

ONE HUNDRED SECOND DAY

St. Paul, Minnesota, Monday, May 8, 2006

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Doug Nicholas.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Anderson	Foley	Kubly	Nienow	Scheid
Bachmann	Frederickson	Langseth	Olson	Senjem
Bakk	Gerlach	Larson	Ortman	Skoe
Belanger	Hann	LeClair	Pappas	Skoglund
Berglin	Higgins	Limmer	Pariseau	Solon
Betzold	Hottinger	Lourey	Pogemiller	Sparks
Bonoff	Johnson, D.E.	Marko	Ranum	Stumpf
Chaudhary	Johnson, D.J.	Marty	Reiter	Tomassoni
Clark	Jungbauer	McGinn	Rest	Vickerman
Cohen	Kelley	Metzen	Robling	Wergin
Day	Kierlin	Michel	Rosen	Wiger
Dibble	Kiscaden	Moua	Ruud	
Dille	Koch	Murphy	Sams	
Fischbach	Koering	Neuville	Saxhaug	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1287: A bill for an act relating to real property; regulating causes of action arising out of construction defects in residential housing; providing for notice and opportunity to repair; amending Minnesota Statutes 2004, sections 60A.08, subdivision 6; 302A.781, by adding a subdivision; 322B.863, by adding a subdivision; 327A.02, by adding subdivisions.

Senate File No. 1287 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2006

CONCURRENCE AND REPASSAGE

Senator Scheid moved that the Senate concur in the amendments by the House to S.F. No. 1287 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1287 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Koering	Neuville	Sams
Bachmann	Foley	Kubly	Nienow	Saxhaug
Bakk	Frederickson	Langseth	Olson	Scheid
Belanger	Gerlach	Larson	Ortman	Senjem
Berglin	Hann	LeClair	Pappas	Skoe
Betzold	Higgins	Limmer	Pariseau	Skoglund
Bonoff	Hottinger	Marko	Pogemiller	Solon
Chaudhary	Johnson, D.E.	Marty	Ranum	Sparks
Clark	Jungbauer	McGinn	Reiter	Stumpf
Cohen	Kelley	Metzen	Rest	Tomassoni
Day	Kierlin	Michel	Robling	Vickerman
Dibble	Kiscaden	Moua	Rosen	Wergin
Dille	Koch	Murphy	Ruud	Wiger

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2688, 3855 and 3991.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 4, 2006

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2688: A bill for an act relating to veterans; authorizing the placement of a plaque on the Capitol grounds honoring the nation's war dogs and their handlers; establishing a task force; requiring a report.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3410, now on General Orders.

H.F. No. 3855: A bill for an act relating to veterans; authorizing the placement of a plaque in

the Court of Honor on the Capitol grounds honoring Minnesota's recipients of the Congressional Medal of Honor.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3400, now on General Orders.

H.F. No. 3991: A bill for an act relating to transportation; extending life of Mississippi River Parkway Commission to 2012; amending Minnesota Statutes 2005 Supplement, section 161.1419, subdivision 8.

Referred to the Committee on State and Local Government Operations.

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 2892 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2892	2716				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2892 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2892, the first engrossment; and insert the language after the enacting clause of S.F. No. 2716; further, delete the title of H.F. No. 2892, the first engrossment; and insert the title of S.F. No. 2716.

And when so amended H.F. No. 2892 will be identical to S.F. No. 2716, and further recommends that H.F. No. 2892 be given its second reading and substituted for S.F. No. 2716, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was referred

H.F. No. 2574: A bill for an act relating to health; providing an exception to the hospital construction moratorium for a facility in Cass County; providing for the licensing and certification of certain nursing home or boarding care home beds transferred from a certain existing facility in Cass County to a new facility; amending Minnesota Statutes 2004, section 144A.071, subdivision 4c; Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "subdivision 1," insert "as amended by Laws 2006, chapter 172, section 1,"

Page 3, delete lines 27 to 36 and insert:

"(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County that closed 20 rehabilitation beds in 2002, provided that the beds are used only for rehabilitation in the hospital's current rehabilitation building. If the beds are used for another purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

(19) a critical access hospital established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33, to the extent that the critical access hospital does not seek to exceed the maximum number of beds permitted such hospital under federal law; ~~or~~

(20) notwithstanding section 144.552, a project for the construction of a new hospital in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

(i) the project, including each hospital or health system that will own or control the entity that will hold the new hospital license, is approved by a resolution of the Maple Grove City Council as of March 1, 2006;

(ii) the entity that will hold the new hospital license will be owned or controlled by one or more not-for-profit hospitals or health systems that have previously submitted a plan or plans for a project in Maple Grove as required under section 144.552, and the plan or plans have been found to be in the public interest by the commissioner of health as of April 1, 2005;

(iii) the new hospital's initial inpatient services must include, but are not limited to, medical and surgical services, obstetrical and gynecological services, intensive care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health services, and emergency room services;

(iv) the new hospital:

(A) will have the ability to provide and staff sufficient new beds to meet the growing needs of the Maple Grove service area and the surrounding communities currently being served by the hospital or health system that will own or control the entity that will hold the new hospital license;

(B) will provide uncompensated care;

(C) will provide mental health services, including inpatient beds;

(D) will be a site for workforce development for a broad spectrum of health-care- related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile

radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board; or

(22) a project approved under section 144.553.

EFFECTIVE DATE. This section is effective the day following final enactment."

Page 4, delete lines 1 to 3

Page 4, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2004, section 144.552, is amended to read:

144.552 PUBLIC INTEREST REVIEW.

(a) The following entities must submit a plan to the commissioner:

(1) a hospital seeking to increase its number of licensed beds; or

(2) an organization seeking to obtain a hospital license ~~must submit a plan to the commissioner of health and notified by the commissioner under section 144.553, subdivision 1, paragraph (c), that it is subject to this section.~~

The plan must include information that includes an explanation of how the expansion will meet the public's interest. When submitting a plan to the commissioner, an applicant shall pay the commissioner for the commissioner's cost of reviewing the plan, as determined by the commissioner and notwithstanding section 16A.1283. Money received by the commissioner under this section is appropriated to the commissioner for the purpose of administering this section.

(b) Plans submitted under this section shall include detailed information necessary for the commissioner to review the plan and reach a finding. The commissioner may request additional information from the hospital submitting a plan under this section and from others affected by the plan that the commissioner deems necessary to review the plan and make a finding.

(c) The commissioner shall review the plan and, within 90 days, but no more than six months if extenuating circumstances apply, issue a finding on whether the plan is in the public interest. In making the recommendation, the commissioner shall consider issues including but not limited to:

(1) whether the new hospital or hospital beds are needed to provide timely access to care or access to new or improved services;

(2) the financial impact of the new hospital or hospital beds on existing acute-care hospitals that have emergency departments in the region;

(3) how the new hospital or hospital beds will affect the ability of existing hospitals in the region to maintain existing staff;

(4) the extent to which the new hospital or hospital beds will provide services to nonpaying or low-income patients relative to the level of services provided to these groups by existing hospitals in the region; and

(5) the views of affected parties.

Prior to making a recommendation, the commissioner shall conduct a public hearing in the affected hospital service area to take testimony from interested persons.

(d) Upon making a recommendation under paragraph (c), the commissioner shall provide a copy of the recommendation to the chairs of the house and senate committees having jurisdiction over health and human services policy and finance.

Sec. 3. **[144.553] ALTERNATIVE APPROVAL PROCESS FOR NEW HOSPITAL**

CONSTRUCTION.

Subdivision 1. Letter of intent; publication; acceptance of additional proposals. (a) An organization seeking to obtain a hospital license must submit a letter of intent to the commissioner, specifying the community in which the proposed hospital would be located and the number of beds proposed for the new hospital. When multiple letters of intent are received, the commissioner shall determine whether they constitute requests for separate projects or are competing proposals to serve the same or a similar service area.

(b) Upon receipt of a letter under paragraph (a), the commissioner shall publish a notice in the State Register that includes the information received from the organization under paragraph (a). The notice must state that another organization interested in seeking a hospital license to serve the same or a similar service area must notify the commissioner within 30 days.

(c) If no responses are received from additional organizations under paragraph (b), the commissioner shall notify the entity seeking a license that it is required to submit a plan under section 144.552 and shall notify the chairs of the house of representatives and senate committees having jurisdiction over health and human services policy and finance that the project is subject to sections 144.551 and 144.552.

Subd. 2. Needs assessment. (a) If one or more responses are received by the commissioner under subdivision 1, paragraph (b), the commissioner shall complete within 90 days a needs assessment to determine if a new hospital is needed in the proposed service area.

(b) The organizations that have filed or responded to a letter of intent under subdivision 1 shall provide to the commissioner within 30 days of a request from the commissioner a statement justifying the need for a new hospital in the service area and sufficient information, as determined by the commissioner, to allow the commissioner to determine the need for a new hospital. The information may include, but is not limited to, a demographic analysis of the proposed service area, the number of proposed beds, the types of hospital services to be provided, and distances and travel times to existing hospitals currently providing services in the service area.

(c) The commissioner shall make a determination of need for the new hospital. If the commissioner determines that a new hospital in the service area is not justified, the commissioner shall notify the applicants in writing, stating the reasons for the decision.

Subd. 3. Process when hospital need is determined. (a) If the commissioner determines that a new hospital is needed in the proposed service area, the commissioner shall notify the applicants of that finding and shall select the applicant determined under the process established in this subdivision to be best able to provide services consistent with the review criteria established in this subdivision.

(b) The commissioner shall:

(1) determine market-specific criteria that shall be used to evaluate all proposals. The criteria must include standards regarding:

(i) access to care;

(ii) quality of care;

(iii) cost of care; and

(iv) overall project feasibility;

(2) establish additional criteria at the commissioner's discretion. In establishing the criteria, the commissioner shall consider the need for:

(i) mental health services in the service area, including both inpatient and outpatient services for adults, adolescents, and children;

(ii) a significant commitment to providing uncompensated care, including discounts for uninsured patients and coordination with other providers of care to low-income uninsured persons; and

(iii) coordination with other hospitals so that specialized services are not unnecessarily duplicated and are provided in sufficient volume to ensure the maintenance of high-quality care. The criteria determined under this paragraph shall constitute the sole criteria under which the competing proposals shall be evaluated; and

(3) define a service area for the proposed hospital. The service area shall consist of:

(i) in the 11-county metropolitan area, in St. Cloud, and in Duluth, the zip codes located within a 20-mile radius of the proposed new hospital location; and

(ii) in the remainder of the state, the zip codes within a 30-mile radius of the proposed new hospital location.

(c) The commissioner shall publish the criteria determined under paragraph (b) in the State Register within 60 days of the determination under subdivision 2. Once published, the criteria shall not be modified with respect to the particular project and applicants to which they apply. The commissioner shall publish with the criteria guidelines for a proposal and submission review process.

(d) For 60 days after the publication under paragraph (c), the commissioner shall accept proposals to construct a hospital from organizations that have submitted a letter of intent under subdivision 1, paragraph (a), or have notified the commissioner under subdivision 1, paragraph (b). The proposal must include a plan for the new hospital and evidence of compliance with the criteria specified under paragraph (b). Once submitted, the proposal may not be revised except:

(1) to submit corrections of material facts; or

(2) in response to a request from the commissioner to provide clarification or further information.

(e) The commissioner shall determine within 90 days of the deadline for applications under paragraph (d), which applicant has demonstrated that it is best able to provide services consistent with the published criteria. The commissioner shall make this determination by order following a hearing according to this paragraph. The hearing shall not constitute or be considered to be a contested case hearing under chapter 14 and shall be conducted solely under the procedures specified in this paragraph. The hearing shall commence upon at least 30 days' notice to the applicants by the commissioner. The hearing may be conducted by the commissioner or by a person designated by the commissioner. The designee may be an administrative law judge. The purpose of the hearing shall be to receive evidence to assist the commissioner in determining which applicant has demonstrated that it best meets the published criteria.

The parties to the hearing shall consist only of those applicants who have submitted a completed application. Each applicant shall have the right to be represented by counsel, to present evidence deemed relevant by the commissioner, and to examine and cross-examine witnesses. Persons who are not parties to the proceeding but who wish to present comments or submit information may do so in the manner determined by the commissioner or the commissioner's designee. Any person who is not a party shall have no right to examine or cross-examine witnesses. The commissioner may participate as an active finder of fact in the hearing and may ask questions to elicit information or clarify answers or responses.

(f) Prior to making a determination selecting an application, the commissioner shall hold a public hearing in the proposed hospital service area to accept comments from members of the public. The commissioner shall take this information into consideration in making the determination. The commissioner must also consider the input and preferences of legislators and local elected officials who represent the service area regarding the selection of the hospital provider. The commissioner

shall issue an order selecting an application following the closing of the record of the hearing as determined by the hearing officer. The commissioner's order shall include a statement of the reasons the selected application best meets the published criteria.

(g) Following the determination under paragraph (e), the commissioner shall recommend the selected proposal to the legislature on or before March 1 in an odd-numbered year and within 15 days of the first day of the regular session in an even-numbered year to be accepted or rejected. Legislative acceptance of the commissioner's recommendation constitutes approval of the proposal under section 144.551. Legislative rejection of the recommendation concludes the process but does not prohibit a new application under this section and section 144.552.

(h) In the event of legislative failure to act on the recommendation made under this subdivision, upon the conclusion of the legislative session the commissioner shall make the commissioner's recommendation the final approval of the project. The commissioner's decision to grant final approval to the commissioner's recommendation constitutes approval of the proposal under section 144.551.

(i) For purposes of this subdivision, "legislative acceptance" means the recommended project is approved by law; "legislative rejection" means the recommended project is rejected by law; and "legislative failure to act" means any other action or lack of action taken by the legislature.

Subd. 4. Payment of commissioner's expenses. Notwithstanding section 16A.1283, applicants who are a party at any stage of the administrative process established in this section shall pay the cost of that stage of the process, as determined by the commissioner. The cost of the needs assessment, criteria development, and hearing shall be divided equally among the applicants. Money received by the commissioner under this subdivision is appropriated to the commissioner for the purpose of administering this section."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 2994: A bill for an act relating to education; providing for prekindergarten through grade 12 education, including education excellence, education funding, and special programs; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2004, sections 120A.22, subdivision 3; 120B.021, subdivision 1; 120B.023; 120B.024; 121A.035; 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.31, subdivision 1, by adding a subdivision; 123B.77, subdivision 3, by adding a subdivision; 123B.90, subdivision 2; 123B.91, by adding a subdivision; 124D.095, subdivision 3; 124D.10, subdivision 16; 124D.61; 125A.02, subdivision 1; 125A.27, subdivision 11; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.63, subdivision 4; 125A.75, subdivision 1, by adding a subdivision; 169.01, subdivision 6; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivision 20; 171.321, subdivisions 4, 5; 299F.30; 626.556, subdivisions 3b, 3c; Minnesota Statutes 2005 Supplement, sections 120B.021, subdivision 1a; 120B.131, subdivision 2; 122A.414, subdivisions 2b, 3; 123B.92, subdivisions 1, 5; 124D.095, subdivision 4; 125A.11, subdivision 1; 125A.28; 126C.17, subdivision 9; 626.556, subdivision 3; Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; repealing Minnesota Statutes 2004, sections 121A.23; 123B.749; 125A.10; 125A.515, subdivision 2; 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2004, section 120A.20, subdivision 1, is amended to read:

Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or in part by state funds are public schools. Admission to a public school is free to any person who: (1) resides within the district that operates the school, who; (2) is under 21 years of age, or who meets the requirements of paragraph (c); and who (3) satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school is governed by a single set of reasonable rules and regulations promulgated by the school board.

~~No~~ (b) A person shall ~~not~~ be admitted to ~~any~~ a public school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a 1st grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school enrollment until at least one of the following occurs: (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4) the end of the school year.

Sec. 2. Minnesota Statutes 2004, section 123A.06, subdivision 2, is amended to read:

Subd. 2. **People to be served.** A center shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the center to assist them in being successful in school. A center shall use research-based best practices for serving limited English proficient students and their parents. An individual education plan team may identify a center as an appropriate placement to the extent a center can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those ~~age five to adults 22 and older~~ who qualify under the graduation incentives program in section 124D.68, subdivision 2, those enrolled under section 124D.02, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Sec. 3. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is amended to read:

Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building" means education site as defined in section 123B.04, subdivision 1.

(b) Each district shall maintain separate accounts to identify general fund expenditures for each building. All expenditures for regular instruction, secondary vocational instruction, and school administration must be reported to the department separately for each building. All expenditures for special education instruction, instructional support services, and pupil support services provided within a specific building must be reported to the department separately for each building. Salary expenditures reported by building must reflect actual salaries for staff at the building and must not be based on districtwide averages. All other general fund expenditures may be reported by building or on a districtwide basis.

(c) The department must annually report information showing school district general fund expenditures per pupil by program category for each building and estimated school district general fund revenue generated by pupils attending each building on its Web site. For purposes of this report:

(1) expenditures not reported by building shall be allocated among buildings on a uniform per pupil basis;

(2) basic skills revenue shall be allocated according to section 126C.10, subdivision 4;

(3) secondary sparsity revenue and elementary sparsity revenue shall be allocated according to section 126C.10, subdivisions 7 and 8;

(4) alternative teacher compensation revenue shall be allocated according to section 122A.415, subdivision 1;

(5) other general education revenue shall be allocated on a uniform per pupil unit basis;

~~(5)~~ (6) first grade preparedness aid shall be allocated according to section 124D.081;

~~(6)~~ (7) state and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building; and

~~(7)~~ (8) other general fund revenues shall be allocated on a uniform per pupil basis, except that the department may allocate other revenues attributable to specific buildings directly to those buildings.

Sec. 4. Minnesota Statutes 2004, section 124D.02, subdivision 2, is amended to read:

Subd. 2. **Secondary school programs.** The board may permit a person who is over the age of 21 or who has graduated from high school to enroll as a ~~part-time student~~ in a class or program at a secondary school if there is space available. In determining if there is space available, ~~full-time public school students, eligible for free enrollment under section 120A.20, subdivision 1, and shared-time students shall be given priority over students seeking enrollment pursuant to this subdivision, and students returning to complete a regular course of study shall be given priority over part-time other students seeking enrollment pursuant to this subdivision.~~ The following are not prerequisites for enrollment:

(1) residency in the school district;

(2) United States citizenship; or

(3) for a person over the age of 21, a high school diploma or equivalency certificate. A person may enroll in a class or program even if that person attends evening school, an adult or continuing education, or a postsecondary educational program or institution.

Sec. 5. Minnesota Statutes 2004, section 124D.02, subdivision 4, is amended to read:

Subd. 4. **Part-time student fee.** Notwithstanding the provisions of sections 120A.20 and 123B.37, a board may charge a ~~part-time student~~ enrolled pursuant to subdivision 2 a reasonable fee for a class or program.

Sec. 6. Minnesota Statutes 2005 Supplement, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** ~~The following pupils are~~ A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program:-

~~(a) any pupil under the age of 21 who, if the pupil:~~

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

- (5) has been excluded or expelled according to sections 121A.40 to 121A.56;
- (6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;
- (7) is a victim of physical or sexual abuse;
- (8) has experienced mental health problems;
- (9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;
- (10) speaks English as a second language or has limited English proficiency; or
- (11) has withdrawn from school or has been chronically truant; ~~or:~~
- ~~(b) any person who is at least 21 years of age and who:~~
 - ~~(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;~~
 - ~~(2) has not completed the requirements for a high school diploma; and~~
 - ~~(3) at the time of application, (i) is eligible for unemployment benefits or has exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support services, as defined in section 116L.19, subdivision 5, or (iii) is eligible for services under the displaced homemaker program or any programs under the federal Jobs Training Partnership Act or its successor.~~

Sec. 7. Minnesota Statutes 2004, section 124D.68, subdivision 3, is amended to read:

Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2 may enroll in area learning centers under sections 123A.05 to 123A.08.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in postsecondary courses under section 124D.09.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. ~~However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.~~

(d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124D.52 and operated under the community education program contained in section 124D.19.

Sec. 8. Minnesota Statutes 2004, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a pupil unit for fiscal year 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.3 pupil units.

Sec. 9. Minnesota Statutes 2004, section 126C.10, subdivision 6, is amended to read:

Subd. 6. **Definitions.** The definitions in this subdivision apply only to subdivisions 7 and 8.

(a) "High school" means a public secondary school, except a charter school under section 124D.10, that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary high school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, and the school is at least 19 miles from the next nearest school, the commissioner must designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of pupils served in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of pupils served in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means ~~an~~ a public elementary school, except a charter school under section 124D.10, that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of pupils served in kindergarten through grade 6. For a district

that has more than one elementary school, "average daily membership" for each school means the average daily membership of pupils served in kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 10. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 31, is amended to read:

Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the greater of zero or the product of the ratio of the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference between: (1) the lesser of the district's general education revenue per adjusted marginal cost pupil unit for fiscal year 2003 or the amount of general education revenue the district would have received per adjusted marginal cost pupil unit for fiscal year 2004 according to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

(b) A district's transition revenue for fiscal year 2006 and later equals the sum of ~~(1) the product of the district's transition allowance times the district's adjusted marginal cost pupil units plus (2) the amount of referendum revenue under section 126C.17 and general education revenue, excluding transition revenue, for fiscal year 2004 attributable to pupils four or five years of age on September 1, 2003, enrolled in a prekindergarten program implemented by the district before July 1, 2003, and reported as kindergarten pupils under section 126C.05, subdivision 1, for fiscal year 2004, plus (3) the amount of compensatory education revenue under subdivision 3 for fiscal year 2005 attributable to pupils four years of age on September 1, 2003, enrolled in a prekindergarten program implemented by the district before July 1, 2003, and reported as kindergarten pupils under section 126C.05, subdivision 1, for fiscal year 2004 multiplied by .04~~ the district's transition for prekindergarten revenue under subdivision 31a.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007 and later.

Sec. 11. Minnesota Statutes 2004, section 126C.10, is amended by adding a subdivision to read:

Subd. 31a. **Transition for prekindergarten revenue.** For fiscal year 2007 and later, a school district's transition for prekindergarten revenue equals the sum of (1) the amount of referendum revenue under section 126C.17 and general education revenue, excluding transition revenue, for fiscal year 2004 attributable to pupils four or five years of age on September 1, 2003, enrolled in a prekindergarten program implemented by the district before July 1, 2003, and reported as kindergarten pupils under section 126C.05, subdivision 1, for fiscal year 2004, plus (2) the amount of compensatory education revenue under subdivision 3 for fiscal year 2005 attributable to pupils four years of age on September 1, 2003, enrolled in a prekindergarten program implemented by the district before July 1, 2003, and reported as kindergarten pupils under section 126C.05, subdivision 1, for fiscal year 2004 multiplied by .04.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007 and later.

Sec. 12. Minnesota Statutes 2004, section 126C.10, is amended by adding a subdivision to read:

Subd. 31b. **Uses of transition for prekindergarten revenue.** A school district that receives revenue under subdivision 31a must reserve that revenue for prekindergarten programs serving students who turn age four by September 1 and who will enter kindergarten the following year.

EFFECTIVE DATE. This section is effective for fiscal year 2007 and later.

Sec. 13. Minnesota Statutes 2005 Supplement, section 126C.43, subdivision 2, is amended to read:

Subd. 2. **Payment to unemployment insurance program trust fund by state and political subdivisions.** (a) A district may levy the amount necessary ~~(+)~~ (1) to pay the district's obligations

under section 268.052, subdivision 1, and ~~(ii)~~ (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. Minnesota Statutes 2004, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$27 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; or (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the school district. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this section is not included in determining the school district's levy limitations.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 15. Minnesota Statutes 2005 Supplement, section 127A.45, subdivision 10, is amended to read:

Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. **ALTERNATIVE TEACHER COMPENSATION REVENUE FOR SPECIAL SCHOOL DISTRICT NO. 6, SOUTH ST. PAUL.**

Notwithstanding Minnesota Statutes, sections 122A.413, 122A.414, 122A.415, and 126C.10, Special School District No. 6, South St. Paul, shall be eligible for alternative teacher compensation

revenue under Minnesota Statutes, section 122A.415, for the elementary and middle years international baccalaureate pilot program. The revenue generated from the alternative teacher compensation program must be used for preinstructional startup costs, including staff, training, curriculum materials, and preparation costs.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2007 through 2011.

Sec. 17. **REPEALER.**

Minnesota Statutes 2004, section 120A.20, subdivision 3, is repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2004, section 120A.22, subdivision 3, is amended to read:

Subd. 3. **Parent defined; residency determined.** (a) In this section and sections 120A.24 and 120A.26, "parent" means a parent, guardian, or other person having legal custody of a child.

(b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian, or other person having legal custody of a child under age 18. For an unmarried pupil age 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator.

(c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and who is placed in a center for care and treatment, shall be the school district in which the pupil's biological or adoptive parent or designated guardian resides.

(d) For a married pupil age 18 or over, the school district of residence is the school district in which the married pupil resides.

(e) If a district reasonably believes that a student does not meet the residency requirements of the school district in which the student is attending school, the student may be removed from the school only after the district sends the student's parents written notice of the district's belief, including the facts upon which the belief is based, and an opportunity to provide documentary evidence of residency in person to the superintendent or designee, or, at the option of the parents, by sending the documentary evidence to the superintendent, or a designee, who will then make a determination as to the residency status of the student.

Sec. 2. Minnesota Statutes 2004, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** The following subject areas are required for statewide accountability:

- (1) language arts;
- (2) mathematics;
- (3) science;
- (4) social studies, including history, geography, economics, and government and citizenship;
- (5) health and physical education, for which locally developed academic standards apply; and
- (6) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education plan team has determined that the required academic standards are inappropriate. An individualized education plan team that makes this determination must establish alternative standards.

A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

At a minimum, school districts must maintain the same physical education and health education requirements for students in kindergarten through grade 8 adopted for the 2005-2006 school year through the 2008-2009 school year. Before a revision of the local health and physical education standards, a school district must consult the grade-specific benchmarks developed by the Department of Education's health and physical education quality teaching network for the six national physical education standards and the seven national health standards.

The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to each of the academic standards during the review and revision of the required academic standards.

Sec. 3. Minnesota Statutes 2005 Supplement, section 120B.021, subdivision 1a, is amended to read:

Subd. 1a. Rigorous course of study; waiver. (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

(1) is participating in a course of study, including an advanced placement or international baccalaureate course or program; a learning opportunity outside the curriculum of the district, area learning center, or charter school; or an approved preparatory program for employment or postsecondary education that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;

(2) would be precluded from participating in the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program if the student were required to achieve the academic standard to be waived; and

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program.

Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors also may formally determine other circumstances in which to declare that a student meets or exceeds a specific academic standard that the site requires for graduation under this section.

(b) A student who satisfactorily completes a postsecondary enrollment options course or program under section 124D.09, or an advanced placement or international baccalaureate course

or program under section 120B.13, is not required to complete other requirements of the academic standards corresponding to that specific rigorous course of study.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2004, section 120B.023, is amended to read:

120B.023 BENCHMARKS.

Subdivision 1. **Benchmarks implement, supplement statewide academic standards.** (a) The commissioner must supplement required state academic standards with grade-level benchmarks. High school benchmarks may cover more than one grade. The benchmarks must implement statewide academic standards by specifying the academic knowledge and skills that schools must offer and students must achieve to satisfactorily complete a state standard. The commissioner must publish benchmarks ~~are published~~ to inform and guide parents, teachers, school districts, and other interested persons and ~~for~~ to use in developing tests consistent with the benchmarks.

(b) The commissioner shall publish benchmarks in the State Register and transmit the benchmarks in any other manner that makes them accessible to the general public. The commissioner may charge a reasonable fee for publications.

(c) Once established, the commissioner may change the benchmarks only with specific legislative authorization and after completing a review under ~~paragraph (d) subdivision 2.~~

(d) The commissioner must develop and implement a system for reviewing ~~on a four-year cycle~~ each of the required academic standards and related benchmarks and elective standards ~~beginning in the 2006-2007 school year on a periodic cycle, consistent with subdivision 2.~~

(e) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The statewide 11th grade mathematics test administered to students under clause (2) beginning in the 2013-2014 school year must include algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner

must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages, and career and technical education.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2004, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS; STUDENT TRANSFERS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard and beginning in the 2010-2011 school year for students scheduled to graduate in the 2014-2015 school year or later, one algebra II credit or its equivalent;

(3) three credits of science, including at least one credit in biology and for the 2011-2012 school year and later, one credit in chemistry or physics;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

(b) Students beginning 9th grade in the 2006-2007 school year and later must complete the following course credits for graduation in addition to those specified in paragraph (a), clauses (1) to (5):

(1) one-half credit in physical education and one-half credit in health education; and

(2) a minimum of six elective course credits instead of the seven elective course credits specified in paragraph (a), clause (6).

(c) A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(d) An agriculture science course may fulfill a science credit requirement under this section.

(e) A district, area learning center, and charter school must establish processes by which to transfer as completed:

(1) those course credit requirements that other school sites within the district or other public schools verify on transcripts as completed; and

(2) the work that educational institutions outside the state accept for completing the equivalent of course credit requirements and verify on transcripts as completed.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2005 Supplement, section 120B.131, subdivision 2, is amended to read:

Subd. 2. **Reimbursement for examination fees.** The state may reimburse college-level examination program (CLEP) fees for a Minnesota public or nonpublic high school student who has successfully completed one or more college-level courses in high school ~~and earned a satisfactory score on one or more CLEP examinations in the subject matter of each examination~~ in the following subjects: composition and literature, mathematics and science, social sciences and history, foreign languages, and business and humanities. The state may reimburse each successful student for up to six examination fees. The commissioner shall establish application procedures and a process and schedule for fee reimbursements. The commissioner must give priority to reimburse the CLEP examination fees of students of low-income families.

Sec. 7. **[121A.02] SCHOOL SAFETY.**

Subdivision 1. **School safety advisory council.** A school safety advisory council is established under section 15.059. The advisory council is composed of 12 members representing school boards, school counselors, school psychologists, law enforcement agencies, mental health services, substance abuse services, faith communities, school administrators, students, and school athletic departments and extracurricular organizations. The members of the council shall be appointed by the commissioner and must be from geographically diverse regions of the state.

Subd. 2. **Duties.** The advisory council shall advise the commissioner on issues related to school safety. The advisory council, in cooperation with the commissioner, shall make recommendations for the creation of a Center for School Safety for the state that serves as the central point for the collection and dissemination of information about successful school safety programs, provide services to schools to assess current school environments, and provide materials, training, and technical assistance.

Subd. 3. **Center for School Safety.** Consistent with the recommendations of the advisory council, the commissioner shall establish the Center for School Safety. The commissioner may develop and utilize a request for proposal process for the establishment of the Center for School Safety. The advisory council shall continue to advise the commissioner and the center on its operations. The Center for School Safety shall, at a minimum:

- (1) establish a clearinghouse for information and materials concerning school safety;
- (2) provide safe school assessments;
- (3) provide training and technical assistance customized to individual school needs for school staff, students, and parents;
- (4) provide services to enhance school climate;
- (5) coordinate school efforts with the broader community; and
- (6) evaluate and report on the implementation and effectiveness of the services provided by the center.

Sec. 8. Minnesota Statutes 2004, section 121A.035, is amended to read:

121A.035 CRISIS MANAGEMENT POLICY.

Subdivision 1. **Model policy.** ~~By December 1, 1999,~~ The commissioner shall maintain and make available to school boards and charter schools a model crisis management policy that includes, among other items, school lock-down and tornado drills, consistent with subdivision 2, and school fire drills under section 299F.30.

Subd. 2. **School district and charter school policy.** ~~By July 1, 2000,~~ A school board and a charter school must adopt a district crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed ~~in consultation~~ cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 9. [121A.231] COMPREHENSIVE FAMILY LIFE AND SEXUALITY EDUCATION PROGRAMS.

Subdivision 1. **Definitions.** (a) "Comprehensive family life and sexuality education" means education in grades 7 through 12 that:

- (1) respects community values and encourages family communication;
 - (2) develops skills in communication, decision making, and conflict resolution;
 - (3) contributes to healthy relationships;
 - (4) provides human development and sexuality education that is age appropriate and medically accurate;
 - (5) includes an abstinence-first approach to delaying initiation of sexual activity that emphasizes abstinence while also including education about the use of protection and contraception; and
 - (6) promotes individual responsibility.
- (b) "Age appropriate" refers to topics, messages, and teaching methods suitable to particular ages or age groups of children and adolescents, based on developing cognitive, emotional, and behavioral capacity typical for the age or age group.

(c) "Medically accurate" means verified or supported by research conducted in compliance with scientific methods and published in peer-reviewed journals, where appropriate, and recognized as accurate and objective by professional organizations and agencies in the relevant field, such as the

federal Centers for Disease Control and Prevention, the American Public Health Association, the American Academy of Pediatrics, or the American College of Obstetricians and Gynecologists.

Subd. 2. **Curriculum requirements.** (a) A school district may offer and may independently establish policies, procedures, curriculum, and services for providing comprehensive family life and sexuality education that is age appropriate and medically accurate for kindergarten through grade 6.

(b) A school district must offer and may independently establish policies, procedures, curriculum, and services for providing comprehensive family life and sexuality education that is age appropriate and medically accurate for grades 7 through 12.

Subd. 3. **Notice and parental options.** (a) It is the legislature's intent to encourage pupils to communicate with their parents or guardians about human sexuality and to respect rights of parents or guardians to supervise their children's education on these subjects.

(b) Parents or guardians may excuse their children from all or part of a comprehensive family life and sexuality education program.

(c) A school district must establish procedures for providing parents or guardians reasonable notice with the following information:

(1) if the district is offering a comprehensive family life and sexuality education program to the parents' or guardians' child during the course of the year;

(2) how the parents or guardians may inspect the written and audio/visual educational materials used in the program and the process for inspection;

(3) if the program is presented by school district personnel or outside consultants, and if outside consultants are used, who they may be; and

(4) parents' or guardians' right to choose not to have their child participate in the program and the procedure for exercising that right.

(d) A school district must establish procedures for reasonably restricting the availability of written and audio/visual educational materials from public view of students who have been excused from all or part of a comprehensive family life and sexuality education program at the request of a parent or guardian.

Subd. 4. **Assistance to school districts.** (a) The Department of Education may offer services to school districts to help them implement effective comprehensive family life and sexuality education programs. In providing these services, the department may contract with a school district, or a school district in partnership with a local health agency or a nonprofit organization, to establish up to eight regional training sites, taking into account geographical balance, to provide:

(1) training for teachers, parents, and community members in the development of comprehensive family life and sexuality education curriculum or services and in planning for monitoring and evaluation activities;

(2) resource staff persons to provide expert training, curriculum development and implementation, and evaluation services;

(3) technical assistance to promote and coordinate community, parent, and youth forums in communities identified as having high needs for comprehensive family life and sexuality education;

(4) technical assistance for issue management and policy development training for school boards, superintendents, principals, and administrators across the state; and

(5) funding for grants to school-based comprehensive family life and sexuality education programs to promote innovation and to recognize outstanding performance and promote replication of demonstrably effective strategies.

(b) Technical assistance provided by the department to school districts or regional training sites may:

- (1) promote instruction and use of materials that are age appropriate;
- (2) provide information that is medically accurate and objective;
- (3) provide instruction and promote use of materials that are respectful of marriage and commitments in relationships;
- (4) provide instruction and promote use of materials that are appropriate for use with pupils and family experiences based on race, gender, sexual orientation, and ethnic and cultural background, and appropriately accommodate alternative learning based on language or disability;
- (5) provide instruction and promote use of materials that encourage pupils to communicate with their parents or guardians about human sexuality;
- (6) provide instruction and promote use of age-appropriate materials that teach abstinence from sexual intercourse as the only certain way to prevent unintended pregnancy or sexually transmitted infections, including HIV, and provide information about the role and value of abstinence while also providing medically accurate information on other methods of preventing and reducing risk for unintended pregnancy and sexually transmitted infections;
- (7) provide instruction and promote use of age-appropriate materials that are medically accurate in explaining transmission modes, risks, symptoms, and treatments for sexually transmitted infections, including HIV;
- (8) provide instruction and promote use of age-appropriate materials that address varied societal views on sexuality, sexual behaviors, pregnancy, and sexually transmitted infections, including HIV, in an age-appropriate manner;
- (9) provide instruction and promote use of age-appropriate materials that provide information about the effectiveness and safety of all FDA-approved methods for preventing and reducing risk for unintended pregnancy and sexually transmitted infections, including HIV;
- (10) provide instruction and promote use of age-appropriate materials that provide instruction in skills for making and implementing responsible decisions about sexuality;
- (11) provide instruction and promote use of age-appropriate materials that provide instruction in skills for making and implementing responsible decisions about finding and using health services; and
- (12) provide instruction and promote use of age-appropriate materials that do not teach or promote religious doctrine or reflect or promote bias against any person on the basis of any category protected under the Minnesota Human Rights Act, chapter 363A.

Sec. 10. Minnesota Statutes 2004, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board must require a person to successfully complete an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the

specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

(e) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development," and must include technology and information literacy standards that are consistent with recommendations from media specialists and the department's Educator Licensing and Teacher Quality Division. The board must develop and implement a system for reviewing on a seven-year cycle all standards of effective practice for teachers beginning in the 2007-2008 school year. Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2005 Supplement, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, school sites, and charter schools a standard form for applying to participate in the alternative teacher professional pay system. An interested school district, intermediate school district, school site, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district, intermediate school district, or school site, or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must convene a review committee that at least includes

teachers and administrators within 30 days of receiving a completed application to recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based solely on the explicit requirements under subdivisions 2 and 2a and may not impose any other conditions for approval.

(b) If the commissioner disapproves an application, the commissioner must give the applicant timely notice of the specific reasons in detail for disapproving the application. The applicant may revise and resubmit its application and related documents to the commissioner within 30 days of receiving notice of the commissioner's disapproval and the commissioner must approve or disapprove the revised application, consistent with this subdivision. Applications that are revised and then approved are considered submitted on the date the applicant initially submitted the application.

Sec. 12. Minnesota Statutes 2005 Supplement, section 122A.414, subdivision 3, is amended to read:

Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school districts, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards. The school board or board of directors shall transmit a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, school site, or charter school to the commissioner.

(b) If the commissioner determines that a school district, intermediate school district, school site, or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply.

(c) The commissioner's review and evaluation of an alternative teacher professional pay system must be judged relative to the participant's approved plan and may not impose any criteria other than are contained in the plan or the explicit requirements of this section.

Sec. 13. Minnesota Statutes 2004, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By January 15 of the calendar year following the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

EFFECTIVE DATE. This section is effective for financial statements prepared in 2006 and later.

Sec. 14. Minnesota Statutes 2004, section 123B.90, subdivision 2, is amended to read:

Subd. 2. **Student training.** (a) Each district must provide public school pupils enrolled in kindergarten through grade 10 with age-appropriate school bus safety training, as described in this section, of the following concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and
- (7) school bus evacuation.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in kindergarten through grade 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a).

(c) Students enrolled in kindergarten through grade 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training competencies by the end of the third week of school. Students enrolled in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school and have not previously received school bus safety training must receive the training or receive bus safety instructional materials by the end of the sixth week of school. ~~Students taking driver's training instructional classes and other students in grades 9 and grade 9 or 10 must receive training in the laws and proper procedures when operating a motor vehicle in the vicinity of a school bus.~~ Students enrolled in kindergarten through grade 10 who enroll in a school after the second week of school and are transported by school bus and have not received training in their previous school district shall undergo school bus safety training or receive bus safety instructional materials within four weeks of the first day of attendance. Upon request of the superintendent of schools, the school transportation safety director in each district must certify to the superintendent ~~of schools annually~~ that all students transported by school bus within the district have received the school bus safety training according to this section. Upon request of the superintendent of the school district where the nonpublic school is located, the principal or other chief administrator of each nonpublic school must certify ~~annually~~ to the school transportation safety director of the district in which the school is located that the school's students transported by school bus at public expense have received training according to this section.

(d) A district and a nonpublic school with students transported by school bus at public expense may provide kindergarten pupils with bus safety training before the first day of school.

(e) A district and a nonpublic school with students transported by school bus at public expense may also provide student safety education for bicycling and pedestrian safety, for students enrolled in kindergarten through grade 5.

(f) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus safety training of pupils known to speak English as a second language and pupils with disabilities.

(g) The district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in kindergarten through grade 3 school bus safety training twice during the school year.

(h) A district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 15. Minnesota Statutes 2004, section 123B.91, is amended by adding a subdivision to read:

Subd. 1a. Compliance by nonpublic and charter school students. A nonpublic or charter school student transported by a public school district shall comply with student bus conduct and student bus discipline policies of the transporting public school district.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 16. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, clause (5), which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; and

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility or residence is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes; and

(vii) services described in clauses (i) to (vi), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individual education plan or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education base revenue under section 125A.76, subdivision

2, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a homeless student from a temporary nonshelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a).

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 17. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 5, is amended to read:

Subd. 5. District reports. (a) Each district must report data to the department as required by the department to account for transportation expenditures.

(b) Salaries and fringe benefits of district employees whose primary duties are other than transportation, including central office administrators and staff, building administrators and staff, teachers, social workers, school nurses, and instructional aides, must not be included in a district's transportation expenditures, except that a district may include salaries and benefits according to paragraph (c) for (1) an employee designated as the district transportation director, (2) an employee providing direct support to the transportation director, or (3) an employee providing direct transportation services such as a bus driver or bus aide.

(c) Salaries and fringe benefits of ~~other~~ the district employees listed in paragraph (b), clauses (1), (2), and (3), who work part time in transportation and part time in other areas must not be included in a district's transportation expenditures unless the district maintains documentation of the employee's time spent on pupil transportation matters in the form and manner prescribed by the department.

(d) Pupil transportation expenditures, excluding expenditures for capital outlay, leased buses, student board and lodging, crossing guards, and aides on buses, must be allocated among transportation categories based on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route, regardless of whether the transportation services are provided on district-owned or contractor-owned school buses. Expenditures for school bus driver salaries and fringe benefits may either be directly charged to the appropriate transportation category or may be allocated among transportation categories based on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route. Expenditures by private contractors or individuals who provide transportation exclusively in one transportation category must be charged directly to the appropriate transportation category.

Transportation services provided by contractor-owned school bus companies incorporated under different names but owned by the same individual or group of individuals must be treated as the same company for cost allocation purposes.

EFFECTIVE DATE. This section is effective for fiscal year 2006.

Sec. 18. Minnesota Statutes 2004, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may apply to an on-line learning provider to enroll in on-line learning. A student age 17 or younger must have the written consent of a parent or guardian to apply. No school district or charter school may prohibit a student from applying to enroll in on-line learning. An on-line learning provider that accepts a student under this section must, within ten days, notify the student and the enrolling district if the enrolling district is not the on-line learning provider. The notice must report the student's course or program and hours of instruction.

(b) An on-line learning student must notify the enrolling district at least ~~30~~ 45 days before taking an on-line learning course or program ~~if the enrolling district is not providing the on-line learning.~~ An on-line learning provider must notify the commissioner that it is delivering on-line learning and report the number of on-line learning students it is accepting and the on-line learning courses and programs it is delivering.

(c) An on-line learning provider may limit enrollment if the provider's school board or board of directors adopts by resolution specific standards for accepting and rejecting students' applications.

(d) An enrolling district may reduce an on-line learning student's regular classroom instructional membership in proportion to the student's membership in on-line learning courses.

Sec. 19. Minnesota Statutes 2005 Supplement, section 124D.095, subdivision 4, is amended to read:

Subd. 4. **Online learning parameters.** (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student must be counted toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the teacher contact time of an online learning student in proportion to the number of online learning courses the student takes from an online learning provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll during a single school year in a maximum of 12 semester-long courses or their equivalent delivered by an online learning provider or the enrolling district;

(2) complete course work at a grade level that is different from the student's current grade level; and

(3) enroll in additional courses with the online learning provider under a separate agreement that includes terms for payment of any tuition or course fees.

~~(e) A student with a disability may enroll in an online learning course or program if the student's IEP team determines that online learning is appropriate education for the student.~~

~~(d)~~ (c) An online learning student has the same access to the computer hardware and education

software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software for online learning purposes.

~~(e)~~ (d) An enrolling district may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. An enrolling district that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license.

~~(f)~~ (e) An online learning provider that is not the enrolling district is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

Sec. 20. Minnesota Statutes 2004, section 124D.096, is amended to read:

124D.096 ON-LINE LEARNING AID.

(a) The on-line learning aid for an on-line learning provider equals the product of the adjusted on-line learning average daily membership for students under section 124D.095, subdivision 8, paragraph (d), times the student grade level weighting under section 126C.05, subdivision 1, times the formula allowance.

(b) Notwithstanding section 127A.45, the department must pay each on-line learning provider ~~80 percent of the current year aid payment percentage multiplied by the amount in paragraph (a) within 45 days of receiving final enrollment and course completion information each quarter or semester. A final payment equal to 20 percent of the amount in paragraph (a)~~ The final adjustment payment must be the amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement. This payment must be made on September 30 of the next fiscal year.

Sec. 21. Minnesota Statutes 2004, section 124D.10, subdivision 16, is amended to read:

Subd. 16. **Transportation.** ~~(a) By July 1 of each year, a charter school~~ A charter school after its first fiscal year of operation by March 1 of each fiscal year and a charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education if it will provide transportation for pupils enrolled in the school its own transportation or use the transportation services of the district in which it is located for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124D.11, subdivision 2.

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost

of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

Sec. 22. Minnesota Statutes 2004, section 124D.11, subdivision 9, is amended to read:

Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section 127A.45, subdivision 3, aid payments for the current fiscal year to a charter school not in its first year of operation shall be of an equal amount on each of the 23 payment dates. A charter school in its first year of operation shall receive, on its first payment date, ten percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 90 percent of equal the current year aid payment percentage multiplied by the cumulative amount guaranteed.

(b) Notwithstanding paragraph (a), for a charter school ceasing operation prior to the end of a school year, 80 percent of the current year aid payment percentage multiplied by the amount due for the school year may be paid to the school after audit of prior fiscal year and current fiscal year pupil counts. For a charter school ceasing operations prior to, or at the end of, a school year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may be made after audit of pupil counts, monitoring of special education expenditures, and documentation of lease expenditures for the final year of operation. Final payment may be made upon receipt of audited financial statements under section 123B.77, subdivision 3.

(c) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

(d) In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the department and a quarterly report to the Department of Education. The report must list each student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a Web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

(e) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter school and satisfaction of creditors, cash and investment balances remaining shall be returned to the state.

Sec. 23. Minnesota Statutes 2004, section 124D.61, is amended to read:

124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.

A district which receives aid pursuant to section 124D.65 must comply with that enrolls one or more children of limited English proficiency must implement an educational program that includes

at a minimum the following ~~program~~ requirements:

(1) identification and reclassification criteria for children of limited English proficiency and program entrance and exit criteria for children with limited English proficiency must be documented by the district, applied uniformly to children of limited English proficiency, and made available to parents and other stakeholders upon request;

(2) a written plan of services that describes programming by English proficiency level made available to parents upon request. The plan must articulate the amount and scope of service offered to children of limited English proficiency through an educational program for children of limited English proficiency;

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with children of limited English proficiency which are: (i) coordinated with the district's professional development activities; (ii) related to the needs of children of limited English proficiency; and (iii) ongoing;

(4) ~~to the extent possible, the district must~~ avoid isolating children of limited English proficiency for a substantial part of the school day; and

~~(2)~~ (5) in predominantly nonverbal subjects, such as art, music, and physical education, permit pupils of limited English proficiency shall be permitted to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

Sec. 24. Minnesota Statutes 2004, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 25. Minnesota Statutes 2004, section 125A.75, is amended by adding a subdivision to read:

Subd. 9. Litigation costs; annual report. (a) By November 30 of each year, a school district must annually report the district's special education litigation costs, including attorney fees and costs of due process hearings, to the commissioner of education, consistent with the Uniform Financial Accounting and Reporting Standards.

(b) By January 15 of each year, the commissioner shall report school district special education litigation costs to the house of representatives and the senate committees having jurisdiction over kindergarten through grade 12 education finance.

Sec. 26. Minnesota Statutes 2004, section 169.01, subdivision 6, is amended to read:

Subd. 6. **School bus.** "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, a multifunction

school activity bus as defined by federal motor vehicle safety standards, or a vehicle otherwise qualifying as a type III vehicle under paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation. A school bus may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a ~~van~~ conversion ~~of~~ bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. ~~The entrance door is behind the front wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

(2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(3) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab with or without a left side door and with a GVWR greater than 21,500 pounds.

(4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(5) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 27. Minnesota Statutes 2004, section 169.447, subdivision 2, is amended to read:

Subd. 2. **Driver seat belt.** New School buses and Head Start buses manufactured after December 31, 1994, must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers and Head Start bus drivers must use these seat belts.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 28. Minnesota Statutes 2004, section 169.4501, subdivision 1, is amended to read:

Subdivision 1. **National standards adopted.** Except as provided in sections 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the ~~2000~~ 2005 edition of the "National School Transportation Specifications and Procedures" adopted by the National ~~Conference~~ Congress on School Transportation. Except as provided in section 169.4504, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the ~~2000~~ 2005 National School Transportation Specifications and Procedures. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the ~~2000~~ 2005 edition of the "National School Transportation Specifications and Procedures" are incorporated by reference in this chapter.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 29. Minnesota Statutes 2004, section 169.4501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** (a) The standards adopted in this section and sections 169.4502 and 169.4503, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned or leased and operated by a school or privately owned or leased and operated under a contract with a school. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

(b) The standards apply to school buses manufactured after ~~October 31, 2004~~ December 31, 2006. Buses complying with the standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before ~~October 31, 2004~~ December 31, 2006, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 30. Minnesota Statutes 2004, section 169.4502, subdivision 5, is amended to read:

Subd. 5. **Electrical system; battery.** (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery shall be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least ~~120~~ 130 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least ~~80~~ 130 amperes. This paragraph does not apply to those buses with wheelchair lifts or diesel engines.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 31. Minnesota Statutes 2004, section 169.4503, subdivision 20, is amended to read:

Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics.

(b) All seats must have a minimum cushion depth of 15 inches and a seat back height of at least 20 inches above the seating reference point.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 32. Minnesota Statutes 2004, section 171.321, subdivision 4, is amended to read:

Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner.

(b) A bus driver must have training or experience that allows the driver to meet at least the following competencies:

- (1) safely operate the type of school bus the driver will be driving;
- (2) understand student behavior, including issues relating to students with disabilities;
- (3) encourage orderly conduct of students on the bus and handle incidents of misconduct appropriately;
- (4) know and understand relevant laws, rules of the road, and local school bus safety policies;
- (5) handle emergency situations; and
- (6) safely load and unload students.

(c) The commissioner of public safety shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district, nonpublic school, or private contractor may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety. After completion of bus driver training competencies, a driver may receive at least eight hours of school bus in-service training any year as an alternative to being assessed for bus driver competencies. The employer shall keep the assessment and a record of the in-service training for the current period available for inspection by representatives of the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 33. Minnesota Statutes 2004, section 171.321, subdivision 5, is amended to read:

Subd. 5. **Annual evaluation and license verification.** (a) A school district, nonpublic school, or private contractor shall provide in-service training annually by June 30 of each year to each school bus driver.

(b) A school district, nonpublic school, or private contractor shall annually by June 30 of each year verify the validity of the driver's license of each employee who regularly transports students for the district in a type A school bus, a type B school bus, a type C school bus, or type D school bus, or regularly transports students for the district in a type III vehicle with the National Driver Register or with the Department of Public Safety.

(c) Members of a nonprofit bus drivers' trade association under private contract with an independent school district shall not be charged a fee greater than the fee, if any, imposed upon an independent school district for accessing an employee's driver's license records from the Department of Public Safety in compliance with this section.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 34. Minnesota Statutes 2004, section 299F.30, is amended to read:

299F.30 FIRE DRILL IN SCHOOL; DOORS AND EXITS.

Subdivision 1. **Duties of fire marshal.** Consistent with this section and section 121A.035, it shall be the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least nine fire drills each school year and to keep all doors and exits unlocked from the inside of the building during school hours. The fire marshal must require nonpublic schools and educational institutions not subject to section 121A.035 to have at least one

fire drill each month during the school year.

Subd. 2. **Fire drill.** Each superintendent, principal or other person in charge of a public or private school, educational institution, children's home or orphanage housing 20 or more students or other persons, shall instruct and train such students or other persons to quickly and expeditiously quit the premises in case of fire or other emergency by means of drills or rapid dismissals ~~at least once each month~~ while such school, institution, home or orphanage is in operation. Records of such drills shall be posted so that such records are available for review by the state fire marshal at all times and shall include the drill date and the time required to evacuate the building.

Subd. 3. **School doors and exits.** Consistent with this section and section 121A.035, each superintendent, principal or other person in charge of a public or private school, educational institution, children's home or orphanage shall keep all doors and exits of such school, institution, home or orphanage unlocked so that persons can leave by such doors or exits at any time during the hours of normal operation.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 35. Minnesota Statutes 2005 Supplement, section 626.556, subdivision 3, is amended to read:

Subd. 3. **Persons mandated to report.** (a) Subject to paragraph (c), a person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, probation and correctional services, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency. If the agency receiving a report determines that it is not responsible for assessing or investigating the report, the agency shall immediately notify the agency it determines is responsible for assessing or investigating the report under this section.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a

~~licensed facility or a school as defined under subdivision 3b, shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19, or to the agency responsible for assessing or investigating the report, if the facility is not licensed. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint of alleged maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.~~

(d) Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 36. Minnesota Statutes 2004, section 626.556, subdivision 3b, is amended to read:

Subd. 3b. **Agency Department of Education responsible for assessing or investigating reports of maltreatment.** The Department of Education is the agency responsible for assessing or investigating allegations of child maltreatment in schools as defined in sections ~~120A.05, subdivisions 9, 11, and 13; 120A.05, subdivisions 9, 11, 13, and 17, and 124D.10, unless the alleged maltreatment occurred in a program or facility licensed by the commissioner of human services. "School" includes a school-age care program, Head Start program, early childhood family education program, school district-administered day treatment facility, or other program licensed or administered by the commissioner of education that provides services for minors and is located in or operated by a school.~~

Sec. 37. Minnesota Statutes 2004, section 626.556, subdivision 3c, is amended to read:

Subd. 3c. **Agency Local welfare agency, Department of Human Services, or Department of Health responsible for assessing or investigating reports of maltreatment.** ~~The following agencies are the administrative agencies responsible for assessing or investigating reports of alleged child maltreatment in facilities made under this section:~~

~~(1) (a)~~ The county local welfare agency is the agency responsible for assessing or investigating:

~~(1)~~ allegations of maltreatment in child foster care, family child care, and legally unlicensed child care and in juvenile correctional facilities licensed under section 241.021 located in the local welfare agency's county; and

~~(2)~~ other allegations of maltreatment that are not the responsibility of another agency under this subdivision or subdivision 3b.

~~(2) (b)~~ The Department of Human Services is the agency responsible for assessing or investigating allegations of maltreatment in facilities licensed under chapters 245A and 245B, except for child foster care and family child care; and

~~(3) (c)~~ The Department of Health is the agency responsible for assessing or investigating allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58, and in unlicensed home health care.

Sec. 38. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 13, is amended to read:

Subd. 13. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$ 4,500,000	2006
\$ 4,500,000	2007

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. ~~The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy. Teachers shall apply for teacher training scholarships to prepare for teaching in the advanced placement or international baccalaureate program. Any reserved funding not expended for teacher training may be used for exam fees and other support programs for each program.~~

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

Any balance in the first year does not cancel but is available in the second year.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 39. RULE ON VISUALLY IMPAIRED TO INCLUDE REFERENCES TO "BLIND" AND "BLINDNESS."

The commissioner of education, where appropriate, must incorporate references to "blind" and "blindness" into the definition of visually impaired under Minnesota Rules, part 3525.1345, and amend the rule title to include the word "blind."

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 40. 2006 SCHOOL ACCOUNTABILITY REPORT.

Notwithstanding Minnesota Statutes, section 120B.36, for 2006 reporting only, the Department of Education may delay the release to the public and the posting of the 2006 school performance report cards and adequate yearly progress data on its public Web site to no later than November 30, 2006.

Sec. 41. CHARACTER DEVELOPMENT EDUCATION; PILOT PROGRAM.

Subdivision 1. **Pilot program created.** School districts may develop a pilot program to implement comprehensive character development education under Minnesota Statutes, section 120B.232, subdivision 1.

Subd. 2. **Approved provider list.** (a) Based upon available resources, the commissioner of education shall maintain a character development education curriculum approved provider list. The character development education curriculum of approved providers shall be research based and evaluated by an independent party. Approved comprehensive character development education curriculum must include:

- (1) age appropriate character development for the classroom in elementary or secondary grades;
- (2) teacher training workshops and in-service training;
- (3) midyear consulting between the school district and the provider; and
- (4) an assessment program.

(b) Funding for the approved provider list shall be from existing department resources under Minnesota Statutes, section 120B.232, subdivision 2.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2004, sections 121A.23; and 123B.749, are repealed.

(b) Minnesota Statutes 2004, sections 169.4502, subdivision 15; and 169.4503, subdivisions 17, 18, and 26, are repealed.

EFFECTIVE DATE. This section, paragraph (b), is effective January 1, 2007.

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside of the regular classroom. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or request a written statement from each board, giving each board at least ten days' notice, and after the hearing or review of the written statements the commissioner must make an order fixing the tuition rate, which is binding on both school districts. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education and referendum revenue per adjusted pupil unit.

(b) For fiscal year 2007 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence,

excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraph (e), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to that pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside of the regular classroom. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum aid per adjusted pupil unit. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7, paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, an intermediate district, ~~or a special education cooperative, or a school district that served as the applicant agency for a group of school districts for federal special education aids for fiscal year 2006~~ may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

(d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs (d) and (e), "general education revenue and referendum aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus the referendum aid according to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (c).

EFFECTIVE DATE. This section is effective for fiscal year 2006.

Sec. 2. Minnesota Statutes 2004, section 125A.515, subdivision 1, is amended to read:

Subdivision 1. **Approval of education programs.** The commissioner shall approve education programs for placement of children and youth in ~~care and treatment residential~~ residential facilities including detention centers, before being licensed by the Department of Human Services ~~under Minnesota Rules, parts 9545.0905 to 9545.1125 and 9545.1400 to 9545.1480,~~ or the Department of Corrections ~~under Minnesota Rules, chapters 2925, 2930, 2935, and 2950.~~ Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in facilities licensed by the Department of Human Services or the Department of Corrections.

Sec. 3. Minnesota Statutes 2004, section 125A.515, subdivision 3, is amended to read:

Subd. 3. **Responsibilities for providing education.** (a) The district in which the residential facility is located must provide education services, including special education if eligible, to all students placed in a facility ~~for care and treatment.~~

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

~~(c) Placement for care and treatment does not automatically make a student eligible for special education. A student placed in a care and treatment facility is eligible for special education under state and federal law including the Individuals with Disabilities Education Act under United States Code, title 20, chapter 33.~~

Sec. 4. Minnesota Statutes 2004, section 125A.515, subdivision 5, is amended to read:

Subd. 5. Education programs for students placed in residential facilities ~~for care and treatment.~~ (a) When a student is placed in a care and treatment facility approved under this section that has an on-site education program, the providing district, upon notice from the care and treatment facility, must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individualized education plan (IEP) and evaluation report, and to determine if the student has been identified as a student with a disability. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed ~~for care and treatment under this section~~ has been identified as having a disability and has an individual education plan in the resident district:

(1) the providing agency must conduct an individualized education plan meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education plan goals and objectives and to determine if additional evaluations are necessary; and

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education plan meeting:

- (i) the person or agency placing the student;
- (ii) the resident district;
- (iii) the appropriate teachers and related services staff from the providing district;
- (iv) appropriate staff from the ~~care and treatment~~ residential facility;
- (v) the parents or legal guardians of the student; and
- (vi) when appropriate, the student.

(c) For a student who has not been identified as a student with a disability, a screening must be conducted by the providing districts as soon as possible to determine the student's educational and behavioral needs and must include a review of the student's educational records.

Sec. 5. Minnesota Statutes 2004, section 125A.515, subdivision 6, is amended to read:

Subd. 6. Exit report summarizing educational progress. If a student has been placed in a ~~care and treatment facility~~ under this section for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, educational progress, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Sec. 6. Minnesota Statutes 2004, section 125A.515, subdivision 7, is amended to read:

Subd. 7. Minimum educational services required. When a student is placed in a facility

approved under this section, at a minimum, the providing district is responsible for:

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.

Sec. 7. Minnesota Statutes 2004, section 125A.515, subdivision 9, is amended to read:

Subd. 9. **Reimbursement for education services.** (a) Education services provided to students who have been placed ~~for care and treatment under this section~~ are reimbursable in accordance with special education and general education statutes.

(b) Indirect or consultative services provided in conjunction with regular education prereferral interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Sec. 8. Minnesota Statutes 2004, section 125A.515, subdivision 10, is amended to read:

Subd. 10. **Students unable to attend school but not placed in care and treatment facilities covered under this section.** Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, and placed at home or in facilities not licensed by the Departments of Corrections or Human Services are ~~not students placed for care and treatment entitled to regular and special education services consistent with applicable law and rule~~. These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center. ~~These students are entitled to education services through their district of residence.~~

Sec. 9. Minnesota Statutes 2004, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** ~~The Special Education Advisory Council commissioner~~ shall establish an advisory committee for each resource center. The advisory committees shall develop recommendations regarding the resource centers and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

Sec. 10. Minnesota Statutes 2004, section 125A.75, subdivision 1, is amended to read:

Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum actually expended by a district, based on mileage, for necessary travel of essential personnel providing home-based services to children with a disability under age five and their families.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2005 Supplement, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for

services eligible for revenue under section 125A.76, subdivision 2; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under section 125A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, ~~as adjusted according to section 127A.47, subdivisions 7 and 8 excluding alternative teacher compensation revenue~~, plus the total qualifying referendum revenue specified in paragraph (e) minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.02 for fiscal year 2003, and 1.0 for fiscal year 2004 and later.

(e) "Total qualifying referendum revenue" means two-thirds of the district's total referendum revenue ~~as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (c), for fiscal year 2006~~, one-third of the district's total referendum revenue for fiscal year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 12. SPECIAL EDUCATION FORECAST MAINTENANCE OF EFFORT.

(a) If, on the basis of a forecast of general fund revenues and expenditures under Minnesota Statutes, section 16A.103; expenditures for special education aid under Minnesota Statutes, section 125A.76; transition for disabled students under Minnesota Statutes, section 124D.454; travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1; aid for students with disabilities under Minnesota Statutes, section 125A.75, subdivision 3; court-placed special education under Minnesota Statutes, section 125A.79, subdivision 4; or out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8, are projected to be less than the amount previously forecast for an enacted budget, the forecast excess from these programs, up to an amount sufficient to meet federal special education maintenance of effort, is added to the state total special education aid in Minnesota Statutes, section 125A.76, subdivision 4.

(b) If, on the basis of a forecast of general fund revenues and expenditures under Minnesota Statutes, section 16A.103, expenditures in the programs in this section are projected to be greater than previously forecast for an enacted budget, and an addition to state total special education aid has been made under paragraph (a), the state total special education aid must be reduced by the lesser of the amount of the expenditure increase or the amount previously added to state total special education aid, and this amount must be taken from the programs that were forecast to have a forecast excess.

(c) For the purpose of this section, "previously forecast for an enacted budget" means the allocation of funding for these programs in the most recent forecast of general fund revenues and expenditures or the act appropriating money for these programs, whichever occurred most recently. It does not include planning estimates for a future biennium.

Sec. 13. INTERMEDIATE DISTRICT SPECIAL EDUCATION TUITION BILLING FOR FISCAL YEARS 2006 AND 2007.

(a) Notwithstanding Minnesota Statutes, sections 125A.11, subdivision 1, paragraph (a), and 127A.47, subdivision 7, paragraph (d), for fiscal year 2006, an intermediate district is not subject to the uniform special education tuition billing calculations, but may instead continue to bill the resident school districts for the actual unreimbursed costs of serving pupils with a disability as determined by the intermediate district.

(b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph (c), for fiscal year 2007 only, an intermediate district may apply to the commissioner of education for a waiver from the uniform special education tuition calculations and aid adjustments under Minnesota Statutes, sections 125A.11, subdivision 1, paragraph (b), and 127A.47, subdivision 7, paragraph (e). The commissioner must grant the waiver within 30 days of receiving the following information from the intermediate district:

(1) a detailed description of the intermediate district's methodology for calculating special education tuition for fiscal years 2006 and 2007, as required by the intermediate district to recover the full cost of serving pupils with a disability;

(2) sufficient data to determine the total amount of special education tuition actually charged for each student with a disability, as required by the intermediate district to recover the full cost of serving pupils with a disability in fiscal year 2006; and

(3) sufficient data to determine the amount that would have been charged for each student for fiscal year 2006 using the uniform tuition billing methodology according to Minnesota Statutes, section 125A.11, subdivision 1, or 127A.47, subdivision 7, as applicable.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2006.

Sec. 14. **DEPARTMENT OF EDUCATION RULES.**

Before July 1, 2007, the Department of Education shall amend Minnesota Rules, part 3525.2325, to conform with Minnesota Statutes, section 125A.515.

Sec. 15. **REPEALER.**

Minnesota Statutes 2004, sections 125A.10; and 125A.515, subdivision 2, are repealed.

ARTICLE 4

FACILITIES, ACCOUNTING, AND TECHNOLOGY

Section 1. Minnesota Statutes 2004, section 123A.44, is amended to read:

123A.44 CITATION.

Sections 123A.441 to 123A.446 may be cited as the "Cooperative ~~Secondary~~ Facilities Grant Act."

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2004, section 123A.441, is amended to read:

123A.441 POLICY AND PURPOSE.

Because of the rates of decline in school-aged population, population shifts and economic changes that the state has experienced in recent years and anticipates in future years, and because in some instances local districts have not, and will not be able to provide the required construction funds through local property taxes, the purpose of the cooperative ~~secondary~~ facilities grant program is to provide an incentive to encourage cooperation in making available to all ~~secondary~~ students those educational programs, services and facilities that are most efficiently and effectively provided by a cooperative effort of ~~several~~ school districts. The policy and purpose of sections 123A.442 to 123A.446 is to use the credit of the state, to a limited degree, to provide grants to cooperating groups of districts to improve and expand the educational opportunities and facilities available to their ~~secondary~~ students.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2004, section 123A.442, is amended to read:

123A.442 APPROVAL AUTHORITY; APPLICATION FORMS.

Subdivision 1. **Approval by commissioner.** To the extent money is available, the commissioner may approve projects from applications submitted under section 123A.443. The grant money must be used only to acquire, construct, remodel or improve the building or site of a cooperative ~~secondary~~ facility under contracts to be entered into within 15 months after the date on which each grant is awarded.

Subd. 2. **Cooperation and combination.** Districts that ~~have not already consolidated and receive a cooperative secondary facilities grant after May 1, 1991,~~ shall:

(1) submit a ~~consolidation plan as set forth in under section 123A.36~~ consolidation plan under section 123A.48 for approval by the ~~State Board of Education before December 31, 1999, or Department of Education after December 30, 1999;~~ and

(2) hold a referendum on the question of ~~combination~~ consolidation no later than four years after a grant is awarded under subdivision 1.

The districts are eligible for ~~cooperation and combination~~ consolidation revenue under section ~~123A.39, subdivision 3~~ 123A.485.

Subd. 3. **Consolidated districts.** A school district that has consolidated with another school district since July 1, 1980, is eligible for a cooperative facilities grant.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2004, section 123A.443, is amended to read:

123A.443 GRANT APPLICATION PROCESS.

Subdivision 1. **Qualification.** Any group of districts ~~or a consolidated district~~ that meets the criteria required under subdivision 2 may apply for an incentive grant for construction of a new ~~secondary~~ facility or for remodeling and improving an existing ~~secondary~~ facility. A grant for new construction must not exceed the lesser of \$5,000,000 ~~\$10,000,000~~ or 75 percent of the approved construction costs of a cooperative ~~secondary~~ education facility. A grant for remodeling and improving an existing facility must not exceed \$200,000 ~~\$1,000,000~~.

Subd. 2. **Review by commissioner.** (a) A group of districts ~~or a consolidated district~~ that submits an application for a grant must submit a proposal to the commissioner for review and comment under section 123B.71. The commissioner shall prepare a review and comment on the proposed facility by July 1 of an odd-numbered year, regardless of the amount of the capital expenditure required to acquire, construct, remodel, or improve the ~~secondary~~ facility. The commissioner shall not approve an application for an incentive grant for any ~~secondary~~ facility unless the facility receives a favorable review and comment under section 123B.71 and the following criteria are met:

(1) ~~the applicant is a consolidated district or a minimum of two or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils, enter that have entered~~ into a joint powers agreement;

(2) ~~for a group of districts,~~ a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative ~~secondary~~ facility;

~~(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;~~

~~(4) at least 198 pupils would be served in grades 10 to 12, 264 pupils would be served in grades 9 to 12, or 396 pupils would be served in grades 7 to 12;~~

~~(5)~~ (3) for a group of districts, no more than one superintendent is employed by the joint powers

board as a result of the cooperative ~~secondary~~ facility agreement;

~~(6)~~ (4) a statement of need is submitted, that may include reasons why the current ~~secondary~~ facilities are inadequate, unsafe or inaccessible to the ~~handicapped~~ disabled;

~~(7)~~ (5) an educational plan is prepared, that includes input from both community and professional staff;

~~(8)~~ (6) for a group of districts, a combined seniority list for all participating districts is developed by the joint powers board;

~~(9)~~ (7) for a group of districts, an education program is developed that provides for more learning opportunities and course offerings, including the offering of advanced placement courses, for students than is currently available in any single member district;

~~(10)~~ (8) a plan is developed for providing instruction of any resident students in other districts when distance to the ~~secondary~~ education facility makes attendance at the facility unreasonably difficult or impractical; and

~~(11)~~ (9) for a secondary facility, the joint powers board established under clause (2) discusses with technical colleges located in the area how vocational education space in the cooperative ~~secondary~~ facility could be jointly used for secondary and postsecondary purposes.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 122A.48, for any teacher or administrator, as defined under section 122A.40, subdivision 1, who is placed on unrequested leave as a result of the cooperative ~~secondary~~ facility agreement.

(c) For the purpose of paragraph (a), clause ~~(8)~~ (6), each district must be considered to have started school each year on the same date.

(d) The districts may develop a plan that provides for the location of social service, health, and other programs serving pupils and community residents within the cooperative ~~secondary~~ facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(e) The districts must schedule and conduct a meeting on library services. The school districts, in cooperation with the regional public library system and its appropriate member libraries, must discuss the possibility of including jointly operated library services at the cooperative ~~secondary~~ facility.

(f) The board of a district that has reorganized under section 123A.37 or 123A.48 and that is applying for a grant for remodeling or improving an existing facility may act in the place of a joint powers board to meet the criteria of this subdivision.

Subd. 3. Reorganizing districts. A district that is a member of a joint powers board established under subdivision 2 and that is planning to reorganize under section 123A.45, 123A.46, or 123A.48 must notify the joint powers board one year in advance of the effective date of the reorganization. Notwithstanding section 471.59 or any other law to the contrary, the board of a district that reorganizes under section 123A.45, 123A.46, or 123A.48 may appoint representatives to the joint powers board who will serve on the joint powers board for two years after the effective date of the reorganization if authorized in the agreement establishing the joint powers board to govern the cooperative ~~secondary~~ facility. These representatives shall have the same powers as representatives of any other school district under the joint powers agreement.

Subd. 4. District procedures. A joint powers board of a ~~secondary~~ district established under subdivision 2 or a school board of a reorganized district that intends to apply for a grant must adopt a resolution stating the proposed costs of the project, the purpose for which the costs are to be incurred, and an estimate of the dates when the facilities for which the grant is requested will be contracted for

and completed. Applications for the state grants must be accompanied by (a) a copy of the resolution, (b) a certificate by the clerk and treasurer of the joint powers board showing the current outstanding indebtedness of each member district, and (c) a certificate by the county auditor of each county in which a portion of the joint powers district lies showing the information in the auditor's official records that is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate must show, as to each outstanding bond issue of each member district, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications and necessary data must be in the form prescribed by the commissioner ~~and the rules of the State Board of Education before December 31, 1999, and after December 30, 1999, in the form prescribed by the commissioner.~~ Applications must be received by the commissioner by September 1 of an odd-numbered year. When an application is received, the commissioner shall obtain from the commissioner of revenue, and from the Public Utilities Commission when required, the information in their official records that is required to be used in computing the debt limit of the joint powers district under section 475.53, subdivision 4.

Subd. 5. **Award of grants.** By November 1 of the odd-numbered year, the commissioner shall examine and consider all applications for grants, and if any district is found not qualified, the commissioner shall promptly notify that board.

A grant award is subject to verification by the district as specified in subdivision 8. A grant award for a new facility must not be made until the site of the ~~secondary~~ facility has been determined. A grant award to remodel or improve an existing facility must not be made until the districts have reorganized. If the total amount of the approved applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified district the amount, if any, of the grant awarded to it.

Subd. 6. **Collocation grant.** A group of districts that receives a grant for a new facility under subdivision 4 is also eligible to receive an additional grant in the amount of \$1,000,000. To receive the additional grant, the group of districts must develop a plan under subdivision 2, paragraph (d), that provides for the location of a significant number of noneducational student and community service programs within the cooperative ~~secondary~~ facility.

Subd. 7. **Referendum; bond issue.** Within 180 days after being awarded a grant for a new facility under subdivision 5, the joint powers board must submit the question of authorizing the borrowing of funds for the ~~secondary~~ facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted must state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to accept the grant and to issue the bonds on public sale ~~in accordance with~~ according to chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner. If the question is approved by the voters, the commissioner shall notify the approved applicant districts that the grant amount certified under subdivision 5 is available and appropriated for payment under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Subd. 8. **Contract.** Each grant must be evidenced by a contract between the board and the state acting through the commissioner. The contract obligates the state to pay to the board an amount computed according to subdivision 5, and according to a schedule, and terms and conditions acceptable to the commissioner of finance.

Subd. 9. **Consolidation.** A group of districts that operates a cooperative ~~secondary~~ facility that was acquired, constructed, remodeled, or improved under this section and implements consolidation proceedings according to section 123A.48, may propose a temporary school board structure in the petition or resolution required under section 123A.48, subdivision 2. The districts may propose the number of existing school board members of each district to become members of the board of the consolidated district and a method to gradually reduce the membership to six or seven. The proposal

must be approved, disapproved, or modified by the ~~state board of education~~ commissioner. The election requirements of section 123A.48, subdivision 20, do not apply to a proposal approved by the state board. Elections conducted after the effective date of the consolidation are subject to the Minnesota Election Law.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2004, section 123B.10, subdivision 1, is amended to read:

Subdivision 1. **Budgets.** ~~By October 1,~~ Every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the commissioner within one week of the acceptance of the final audit by the board, or November 30, whichever is earlier. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances must be published in a qualified newspaper of general circulation in the district or on the district's official Web site. If published on the district's official Web site, the district must also publish an announcement in a qualified newspaper of general circulation in the district that includes the Internet address where the information has been posted.

Sec. 6. Minnesota Statutes 2004, section 123B.77, is amended by adding a subdivision to read:

Subd. 1a. **School district consolidated financial statement.** The commissioner, in consultation with the advisory committee on financial management, accounting, and reporting, shall develop and maintain a school district consolidated financial statement format that converts uniform financial accounting and reporting standards data under subdivision 1 into a more understandable format.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2004, section 127A.41, subdivision 2, is amended to read:

Subd. 2. **Errors in distribution.** On determining that the amount of state aid distributed to a school district is in error, the commissioner is authorized to adjust the amount of aid consistent with this subdivision. On determining that the amount of aid is in excess of the school district's entitlement, the commissioner is authorized to recover the amount of the excess by any appropriate means. Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the district must adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the fiscal years designated by the appropriation, on determining that the amount of an aid paid is less than the school district's entitlement, the commissioner is authorized to increase such aid from the current appropriation. If the aid program has been discontinued and has no appropriation, the appropriation for general education shall be used for recovery or payment of the aid decrease or increase. Any excess of aid recovery over aid payment shall be canceled to the state general fund.

Sec. 8. Minnesota Statutes 2004, section 181.101, is amended to read:

181.101 WAGES; HOW OFTEN PAID.

Every employer must pay all wages earned by an employee at least once every 31 days on a regular pay day designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages earned are not paid, the commissioner of labor and industry or the commissioner's representative may demand payment on behalf of an employee. If payment is not made within ten days of demand, the commissioner may charge and collect the wages earned and a penalty in the amount of the employee's average daily earnings at the rate agreed upon in the contract of employment, not exceeding 15 days in all, for each day beyond the ten-day limit following the

demand. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district ~~or~~, other public school entity, or other school, as defined under section 120A.22, from paying any wages earned by its employees during a school year on regular pay days in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works.

Sec. 9. CONSOLIDATED FINANCIAL STATEMENT IMPLEMENTATION.

The Department of Education shall pay for the implementation of the consolidated financial statement system under Minnesota Statutes, section 123B.77, subdivision 1a, from the department's existing biennial appropriations for fiscal years 2006 and 2007.

Sec. 10. HEALTH AND SAFETY REVENUE USES; BELLE PLAINE.

Notwithstanding Minnesota Statutes, sections 123B.57 and 123B.59, upon approval of the commissioner of education, Independent School District No. 716, Belle Plaine, may use up to \$125,000 of its health and safety revenue raised through an alternative facilities bond for other qualifying health and safety projects.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 5

STATE AGENCIES

Section 1. Minnesota Statutes 2004, section 125A.65, subdivision 3, is amended to read:

Subd. 3. **Educational program; tuition.** (a) When it is determined pursuant to section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school, the board of the Minnesota State Academies must provide the appropriate educational program for the child.

(b) For fiscal year 2006, the board of the Minnesota State Academies must make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged must not exceed the sum of (1) the general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child, for the amount of time the child is in the program, plus (2), if the child was enrolled at the Minnesota State Academies on October 1 of the previous fiscal year, the compensatory education revenue attributable to that child under section 126C.10, subdivision 3. The district of the child's residence must pay the tuition and may claim general education aid for the child. Tuition received by the board of the Minnesota State Academies, except for tuition for compensatory education revenue under this paragraph and tuition received under subdivision 4, must be deposited in the state treasury as provided in subdivision 8.

(c) For fiscal year 2007 and later, the district of the child's residence shall claim general education revenue for the child, except as provided in this paragraph. Notwithstanding section 127A.47, subdivision 1, an amount equal to the general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child for the amount of time the child is in the program, as adjusted according to subdivision 8, paragraph (d), must be paid to the Minnesota State Academies. Notwithstanding section 126C.15, subdivision 2, paragraph (d), the compensatory education revenue under section 126C.10, subdivision 3, attributable to children enrolled at the Minnesota State Academies on October 1 of the previous fiscal year must be paid to the Minnesota State Academies. General education aid paid to the Minnesota State Academies under this paragraph must be credited to their general operation account. Other general education aid attributable to the child must be paid to the district of the child's residence.

Sec. 2. Minnesota Statutes 2004, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year 2007 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing an instructional aide assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, if that aide is required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year 2007 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

Sec. 3. Minnesota Statutes 2004, section 125A.65, subdivision 6, is amended to read:

Subd. 6. **Tuition reduction.** Notwithstanding the provisions of subdivisions 3 and 5, the board of the Minnesota State Academies may agree to make a tuition charge, or receive an aid adjustment, as applicable, for less than the amount specified in subdivision 3 for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the board of the Minnesota State Academies for less than the amount specified in subdivision 5 for providing appropriate educational programs to pupils attending the applicable school.

Sec. 4. Minnesota Statutes 2004, section 125A.65, subdivision 8, is amended to read:

Subd. 8. **Student count; tuition.** (a) On May 1, 1996, and each year thereafter, the board of the Minnesota State Academies shall count the actual number of Minnesota resident special education eligible students enrolled and receiving education services at the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind.

(b) For fiscal year 2006, the board of the Minnesota State Academies shall deposit in the state treasury an amount equal to all tuition received for the basic revenue according to subdivision 3, less the amount calculated in paragraph (b) (c).

~~(b)~~(c) For fiscal year 2006, the Minnesota State Academies shall credit to their general operation account an amount equal to the tuition received which represents tuition earned for the total number of students over 175 based on:

- (1) the total number of enrolled students on May 1 less 175; times
- (2) the ratio of the number of students in that grade category to the total number of students on May 1; times
- (3) the general education revenue formula allowance; times
- (4) the pupil unit weighting factor pursuant to section 126C.05.

(d) For fiscal year 2007 and later, the Minnesota State Academies shall report to the department the number of students by grade level counted according to paragraph (a). The amount paid to the Minnesota State Academies under subdivision 3, paragraph (c), must be reduced by an amount equal to:

(1) the ratio of 175 to the total number of students on May 1; times

(2) the total basic revenue determined according to subdivision 3, paragraph (c).

Sec. 5. Minnesota Statutes 2004, section 125A.65, subdivision 10, is amended to read:

Subd. 10. **Annual appropriation.** There is annually appropriated to the department for the Minnesota State Academies the tuition or aid payment amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 6. Minnesota Statutes 2004, section 125A.69, subdivision 3, is amended to read:

Subd. 3. **Out-of-state admissions.** An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The board of the Minnesota State Academies must obtain reimbursement from the other state for the costs of the out-of-state admission. The state board may enter into an agreement with the appropriate authority in the other state for the reimbursement. Money received from another state must be deposited in the general special revenue fund and credited to the general operating account of the academies. The money is appropriated to the academies.

EFFECTIVE DATE. This section is effective retroactively from fiscal year 2001.

ARTICLE 6

TECHNICAL AND CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2005 Supplement, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting policies.** ~~(a)~~ A school board shall have in place an adopted written policy that includes the following:

(1) district goals for instruction including the use of best practices, district and school curriculum, and achievement for all student subgroups;

(2) a process for evaluating each student's progress toward meeting academic standards and identifying the strengths and weaknesses of instruction and curriculum affecting students' progress;

(3) a system for periodically reviewing and evaluating all instruction and curriculum;

(4) a plan for improving instruction, curriculum, and student achievement; and

(5) an education effectiveness plan aligned with section 122A.625 that integrates instruction, curriculum, and technology.

Sec. 2. Minnesota Statutes 2004, section 121A.15, subdivision 10, is amended to read:

Subd. 10. **Requirements for immunization statements.** (a) A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

~~(a) For persons enrolled in grades 7 and 12 during the 1996-1997 school term, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(b) Except as specified in paragraph (e), for persons enrolled in grades 7, 8, and 12 during the 1997-1998 school term, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(c) Except as specified in paragraph (e), for persons enrolled in grades 7 through 12 during the 1998-1999 school term and for each year thereafter, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

~~(d) For persons enrolled in grades 7 through 12 during the 1996-1997 school year and for each year thereafter, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart.~~

~~(e) (b) A person who has received at least three doses of tetanus and diphtheria toxoids, with the most recent dose given after age six and before age 11, is not required to have additional immunization against diphtheria and tetanus until ten years have elapsed from the person's most recent dose of tetanus and diphtheria toxoid.~~

~~(f) (c) The requirement for hepatitis B vaccination shall apply to persons enrolling in kindergarten beginning with the 2000-2001 school term.~~

~~(g) (d) The requirement for hepatitis B vaccination shall apply to persons enrolling in grade 7 beginning with the 2001-2002 school term.~~

Sec. 3. Minnesota Statutes 2005 Supplement, section 123B.04, subdivision 2, is amended to read:

Subd. 2. **Agreement.** (a) Upon the request of 60 percent of the licensed employees of a site or a school site decision-making team, the school board shall enter into discussions to reach an agreement concerning the governance, management, or control of the school. A school site decision-making team may include the school principal, teachers in the school or their designee, other employees in the school, representatives of pupils in the school, or other members in the community. A school site decision-making team must include at least one parent of a pupil in the school. For purposes of formation of a new site, a school site decision-making team may be a team of teachers that is recognized by the board as a site. The school site decision-making team shall include the school principal or other person having general control and supervision of the school. The site decision-making team must reflect the diversity of the education site. At least one-half of the members shall be employees of the district, unless an employee is the parent of a student enrolled in the school site, in which case the employee may elect to serve as a parent member of the site team.

(b) School site decision-making agreements must delegate powers, duties, and broad management responsibilities to site teams and involve staff members, students as appropriate, and parents in decision making.

(c) An agreement shall include a statement of powers, duties, responsibilities, and authority to be delegated to and within the site.

(d) An agreement may include:

(1) an achievement contract according to subdivision 4;

(2) a mechanism to allow principals, a site leadership team, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated at the site and from whom goods or services are purchased;

(3) a mechanism to implement parental involvement programs under section 124D.895 and to provide for effective parental communication and feedback on this involvement at the site level;

(4) a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;

(5) a provision that would allow teachers to choose the principal or other person having general

control;

- (6) an amount of revenue allocated to the site under subdivision 3; and
- (7) any other powers and duties determined appropriate by the board.

The school board of the district remains the legal employer under clauses (4) and (5).

(e) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(f) Approved agreements shall be filed with the commissioner. If a school board denies a request or the school site and school board fail to reach an agreement to enter into a school site management agreement, the school board shall provide a copy of the request and the reasons for its denial to the commissioner.

(g) A site decision-making grant program is established, consistent with this subdivision, to allow sites to implement an agreement that at least:

(1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable to the students at that site;

(2) includes a provision, consistent with current law and the collective bargaining agreement in effect, that allows the site team to decide who is selected from within the district for licensed and nonlicensed positions at the site and to make staff assignments in the site; and

(3) includes a completed performance agreement under subdivision 4.

The commissioner shall establish the form and manner of the application for a grant and annually, at the end of each fiscal year, report to the house of representatives and senate committees having jurisdiction over education on the progress of the program.

Sec. 4. Minnesota Statutes 2004, section 125A.62, subdivision 1, is amended to read:

Subdivision 1. **Governance.** The board of the Minnesota State Academies shall govern the State Academies Academy for the Deaf and the State Academy for the Blind. The board must promote academic standards based on high expectation and an assessment system to measure academic performance toward the achievement of those standards. The board must focus on the academies' needs as a whole and not prefer one school over the other. The board of the Minnesota State Academies shall consist of nine persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. One member must be from the seven-county metropolitan area, one member must be from greater Minnesota, and one member may be appointed at-large. The board must be composed of:

- (1) one present or former superintendent of an independent school district;
- (2) one present or former special education director;
- (3) the commissioner of education or the commissioner's designee;
- (4) one member of the blind community;
- (5) one member of the deaf community;
- (6) two members of the general public with business, administrative, or financial expertise;
- (7) one nonvoting, unpaid ex officio member appointed by the site council for the State Academy for the Deaf; and
- (8) one nonvoting, unpaid ex officio member appointed by the site council for the State Academy for the Blind.

Sec. 5. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 24, is amended to read:

Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

(1) the school district's adjusted marginal cost pupil unit amount of basic revenue, supplemental revenue, transition revenue, and referendum revenue is less than the value of the school district at or immediately above the 95th percentile of school districts in its equity region for those revenue categories; and

(2) the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) Equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal cost pupil units for that year; times (2) the sum of (i) \$13, plus (ii) \$75, times the school district's equity index computed under subdivision 27.

(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal cost pupil units for that year times \$13.

(d) A school district's equity revenue is increased by the greater of zero or an amount equal to the district's resident marginal cost pupil units times the difference between ten percent of the statewide average amount of referendum revenue per resident marginal cost pupil unit for that year and the district's referendum revenue per resident marginal cost pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for that year.

(e) A school district's equity revenue for a school district located in the metro equity region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

(f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school district that has per pupil referendum revenue below the 95th percentile qualifies for additional equity revenue equal to \$46 times its adjusted marginal cost pupil unit.

(g) A district that does not qualify for revenue under paragraph (f) qualifies for equity revenue equal to one-half of the per pupil allowance in paragraph (f) times its adjusted marginal cost pupil units.

Sec. 6. Minnesota Statutes 2005 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(b) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve substantial child endangerment, and for reports of maltreatment in facilities required to be licensed under chapter 245A or 245B; under sections 144.50 to 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10; or in a nonlicensed personal care provider association as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(c) "Substantial child endangerment" means a person responsible for a child's care, a person who has a significant relationship to the child as defined in section 609.341, or a person in a position of authority as defined in section 609.341, who by act or omission commits or attempts to commit an act against a child under their care that constitutes any of the following:

- (1) egregious harm as defined in section 260C.007, subdivision 14;
- (2) sexual abuse as defined in paragraph (d);
- (3) abandonment under section 260C.301, subdivision 2;
- (4) neglect as defined in paragraph (f), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
- (5) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;
- (6) manslaughter in the first or second degree under section 609.20 or 609.205;
- (7) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;
- (8) solicitation, inducement, and promotion of prostitution under section 609.322;
- (9) criminal sexual conduct under sections 609.342 to 609.3451;
- (10) solicitation of children to engage in sexual conduct under section 609.352;
- (11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;
- (12) use of a minor in sexual performance under section 617.246; or
- (13) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.301, subdivision 3, paragraph (a).

(d) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(e) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(f) "Neglect" means:

- (1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;
- (2) failure to protect a child from conditions or actions that seriously endanger the child's

physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(g) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 121A.67 or 245.825. Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age one on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(h) "Report" means any report received by the local welfare agency, police department, county sheriff, or agency responsible for assessing or investigating maltreatment pursuant to this section.

(i) "Facility" means:

(1) a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B; or

(2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or

(3) a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(j) "Operator" means an operator or agency as defined in section 245A.02.

(k) "Commissioner" means the commissioner of human services.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(n) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (e), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under section 260C.201, subdivision 11, paragraph (d), clause (1), or a similar law of another jurisdiction.

(o) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

ARTICLE 7

EARLY CHILDHOOD PROVISIONS

Section 1. Minnesota Statutes 2004, section 119A.50, subdivision 1, is amended to read:

Subdivision 1. **Department of Education.** The Department of Education is the state agency responsible for administering the Head Start program. The commissioner of education ~~may make grants~~ shall allocate funds according to the formula in section 119A.52 to public or private nonprofit agencies for the purpose of providing supplemental funds for the federal Head Start program.

Sec. 2. Minnesota Statutes 2004, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION AND PROGRAM COORDINATION.

The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start program grantees programs to expand services and to serve additional low-income children. ~~Money must be allocated to each project Head Start grantee in existence on the effective date of Laws 1989, chapter 282.~~ Migrant and Indian reservation grantees programs must be initially allocated money based on the grantees' programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start grantee must be funded at a per child rate equal to its contracted, federally funded base level ~~for program accounts 20, 22, and 25~~ at the start of the fiscal year. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start grantee program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that grantee program in fiscal year 1993. ~~The commissioner may provide additional funding to grantees for start-up costs incurred by grantees due to the increased number of children to be served.~~ Before paying money to the grantees programs, the commissioner must notify each grantee program of its initial allocation, how the money must be used, and the number of low-income children ~~that must to~~ be served with the allocation based upon the federally funded per child rate. Each grantee program must present a work plan to the commissioner for approval. ~~The work plan must include the estimated number of low-income children and families it will be able to serve, a description of the program design and service delivery area which meets the needs of and encourages access by low-income working families, a program design that ensures fair and equitable access to Head Start services for all populations and parts of the service area, and a plan for coordinating services to maximize assistance for child care costs available to families under chapter 119B.~~ under section 119A.535. For any grantee that cannot utilize its full allocation, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible grantees.

Sec. 3. Minnesota Statutes 2004, section 119A.53, is amended to read:

119A.53 FEDERAL REQUIREMENTS.

Grantees Programs and the commissioner shall comply with federal regulations governing the federal Head Start program, except for funding for innovative initiatives under section ~~119A.52~~ 119A.535 as approved by the commissioner, which may be used to operate differently than federal Head Start regulations. If a state statute or rule conflicts with a federal statute or regulation, the state statute or rule prevails.

Sec. 4. **119A.535 APPLICATION REQUIREMENTS.**

Eligible Head Start organizations must submit a plan to the department for approval on a form and in the manner prescribed by the commissioner. The plan must include:

- (1) the estimated number of low-income children and families the program will be able to serve;
- (2) a description of the program design and service delivery area which meets the needs of and encourages access by low-income working families;
- (3) a program design that ensures fair and equitable access to Head Start services for all populations and parts of the service area;
- (4) a plan for coordinating services to maximize assistance for child care costs available to families under chapter 119B; and
- (5) identification of regular Head Start, early Head Start, and innovative services based upon demonstrated needs to be provided.

Sec. 5. Minnesota Statutes 2004, section 119A.545, is amended to read:

119A.545 AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of education may waive requirements under sections 119A.50 to ~~119A.53~~ 119A.535, for up to nine months after the disaster, for Head Start ~~grantees programs~~ in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the ~~appropriate senate Family and Early Childhood Education Budget Division, the senate Education Finance Committee, the and house Family and Early Childhood Education Finance Division, the house Education Committee, and the house Ways and Means Committee~~ committees ten days before the effective date of any waiver granted under this section.

Sec. 6. Minnesota Statutes 2004, section 121A.17, subdivision 3, is amended to read:

Subd. 3. **Screening program.** (a) A screening program must include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The district and the person performing or supervising the screening must provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice must clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the district and the person performing or supervising the screening must convey the information in another manner. The notice must also inform the parent or guardian that a child need not submit to the district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice must be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and must be given again at the screening location.

(b) The social/emotional component of the developmental assessment must be completed using a social/emotional screening instrument approved by the commissioner of education, and consistent with the standards of the commissioners of health and human services.

(c) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled

screening.

~~(e)~~ (d) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

~~(d)~~ (e) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

~~(e)~~ (f) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Sec. 7. Minnesota Statutes 2005 Supplement, section 121A.17, subdivision 5, is amended to read:

Subd. 5. **Developmental screening program information.** The board must inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive a developmental screening or provide health records indicating that the child received a comparable developmental screening from a public or private health care organization or individual health care provider not later than 30 days after the first day of attending kindergarten in a public school. A school district must inform all resident families with eligible children under age seven that their children may receive a developmental screening conducted either by the school district or by a public or private health care organization or individual health care provider, and that if a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Sec. 8. Minnesota Statutes 2004, section 124D.13, subdivision 2, is amended to read:

Subd. 2. **Program characteristics.** (a) Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents and other relatives of such these children, and for expectant parents. To the extent that funds are insufficient to provide programs for all children, early childhood family education programs should emphasize programming for a child from birth to age three and encourage parents and other relatives to involve four- and five-year-old children in school readiness programs, and other public and nonpublic early learning programs. Early childhood family education programs may include the following:

(1) programs to educate parents and other relatives about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents and other relatives in providing for their children's learning and development;

(3) learning experiences for children and parents and other relatives that promote children's development;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;

(6) educational materials which may be borrowed for home use;

(7) information on related community resources;

(8) programs to prevent child abuse and neglect;

(9) other programs or activities to improve the health, development, and school readiness of children; or

(10) activities designed to maximize development during infancy.

The programs must not include activities for children that do not require substantial involvement of the children's parents or other relatives. The programs must be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs must encourage parents to be aware of practices that may affect equitable development of children.

(b) For the purposes of this section, "relative" or "relatives" means noncustodial grandparents or other persons related to a child by blood, marriage, adoption, or foster placement, excluding parents.

Sec. 9. Minnesota Statutes 2004, section 124D.13, subdivision 3, is amended to read:

Subd. 3. **Substantial parental involvement.** The requirement of substantial parental or other relative involvement in subdivision 2 means that:

(a) parents or other relatives must be physically present much of the time in classes with their children or be in concurrent classes;

(b) parenting education or family education must be an integral part of every early childhood family education program;

(c) early childhood family education appropriations must not be used for traditional day care or nursery school, or similar programs; and

(d) the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents do not qualify a program under subdivision 2.

Sec. 10. Minnesota Statutes 2005 Supplement, section 124D.175, is amended to read:

124D.175 MINNESOTA EARLY LEARNING FOUNDATION PROPOSAL.

(a) The commissioner must implement an early childhood development grant program for low-income and other challenged families that increases the effectiveness and expands the capacity of public and nonpublic early childhood development programs, which may include child care programs, and leads to improved early childhood parent education and children's kindergarten readiness. The program must include:

(1) grant awards to existing early childhood development program providers that also provide parent education programs and to qualified providers proposing to implement pilot programs for this same purpose;

(2) grant awards to enable low-income families to participate in these programs;

(3) grant awards to improve overall programmatic quality; and

(4) an evaluation of the programmatic and financial efficacy of all these programs, which may be performed using measures of services, staffing, and management systems that provide consistent information about system performance, show trends, confirm successes, and identify potential problems in early childhood development programs.

This grant program must not supplant existing early childhood development programs or child care funds.

(b) The commissioner must ~~contract with~~ make a grant to a private nonprofit, section 501(c)(3) organization to implement the requirements of paragraph (a). Notwithstanding any laws to the contrary, the private nonprofit organization may contract with the University of Minnesota for

purposes of implementing paragraph (a), clause (4). The private nonprofit organization must be governed by a board of up to 19 directors composed of members from the public and nonpublic sectors, where the nonpublic sector members compose a simple majority of board members and ~~where the public sector members are state and local government officials, kindergarten through grade 12 or postsecondary educators, and early childhood providers appointed by the governor.~~ Membership on the board of directors by a state agency official are work duties for the official and are not a conflict of interest under section 43A.38. The board of directors must appoint an executive director and must seek advice from geographically ~~and~~, ethnically, and economically diverse parents of young children and representatives of early childhood development providers, kindergarten through grade 12 and postsecondary educators, public libraries, and the business sector.

The governor shall appoint up to seven voting members that include representatives of:

- (1) kindergarten through grade 12 or postsecondary educators;
- (2) early childhood development providers, including child care providers;
- (3) local school boards;
- (4) nonprofit organizations with expertise in early childhood development; and
- (5) federal early childhood programs serving low-income children.

The governor shall ensure that, to the extent possible, the board of directors is balanced according to geography, race, ethnicity, age, gender, and economic status.

The commissioners of education and human services shall be nonvoting members of the private nonprofit organization. The speaker of the house of representatives, the minority leader of the house of representatives, the majority leader of the senate, and the minority leader of the senate shall each appoint a legislator to be nonvoting members of the board.

The board of directors is subject to the open meeting law under chapter 13D. All other terms and conditions under which board members serve and operate must be described in the articles and bylaws of the organization. The private nonprofit organization is not a state agency and is not subject to laws governing public agencies except the provisions of chapter 13, salary limits under section 15A.0815, subdivision 2, and audits by the legislative auditor under chapter 3 apply.

(c) This section expires June 30, 2011. If no state appropriation is made for purposes of this section, the commissioner must not implement paragraphs (a) and (b).

EFFECTIVE DATE. This section, paragraph (b), is effective retroactively from July 1, 2005.

Sec. 11. Minnesota Statutes 2004, section 245A.023, is amended to read:

245A.023 IN-SERVICE TRAINING.

(a) For purposes of child care centers, in-service training must be completed within the license period for which it is required. In-service training completed by staff persons as required must be transferable upon a staff person's change in employment to another child care program. License holders shall record all staff in-service training on forms prescribed by the commissioner of human services.

(b) For purposes of family and group family child care, the license holder and each primary caregiver must complete 12 hours of training each year. For purposes of this section, a primary caregiver is an adult caregiver who provides services in the licensed setting more than 30 days in any 12-month period.

Sec. 12. Minnesota Statutes 2004, section 245A.14, is amended by adding a subdivision to read:

Subd. 9a. Early childhood development training. (a) For purposes of child care centers, the director and all staff hired after July 1, 2006, shall complete and document at least two hours of early childhood development training within the first year of employment. Training completed under this subdivision may be used to meet the requirements of Minnesota Rules, part 9503.0035, subparts 1 and 4.

(b) For purposes of family and group family child care, the license holder and each adult caregiver who provides care in the licensed setting more than 30 days in any 12-month period shall complete and document at least two hours of early childhood development training within the first year of licensure or employment. Training completed under this subdivision may be used to meet the requirements of Minnesota Rules, part 9502.0385, subparts 2 and 3.

(c) Notwithstanding paragraphs (a) and (b), individuals are exempt from this requirement if they:

- (1) have taken a three-credit course on early childhood development within the past five years;
- (2) have received a baccalaureate or masters degree in early childhood education or school age child care within the past five years;
- (3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or
- (4) have received a baccalaureate degree with a Montessori certificate within the past five years.

Sec. 13. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision 5, is amended to read:

Subd. 5. Head Start program. For Head Start programs under Minnesota Statutes, section 119A.52:

\$	19,100,000	2006
\$	19,100,000	2007

Any balance in the first year does not cancel but is available in the second year.

Sec. 14. **EARLY CHILDHOOD AND EARLY ELEMENTARY GRADE INTEGRATION.**

For fiscal years 2007 through 2017, a school district, charter school, Head Start program, or any relevant public or private entity may work together to develop a pilot program to demonstrate the efficacy of integrating early childhood education and care with early elementary grades. A district, charter school, or Head Start program that develops an early childhood integration pilot program must use existing funds to pay for the pilot program's cost. School districts, charter schools, Head Start programs, and public or private entities that participate in this pilot program are encouraged to enter into an agreement to provide early education and care for children under a unified administrative structure that establishes an education continuum for children during the prekindergarten, kindergarten, and postkindergarten years through grade 3. A copy of the agreement must be sent to the commissioner of education. School districts, charter schools, Head Start programs, and public or private entities that participate in this pilot program are encouraged to provide for the education, support, and empowerment of parents and special education for children as needed.

This provision does not supercede existing agreements and arrangements between school districts or schools and early childhood education programs that are permitted under existing law.

Sec. 15. **RAMSEY COUNTY CHILD CARE PILOT PROJECT.**

Subdivision 1. **Authorization for pilot project.** The commissioner of human services shall approve a pilot project in Ramsey County that will help teen parents remain in school and complete the student's education while providing child care assistance for the student's child. The pilot project shall increase coordination between services from the Minnesota family investment program, the child care assistance program, and area public schools with the goal of removing barriers that prevent teen parents from pursuing educational goals.

Subd. 2. **Program design and implementation.** The Ramsey County child care pilot project shall be established to improve the coordination of services to teen parents. The pilot project shall:

(1) provide a streamlined process for sharing information between the Minnesota family investment program under Minnesota Statutes, chapter 256J, the child care assistance program under Minnesota Statutes, chapter 119B, and public schools in Ramsey County;

(2) determine eligibility for child care assistance using the teen parent's eligibility for reduced-cost or free school lunches in place of income verification; and

(3) waive the child care parent fee under Minnesota Statutes, section 119B.12, subdivision 2, for teen parents whose income is below poverty level and whose children attend school-based child care centers.

Subd. 3. **Costs.** Increased costs incurred under this section shall not increase the basic sliding fee appropriation and shall not affect funds available for distribution under Minnesota Statutes, sections 119B.06 and 119B.08.

Sec. 16. REPEALER.

Minnesota Statutes 2004, section 119A.51, is repealed."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 3044: A bill for an act relating to economic development; establishing the Minnesota Biomedical Sciences Research Facilities Authority and the biomedical sciences research project funding program; providing for the University of Minnesota to apply for facility program funds; authorizing sale of state bonds to fund program; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[116J.886] PURPOSE.**

Sections 2 to 6 provide a framework for a biomedical science research funding program for the purposes of which are to further the investment in biomedical science research facilities in the state which will benefit the state's economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University of Minnesota and other private and public institutions in the state.

Sec. 2. [116J.887] DEFINITIONS.

Subdivision 1. **Definitions.** Notwithstanding section 116J.03, for the purposes of sections 116J.886 to 116J.8892, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Biomedical Science Research Facilities Authority.

Subd. 3. Biomedical science research facility. "Biomedical science research facility" means a facility located in the state to be used as research facilities and laboratories for biomedical science and biomedical technology.

Subd. 4. Commissioner. "Commissioner" means the commissioner of finance.

Subd. 5. Costs. "Costs" of a project means the sum of all obligations paid, or to be paid, or incurred which are reasonably required for the design, construction, and completion of the project, including, but not limited to:

- (1) site acquisition;
- (2) soil and environmental testing, surveys, estimates, plans and specifications, supervision of construction, and other engineering and architectural services;
- (3) payment under construction contracts and for payment and performance bonds; and
- (4) purchase and installation of furniture, fixtures, and equipment.

Subd. 6. Program. "Program" means the program authorized by section 5.

Subd. 7. Project. "Project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or any part of any structure, facility, infrastructure, or equipment necessary for a biomedical science research facility.

Sec. 3. [116J.888] MINNESOTA BIOMEDICAL SCIENCE RESEARCH FACILITIES AUTHORITY.

Subdivision 1. Membership. The Minnesota Biomedical Science Research Facilities Authority consists of the commissioner of employment and economic development, one current and one former member of the senate appointed by the majority leader of the senate, one current and one former member of the senate appointed by the minority leader of the senate, one current and one former member of the house of representatives appointed by the speaker of the house of representatives, one current and one former member of the house of representatives appointed by the minority leader of the house of representatives, and four members appointed by the governor with the advice and consent of the senate who are not members of the senate or house of representatives or officers or employees of any agency in the executive branch. The current legislative members serve at the pleasure of the appointing authority and are nonvoting members. The members of the authority, other than the commissioner of employment and economic development, shall be appointed for staggered terms of four years. The initial members of the authority appointed by the governor shall be appointed for a term of one, two, three, and four years, respectively, as specified by the governor. Members of the authority are public officials for purposes of chapter 10A.

Subd. 2. Authority actions. A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

Subd. 3. Meeting by telephone or other means. (a) If compliance with section 13D.02 is impractical, the authority may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

- (1) all members of the authority participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;
- (2) members of the public present at the regular meeting location of the authority can hear clearly all discussion and testimony and all votes of members of the authority and, if needed, receive those services required by sections 15.44 and 15.441;
- (3) at least one member of the authority is physically present at the regular meeting location; and
- (4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the authority participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the authority, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The authority may require the person making such a connection to pay for documented marginal costs that the authority incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the authority shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Subd. 4. **Administrative services.** The commissioner shall provide administrative services to the authority and establish an annual budget for the authority. The reasonable costs of administrative services are payable as provided in section 6.

Subd. 5. **Executive director.** The commissioner may employ, with the concurrence of the authority, an executive director. The director shall perform duties that the authority may require in carrying out its responsibilities.

Subd. 6. **Personal liability.** Members and officers of the authority are not liable personally for any debt or obligation of the authority.

Subd. 7. **In general.** The authority has all the powers necessary and convenient to carry out its duties under this chapter.

Sec. 4. **[116J.889] POWERS; DUTIES.**

Subdivision 1. **Bylaws; rules.** The authority shall adopt bylaws for its organization and internal management. The commissioner may adopt rules governing the authority's operations, properties, and facilities.

Subd. 2. **Power to sue; enter contracts.** The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 3. **Gifts; grants.** The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the biomedical science research facilities program fund established in section 5.

Subd. 4. **Contract for services.** The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 5. **Report.** The authority must report to the legislature by July 1 of each odd-numbered year on implementation of projects since the last report and on plans for the upcoming year.

Sec. 5. **[116J.8891] BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING PROGRAM.**

Subdivision 1. **Program established.** The authority will establish a biomedical science research facilities funding program to provide grants to the Board of Regents of the University of Minnesota for 90 percent of the costs of projects approved under subdivision 4.

Subd. 2. **Establishment of program fund.** The biomedical science research facilities program fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All proceeds of state bonds authorized and issued for the purposes of the biomedical science research facilities program fund and any other money from any source which

may be credited to the biomedical science research facilities program fund pursuant to law or pursuant to the terms of any grants, contributions, or contracts are appropriated and shall remain available for the purposes of the biomedical science research facilities program fund until those purposes have been fully accomplished. The biomedical science research facilities program fund may be used only for making grants for projects pursuant to the program.

Subd. 3. Grant applications. Applications for grants for a project are to be made by the Board of Regents of the University of Minnesota to the authority. To be eligible for a grant under the program a project must meet the following criteria:

(1) the University of Minnesota, either acting on its own or in collaboration with another private or public institution, must pay ten percent of the costs of the project and the University of Minnesota must be responsible for the ongoing facilities maintenance and operations of the biomedical science research facility resulting from the project;

(2) if the application is for a project in which the University of Minnesota proposes to work in collaboration with another private or public institution, such other institution must be one that generates at least \$75,000,000 annually in competitive federal funding from the National Institute of Health, National Science Foundation, or similar agency;

(3) the biomedical science research facility resulting from the project will be owned by the Board of Regents of the University of Minnesota; and

(4) at a minimum the application must include the following information:

(i) a resolution of the governing body that the required match is available and committed;

(ii) a detailed estimate, along with necessary supporting evidence, of the total cost of the project;

(iii) an assessment of the potential to attract new public and private research grant awards resulting from the project;

(iv) a detailed facility operating financial analysis projecting the annual expected revenues and costs associated with the project;

(v) a timeline indicating the major milestones of the project and their anticipated completion dates; and

(vi) an assessment of the likelihood of public benefits from the project including benefitting public health and enhancement of employment opportunities within the state, stimulation of economic growth, and the potential for advancing the development of commercially successful and affordable products, processes, or services.

The factors listed are not in priority order and the authority may weigh each factor, depending upon the facts and circumstances, as the authority considers appropriate.

Subd. 4. Grant approvals. The authority shall determine for each project for which an application is submitted whether it appears in the authority's judgment to conform to the purposes and policies stated in section 1 and meets the criteria stated in subdivision 3. Upon determination by the authority that a project conforms to the purposes and policies stated in section 1 and meets the criteria stated in subdivision 3, it may approve a grant under the program for the project in an amount equal to 90 percent of the costs of the project. The authority may approve total grants up to the percentage of the amount of bond proceeds authorized in section 116J.8892, subdivision 1, for the fiscal year ending June 30 as set forth opposite such date.

<u>Percent of Bond Proceeds</u>	<u>Fiscal Year</u>
<u>16.4%</u>	<u>2008</u>
<u>34.4%</u>	<u>2010</u>

<u>54.2%</u>	<u>2012</u>
<u>76.0%</u>	<u>2014</u>
<u>100.0%</u>	<u>2016</u>

Subd. 5. **Disbursements.** Disbursement of grants approved by the authority under the program must be made for eligible project costs as incurred according to the project grant agreement and applicable state laws governing the payment.

Sec. 6. [116J.8892] AUTHORIZATION OF BONDS AND ESTABLISHMENT OF BOND FUND.

Subdivision 1. **Issuance of bonds.** To provide money in the biomedical science research facilities program fund for the purpose of the program for which the biomedical science research facilities program fund is appropriated and dedicated under the provisions of sections 1 to 5, the commissioner shall sell and issue bonds of the state in the aggregate amount of \$330,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and by the Minnesota Constitution, article XI, sections 4 to 7. Before the issuance of any series of bonds the authority shall determine that the proceeds of the series of bonds to be issued will be needed to make disbursements of grants approved by the authority under the program. The provisions of section 16A.642 do not apply to this section.

Subd. 2. **Establishment of bond fund.** The biomedical science research facilities bond fund is hereby established as a special and dedicated fund to be held and invested separately from all other funds of the state. The biomedical science research facilities bond fund may be used only for paying the principal of, premium, if any, and interest on bonds issued pursuant to subdivision 1. Funds sufficient to pay the principal of, premium, if any, and interest of bonds issued authorized pursuant to subdivision 1 are appropriated from the biomedical science research facilities bond fund to the commissioner.

Subd. 3. **Transfer.** The commissioner shall annually transfer from the general fund to the biomedical science research facilities bond fund on October 1 of each year the amount necessary to pay the debt service required under subdivision 2. The amounts to be transferred are appropriated to the commissioner from the general fund.

All amounts in the biomedical science research facilities bond fund not required to pay the principal of, premium, if any, and interest on bonds issued pursuant to subdivision 1 in any fiscal year or required to pay the authority's administrative costs shall be transferred by the commissioner to the general fund by June 30 of such fiscal year."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 3058: A bill for an act relating to higher education; regulating tuition paid by seniors for certain courses; eliminating obsolete language; authorizing the Minnesota State Colleges and Universities Board of Trustees to control certain depository services; amending Minnesota Statutes 2004, sections 136F.42, subdivision 1; 136F.71, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 135A.52, subdivisions 1, 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 135A.031, is amended by adding a subdivision to read:

Subd. 3a. **Determination of instructional services base.** The instructional services base for each public postsecondary system is the sum of: (1) the state share; (2) the legislatively estimated tuition for the second year of the most recent biennium; and (3) adjustments for inflation and enrollment changes as calculated in subdivision 4a.

Sec. 2. Minnesota Statutes 2004, section 135A.031, is amended by adding a subdivision to read:

Subd. 4a. **Adjustment for enrollments.** (a) Each public postsecondary system's instructional services base shall be adjusted for estimated changes in enrollments. For each two percent change in estimated full-year equivalent enrollment, an adjustment shall be made to 65 percent of the instructional services base. The remaining 35 percent of the instructional services base is not subject to the adjustment in this subdivision.

(b) When student enrollment is used for budgeting purposes, the student enrollment shall be measured in full-year equivalents and shall include only enrollments in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

(c) The enrollment adjustment shall be made for each year of the subsequent biennium. The base enrollment year is the 1995 fiscal year enrollment. The base enrollment shall be updated for each two percent change in estimated full-year equivalent enrollment. If the actual enrollment differs from the estimated enrollment, an adjustment shall be made in the next biennium.

Sec. 3. Minnesota Statutes 2004, section 135A.031, subdivision 7, is amended to read:

Subd. 7. **Reports.** Instructional expenditure and enrollment data for each instructional category shall be submitted to the Office of Higher Education and the Department of Finance and included in the biennial budget document. The specific data shall be submitted only after the director of the Office of Higher Education has consulted with a data advisory task force to determine the need, content, and detail of the information.

Sec. 4. **[135A.043] RESIDENT TUITION.**

(a) A student shall qualify for a resident tuition rate or its equivalent at state universities and colleges, including the University of Minnesota, if the student meets all of the following requirements:

(1) high school attendance within the state for three or more years;

(2) graduation from a state high school or attainment within the state of the equivalent of high school graduation; and

(3) registration as an entering student at, or current enrollment in, a public institution of higher education.

(b) This section is in addition to any other statute, rule, or higher education institution regulation or policy providing eligibility for a resident tuition rate or its equivalent to a student.

(c) To qualify for resident tuition under this section an individual who is not a citizen or permanent resident of the United States must provide the college or university with an affidavit that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to tuition for school terms commencing on or after that date.

Sec. 5. Minnesota Statutes 2004, section 135A.053, subdivision 2, is amended to read:

Subd. 2. **Performance and accountability.** Higher education systems and campuses are expected to achieve the objectives in subdivision 1 and will be held accountable for doing so. The legislature is increasing the flexibility of the systems and campuses to provide greater responsibility

to higher education in deciding how to achieve statewide objectives, and to decentralize authority so that those decisions can be made at the level where the education is delivered. ~~To demonstrate their accountability, the legislature expects each system and campus to measure and report on its performance, using meaningful indicators that are critical to achieving the objectives in subdivision 1, as provided in section 135A.033.~~ Nothing in this section precludes a system or campus from determining its own objectives and performance measures beyond those identified in this section.

Sec. 6. Minnesota Statutes 2005 Supplement, section 135A.52, subdivision 1, is amended to read:

Subdivision 1. **Fees and tuition.** Except for an administration fee established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. A senior citizen enrolled under this section must pay any materials, personal property, or service charges for the course. In addition, a senior citizen who is enrolled in a course for credit must pay an administrative fee in an amount established by the governing board of the institution to recover the course costs. There shall be no administrative fee charges to a senior citizen auditing a course. For the purposes of this section and section 135A.51, the term "noncredit courses" shall not include those courses designed and offered specifically and exclusively for senior citizens.

The provisions of this section and section 135A.51 do not apply to noncredit courses designed and offered by the University of Minnesota, and the Minnesota State Colleges and Universities specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 135A.51 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations.

Sec. 7. Minnesota Statutes 2005 Supplement, section 135A.52, subdivision 2, is amended to read:

Subd. 2. **Term; income of senior citizens.** (a) Except under paragraph (b), there shall be no limit to the number of terms, quarters, or semesters a senior citizen may attend courses, nor income limitation imposed in determining eligibility.

(b) A senior citizen enrolled in a closed enrollment contract training ~~or professional continuing education~~ program is not eligible for benefits under subdivision 1.

Sec. 8. Minnesota Statutes 2004, section 136A.15, is amended by adding a subdivision to read:

Subd. 10. **Eligible cosigner.** "Eligible cosigner" means a cosigner who:

- (1) is at least 24 years old, and at least 18 years old if a sibling;
- (2) is a United States citizen or permanent resident;
- (3) permanently resides in the United States;
- (4) agrees to the release of information to a consumer credit reporting agency, as specified in section 136A.162, paragraph (b); and
- (5) is creditworthy by meeting all of the following requirements:
 - (i) no balances at a consumer credit reporting agency discharged through bankruptcy within the seven years prior to application for credit;
 - (ii) no garnishments, attachments, foreclosure, repossession, or defendant in a suit to collect a debt appearing on the credit report;

(iii) no tax or mechanics liens or judgments appearing on the credit report;

(iv) no items that are charged off or are delinquent for 120 days or more, that in total exceed \$50; and

(v) no more than five percent of current balances at a consumer credit reporting agency past due, that in total exceed \$50.

The office may establish alternative credit requirements using credit scoring.

Sec. 9. Minnesota Statutes 2004, section 136A.16, is amended by adding a subdivision to read:

Subd. 16. Interest rate swaps and other agreements. (a) The office may enter into interest rate exchange or swap agreements, hedges, forward purchase or sale agreements, or other comparable interest rate protection agreements with a third party in connection with the issuance or proposed issuance of bonds, outstanding bonds or notes, or existing comparable interest rate protection agreements.

(b) The agreements authorized by this subdivision include, without limitation, master agreements, options, or contracts to enter into those agreements in the future and related agreements, including, without limitation, agreements to provide credit enhancement, liquidity, or remarketing.

(c) The agreements authorized by this subdivision may be entered into on the basis of negotiation with a qualified third party or through a competitive proposal process on terms and conditions as and with covenants and provisions approved by the office and may include, without limitation:

(1) provisions establishing reserves;

(2) pledging assets or revenues of the office for current or other payments or termination payments;

(3) contracting with the other parties to the agreements to provide for the custody, collection, securing, investment, and payment of money of the office or money held in trust; or

(4) requiring the issuance of bonds or other agreements authorized by this section in the future.

(d) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a variable rate, the office may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a variable rate determined according to a formula set out in the agreement.

(e) With respect to bonds or notes outstanding or proposed to be issued bearing interest at a fixed rate or rates, the office may agree to pay sums equal to interest at a variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the bonds or notes at the time of payment in exchange for an agreement by the third party to pay sums equal to interest on a like amount at a fixed rate or rates determined according to a formula set in the agreement.

(f) Subject to any applicable covenants of the office, payments required to be made by the office under the agreement, including termination payments, may be made from amounts pledged or available to pay debt service on the bonds or notes with respect to which the agreement was made or from assets of the loan capital fund of the office. The office may issue bonds or notes to provide for any payments, including, without limitation, a termination payment due or to become due under an agreement authorized under this section.

Sec. 10. Minnesota Statutes 2004, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

All (a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance collected and used by the Higher Education Services Office for student financial aid programs administered by that office ~~shall be classified as~~ are private data on individuals under as defined in section 13.02, subdivision 12. ~~Exceptions to this classification are that:~~

~~(a) the names and addresses of program recipients or participants are public data;~~

(b) Data on applicants may be disclosed to the commissioner of human services to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5); ~~and.~~

(c) The following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

- (1) the lender-assigned borrower identification number;
- (2) the name and address of borrower;
- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

Sec. 11. Minnesota Statutes 2005 Supplement, section 136A.1701, subdivision 12, is amended to read:

Subd. 12. **Eligible student.** "Eligible student" means a student who is a Minnesota resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota or in another state ~~or province~~. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. For purposes of this section, an "eligible student" must also meet the eligibility requirements of section 136A.15, subdivision 8.

Sec. 12. Minnesota Statutes 2004, section 136A.1701, is amended by adding a subdivision to read:

Subd. 13. **Cosigner requirement.** All borrowers under this section must have an eligible cosigner. The cosigner is jointly and separately responsible for making loan payments, including principal, interest, and other charges.

Sec. 13. **[136A.1704] LOAN REHABILITATION.**

(a) For SELF loans that have defaulted, the borrower or cosigner has the option to rehabilitate the loan, as loan rehabilitation is not prohibited under any federal or state statute, rule, regulation, act, or requirement.

(b) A defaulted SELF loan can be rehabilitated only once and rehabilitation can only be attempted twice per loan.

(c) An agreement specifying the required payment amount and payment due date must be signed by the borrower or cosigner prior to the start of the rehabilitation process and within two years of the default date.

(d) Twelve consecutive months of on-time payments are required to consider the loan rehabilitated. There is a five-business-day grace period.

(e) If the loan is paid in full within 90 days of default, the loan will be considered rehabilitated upon receipt of a rehabilitation request.

(f) Rehabilitation results in removal of the defaulted status, but not the past due history, from the credit bureau.

Sec. 14. **[136A.1705] TEMPORARY TOTAL DISABILITY.**

A temporary total disability for up to three years may be granted to a borrower upon medical certification that the total disability is expected to last four months or longer. The total disability must have originated after the loan was fully disbursed. The borrower is required to provide a certification from a qualified physician. A qualified physician is a doctor of medicine or osteopathy who is legally authorized to practice medicine. Periodic recertifications of the total disability status must be provided upon request. During the approved total disability period, the loan does not accrue interest. The borrower shall be given the option to sign a payment extension agreement at the time payments are resumed.

Sec. 15. Minnesota Statutes 2004, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits. In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student enrolls on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 16. Minnesota Statutes 2004, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. Three members must be students who are enrolled at least half time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large. At least one member must be a representative of organized labor and at least one member must be a representative of business.

EFFECTIVE DATE. This section is effective the day following final enactment, applies to appointments to the board made on and after that date, and must be complied with as soon as vacancies can be filled.

Sec. 17. Minnesota Statutes 2004, section 136F.42, subdivision 1, is amended to read:

Subdivision 1. **Time reporting.** As provided in Executive Order 96-2, the board, in consultation with the commissioners of employee relations and finance, may develop policies to allow system office or campus employees on salaries, as defined in section 43A.17, subdivision 1, to use negative time reporting in which employees report only that time for which leave is taken. ~~By the end of the 1997 fiscal year, the board, in consultation with the commissioners of employee relations and finance, shall evaluate the use of negative time reporting and its potential for use with other state employees.~~

Sec. 18. Minnesota Statutes 2004, section 136F.71, subdivision 2, is amended to read:

Subd. 2. **Activity funds.** All receipts attributable to the state colleges and universities activity funds ~~and deposited in the state treasury~~ are appropriated to the board and are not subject to budgetary control as exercised by the commissioner of finance.

Sec. 19. Minnesota Statutes 2004, section 136F.71, is amended by adding a subdivision to read:

Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall have authority to control the amount and manner of deposit of all receipts described in this section in depositories selected by the board. The board's authority shall include specifying the considerations, financial activities, and conditions required from the depository, including the requirement of collateral security or a corporate surety bond as described in section 118A.03. The board may compensate the depository, including paying a reasonable charge to the depository, maintaining appropriate compensating balances with the depository, or purchasing non-interest-bearing certificates of deposit from the depository for performing depository-related services.

Sec. 20. TEMPORARY PROVISION FOR APPROVAL OF CERTAIN HIGHER EDUCATION DEGREES.

Subdivision 1. **Supersede.** This section supersedes any conflicting Minnesota statute or rule.

Subd. 2. **Degree approval.** A school licensed pursuant to Minnesota Statutes, chapter 141, may not grant a degree as defined in Minnesota Statutes, section 136A.62, subdivision 4, unless the degree is approved by the Office of Higher Education.

Subd. 3. **Approval criteria.** A school licensed pursuant to Minnesota Statutes, chapter 141, to obtain approval to grant a degree must provide evidence to the Office of Higher Education that the following requirements are met:

(1) the school employs qualified teaching personnel to provide the educational programs for each degree for which approval is sought;

(2) the educational program is appropriate to each degree for which approval is sought;

(3) the school has appropriate and accessible library, laboratory, and other physical facilities to support the education program for each degree for which approval is sought; and

(4) the school makes a rationale showing that the degree programs are consistent with the school's mission and goals.

Subd. 4. **Effect of approval.** Approval to grant a degree under this section has the same effect as approval under Minnesota Statutes, section 136A.65.

Subd. 5. **Notice of changes.** A school authorized to grant a degree under this section must notify the Office of Higher Education of proposed changes to the degree and the addition of majors or specialty areas to a degree.

Subd. 6. **Expiration.** This section expires June 30, 2007.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 21. **HIGHER EDUCATION TEXTBOOK COST STUDY.**

The Minnesota Office of Higher Education shall convene an advisory task force to study the costs of required textbooks for students attending public and nonpublic postsecondary institutions. The task force must, at a minimum, include students, faculty, and administrators. The study must, without limitation, examine textbook pricing trends and strategies, the practice of textbook rental, policies related to repurchase of textbooks from students, textbook selection policies, and purchasing practices of colleges and universities. The task force must review the findings and recommendations of other existing studies and any state or national laws that have been considered or adopted to reduce the financial burden of textbook costs. The office must report on its findings and present any recommendations by January 15, 2007, to the legislative committees with jurisdiction over higher education policy and finance.

Sec. 22. **MINNESOTA STATE UNIVERSITY, MANKATO, CONSTRUCTION AUTHORIZATION.**

The Board of Trustees of the Minnesota State Colleges and Universities may design, construct, furnish, and equip an academic building on the Minnesota State University, Mankato campus for the College of Business at a site approved by the board using nonstate money.

Sec. 23. **UNIVERSITY OF MINNESOTA LICENSING AND MINNESOTA MARKET IMPACT STUDY.**

The University of Minnesota is requested to establish a task force to study the market impact on Minnesota producers of agricultural products from the University of Minnesota licensing germplasm and to make recommendations to the legislature and the Board of Regents on ways to mitigate any negative impacts on Minnesota businesses that arise from University of Minnesota license agreements.

The task force must include:

(1) a representative of the University of Minnesota;

(2) a representative of the Department of Agriculture, serving as the chair; and

(3) representatives of the Minnesota Farm Bureau, the Minnesota Farmers Union, agricultural commodity organizations, the Minnesota Apple Growers Association, the Minnesota Fruit and Vegetable Growers Association, the Minnesota Nursery Landscape Association, and the Minnesota

Grown Program. The chair may also invite participation from other staff and faculty of the University of Minnesota as necessary to fulfill the purpose of the task force. Members serve on the task force on a voluntary basis.

The task force is requested to report to the committees of the legislature with responsibility for higher education no later than January 15, 2007.

Sec. 24. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall delete the term "sections 136A.15 to 136A.1702" and insert "sections 136A.15 to 136A.1705" wherever it appears in Minnesota Statutes and Minnesota Rules.

Sec. 25. **REPEALER.**

Minnesota Statutes 2004, sections 135A.031, subdivision 5; 135A.033; 136A.15, subdivision 5; and 136A.1702; Minnesota Statutes 2005 Supplement, section 135A.031, subdivisions 3 and 4; and Minnesota Rules, parts 4850.0011, subparts 9, 10, 14, and 27; and 4850.0014, subpart 1, are repealed."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 3221: A bill for an act relating to health; changing provisions in the Lead Poisoning Prevention Act; requiring screening of children at age 12 months and 24 months for elevated blood lead levels; prohibiting the sale of jewelry containing lead; amending Minnesota Statutes 2004, sections 144.9501, subdivisions 1, 2, by adding a subdivision; 144.9502, subdivision 1; 144.9503, subdivision 3; 256B.0625, subdivision 14; proposing coding for new law in Minnesota Statutes, chapters 144; 325E; repealing Minnesota Statutes 2004, section 119A.46, subdivisions 4, 5, 6, 7, 9, 10; Minnesota Statutes 2005 Supplement, section 119A.46, subdivisions 1, 2, 3, 8.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 144.9501, subdivision 1, is amended to read:

Subdivision 1. **Citation.** Sections 144.9501 to ~~144.9509~~ 144.9512 may be cited as the "Lead Poisoning Prevention Act."

Sec. 2. Minnesota Statutes 2004, section 144.9501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** The definitions in this section apply to sections 144.9501 to ~~144.9509~~ 144.9512.

Sec. 3. Minnesota Statutes 2004, section 144.9501, is amended by adding a subdivision to read:

Subd. 9a. **Eligible organization.** "Eligible organization" means a city, board of health, community health department, community action agency, nonprofit organization, or community development corporation.

Sec. 4. Minnesota Statutes 2004, section 144.9503, subdivision 3, is amended to read:

Subd. 3. **Primary prevention lead education strategy.** The commissioner of health shall develop and maintain a primary prevention lead education strategy to prevent lead exposure. The strategy includes:

(1) lead education materials that describe the health effects of lead exposure, safety measures, and methods to be used in the lead hazard reduction process;

(2) providing lead education materials to the general public including, but not limited to, information on the dangers and hazards of jewelry containing lead;

(3) providing lead education materials to property owners, landlords, and tenants by swab team workers and public health professionals, such as nurses, sanitarians, health educators, nonprofit organizations working on lead issues, and other public health professionals in areas at high risk for toxic lead exposure; and

(4) promoting awareness of community, legal, and housing resources.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2004, section 144.9507, is amended by adding a subdivision to read:

Subd. 6. Medical assistance. Medical assistance reimbursement for lead risk assessment services under section 256B.0625, subdivision 49, shall not be used to replace or decrease existing state or local funding for lead services and lead-related activities.

Sec. 6. **[144.9512] LEAD ABATEMENT PROGRAM.**

Subdivision 1. Grants; administration. Within the limits of the available appropriation, the commissioner may make grants to eligible organizations to train workers to provide swab team services for residential property. Grants may be awarded to eligible organizations to provide technical assistance and training to ensure quality and consistency within the statewide program.

Subd. 2. Applicants. (a) Interested eligible organizations may apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Priority shall be given to community action agencies in greater Minnesota and to either community action agencies or neighborhood based nonprofit organizations in cities of the first class. Of the total annual appropriation, 12.5 percent may be used for administrative purposes. The commissioner may deviate from this percentage if a grantee can justify the need for a larger administrative allowance. Of this amount, up to five percent may be used by the commissioner for state administrative purposes. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (d).

(b) The commissioner must consult with boards of health to provide swab team services for purposes of secondary prevention. The priority for swab teams created by grants to eligible organizations under this section must be work assigned by the commissioner, or by a board of health if so designated by the commissioner, to provide secondary prevention swab team services to fulfill the requirements of section 144.9504, subdivision 6, in response to a lead order. Swab teams assigned work under this section by the commissioner, that are not engaged daily in fulfilling the requirements of section 144.9504, subdivision 6, must deliver swab team services in response to elevated blood lead levels as defined in section 144.9501, subdivision 9, where lead orders were not issued, and for purposes of primary prevention in census tracts known to be in areas at high risk for toxic lead exposure as described in section 144.9503, subdivision 2.

(c) Any additional money must be used for grants to establish swab teams for primary prevention under section 144.9503, in census tracts in areas at high risk for toxic lead exposure as determined under section 144.9503, subdivision 2.

(d) In evaluating grant applications, the commissioner must consider the following criteria:

(1) plans for the provision of swab team services for primary and secondary prevention;

(2) plans for resident and property owner education on lead safety;

(3) measures of program effectiveness;

(4) coordination of program activities with other federal, state, and local public health and housing renovation programs; and

(5) prior experience in providing swab team services.

Subd. 3. Eligible grant activities. An eligible organization receiving a grant under this section must ensure that all participating lead supervisors or certified firms are licensed and that all swab team workers are certified by the Department of Health under section 144.9505. Eligible organizations may participate in the program by:

- (1) providing on-the-job training for swab team workers;
- (2) providing swab team services to meet the requirements of sections 144.9503, subdivision 4, and 144.9504, subdivision 6;
- (3) providing lead hazard reduction to meet the requirements of section 144.9501, subdivision 17;
- (4) providing lead dust clean-up equipment and materials, as described in section 144.9503, subdivision 1, to residents; or
- (5) having a swab team worker instruct residents and property owners on appropriate lead control techniques, including the lead-safe directives developed by the commissioner.

Subd. 4. Swab team workers. Each worker engaged in swab team services established under this section must have blood lead concentrations below 15 micrograms of lead per deciliter of whole blood as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must assure that all swab team workers meet the standards established in this subdivision. Grantees must use appropriate workplace procedures including following the lead-safe directives developed by the commissioner to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms of lead per deciliter of whole blood to the commissioner.

Subd. 5. Program benefits. As a condition of providing swab team services under this section, an organization may require a property owner to not increase rents on a property solely as a result of a substantial improvement made with public funds under the programs in this section.

Subd. 6. Requirements of organizations receiving grants. An eligible organization that is awarded a grant under this section must prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant.

Sec. 7. Minnesota Statutes 2004, section 256B.0625, is amended by adding a subdivision to read:

Subd. 49. Lead risk assessments. (a) Effective October 1, 2006, or six months after federal approval, whichever is later, medical assistance covers lead risk assessments provided by a lead risk assessor who is licensed by the commissioner of health under section 144.9505 and employed by an assessing agency as defined in section 144.9501. Medical assistance covers a onetime on-site investigation of a recipient's home or primary residence to determine the existence of lead so long as the recipient is under the age of 21 and has a venous blood lead level as set forth in section 144.9504, subdivision 2, paragraph (a).

(b) Medical assistance reimbursement covers the lead risk assessor's time to complete the following activities:

- (1) gathering samples;
- (2) interviewing family members;
- (3) gathering data, including meter readings; and
- (4) providing a report with the results of the investigation and options for reducing lead-based paint hazards.

Medical assistance coverage of lead risk assessment does not include testing of environmental

substances such as water, paint, or soil or any other laboratory services. Medical assistance coverage of lead risk assessments is not included in the capitated services for children enrolled in health plans through the prepaid medical assistance program and the MinnesotaCare program.

(c) Payment for lead risk assessment must be cost-based and must meet the criteria for federal financial participation under the medical assistance program. The rate must be based on allowable expenditures from statewide cost information gathered. Under section 144.9507, subdivision 5, federal medical assistance funds may not replace existing funding for lead-related activities. The nonfederal share of costs for services provided under this subdivision must be from state or local funds and is the responsibility of the agency providing the risk assessment. Eligible expenditures for the nonfederal share of costs may not be made from federal funds or funds used to match other federal funds, except as allowed for Indian tribes under federal law. Any federal disallowances are the responsibility of the agency providing risk assessment services.

Sec. 8. [325E.385] ITEMS CONTAINING LEAD PROHIBITED.

Subdivision 1. **Definition.** For the purposes of this section "jewelry" means: (1) an ornament worn by a person on the body or on clothing, including, but not limited to, a necklace, bracelet, anklet, earring, locket, pendant, charm bracelet, ring, pinky ring, chain, broach, pin, lapel pin, headband, watchband; or (2) any pendant, bead, chain, link, or other component of such an ornament.

Subd. 2. **Warning.** (a) No person shall offer for sale, sell, or distribute free of charge any jewelry or item of personal decoration that contains more than 600 parts per million of lead unless it bears a warning label clearly visible to the buyer indicating that the item contains lead.

(b) The obligation to test for lead content and label accurately lies with the producer or packager of the item and not with the retail seller. Retailers may not sell unlabeled items without first verifying that the items were tested by the producer or packager.

Subd. 3. **Sale prohibited.** Effective July 1, 2006, no person shall sell, offer for sale, or distribute free of charge any trinket, jewelry, items of personal decoration, toy, or clothing containing more than 600 parts per million of lead that is intended for use by a child under the age of 12.

Subd. 4. **Exemption.** This section does not apply to consumer-to-consumer transactions.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. LEAD REDUCTION STUDY.

The commissioner of health, in consultation with the Department of Employment and Economic Development, the Minnesota Housing Finance Agency, and the Department of Human Services, shall develop and evaluate the best strategies to reduce the number of children endangered by lead paint. The study shall make recommendations on:

(1) how to promote and encourage primary prevention;

(2) how to ensure that all children at risk are tested; and

(3) how to provide a lead prevention program to assist families and protect children with blood lead levels more than five micrograms of lead per deciliter of whole blood from reaching levels of ten micrograms or greater.

The commissioner shall submit the results of the study and any recommendations, including any necessary legislative changes to the legislature by January 15, 2007.

Sec. 10. REVISOR'S INSTRUCTION.

The revisor of statutes shall change the range reference "144.9501 to 144.9509" to "144.9501 to 144.9512" wherever the reference appears in Minnesota Statutes and Minnesota Rules.

Sec. 11. **REPEALER.**

Minnesota Statutes 2004, section 119A.46, subdivisions 4, 5, 6, 7, 9, and 10, and Minnesota Statutes 2005 Supplement, section 119A.46, subdivisions 1, 2, 3, and 8, are repealed.

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 3338: A bill for an act relating to natural resources; appropriating money for the Legislative Commission on Minnesota Resources or its successor.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT, NATURAL RESOURCES, AND AGRICULTURE

Section 1. Minnesota Statutes 2004, section 97A.045, subdivision 11, is amended to read:

Subd. 11. **Power to prevent or control wildlife disease.** (a) If the commissioner determines that action is necessary to prevent or control a wildlife disease, the commissioner may prevent or control wildlife disease in a species of wild animal in addition to the protection provided by the game and fish laws by further limiting, closing, expanding, or opening seasons or areas of the state; by reducing or increasing limits in areas of the state; by establishing disease management zones; by authorizing free licenses; by allowing shooting from motor vehicles by persons designated by the commissioner; by issuing replacement licenses for sick animals; by requiring sample collection from hunter-harvested animals; by limiting wild animal possession, transportation, and disposition; and by restricting wildlife feeding.

(b) The commissioner shall restrict wildlife feeding within a 15-mile radius of a cattle herd that is infected with bovine tuberculosis.

(c) The commissioner may prevent or control wildlife disease in a species of wild animal in the state by emergency rule adopted under section 84.027, subdivision 13.

Sec. 2. Minnesota Statutes 2004, section 115.03, is amended by adding a subdivision to read:

Subd. 10. **Nutrient loading offset.** Prior to the completion of a total maximum daily load for an impaired water, the Pollution Control Agency may issue a permit for a new discharger or an expanding discharger if it does not result in increased loading to an impaired water. Where a new discharger or an expanding existing discharger cannot effectively implement zero discharge options, the agency may issue a permit if the increased loading is offset by reductions from other sources of loading to the impaired water. The term "new discharger" is as defined in Code of Federal Regulations, title 40, section 122.2.

Sec. 3. Minnesota Statutes 2004, section 115B.48, subdivision 3, is amended to read:

Subd. 3. **Dry cleaning facility.** "Dry cleaning facility" means a facility located in this state that is or has been used for a dry cleaning operation, other than:

- (1) a coin-operated dry cleaning operation;
- (2) a facility located on a United States military base;
- (3) a uniform service or linen supply facility;

(4) a prison or other penal institution;

(5) a facility on the national priorities list established under the federal Superfund Act; or

(6) a facility at which a response action has been taken or started ~~under section 115B.17~~ before July 1, 1995, except as authorized in a settlement agreement approved by the commissioner by July 1, 1997.

Sec. 4. Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 10, is amended to read:

Subd. 10. Energy	1,896,000	1,896,000
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Summary by Fund

Trust Fund	1,896,000	1,896,000
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(a) Clean Energy Resource Teams and Community Wind Energy Rebate and Financial Assistance Program

\$350,000 the first year and \$350,000 the second year are from the trust fund to the commissioner of commerce. \$300,000 of this appropriation is to provide technical assistance to implement cost-effective conservation, energy efficiency, and renewable energy projects. \$400,000 of this appropriation is to assist ~~two~~ Minnesota communities in developing locally owned wind energy projects by offering financial assistance and rebates. This appropriation is available until June 30, 2009, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) [Paragraph (b) was vetoed by the governor.]

(c) Manure Methane Digester Compatible Wastes and Electrical Generation

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of agriculture to research the potential for a centrally located, multifarm manure digester and the potential use of compatible waste streams with manure digesters.

(d) Dairy Farm Digesters

\$168,000 the first year and \$168,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Project for a

pilot project to evaluate anaerobic digester technology on average size dairy farms of 50 to 300 cows.

(e) Wind to Hydrogen Demonstration

\$400,000 the first year and \$400,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota, West Central Research and Outreach Center, to develop a model community-scale wind-to-hydrogen facility.

(f) Natural Gas Production from Agricultural Biomass

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Sebesta Blomberg and Associates to demonstrate potential natural gas yield using anaerobic digestion of blends of chopped grasses or crop residue with hog manure and determine optimum operating conditions for conversion to natural gas.

(g) Biomass-Derived Oils for Generating Electricity and Reducing Emissions

\$75,000 the first year and \$75,000 the second year are from the trust fund to the University of Minnesota to evaluate the environmental and performance benefits of using renewable biomass-derived oils, such as soybean oil, for generating electricity.

(h) [Paragraph (h) was vetoed by the governor.]

(i) [Paragraph (i) was vetoed by the governor.]

Sec. 5. **CARRYFORWARD.**

The appropriation under Laws 2003, chapter 128, article 1, section 9, subdivision 6, paragraph (c), for local initiative grants - parks and natural areas, is available until June 30, 2007.

Sec. 6. **REPEALER.**

Minnesota Statutes 2004, section 17.10, is repealed.

Sec. 7. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective the day following final enactment.

ARTICLE 2

ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2004, section 16B.325, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. Energy, lighting, air quality, and other guidelines. The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003. The primary objectives of these guidelines are to ensure that all new state buildings initially exceed existing energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent. The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas. In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this ~~section~~ subdivision are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004.

Subd. 2. Greenhouse gases. The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall report to the legislature by March 15, 2007, on guidelines and procedures for a requirement that no net increases in greenhouse gases are allowed as a result of new building projects. The guidelines established under this subdivision are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2008.

Sec. 2. Minnesota Statutes 2004, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. Additional unclassified positions. Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Commerce; Corrections; Education; Employee Relations; Employment and Economic Development; Explore Minnesota Tourism; Finance; Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the state Board of Investment; the Office of Administrative Hearings; the Office of Environmental Assistance; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Higher Education Services Office; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency

head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 3. Minnesota Statutes 2004, section 80C.01, subdivision 4, is amended to read:

Subd. 4. **Franchise.** (a) "Franchise" means (1) a contract or agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons:

(i) by which a franchisee is granted the right to engage in the business of offering or distributing goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics;

(ii) in which the franchisor and franchisee have a community of interest in the marketing of goods or services at wholesale, retail, by lease, agreement, or otherwise; and

(iii) for which the franchisee pays, directly or indirectly, a franchise fee; or

(2) a contract, lease, or other agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons, whereby the franchisee is authorized, permitted, or granted the right to market motor vehicle fuel at retail under the franchisor's trade name, trademark, service mark, logotype, or other commercial symbol or related characteristics owned or controlled by the franchisor; or

(3) the sale or lease of any products, equipment, chattels, supplies, or services to the purchaser, other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person, for the purpose of enabling the purchaser to start a business and in which the seller:

(i) represents that the seller, lessor, or an affiliate thereof will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or similar devices, or currency operated amusement machines or devices, on premises neither owned or leased by the purchaser or seller; or

(ii) represents that the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser using, in whole or in part, the supplies, services, or chattels sold to the purchaser; or

(iii) guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller; or

(4) an oral or written contract or agreement, either expressed or implied, for a definite or indefinite period, between two or more persons, under which a manufacturer, selling security systems through dealers or distributors in this state, requires regular payments from the distributor or dealer as royalties or residuals for products purchased and paid for by the dealer or distributor.

(b) "Franchise" does not include any business which is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions.

(c) "Franchise" does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in paragraph (a), clause (2).

(d) "Franchise" does not include a contract, lease or other agreement between a new motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the franchisee is granted the right to market automobiles, motorcycles, trucks, truck-tractors, or self-propelled

motor homes or campers if the foregoing are designed primarily for the transportation of persons or property on public highways.

(e) "Franchise" does not include a contract, lease, or other agreement or arrangement between two or more air carriers, or between one or more air carriers and one or more foreign air carriers. The terms "air carrier" and "foreign air carrier" shall have the meanings assigned to them by the Federal Aviation Act, United States Code Appendix, title 49, sections 1301(3) and 1301(22), respectively.

(f) For purposes of paragraph (a), clause (2), "franchise" does not include the marketing of motor vehicle fuel in circumstances where all the following are present:

(1) the franchisor or an affiliate of the franchisor is not a refiner of motor vehicle fuel, diesel fuel, or gasoline;

(2) the franchisor's trade name, trademark, service mark, logotype, or other commercial symbol or related characteristics is not used to identify the marketing premises generally, but only the gasoline dispensers, canopy, and gasoline price signage, provided, however, this circumstance is not changed by a voluntary decision by the retailer to identify the buildings on the premises in the manner selected by the retailer;

(3) the franchisor does not impose any requirements or franchise fee on nonmotor vehicle fuel products or sales, provided this circumstance is not changed by a voluntary decision by the retailer to purchase nonmotor vehicle fuel products from the franchisor or an affiliate of the franchisor; and

(4) the facility is not leased from the franchisor or affiliate of the franchisor.

~~(f)~~ (g) For purposes of this chapter, a person who sells motor vehicle fuel at wholesale who does not own or control, or is not an affiliate of a person who owns or controls, the trademark, trade name, service mark, logotype, or other commercial symbol or related characteristics under which the motor vehicle fuel is sold at retail, is not a franchisor or a franchisee, and is not considered to be part of a franchise relationship.

Sec. 4. [80C.144] EXEMPT MOTOR FUEL FRANCHISES; ALTERNATIVE COMPLIANCE.

A motor fuel franchise exempt from regulation under this chapter pursuant to section 80C.01, subdivision 4, paragraph (f), is subject to regulation under chapter 80F.

Sec. 5. Minnesota Statutes 2005 Supplement, section 115C.09, subdivision 3j, is amended to read:

Subd. 3j. **Retail locations and transport vehicles.** (a) As used in this subdivision, "retail location" means a facility located in the metropolitan area as defined in section 473.121, subdivision 2, where gasoline is offered for sale to the general public for use in automobiles and trucks. "Transport vehicle" means a liquid fuel cargo tank used to deliver gasoline into underground storage tanks during 2002 ~~and~~ or 2003 at a retail location.

(b) Notwithstanding any other provision in this chapter, and any rules adopted under this chapter, the board shall reimburse 90 percent of an applicant's cost for retrofits of retail locations and transport vehicles completed between January 1, 2001, and ~~January~~ September 1, 2006, to comply with section 116.49, subdivisions 3 and 4, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$3,000 per retail location and \$3,000 per transport vehicle.

EFFECTIVE DATE. This section is effective retroactively from August 1, 2003.

Sec. 6. Minnesota Statutes 2004, section 116J.421, subdivision 3, is amended to read:

Subd. 3. **Duties.** The center shall:

- (1) research and identify present and emerging social and economic issues for rural Minnesota, including health care, transportation, crime, housing, and job training;
- (2) forge alliances and partnerships with rural communities to find practical solutions to economic and social problems;
- (3) provide a resource center for rural communities on issues of importance to them;
- (4) encourage collaboration across higher education institutions to provide interdisciplinary team approaches to problem solving with rural communities; ~~and~~
- (5) involve students in center projects; and
- (6) submit to the legislature a report on the "State of Rural Minnesota" no later than March 1 in each odd-numbered year.

Sec. 7. Minnesota Statutes 2004, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. **Partnership program.** (a) The partnership program may provide grants-in-aid to educational or other nonprofit educational institutions using the following guidelines:

- (1) the educational or other nonprofit educational institution is a provider of training within the state in either the public or private sector;
- (2) the program involves skills training that is an area of employment need; and
- (3) preference will be given to educational or other nonprofit training institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation and to businesses located in rural areas.

(b) A single grant to any one institution shall not exceed \$400,000. ~~Up to 25 percent~~ A portion of a grant may be used for preemployment training.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2004, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

- (1) provide employment with benefits paid to employees;
- (2) provide employment where there are defined career paths for trainees;
- (3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and
- (4) demonstrate the active participation of Department of Employment and Economic Development workforce centers, Minnesota State College and University institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a one-to-one ratio by participating private business.

A single grant to any one institution shall not exceed \$400,000. ~~Up to 25 percent of~~ A portion of a grant may be used for preemployment training.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2004, section 116L.12, subdivision 4, is amended to read:

Subd. 4. **Grants.** Within the limits of available appropriations, the board shall make grants not to exceed \$400,000 each to qualifying consortia to operate local, regional, or statewide training and retention programs. Grants may be made from TANF funds, general fund appropriations, and any other funding sources available to the board, provided the requirements of those funding sources are satisfied. ~~Up to 25 percent~~ A portion of a grant may be used for preemployment training. Grant awards must establish specific, measurable outcomes and timelines for achieving those outcomes.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Minnesota Statutes 2004, section 178.03, is amended by adding a subdivision to read:

Subd. 3a. **Apprentice wages.** (a) The graduated schedule of wages for an apprenticeship agreement will be determined by the percentage rate used in the majority of individual apprenticeship agreements on file with the Department of Labor and Industry, Division of Voluntary Apprenticeship, in any particular trade. The beginning rate must be at least the federal or state minimum wage rate, whichever is higher.

(b) The journeyman wage rate for apprenticeship agreements where no bargaining agreement exists must be determined by counties, for all trades. If there is either a state or federal prevailing wage determination or apprenticeship agreement for a trade, the most current rate of the determination or agreement must be used as the journeyman wage rate.

(c) This subdivision does not apply to programs in penal institutions including stipends paid by the Department of Corrections.

Sec. 11. Minnesota Statutes 2004, section 183.02, is amended by adding a subdivision to read:

Subd. 4. **Inland waters.** "Inland waters" means navigable bodies of water within the boundaries of this state, excluding boundary lakes and boundary rivers.

Sec. 12. Minnesota Statutes 2005 Supplement, section 216C.052, subdivision 3, is amended to read:

Subd. 3. **Assessment and appropriation.** In addition to the amount noted in subdivision 2, the commission may assess utilities, using the mechanism specified in that subdivision, up to an additional \$500,000 annually through June 30, ~~2006~~ 2008. The amounts assessed under this subdivision are appropriated to the commission, and some or all of the amounts assessed may be transferred to the commissioner of administration, for the purposes specified in section 16B.325 and Laws 2001, chapter 212, article 1, section 3, as needed to implement those sections.

Sec. 13. Minnesota Statutes 2005 Supplement, section 216C.052, subdivision 4, is amended to read:

Subd. 4. **Expiration.** ~~This section expires~~ Subdivisions 1 and 2 expire June 30, 2007. Subdivision 3 expires June 30, 2008.

Sec. 14. Minnesota Statutes 2005 Supplement, section 216C.41, subdivision 3, is amended to read:

Subd. 3. **Eligibility window.** Payments may be made under this section only for electricity

generated:

(1) from a qualified hydroelectric facility that is operational and generating electricity before December 31, ~~2007~~ 2009;

(2) from a qualified wind energy conversion facility that is operational and generating electricity before January 1, ~~2007~~ 2008; or

(3) from a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2017.

Sec. 15. Minnesota Statutes 2004, section 216C.41, subdivision 4, is amended to read:

Subd. 4. **Payment period.** (a) A facility may receive payments under this section for a ten-year period. No payment under this section may be made for electricity generated:

(1) by a qualified hydroelectric facility after December 31, ~~2017~~ 2019;

(2) by a qualified wind energy conversion facility after December 31, ~~2017~~ 2018; or

(3) by a qualified on-farm biogas recovery facility after December 31, 2015.

(b) The payment period begins and runs consecutively from the date the facility begins generating electricity or, in the case of refurbishment of a hydropower facility, after substantial repairs to the hydropower facility dam funded by the incentive payments are initiated.

Sec. 16. Minnesota Statutes 2004, section 298.22, subdivision 1, is amended to read:

Subdivision 1. **The office of the commissioner of Iron Range resources and rehabilitation.**

(1) The office of the commissioner of Iron Range resources and rehabilitation is created as an agency in the executive branch of state government. The governor shall appoint the commissioner of Iron Range resources and rehabilitation under section 15.06.

(2) The commissioner may hold other positions or appointments that are not incompatible with duties as commissioner of Iron Range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of ~~such staff and other~~ assistance as may be necessary, must be paid out of the amounts appropriated by section 298.28 or otherwise made available by law to the commissioner.

(3) When the commissioner determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use of natural resources in the future and any resulting decrease in employment, the commissioner may use whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 17. Minnesota Statutes 2004, section 298.22, subdivision 8, is amended to read:

Subd. 8. **Spending priority.** In making or approving any expenditures on programs or projects, the commissioner and the board shall give the highest priority to programs and projects that target relief to those areas of the taconite assistance area as defined in section 273.1341, that have the largest percentages of job losses and population losses directly attributable to the economic downturn in the taconite industry since the 1980s. The commissioner and the board shall compare the 1980 population and employment figures with the 2000 population and employment figures, and shall

specifically consider the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company, in making or approving expenditures consistent with this subdivision, as well as the areas of residence of persons who suffered job loss for which relief is to be targeted under this subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the terms determined by the commissioner and approved by the board, surface and mineral interests owned or acquired by the state of Minnesota acting by and through the office of the commissioner of Iron Range resources and rehabilitation within those portions of the taconite assistance area impacted by the closure of the LTV Steel Mining Company facility near Hoyt Lakes. The payments and royalties from these leases must be deposited into the fund established in section 298.292. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner and the board from making expenditures for programs and projects in other areas.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 18. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision to read:

Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget of operational expenditures, programs, and projects, and submit it to the Iron Range Resources and Rehabilitation Board and the governor for approval. Upon board approval, the commissioner is authorized to expend available funds approved in the budget for operational expenditures, projects, and programs.

Sec. 19. Minnesota Statutes 2004, section 298.2213, subdivision 4, is amended to read:

Subd. 4. **Project approval.** The board and commissioner shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

~~To be proposed by the board, a~~ Each project must be approved by a majority of the Iron Range Resources and Rehabilitation Board members and the commissioner of Iron Range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 20. Minnesota Statutes 2004, section 298.223, subdivision 2, is amended to read:

Subd. 2. **Administration.** The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon approval by a majority of the members of the Iron Range Resources and Rehabilitation Board, this list shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

Sec. 21. Minnesota Statutes 2004, section 298.223, subdivision 3, is amended to read:

Subd. 3. **Appropriation.** There is hereby annually appropriated to the commissioner of Iron Range resources and rehabilitation ~~such taconite area environmental protection funds as are necessary to carry out the approved projects approved and programs and such the funds as are necessary for administration of this section.~~ Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11, relating to the taconite area environmental protection fund.

Sec. 22. Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1, is amended to read:

Subdivision 1. **Project approval.** The board and commissioner shall by August 1 of each year prepare a list of projects to be funded from the Douglas J. Johnson economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the board unless it finds that:

- (a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (b) the prospective benefits of the expenditure exceed the anticipated costs; and
- (c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

~~To be proposed by the board, a~~ Each project must be approved by at least eight Iron Range Resources and Rehabilitation Board members and the commissioner of Iron Range resources and rehabilitation. The list of projects shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 23. Minnesota Statutes 2005 Supplement, section 298.298, is amended to read:

298.298 LONG-RANGE PLAN.

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board and commissioner shall prepare and present to the governor and the legislature by ~~January 1, 1984~~ December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. ~~The Iron Range Resources and Rehabilitation Board shall, before November 15 of each even-numbered year, prepare a report to the governor and legislature updating and revising this long-range plan and reporting on the Iron Range Resources and Rehabilitation Board's progress on those matters assigned to it by law. After January 1, 1984,~~ No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 24. **[299F.50] DEFINITIONS.**

Subdivision 1. **Scope.** As used in sections 299F.50 to 299F.52, the terms defined in this section have the meanings given them.

Subd. 2. **Installed.** "Installed" means that an approved carbon monoxide alarm is hardwired into the electrical wiring, directly plugged into an electrical outlet without a switch, or, if the alarm is battery-powered, attached to the wall of the dwelling.

Subd. 3. **Single and multifamily dwelling.** "Single and multifamily dwelling" means any building or structure that is wholly or partly used or intended to be used for living or sleeping by human occupants.

Subd. 4. **Dwelling unit.** "Dwelling unit" means an area meant for living or sleeping by human occupants.

Subd. 5. **Approved carbon monoxide alarm.** "Approved carbon monoxide alarm" means a device meant for the purpose of detecting carbon monoxide that is certified by a nationally recognized testing laboratory to conform to the latest Underwriters Laboratories Standards (known as UL2034 standards).

Subd. 6. **Operational.** "Operational" means working and in service according to manufacturer's directions.

Sec. 25. [299F.51] REQUIREMENTS FOR CARBON MONOXIDE ALARMS.

Subdivision 1. **Generally.** Every single-family dwelling and every dwelling unit in a multifamily dwelling must have an approved and operational carbon monoxide alarm installed on each level of the residence and within ten feet of each room lawfully used for sleeping purposes.

Subd. 2. **Owner's duties.** The owner of a multifamily dwelling that is required to be equipped with one or more approved carbon monoxide alarms must:

(1) provide and install one approved and operational carbon monoxide alarm on each level of the dwelling and within ten feet of each room lawfully used for sleeping; and

(2) replace any approved carbon monoxide alarm that has been stolen, removed, found missing, or rendered inoperable during a prior occupancy of the dwelling unit and that has not been replaced by the prior occupant before the commencement of a new occupancy of a dwelling unit.

Subd. 3. **Occupant's duties.** The occupant of each dwelling unit in a multifamily dwelling in which an approved and operational carbon monoxide alarm has been provided and installed by the owner must:

(1) keep and maintain the device in good repair according to manufacturer's directions; and

(2) replace any device that is stolen, removed, missing, or rendered inoperable during the occupancy of the dwelling unit.

Subd. 4. **Battery removal prohibited.** A person shall not remove batteries from, or in any way render inoperable, a required carbon monoxide alarm.

Sec. 26. [299F.52] ENFORCEMENT.

A violation of section 299F.50 or 299F.51 subjects the owner of the single family dwelling, multifamily dwelling, or dwelling unit to the same penalty and enforcement mechanism provided for violations of the Minnesota Fire Code provided in section 299F.011, subdivision 6.

Sec. 27. Minnesota Statutes 2005 Supplement, section 327.201, is amended to read:

327.201 STATE FAIR CAMPING AREA.

Notwithstanding sections 327.14 to 327.28 or any rule adopted by the commissioner of health, the State Agricultural Society must operate and maintain a camping area on the State Fairgrounds during the State Fair and the Minnesota Street Rod Association's Back to the 50's event, subject to the following conditions:

(1) recreational camping vehicles and tents, including their attachments, must be separated from each other and from other structures by at least seven feet;

(2) a minimum area of 300 square feet per site must be provided and the total number of sites

must not exceed one site for every 300 square feet of usable land area; and

(3) each site must face a driveway at least 16 feet in width and each driveway must have unobstructed access to a public roadway.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 28. Minnesota Statutes 2004, section 446A.03, subdivision 5, is amended to read:

Subd. 5. **Executive director.** The commissioner shall employ, with the concurrence of the authority, an executive director in the unclassified service. The director shall perform duties that the authority may require in carrying out its responsibilities.

Sec. 29. Minnesota Statutes 2004, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed ~~\$1,250,000,000~~ \$1,500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 30. Minnesota Statutes 2004, section 473.252, subdivision 3, is amended to read:

Subd. 3. **Distribution of funds.** (a) The council must use the funds in the account to make grants to municipalities or development authorities for the cleanup of polluted land in the metropolitan area. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. The council shall prescribe and provide the grant application form to municipalities. The council must consider the probability of funding from other sources when making grants under this section.

(b)(1) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and that enhance the tax base of the recipient municipality. For purposes of ranking applications, equal weight shall be given to preservation or growth of living-wage jobs and to the production of affordable housing.

For purposes of this section, affordable housing includes both:

(i) affordable rental housing for persons or families whose income, at the time of initial occupancy, does not exceed 60 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area; and

(ii) affordable ownership housing units for persons or families whose income, at the time of initial occupancy, does not exceed 80 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area.

(2) In making grants, the council shall establish regular application deadlines in which grants will be awarded from the available money in the account. If the council provides for application cycles of less than six-month intervals, the council must reserve at least 40 percent of the receipts of the account for a year for application deadlines that occur in the second half of the year. If the applications for grants exceed the available funds for an application cycle, no more than one-half

of the funds may be granted to projects in a statutory or home rule charter city and no more than three-quarters of the funds may be granted to projects located in cities of the first class.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557.

Sec. 31. **EFFECTIVE DATE.**

Sections 24 to 26 are effective January 1, 2007, for all newly constructed single-family and multifamily dwelling units and August 1, 2008, for all existing and newly constructed single family and multifamily dwelling units."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 3342: A bill for an act relating to health; establishing the Patient Safety and Drug Review Transparency Act; requiring disclosure of clinical trials of prescription drugs; assessing fees; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete line 6 and insert

"Section 1. **[144.6601] CITATION.**"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 3440: A bill for an act relating to transportation; requiring language that the state will purchase plug-in hybrid electric vehicles when commercially available to be inserted in certain bid documents; appropriating money for the retrofitting of flexible fuel vehicles to operate as plug-in hybrid electric vehicles.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **STATE PURCHASING OF PLUG-IN HYBRID ELECTRIC VEHICLES.**

Subdivision 1. Definition. (a) As used in sections 2 and 3, "plug-in hybrid electric vehicle (PHEV)" means a vehicle containing an internal combustion engine that also allows power to be delivered to the drive wheels by a battery-powered electric motor and that meets applicable federal motor vehicle safety standards. When connected to the electrical grid via an electrical outlet, the vehicle must be able to recharge its battery. The vehicle must have the ability to travel at least 20 miles, powered substantially by electricity.

(b) As used in this section, "neighborhood electric vehicle" means an electrically powered motor vehicle that has four wheels and has a speed attainable in one mile of at least 20 miles per hour but not more than 25 miles per hour on a paved level surface.

Subd. 2. Notice of state procurement policy in bid documents. All solicitation documents for the purchase of a passenger automobile, as defined in Minnesota Statutes, section 168.011, subdivision 7; pickup truck, as defined in Minnesota Statutes, section 168.011, subdivision 29; or van, as defined in Minnesota Statutes, section 168.011, subdivision 28, issued under the jurisdiction of the Department of Administration after June 30, 2006, must contain the following language: "It

is the intention of the state of Minnesota to begin purchasing plug-in hybrid electric vehicles and neighborhood electric vehicles as soon as they become commercially available, meet the state's performance specifications, and are priced no more than ten percent above the price for comparable gasoline-powered vehicles. It is the intention of the state to purchase plug-in hybrid electric vehicles and neighborhood electric vehicles whenever practicable after these conditions have been met and as fleet needs dictate for at least five years after these conditions have been met."

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. PLUG-IN HYBRID ELECTRIC VEHICLE RETROFIT PROJECT.

The automotive engineering program at Minnesota State University - Mankato is strongly encouraged to retrofit two flexible fuel vehicles to also operate as plug-in hybrid electric vehicles (PHEV's). If the legislature does not appropriate funds for this purpose, the Department of Administration and Minnesota State University - Mankato may accept donations and work cooperatively with nonprofit agencies, higher education institutions, and public agencies to procure vehicles and obtain other necessary funds to conduct the retrofit.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. PLUG-IN HYBRID ELECTRIC VEHICLE TASK FORCE.

Subdivision 1. **Establishment; membership.** The plug-in hybrid electric vehicle task force is established. The task force shall consist of 13 members as follows:

- (1) one representative each from Xcel Energy and Great River Energy;
- (2) one representative each from the Minnesota Department of Commerce, the Minnesota Department of Transportation, and the Minnesota Pollution Control Agency;
- (3) the director of the Travel Management Division of the Minnesota Department of Administration, or the director's designee;
- (4) a representative from the University of Minnesota Department of Electrical Engineering;
- (5) one representative each from Minnesota-based manufacturers of electric batteries, automotive parts, and power electronics;
- (6) a representative from an environmental advocacy organization active in electricity issues;
- (7) a representative of United Auto Workers Local 879; and
- (8) a representative of the Ford Motor Company.

Subd. 2. **Appointment.** The chairs of the senate and house of representatives committees with primary jurisdiction over energy policy shall jointly appoint the task force members.

Subd. 3. **Cochairs.** The task force shall have two cochairs, one appointed by each of the appointing authorities established in subdivision 2.

Subd. 4. **Charge.** (a) The plug-in hybrid electric vehicle task force shall identify barriers to the adoption of plug-in hybrid electric vehicles by state agencies, small and large private fleets, and Minnesota drivers at-large and develop strategies to be implemented over one-, three-, and five-year time frames to overcome those barriers. Included in the analysis should be possible financial incentives to encourage Ford Motor Company to produce plug-in hybrid, flexible-fueled vehicles at its St. Paul plant.

(b) The task force shall consider and evaluate the data and information presented to it under subdivision 5 in presenting its findings and recommendations.

Subd. 5. **Data and analysis.** The commissioner of the Minnesota Pollution Control Agency

shall analyze and report to the task force the environmental impacts of purchasing plug-in hybrid electric vehicles for the state-owned vehicle fleet and at penetration rates of ten percent, 25 percent, and 50 percent of all motor vehicles registered in this state. The analysis must compare, for plug-in hybrid electric vehicles and current fleet vehicles, air emissions of sulfur dioxide, nitrogen oxides, particulate matter less than 2.5 microns in width, volatile organic compounds, and carbon dioxide.

Subd. 6. **Expenses.** Members of the task force are entitled to reimbursement for expenses under Minnesota Statutes, section 15.059, subdivision 6. Member reimbursements shall be paid for by the commissioner of commerce.

Subd. 7. **Staff.** The state agencies represented on the commission shall provide staff support.

Subd. 8. **Report.** The task force shall present its findings and recommendations in a report to the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy and state government operations by April 1, 2007.

Subd. 9. **Expiration.** The task force expires on June 30, 2008.

EFFECTIVE DATE. This section is effective the day following final enactment."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2994, 3044, 3058, 3221, 3338, 3342 and 3440 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2892 and 2574 were read the second time.

MOTIONS AND RESOLUTIONS

Senator LeClair moved that the names of Senators Reiter, Senjem and Michel be added as co-authors to S.F. No. 3779. The motion prevailed.

Senator Day moved that his name be stricken as a co-author to S.F. No. 2297. The motion prevailed.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 3477, S.F. Nos. 2973, 3450, 2635, 2576 and H.F. No. 2697.

SPECIAL ORDER

H.F. No. 3477: A bill for an act relating to local government; providing for subdivision regulations; modifying the terms; amending Minnesota Statutes 2004, section 462.358, subdivision 2a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Koering	Neuville	Sams
Bachmann	Foley	Kubly	Nienow	Saxhaug
Bakk	Frederickson	Langseth	Olson	Scheid
Belanger	Gerlach	Larson	Ortman	Senjem
Berglin	Hann	LeClair	Pappas	Skoe
Betzold	Higgins	Limmer	Pariseau	Skoglund
Bonoff	Hottinger	Marko	Pogemiller	Solon
Chaudhary	Johnson, D.E.	Marty	Ranum	Sparks
Clark	Jungbauer	McGinn	Reiter	Stumpf
Cohen	Kelley	Metzen	Rest	Tomassoni
Day	Kierlin	Michel	Robling	Vickerman
Dibble	Kiscaden	Moua	Rosen	Wergin
Dille	Koch	Murphy	Ruud	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2973: A bill for an act relating to natural resources; modifying contractual and grant agreement provisions; excepting the electronic licensing system commission from certain standing appropriations; modifying snowmobile state trail sticker requirements; modifying invasive species provisions; modifying certain state trail descriptions; designating a state trail; modifying authority to mark canoe and boating routes; modifying certain forestry duties; modifying certain definitions; modifying water use surcharge provisions; modifying water aeration safety provisions; amending Minnesota Statutes 2004, sections 84.026; 84.0911, as amended; 84.8205, subdivision 2; 84D.01, subdivisions 9a, 13, 15, 16; 84D.02, subdivision 2; 85.015, subdivisions 2, 7, 8, 11, 12, by adding a subdivision; 85.32, subdivision 1; 89.01, subdivision 1; 97A.015, subdivision 18; 103G.611, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 84.8205, subdivision 1; 85.015, subdivision 5; 88.17, subdivision 5; 103G.271, subdivision 6; repealing Minnesota Statutes 2004, section 103G.611, subdivision 6.

Senator Marty moved to amend S.F. No. 2973 as follows:

Page 6, delete section 14 and insert:

"Sec. 14. Minnesota Statutes 2004, section 85.015, subdivision 11, is amended to read:

Subd. 11. **Willard Munger Trail, Ramsey, Anoka, Washington, Chisago, Pine, St. Louis, and Carlton Counties.** (a) ~~The trail shall originate in the vicinity of Arden Hills, Ramsey County, and thence extend northeasterly, traversing Anoka and Washington Counties to the vicinity of Taylors Falls in Chisago County; thence northwesterly and northerly to St. Croix State Park in Pine County; thence northerly to Jay Cooke State Park in Carlton County, and there terminate.~~ consist of four segments. One segment shall be known as the "gateway segment" and shall originate at the State Capitol, then extend northerly and northeasterly to William O'Brien State Park, and then extend northerly to Taylors Falls in Chisago County. One segment shall originate in Chisago County and extend into Duluth in St. Louis County. One segment shall originate at Hinckley in Pine County and extend through Moose Lake in Carlton County to Duluth in St. Louis County. One segment shall originate in Carlton County at Carlton and extend through Wrenshall to the Minnesota-Wisconsin border.

(b) The gateway segment shall be developed primarily for hiking and nonmotorized riding, and the remaining segments of the trail shall be developed primarily for riding and hiking.

(c) Additional trails segments shall be established that extend the Willard Munger Trail to include

Proctor, Duluth, and Hermantown in St. Louis County."

Page 10, line 32, delete "section" and insert "sections 85.015, subdivision 14, and" and delete "is" and insert "are"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2973 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Koering	Neuville	Sams
Bachmann	Foley	Kubly	Nienow	Saxhaug
Bakk	Frederickson	Langseth	Olson	Scheid
Belanger	Gerlach	Larson	Ortman	Senjem
Berglin	Hann	LeClair	Pappas	Skoe
Betzold	Higgins	Limmer	Pariseau	Skoglund
Bonoff	Hottinger	Marko	Pogemiller	Solon
Chaudhary	Johnson, D.E.	Marty	Ranum	Sparks
Clark	Jungbauer	McGinn	Reiter	Stumpf
Cohen	Kelley	Metzen	Rest	Tomassoni
Day	Kierlin	Michel	Robling	Vickerman
Dibble	Kiscaden	Moua	Rosen	Wergin
Dille	Koch	Murphy	Ruud	Wiger

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 3450: A bill for an act relating to metropolitan government; governing special transportation service requirements; amending Minnesota Statutes 2004, section 473.386, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Marko	Rest
Bachmann	Higgins	Marty	Robling
Bakk	Hottinger	McGinn	Rosen
Berglin	Johnson, D.E.	Metzen	Ruud
Betzold	Jungbauer	Michel	Sams
Bonoff	Kelley	Moua	Saxhaug
Chaudhary	Kierlin	Murphy	Scheid
Clark	Kiscaden	Neuville	Senjem
Cohen	Koch	Nienow	Skoe
Day	Koering	Olson	Skoglund
Dibble	Kubly	Ortman	Solon
Dille	Langseth	Pappas	Sparks
Fischbach	Larson	Pariseau	Stumpf
Foley	LeClair	Pogemiller	Vickerman
Frederickson	Limmer	Ranum	Wergin
Gerlach	Lourey	Reiter	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2635: A bill for an act relating to local government; authorizing regulation of certain public lands in Aitkin County; repealing the authority for Aitkin County regulation of certain public land interests; repealing Laws 1988, chapter 658, section 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Langseth	Olson	Senjem
Bachmann	Frederickson	Larson	Ortman	Skoe
Bakk	Gerlach	LeClair	Pappas	Skoglund
Belanger	Hann	Limmer	Pariseau	Solon
Berglin	Higgins	Lourey	Pogemiller	Sparks
Betzold	Hottinger	Marko	Ranum	Stumpf
Bonoff	Johnson, D.E.	Marty	Reiter	Tomassoni
Chaudhary	Jungbauer	McGinn	Rest	Vickerman
Clark	Kelley	Metzen	Robling	Wergin
Cohen	Kierlin	Michel	Rosen	Wiger
Day	Kiscaden	Moua	Ruud	
Dibble	Koch	Murphy	Sams	
Dille	Koering	Neuville	Saxhaug	
Fischbach	Kubly	Nienow	Scheid	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2576: A bill for an act relating to commerce; regulating the purchase and lease of new ambulances; establishing a manufacturer's duty to repair, refund, or replace; amending Minnesota Statutes 2004, section 325F.665, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Koering	Neuville	Sams
Bachmann	Foley	Kubly	Nienow	Saxhaug
Bakk	Frederickson	Langseth	Olson	Scheid
Belanger	Gerlach	Larson	Ortman	Senjem
Berglin	Hann	LeClair	Pappas	Skoe
Betzold	Higgins	Lourey	Pariseau	Skoglund
Bonoff	Hottinger	Marko	Pogemiller	Solon
Chaudhary	Johnson, D.E.	Marty	Ranum	Sparks
Clark	Jungbauer	McGinn	Reiter	Stumpf
Cohen	Kelley	Metzen	Rest	Tomassoni
Day	Kierlin	Michel	Robling	Vickerman
Dibble	Kiscaden	Moua	Rosen	Wergin
Dille	Koch	Murphy	Ruud	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2697: A bill for an act relating to traffic regulations; authorizing use of communications headset by firefighters operating an emergency vehicle in emergency; amending Minnesota Statutes 2004, section 169.471, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Langseth	Olson	Senjem
Bachmann	Frederickson	Larson	Ortman	Skoe
Bakk	Gerlach	LeClair	Pappas	Skoglund
Belanger	Hann	Limmer	Pariseau	Solon
Berglin	Higgins	Lourey	Pogemiller	Sparks
Betzold	Hottinger	Marko	Ranum	Stumpf
Bonoff	Johnson, D.E.	Marty	Reiter	Tomassoni
Chaudhary	Jungbauer	McGinn	Rest	Vickerman
Clark	Kelley	Metzen	Robling	Wergin
Cohen	Kierlin	Michel	Rosen	Wiger
Day	Kiscaden	Moua	Ruud	
Dibble	Koch	Murphy	Sams	
Dille	Koering	Neuville	Saxhaug	
Fischbach	Kubly	Nienow	Scheid	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Kubly, Skoe, Saxhaug, Sparks and Clark introduced—

S.F. No. 3797: A bill for an act relating to consumer protection; prohibiting price gouging; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Senator Rosen introduced—

S.F. No. 3798: A bill for an act relating to taxes; exempting certain high school league tournaments from the sales tax on admissions; amending Minnesota Statutes 2004, section 297A.70, subdivision 11.

Referred to the Committee on Taxes.

Senators Murphy, Sparks, Bonoff, Betzold and Dille introduced—

S.F. No. 3799: A bill for an act relating to restraint of trade; prohibiting sales of gasoline at grossly excessive price; authorizing expedited rulemaking; imposing penalties; amending Minnesota Statutes 2004, sections 325D.071; 325D.072; 325D.71.

Referred to the Committee on Commerce.

Senators Pariseau, Ruud and Reiter introduced—

S.F. No. 3800: A bill for an act relating to public safety; firearms; clarifying and extending the castle doctrine regarding the authorized use of deadly force in self defense; amending Minnesota Statutes 2004, section 609.065.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Chaudhary introduced—

S.F. No. 3801: A bill for an act relating to transportation; proposing a referendum on a 0.25 percent metropolitan area sales tax for transit; amending Minnesota Statutes 2004, section 297A.94; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Transportation.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 2:00 p.m. The motion prevailed.

The hour of 2:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 4162 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated H.F. No. 4162 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 4162: A bill for an act relating to the financing of state government; making supplemental appropriations; regulating government operations; providing for and modifying certain programs; regulating abortion funding and notification; providing for a Rochester campus of the University of Minnesota; creating the Boxing Commission and regulating boxing; ratifying certain labor agreements and compensation plans; providing criminal penalties; appropriating money; amending Minnesota Statutes 2004, sections 3.737, subdivision 1; 3.7371, subdivision 3; 13.3806, by adding a subdivision; 16A.152, subdivision 1b; 137.022, subdivision 4; 137.17, subdivisions 1, 3; 256.01, subdivision 18, by adding a subdivision; 256B.431, by adding a subdivision; 256J.021; 256J.626, subdivision 2; Minnesota Statutes 2005 Supplement, sections

16A.152, subdivision 2; 35.05; 119B.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 4; 144; 197; 256; 256D; 341; repealing Minnesota Statutes 2004, sections 62J.694; 144.395.

Senator Cohen moved to amend H.F. No. 4162 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 4162, and insert the language after the enacting clause, and the title, of S.F. No. 3781, the first engrossment.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on H.F. No. 4162. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Cohen amendment. The motion prevailed. So the amendment was adopted.

Senator Lourey moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 40, after line 9, insert:

"Sec. 5. **EARLY LEVY RECOGNITION; WILLOW RIVER.**

Notwithstanding Minnesota Statutes, sections 123B.75, and 127A.441, if Independent School District No. 577, Willow River, successfully approves an operating referendum in September 2006, the district may recognize up to 50 percent of the operating referendum levy approved at that election as revenue for the fiscal year in which it is certified. This early recognition applies only to referendum authority approved in September 2006.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007 and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Senator Dille moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 30, line 17, delete "or" and before the period, insert ", or provide character development education under Minnesota Statutes, section 120B.232"

The motion prevailed. So the amendment was adopted.

Senator Wergin moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 8, line 3, after the comma, insert "which must not include socio-emotional testing,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Bachmann	Gerlach	Larson	Nienow	Senjem
Belanger	Hann	LeClair	Olson	Wergin
Day	Jungbauer	Limmer	Ortman	
Dille	Kierlin	McGinn	Pariseau	
Fischbach	Koch	Michel	Reiter	
Frederickson	Koering	Neuville	Ruud	

Those who voted in the negative were:

Anderson	Dibble	Lourey	Ranum	Skoglund
Bakk	Foley	Marko	Rest	Solon
Berglin	Higgins	Marty	Robling	Sparks
Betzold	Hottinger	Metzen	Rosen	Stumpf
Bonoff	Kelley	Moua	Sams	Tomassoni
Chaudhary	Kiscaden	Murphy	Saxhaug	Vickerman
Clark	Kubly	Pappas	Scheid	Wiger
Cohen	Langseth	Pogemiller	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Kelley moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 60, line 30, delete "The"

Page 60, delete lines 31 to 34 and insert "The University of Minnesota should expand higher education offerings in Rochester that it is uniquely qualified to provide. To the extent possible, the Board of Regents should provide its offerings in partnership with higher education institutions that already serve Rochester and the southeastern region of Minnesota, and should avoid unnecessary duplicative offerings of courses and programs, particularly in nursing and allied health programs."

The motion prevailed. So the amendment was adopted.

Senator Cohen moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 82, after line 32, insert:

"Sec. 8. **MINNESOTA HISTORICAL SOCIETY**

200,000

For a grant to the Minnesota Agricultural Interpretive Center in Waseca to equip and restore current sites and exhibits."

Page 123, line 26, delete "This"

Page 123, delete line 27

Correct the appropriation summaries

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 87, line 10, before the period, insert "and tough man contests"

Page 87, line 12, delete "or nontraditional fighting"

Page 87, delete lines 14 to 20

Page 87, line 21, delete "6" and insert "5"

Page 87, line 23, delete "or nontraditional fighting"

Page 87, line 25, delete "7" and insert "6"

Page 87, line 26, delete "8" and insert "7"

Page 87, line 29, delete the comma and insert "or"

Page 87, line 30, delete ", or boxing as defined in subdivision 2"

Page 88, line 11, delete "or nontraditional fighting"

Page 88, delete line 12 and insert "boxer, or have an interest in any manner in the proceeds from a boxing"

Page 88, line 13, delete "nontraditional fighting"

Page 88, line 21, delete ", nontraditional fighters,"

Page 88, line 24, delete "nontraditional fighting contests and events, and"

Page 89, line 7, delete "AND NONTRADITIONAL"

Page 89, line 8, delete "FIGHTING"

Page 89, delete lines 18 to 22

Page 89, line 26, delete the first comma and insert "and" and delete ", and nontraditional fighting contests"

Page 90, line 5, delete "nontraditional fighters,"

Page 90, line 10, delete "or nontraditional fighting"

Page 90, lines 16 and 20, delete "nontraditional fighters'"

Page 91, line 6, delete "or nontraditional fighter"

Page 91, line 11, delete "or nontraditional fighting"

Page 91, line 13, delete "or nontraditional fighter" and delete the comma

Page 91, line 14, delete "nontraditional fighting,"

Page 91, line 17, delete "or nontraditional fighter"

Page 91, line 21, delete "or nontraditional fighting exhibition or performance"

Page 92, line 1, delete "nontraditional fighters,"

Page 92, line 16, delete ", nontraditional fighters,"

Page 92, line 26, delete the second "or"

Page 92, line 27, delete "nontraditional fighting"

Page 92, line 32, delete "or nontraditional fighter"

Page 93, lines 1 and 3, delete "or nontraditional fighter"

Page 93, line 10, delete ", or nontraditional exhibition"

Senator Murphy moved to amend the Murphy amendment to H.F. No. 4162 as follows:

Page 1, delete line 4 and insert:

"Page 87, line 10, delete "full contact karate" and insert "tough man contests""

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the first Murphy amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Senjem moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 79, line 17, delete "2,000,000" and insert "18,000,000"

Page 79, line 18, before "For" insert "Notwithstanding Minnesota Statutes, section 295.581, this appropriation is from the health care access fund and is"

Correct the subdivision and section totals and the summaries by fund accordingly

The motion did not prevail. So the amendment was not adopted.

Senator Berglin moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 81, after line 23, insert:

"Subd. 9. **Workforce partnership**

450,000

This appropriation is from the workforce development fund for a pilot project to encourage the licensure in Minnesota of foreign-trained health care professionals, including physicians, nurses, dentists, pharmacists, veterinarians, and other allied health care professionals. The commissioner must work with local workforce boards to award grants to foreign-trained health care professionals that are sufficient to cover the actual costs of taking a course intended to prepare health care professionals for required licensing examinations and the fee for taking required licensing examinations. When awarding grants, the commissioner must consider whether the recipient's training involves a medical specialty that is in demand in one or more Minnesota communities. The

commissioner also must establish additional criteria for the award of grants. The program will begin on July 1, 2006, and end on June 30, 2007. The commissioner must submit a report evaluating the effectiveness of the pilot program to the legislative committees with jurisdiction over employment by October 1, 2007. This is a onetime appropriation."

Correct the subdivision and section totals and the summaries by fund accordingly

The motion prevailed. So the amendment was adopted.

Senator Jungbauer moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 94, after line 3, insert:

"Transfer Out		-0-		<u>3,000,000</u>		<u>3,000,000</u>
TOTAL	\$	-0-	\$	<u>7,320,000</u>	\$	<u>7,320,000"</u>

Page 96, after line 19, insert:

"Sec. 5. Laws 2003, First Special Session chapter 18, article 1, section 2, is amended to read:

Sec. 2. TRANSPORTATION 110,000,000

This appropriation is from the trunk highway bond proceeds account in the trunk highway fund and is available for expenditure beginning the day following final enactment. It is for the same purposes as specified in Laws 2000, chapter 479, article 1, section 2, subdivision 3.

Of the general fund appropriation in Laws 2000, chapter 479, article 1, section 2, subdivision 3, \$110,000,000 cancels to the general fund. This cancellation is effective the day following final enactment.

By June 30, 2003, the commissioner of finance shall transfer \$15,000,000 of the cash balance in the state airports fund established in Minnesota Statutes, section 360.017, to the general fund.

By June 30, 2007, the commissioner must transfer \$3,000,000 from the general fund to the state airports fund.

On July 1, 2007, the commissioner must transfer ~~\$15,000,000~~ \$12,000,000 from the general fund to the state airports fund."

Correct the section totals and the appropriation summary

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Senator Ranum moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 103, line 27, delete "3,109,000" and insert "8,788,000"

Page 103, delete lines 28 to 31

Page 104, delete lines 1 to 4 and insert:

"Of the amount for fiscal year 2007, \$5,679,000 is a onetime appropriation."

Page 104, line 6, delete "-0-" and insert "1,312,000"

Page 104, after line 6, insert:

"These are onetime appropriations."

Correct the section total and the appropriation summaries

The motion prevailed. So the amendment was adopted.

Senator Wergin moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 100, after line 14, insert:

<u>"(d) Minnesota illegal immigration enforcement team</u>	<u>-0-</u>	<u>1,187,000</u>
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To create the Minnesota illegal immigration enforcement team to focus on illegal immigrants who commit crimes such as human trafficking, identity theft, illegal drug use offenses, and terrorism."

Page 113, after line 7, insert:

"Sec. 24. **[299A.69] ILLEGAL IMMIGRATION ENFORCEMENT.**

Subdivision 1. **Memorandums of understanding.** The commissioner of public safety may enter into memorandums of understanding or otherwise coordinate with the United States Department of Justice and the United States Department of Homeland Security to have state law enforcement officers enforce federal immigration laws in the state. State law enforcement officers designated to enforce federal immigration laws must participate in the preassignment training established under subdivision 2.

Subd. 2. **Immigration enforcement training.** The commissioner of public safety, in

consultation with representatives of the United States Department of Justice and the United States Department of Homeland Security, shall develop a course to train state law enforcement officers to enforce federal immigration laws. The course must comply with applicable federal training guidelines and cover immigration law, immigrant questioning, immigrant detention and arrest, civil rights, public complaint procedures, antiracial profiling procedures, and other topics necessary to prepare state law enforcement officers to enforce federal immigration laws.

Subd. 3. **Minnesota illegal immigration enforcement team.** The Minnesota illegal immigration enforcement team (MIET) is established. The commissioner of public safety shall convene and direct the enforcement team. MIET shall be comprised of at least ten law enforcement officers who have completed the course the commissioner develops under subdivision 2. The commissioner shall develop, and use MIET to implement, an illegal immigration enforcement strategy for state and local law enforcement agencies. MIET shall assist local units of government in investigating and apprehending illegal immigrants. The team shall focus its time and resources on identifying and apprehending illegal immigrants who are involved in felony level criminal activity."

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 38, as follows:

Those who voted in the affirmative were:

Bachmann	Hann	Larson	Nienow	Rosen
Day	Johnson, D.J.	LeClair	Olson	Ruud
Dille	Jungbauer	Limmer	Ortman	Senjem
Fischbach	Kierlin	McGinn	Pariseau	Sparks
Frederickson	Koch	Michel	Reiter	Wergin
Gerlach	Koering	Neuville	Robling	

Those who voted in the negative were:

Anderson	Cohen	Kubly	Pappas	Skoglund
Bakk	Dibble	Langseth	Pogemiller	Solon
Belanger	Foley	Lourey	Ranum	Stumpf
Berglin	Higgins	Marko	Rest	Tomassoni
Betzold	Hottinger	Marty	Sams	Vickerman
Bonoff	Johnson, D.E.	Metzen	Saxhaug	Wiger
Chaudhary	Kelley	Moua	Scheid	
Clark	Kiscaden	Murphy	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Senjem moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 98, delete lines 17 to 21

Renumber the subdivisions in sequence

Pages 107 to 113, delete sections 9 to 23

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Bachmann	Gerlach	Larson	Olson	Sams
Bakk	Hann	LeClair	Ortman	Saxhaug
Belanger	Johnson, D.J.	Limmer	Pariseau	Senjem
Day	Jungbauer	McGinn	Reiter	Skoe
Dille	Kierlin	Michel	Robling	Tomassoni
Fischbach	Koch	Neuville	Rosen	Wergin
Frederickson	Koering	Nienow	Ruud	

Those who voted in the negative were:

Anderson	Dibble	Kubly	Murphy	Solon
Berglin	Foley	Langseth	Pappas	Sparks
Betzold	Higgins	Lourey	Pogemiller	Stumpf
Bonoff	Hottinger	Marko	Ranum	Vickerman
Chaudhary	Johnson, D.E.	Marty	Rest	Wiger
Clark	Kelley	Metzen	Scheid	
Cohen	Kiscaden	Moua	Skoglund	

The motion prevailed. So the amendment was adopted.

Senator Reiter moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 103, after line 18, insert:

"(k) Internet crimes against children team	<u>-0-</u>	<u>1,000,000</u>
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To create an Internet crimes against children team to assist law enforcement throughout the state."

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kubly	Olson	Senjem
Bachmann	Frederickson	Langseth	Ortman	Skoe
Bakk	Gerlach	Larson	Pappas	Skoglund
Belanger	Hann	LeClair	Pariseau	Solon
Berglin	Higgins	Limmer	Pogemiller	Sparks
Betzold	Hottinger	Lourey	Ranum	Stumpf
Bonoff	Johnson, D.E.	Marko	Reiter	Tomassoni
Chaudhary	Johnson, D.J.	McGinn	Rest	Vickerman
Clark	Jungbauer	Metzen	Robling	Wergin
Cohen	Kelley	Michel	Rosen	Wiger
Day	Kierlin	Moua	Ruud	
Dibble	Kiscaden	Murphy	Sams	
Dille	Koch	Neuville	Saxhaug	
Fischbach	Koering	Nienow	Scheid	

The motion prevailed. So the amendment was adopted.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 6:00 p.m. The motion prevailed. The hour of 6:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

The question recurred on H.F. No. 4162.

Senator Reiter moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 125, after line 31, insert:

"Sec. 10. **[1.55] OFFICIAL STATE LANGUAGE.**

Subdivision 1. **Designation.** English is the official language of the state of Minnesota. English is designated as the language for use by the state and local governments, for government officers and employees acting in the scope of their employment, and for government documents and records.

Subd. 2. **Exceptions.** This section does not apply:

- (1) to instruction in foreign language courses;
- (2) to instruction designed to aid students with limited English in a timely transition and integration into the general educational system;
- (3) to the promotion of international commerce, tourism, and sporting events;
- (4) when determined to interfere with needs of the justice system;
- (5) when the public safety, health, or emergency services require the use of other languages; provided that any authorization for the use of languages other than English in printing informational materials or publications for general distribution must be approved in a public proceeding by the governing board or authority of the relevant state or local government entity and the decision recorded in publicly available minutes; and
- (6) when expert testimony or witnesses may require a language other than English; provided that for purposes of deliberation, decision making, or record keeping, the official version of the testimony or commentary must be the officially translated English-language version.

Subd. 3. **Costs.** All costs related to the preparation, translation, printing, and recording of documents, records, brochures, pamphlets, flyers, or other informational materials in languages other than English resulting from an exception in subdivision 2 must be delineated as a separate budget line item in the agency, departmental, or office budget.

Subd. 4. **Employment.** No person may be denied employment with the state or with any political subdivision of the state based solely upon that person's lack of facility in a foreign language, except when related to bona fide job needs reflected in the exceptions in subdivision 2.

Subd. 5. **Construction.** This section must not be construed in any way to infringe on the rights of

citizens under the Minnesota Constitution or the United States Constitution in the use of language in activities or functions conducted solely in the private sector. No agency or officer of the state or of any political subdivision of the state may place any restrictions or requirements regarding language usage for businesses operating in the private sector other than in official documents, forms, submissions, or other communications directed to government agencies and officers, which must be in English as required by this section.

Subd. 6. **Right of action.** Any citizen of the state has standing to bring an action against the state to enforce this section. The district court has jurisdiction to hear and decide actions brought under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Cohen questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Reiter appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 54 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kubly	Neuville	Senjem
Bakk	Foley	Langseth	Olson	Skoe
Belanger	Frederickson	Larson	Ortman	Skoglund
Berglin	Hann	Lourey	Pappas	Solon
Betzold	Higgins	Marko	Pogemiller	Sparks
Bonoff	Hottinger	Marty	Ranum	Stumpf
Chaudhary	Johnson, D.E.	McGinn	Rest	Tomassoni
Clark	Kelley	Metzen	Robling	Vickerman
Cohen	Kierlin	Michel	Sams	Wergin
Day	Kiscaden	Moua	Saxhaug	Wiger
Dibble	Koering	Murphy	Scheid	

Those who voted in the negative were:

Bachmann	Johnson, D.J.	LeClair	Pariseau	Ruud
Fischbach	Jungbauer	Limmer	Reiter	
Gerlach	Koch	Nienow	Rosen	

So the decision of the President was sustained.

Senator Nienow moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 121, delete lines 3 and 4 and insert:

"Sec. 4. **FINANCE**

Subdivision 1. Total appropriation	\$	5,000	\$	200,000
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This appropriation may be spent for the purposes in subdivisions 2 and 3.

Subd. 2. Bankruptcy counsel				200,000"
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Page 121, after line 12, insert:

"Subd. 3. **Administration of shutdown compensation account** 5,000

For administration of the account established in new Minnesota Statutes, section 15A.23. This is a onetime appropriation and is available until expended."

Page 122, lines 11 and 15, delete "4,000,000" and insert "3,995,000"

Page 126, after line 21, insert:

"Sec. 11. **[15A.23] SALARY FORFEITURE.**

Subdivision 1. Other law superseded. Notwithstanding any law to the contrary, members of the legislature and the governor forfeit salary under the circumstances described in this section.

Subd. 2. Failure to enact budget in odd-numbered year. (a) In an odd-numbered year:

(1) members of the legislature and the governor forfeit their salary for the month of June if the house of representatives and the senate have not passed all of the major appropriation and revenue bills before midnight of the first Monday following the third Saturday in May;

(2) members of the legislature and the governor forfeit their salary for the months of July and August if the house of representatives and the senate have not passed all of the major appropriation and revenue bills before midnight on June 30; and

(3) after August, members of the legislature and the governor forfeit their salary for the next month if the house of representatives and the senate have not passed all of the major appropriation bills by the end of the preceding month.

(b) Members of the legislature may not receive per diem living expenses or reimbursement for travel during any period under this section in which members forfeit their salary.

(c) If the governor forfeits salary under this section and the state pay periods do not exactly coincide with the calendar month of forfeiture, the governor forfeits salary for the first and second two-week pay periods beginning after the first day of that month.

(d) For purposes of this section, "major appropriation and revenue bills" mean one or more bills establishing the taxes anticipated to be needed to provide funding for state appropriations, and bills making appropriations for the following areas: higher education; K-12 education; agriculture, environment, and natural resources; health and human services; state government; jobs and economic development; transportation; and public safety. This section does not require bills to be organized in the manner specified in this paragraph, provided that appropriations are enacted covering all of the topics listed in this paragraph.

Subd. 3. Failure to enact budget decisions in even-numbered year. (a) If the legislature meets in regular session in an even-numbered year, members of the legislature and the governor forfeit their salary for the month beginning immediately following adjournment of the regular session if:

(1) the most recent forecast of general fund revenues and expenditures under section 16A.103 before adjournment of the regular session shows that anticipated general fund expenditures for the remainder of the biennium exceed anticipated revenues for the remainder of the biennium; and

(2) the house of representatives and the senate do not pass legislation necessary to correct the budget imbalance predicted by the forecast.

(b) This subdivision does not apply if the amount by which general fund expenditures are forecast

to exceed revenues is ten percent or less of the amount in the budget reserve account established in section 16A.152.

Subd. 4. Transfer of savings. If members of the legislature and the governor forfeit salary under subdivision 2 or 3, the commissioner of finance must determine the amount of salary forfeited by senators, members of the house of representatives, and the governor. Within ten days after each forfeiture occurs, the commissioner must cancel those sums from the respective general fund appropriations for each body and for the governor for the fiscal year when the forfeiture occurs. If an appropriation is cancelled under this subdivision, a sum equivalent to the amounts cancelled is appropriated from the general fund to the account established in subdivision 5.

Subd. 5. State government shutdown employee compensation account. The state government shutdown employee compensation account includes amounts transferred under subdivision 4. Money and interest in the account are appropriated to the commissioner of employee relations to reimburse state employees, as defined in section 43A.02, subdivision 21, for hours for which they were not compensated due to a partial or complete government shutdown that occurs because of a failure to enact any of the bills listed in subdivision 2, paragraph (d). The commissioner of employee relations must determine the number of hours an employee was prevented from working due to the partial government shutdown. Notwithstanding any law or policy to the contrary, an employee credited with hours under this subdivision shall be paid in cash for these hours to the extent funds are available in the account. The commissioner must make payments or credits required by this subdivision within 30 days after all of the bills listed in subdivision 2, paragraph (d), are enacted. If the money available in the account is insufficient to make the payments required by this section, the commissioner shall prorate payments among eligible employees and record any unpaid hours as a claim against future deposits in the account."

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 41, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, D.J.	Limmer	Pariseau	Wergin
Day	Jungbauer	Michel	Reiter	Wiger
Dille	Koch	Moua	Robling	
Fischbach	Koering	Neuville	Ruud	
Gerlach	Larson	Nienow	Senjem	
Hann	LeClair	Olson	Sparks	

Those who voted in the negative were:

Anderson	Dibble	Kubly	Pappas	Skoglund
Bakk	Foley	Langseth	Pogemiller	Solon
Belanger	Frederickson	Lourey	Ranum	Stumpf
Berglin	Higgins	Marko	Rest	Tomassoni
Betzold	Hottinger	Marty	Rosen	Vickerman
Bonoff	Johnson, D.E.	McGinn	Sams	
Chaudhary	Kelley	Metzen	Saxhaug	
Clark	Kierlin	Murphy	Scheid	
Cohen	Kiscaden	Ortman	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Cohen moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Page 126, after line 21, insert:

"Sec. 11. Minnesota Statutes 2004, section 15.06, subdivision 8, is amended to read:

Subd. 8. **Number of deputy commissioners.** ~~Unless specifically authorized by statute, other than section 43A.08, subdivision 2,~~ No department or agency specified in subdivision 1 shall have more than one deputy commissioner.

Sec. 12. Minnesota Statutes 2004, section 16B.03, is amended to read:

16B.03 APPOINTMENTS.

The commissioner is authorized to appoint staff, including ~~two~~ one deputy ~~commissioners~~ commissioner, in accordance with chapter 43A."

Page 126, after line 34, insert:

"Sec. 14. Minnesota Statutes 2004, section 43A.03, subdivision 3, is amended to read:

Subd. 3. **Organization.** ~~The commissioner may appoint a deputy commissioner in the unclassified service.~~ The department shall be organized into two bureaus which shall be designated the Personnel Bureau and the Labor Relations Bureau. Each bureau shall be responsible for administering the duties and functions assigned to it by law. When the duties of the bureaus are not mandated by law, the commissioner may establish and revise the assignments of either bureau. ~~Each bureau shall be under the direction of a deputy commissioner.~~

Sec. 15. Minnesota Statutes 2004, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) ~~deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the Office of Strategic and Long Range Planning~~ section 15.06, subdivision 1;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these

institutions;

- (10) officers and enlisted persons in the National Guard;
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;
- (13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;
- (14) chaplains employed by the state;
- (15) examination monitors and intermittent training instructors employed by the Departments of Employee Relations and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;
- (16) student workers;
- (17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;
- (18) employees unclassified pursuant to other statutory authority;
- (19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;
- (20) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and
- (21) chief executive officers in the Department of Human Services.

Sec. 16. Minnesota Statutes 2004, section 45.013, is amended to read:

45.013 POWER TO APPOINT STAFF.

The commissioner of commerce may appoint ~~four one deputy commissioners, four assistant commissioners, and an assistant to the commissioner. Those positions, as well as that of and~~ and a confidential secretary, ~~are~~ in the unclassified service. The commissioner may appoint other employees necessary to carry out the duties and responsibilities entrusted to the commissioner."

Page 128, after line 17, insert:

"Sec. 18. Minnesota Statutes 2004, section 84.01, subdivision 3, is amended to read:

Subd. 3. **Employees; delegation.** ~~Subject to the provisions of Laws 1969, chapter 1129, and to other applicable laws. The commissioner shall organize the department and employ up to three assistant commissioners, each of whom shall serve at the pleasure of the commissioner in the unclassified service, one of whom shall have responsibility for coordinating and directing the planning of every division within the agency, and such other officers, employees, and agents as the commissioner may deem necessary to discharge the functions of the department, define the duties of such officers, employees, and agents and to delegate to them any of the commissioner's powers, duties, and responsibilities subject to the control of, and under the conditions prescribed by, the commissioner. Appointments to exercise delegated power shall be by written order filed with the secretary of state.~~

Sec. 19. Minnesota Statutes 2004, section 116.03, subdivision 1, is amended to read:

Subdivision 1. **Office.** (a) The office of commissioner of the Pollution Control Agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy commissioner ~~and assistant commissioners~~ who shall be in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency that are not required to be made by the agency under section 116.02.

Sec. 20. Minnesota Statutes 2004, section 116J.01, subdivision 5, is amended to read:

Subd. 5. **Departmental organization.** (a) The commissioner shall organize the department as provided in section 15.06.

(b) The commissioner may establish divisions and offices within the department. ~~The commissioner may employ four deputy commissioners in the unclassified service.~~

(c) The commissioner shall:

(1) employ assistants and other officers, employees, and agents that the commissioner considers necessary to discharge the functions of the commissioner's office;

(2) define the duties of the officers, employees, and agents, and delegate to them any of the commissioner's powers, duties, and responsibilities, subject to the commissioner's control and under conditions prescribed by the commissioner.

(d) The commissioner shall ensure that there are at least three employment and economic development officers in state offices in nonmetropolitan areas of the state who will work with local units of government on developing local employment and economic development.

Sec. 21. Minnesota Statutes 2004, section 116J.035, subdivision 4, is amended to read:

Subd. 4. **Delegation of powers.** The commissioner may delegate, in written orders filed with the secretary of state, any powers or duties subject to the commissioner's control to officers and employees in the department. Regardless of any other law, the commissioner may delegate the execution of specific contracts or specific types of contracts to the commissioner's ~~deputies~~ deputy, an assistant commissioner, or a program director if the delegation has been approved by the commissioner of administration and filed with the secretary of state.

Sec. 22. Minnesota Statutes 2004, section 174.02, subdivision 2, is amended to read:

Subd. 2. **Unclassified positions.** The commissioner may ~~establish four positions in the unclassified service at the appoint a deputy and assistant commissioner, assistant to commissioner or and a personal secretary levels. No more than two of these positions shall be at the deputy commissioner level in the unclassified service.~~

Sec. 23. Minnesota Statutes 2004, section 241.01, subdivision 2, is amended to read:

Subd. 2. ~~divisions; deputies~~ **deputy.** The commissioner of corrections may appoint and employ ~~no more than two a deputy commissioners~~ commissioner. The commissioner may also appoint a personal secretary, who shall serve at the commissioner's pleasure in the unclassified civil service."

Page 129, after line 22, insert:

"Sec. 25. **APPROPRIATION REDUCTION.**

The commissioner of finance shall determine the costs of salaries and economic benefits attributable to the positions eliminated by this article and reduce the appropriation to each affected agency accordingly. The total reduction to general fund appropriations must be at least \$7,991,000 for the fiscal year ending June 30, 2007.

Sec. 26. **REPEALER.**

Minnesota Statutes 2004, sections 43A.03, subdivision 4; and 43A.08, subdivisions 1a and 1b, are repealed."

Page 129, line 24, before the period, insert ", except that sections 12, 14 to 16, and 18 to 26 are effective July 1, 2006"

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Hann questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Cohen amendment.

The roll was called, and there were yeas 50 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Koering	Moua	Saxhaug
Bakk	Fischbach	Kubly	Murphy	Scheid
Berglin	Foley	Langseth	Neuville	Skoe
Betzold	Gerlach	LeClair	Nienow	Skoglund
Bonoff	Higgins	Limmer	Pappas	Solon
Chaudhary	Hottinger	Lourey	Pogemiller	Sparks
Clark	Johnson, D.E.	Marko	Ranum	Stumpf
Cohen	Jungbauer	Marty	Rest	Tomassoni
Day	Kelley	McGinn	Robling	Vickerman
Dibble	Kiscaden	Metzen	Sams	Wiger

Those who voted in the negative were:

Bachmann	Johnson, D.J.	Larson	Pariseau	Ruud
Frederickson	Kierlin	Michel	Reiter	Senjem
Hann	Koch	Olson	Rosen	Wergin

The motion prevailed. So the amendment was adopted.

Senator Cohen moved to amend H.F. No. 4162, as amended by the Senate May 8, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3781.)

Pages 129 to 303, delete articles 17 to 24

Correct the appropriation summary

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Clark	Johnson, D.E.	Marko	Pogemiller
Bakk	Cohen	Kelley	Marty	Ranum
Berglin	Dibble	Kiscaden	Metzen	Rest
Betzold	Foley	Kubly	Moua	Saxhaug
Bonoff	Higgins	Langseth	Murphy	Scheid
Chaudhary	Hottinger	Lourey	Pappas	Skoe

Skoglund Sparks Wiger
Solon Tomassoni

Those who voted in the negative were:

Bachmann	Johnson, D.J.	McGinn	Robling
Belanger	Jungbauer	Michel	Rosen
Day	Kierlin	Neuville	Ruud
Dille	Koch	Nienow	Sams
Fischbach	Koering	Olson	Senjem
Frederickson	Larson	Ortman	Stumpf
Gerlach	LeClair	Pariseau	Vickerman
Hann	Limmer	Reiter	Wergin

The motion prevailed. So the amendment was adopted.

H.F. No. 4162 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kubly	Nienow	Saxhaug
Bachmann	Foley	Langseth	Olson	Scheid
Bakk	Frederickson	Larson	Ortman	Senjem
Belanger	Hann	Limmer	Pappas	Skoe
Berglin	Higgins	Lourey	Pariseau	Skoglund
Betzold	Hottinger	Marko	Pogemiller	Solon
Bonoff	Johnson, D.E.	Marty	Ranum	Sparks
Chaudhary	Johnson, D.J.	McGinn	Reiter	Stumpf
Clark	Jungbauer	Metzen	Rest	Tomassoni
Cohen	Kelley	Michel	Robling	Vickerman
Day	Kiscaden	Moua	Rosen	Wergin
Dibble	Koch	Murphy	Ruud	Wiger
Dille	Koering	Neuville	Sams	

Those who voted in the negative were:

Gerlach Kierlin LeClair

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Cohen moved that S.F. No. 3781, No. 131 on General Orders, be stricken and laid on the table. The motion prevailed.

Senator Pariseau moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Hottinger be shown as chief author to S.F. No. 2743. The motion prevailed.

Senator Higgins moved that H.F. No. 3374 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes. The motion prevailed.

MEMBERS EXCUSED

Senator Lourey was excused from the Session of today from 11:00 to 11:30 a.m. Senator Johnson, D.J. was excused from the Session of today from 11:00 a.m. to 3:15 p.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 10:30 a.m., Tuesday, May 9, 2006. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

