment and safety.** Amends § 245D.06, subd. 2. Clarifies that toxic substances need to be inaccessible only when they pose a known safety threat. Updates terminology for consistency.
- 30 Funds and property; legal representative restrictions.** Amends § 245D.06, subd. 4. Restricts license holders or staff persons from accepting an appointment as a guardian except under certain circumstances.
- 31 Restricted procedures.** Amends § 245D.06, subd. 6. Moves language related to restricted procedures from § 245D.061, subdivision 3, to this subdivision. Moving the language to this subdivision has the effect of making the language apply more broadly to all providers licensed under chapter 245D.
- 32 Permitted actions and procedures.** Amends § 245D.06, subd. 7. Permits physical contact by staff to redirect a person's behavior when applied for less than 60 seconds. Clarifies when the use of manual restraint is allowed. Allows for the use of an auxiliary device to ensure a person does not unfasten a seat belt when being transported in a vehicle in accordance with seat belt use requirements.
- 33 Positive support transition plan.** Amends § 245D.06, subd. 8. Updates terminology. Specifies that the commissioner has limited authority to grant approval for the emergency use of prohibited procedures. Requires written requests for the emergency use of prohibited procedures to be developed and submitted to the commissioner with input from the person's expanded support team. Requires a copy of the written request, supporting documentation, and the commissioner's final determination on the request to be maintained in the person's service recipient record.
- 34 Assessment and initial service planning.** Amends § 245D.071, subd. 3. Modifies criteria for contents of assessment and initial service planning.
- 35 Service outcomes and supports.** Amends § 245D.071, subd. 4. Clarifies service outcomes and supports.
- 36 Service plan review and evaluation.** Amends § 245D.071, subd. 5. Updates terminology. Specifies the purpose of the service plan review is to determine whether changes are needed to the service plan based on the assessment information, the license holder's evaluation of progress toward accomplishing outcomes, or other information provided by the support team or expanded support team.
- 37 Coordination and evaluation of individual service delivery.** Amends § 245D.081, subd. 2. Modifies training requirements for the designated coordinator.
- 38 Staff qualifications.** Amends § 245D.09, subd. 3. Allows testing or observed skill

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assessment as demonstrated competency.

- 39 Orientation to individual service recipient needs.** Amends § 245D.09, subd. 4a. Makes technical changes. Adds staff training requirements related to medication setup and assistance. Requires staff to review and receive instruction on mental health crisis response, de-escalation techniques, and suicide intervention when providing direct support to a person with a serious mental illness. Makes technical changes.
- 40 Behavior professional qualifications.** Amends § 245D.091, subd. 2. Modifies behavior professional qualifications.
- 41 Behavior analyst qualifications.** Amends § 245D.091, subd. 3. Modifies behavior analyst qualifications.
- 42 Behavior specialist qualifications.** Amends § 245D.091, subd. 4. Modifies behavior specialist qualifications.
- 43 Service suspension and service termination.** Amends § 245D.10, subd. 3. Clarifies that notice of service termination must occur in conjunction with a notice of temporary service suspension. Makes technical changes.
- 44 Availability of current written policies and procedures.** Amends § 245D.10, subd. 4. Makes technical changes.
- 45 Health and safety.** Amends § 245D.11, subd. 2. Includes similar mental health response team or service in a requirement to call certain entities when an incident occurs.
- 46 Vendor participation and reimbursement.** Amends § 252.451, subd. 2. Adds a cross-reference to the home and community-based services standards to the DT&H vendor participation and reimbursement provisions.
- 47 Authority.** Amends § 256.9752, subd. 2. Requires the Minnesota Board on Aging to allocate to the area agencies on aging state funds received for senior nutrition programs in a manner consistent with federal requirements. This is already required for federal funds.
- 48 Diagnosis.** Amends § 256B.0949, subd. 4. Modifies diagnosis requirements under the MA autism early intensive intervention benefit.
- 49 Development and implementation of quality profiles.** Amends § 256B.439, subd. 1. Adds home care providers to the list of providers eligible for the home and community-based services performance improvement and quality add-on payments. Makes this section effective retroactively from February 1, 2014.
- 50 Calculation of home and community-based services quality add-on.** Amends § 256B.439, subd. 7. Modifies the calculation of home and community-based services quality add-on. Changes the funding from a fixed appropriation to a forecasted amount.
- 51 Calculation of payment rate for external fixed costs.** Amends § 256B.441, subd. 53. Adds to the payment rate for external fixed costs the nursing facility rate adjustment under

## Section

subdivision 64.

- 52 Rate adjustment for compensation-related costs.** Amends § 256B.441, by adding subd. 64. Paragraph (a) requires total payment rates of all nursing facilities to be increased effective October 1, 2014, to address compensation-related costs for nursing facility employees paid less than \$14.00 per hour.

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

Paragraph (c) requires nursing facilities that receive approval of their application for a rate adjustment to receive the adjustment according to the calculation under paragraph (b) for the rate year beginning October 1, 2014. Requires the rate adjustment to be used to pay for compensation costs for nursing facility employees paid less than \$14.00 per hour. Requires the rate adjustment to be included in the total payment rate in subsequent years.

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

- 53 Provider qualifications.** Amends § 256B.4912, subd. 1. Requires providers to meet background study requirements prior to revalidation of licensure.
- 54 ICF/DD rate increases effective July 1, 2014.** Amends § 256B.5012, by adding subd. 16. Provides a five percent rate increase for ICF/DDs effective July 1, 2014. Requires 75 percent of the payment increase to be used to increase compensation-related costs for employees directly employed by the facility. Ties one percent of the rate increase to quality improvement projects.
- 55 Provider rate and grant increases effective July 1, 2014.** Provides a five percent reimbursement rate increase for various home and community-based services providers effective July 1, 2014. Requires 75 percent of the payment increase to be used to increase compensation-related costs for employees. Ties one percent of the rate increase to quality improvement projects.
- 56 Revisor's instruction.** Paragraph (a) instructs the revisor to change the term "defective person" to "persons with developmental disabilities."

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

**Section**

**Article 30: Miscellaneous**

Danyell Punelli (651-296-5058)

**Overview**

This article modifies the rate methodology for the consolidated chemical dependency treatment fund, and modifies the GRH rate statute that applies to Andrew Residence to conform to current practice. It requires the commissioner to develop an online civil commitment training program, to establish a working group, and develop a plan to include detoxification services as a covered medical assistance benefit. This article also classifies MinnesotaCare as a forecasted program.

- 1 Transfers.** Amends § 16A.724, subd. 2. Classifies MinnesotaCare as a forecasted program, for FY 2018 and thereafter. Requires the commissioner of management and budget to reduce transfers from the health care access fund to the general fund, or to transfer funds from the general fund to the health care access fund, if necessary to meet annual MinnesotaCare expenditures.
- 2 Rate methodology.** Amends § 254B.12. Creates two subdivisions in this section
  - Subd. 1. CCDTF rate methodology established.** This subdivision contains the original statutory language.
  - Subd. 2. Payment methodology for highly specialized vendors.** Paragraph (a) requires the commissioner to seek federal authority to develop a payment methodology specific to a vendor who provides chemical dependency services to individuals with complex needs, have been civilly committed, and present a threat to the community and receive reimbursement through the consolidated chemical dependency treatment fund. Makes this methodology effective for services provided on or after October 1, 2015, or on or after receipt of federal approval, whichever is later.

Paragraph (b) requires that the commissioner receive legislative approval before implementing the approved payment methodology.
- 3 Group residential housing (GRH) agreements.** Amends § 256I.04, subd. 2b. Allows the commissioner to enter directly into an agreement with a provider serving veterans eligible for GRH who live in a GRH-eligible setting located in Stearns County. Specifies the agreement may be terminated without cause by either the commissioner or the provider with two months prior notice. Requires the agreement to meet certain other requirements under the GRH statutes. Makes this section effective July 1, 2015.
- 4 Monthly rates; exemptions.** Amends § 256I.05, subd. 2. Requires GRH rates paid to the facility specified in this subdivision to include adjustments to the GRH housing rate and any adjustments applicable to supplemental service rates statewide.

## Section

**5 Civil commitment training.** Instructs the commissioner of human services, in collaboration with named agencies and entities, to develop an online training program on the operation of the civil commitment act as it relates to individuals with mental illness.

**6 Direction to commissioner; report on program waiting lists.** Requires the commissioner to report to the legislature on all waiting lists for services the department oversees and directs as part of the background materials for the 2016-2017 biennium.

**7 Mentally ill offenders arrested or subject to arrest; working group.**

**Subd. 1. Working group established; study and draft legislation required.**

Allows the commissioner of human services to convene a working group to address issues related to offenders with mental illness who are arrested or subject to arrest. Lists issues the group is to consider, and requires the group to issue recommendations for improvements to the process for assisting offenders. Requires the commissioner to enter into an agreement with NAMI to carry out the work of the working group.

**Subd. 2. Membership.** Instructs the commissioner to appoint members to the working group who have a broad range of expertise and interests. Lists agencies and entities that must be appointed.

**Subd. 3. Administrative issues.** Paragraph (a) requires the commissioner to convene the first meeting by September 1, 2014. Places responsibility for administrative support on NAMI.

(b) Allows the commissioner to solicit in-kind support from work group member agencies.

**Subd. 4. Report required.** Directs the working group to issue a report that includes recommendations and proposed legislation to the legislature by January 1, 2015.

**8 Recommendations; draft legislation; implementation plan; uniform public assistance program eligibility.** Requires the commissioner of human services, in consultation with others, to prepare draft legislation to implement uniform public assistance program eligibility and verification procedures for the GA, MSA, GRH, and MFIP programs. Allows the commissioner, in consultation with others, to prepare additional legislation for further streamlining of public assistance programs. Allows the commissioner to provide recommendations and an implementation plan to the legislative committees with jurisdiction over health and human services policy and finance.

**9 Detoxification services; instructions to the commissioner.** Requires the commissioner to develop a plan to include detoxification services as a covered medical assistance benefit and present a plan to the legislature by December 15, 2014.

**Section**

**Article 31: Health and Human Services Appropriations**

**Overview**

Provides appropriations. See spreadsheet for details.

**Article 32: Human Services Forecast Adjustment**

**Overview**

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