

NINETIETH DAY

St. Paul, Minnesota, Thursday, March 13, 2008

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

CALL OF THE SENATE

Senator Pogemiller 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. Lee Piche.

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

Bakk	Erickson Ropes	Kubly	Olson, M.	Senjem
Berglin	Fischbach	Langseth	Ortman	Sheran
Betzold	Foley	Larson	Pappas	Sieben
Bonoff	Frederickson	Latz	Pariseau	Skoe
Carlson	Gerlach	Lourey	Pogemiller	Skogen
Chaudhary	Gimse	Lynch	Prettner Solon	Sparks
Clark	Hann	Marty	Rest	Stumpf
Cohen	Higgins	Metzen	Robling	Tomassoni
Dahle	Ingebrigtsen	Michel	Rosen	Torres Ray
Day	Johnson	Moua	Rummel	Vandever
Dibble	Jungbauer	Murphy	Saltzman	Vickerman
Dille	Koch	Olseen	Saxhaug	Wergin
Doll	Koering	Olson, G.	Scheid	Wiger

The President declared a quorum present.

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

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3264: A bill for an act relating to veterans; appropriating money for a veterans paramedic apprenticeship program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the

Committee on Finance. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 2750: A bill for an act relating to veterans of World War II; requiring commissioner of veterans affairs to distribute commemorative medallions recognizing service in the United States armed forces during World War II; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3450: A bill for an act relating to veterans; authorizing and regulating state veterans cemeteries; amending Minnesota Statutes 2006, section 197.236.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 2632: A bill for an act relating to veterans; designating March 29 as Vietnam Veterans Day; proposing coding for new law in Minnesota Statutes, chapter 197.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3443: A bill for an act relating to veterans; designating July 27 as Korean War Veterans Day; proposing coding for new law in Minnesota Statutes, chapter 197.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was referred

S.F. No. 3277: A bill for an act relating to health; establishing a wound prevention and care formulary demonstration project for state veterans homes; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Vickerman from the Committee on Agriculture and Veterans, to which was

referred

S.F. No. 3006: A bill for an act relating to veterans; authorizing the placement of a plaque in the court of honor on the Capitol grounds to honor Mexican-American veterans of the United States armed forces.

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

Delete everything after the enacting clause and insert:

"Section 1. **PURPOSE.**

The legislature and Minnesota's Mexican-American veterans wish to honor all Minnesota veterans who have honorably and bravely served in the United States armed forces, during both peacetime and war, since the founding of this great nation.

Sec. 2. **PLAQUE AUTHORIZED.**

A memorial plaque may be placed in the court of honor on the Capitol grounds by Minnesota's Mexican-American veterans to recognize the valiant service of all Minnesota veterans who have honorably and bravely served in the United States armed forces, during both peacetime and war, since the founding of this great nation. The plaque must be furnished by the AMVETS Mexican-American Post 5 and must be approved by the commissioner of veterans affairs and the Capitol Area Architectural and Planning Board.

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

Delete the title and insert:

"A bill for an act relating to veterans; authorizing the placement of a plaque in the court of honor on the Capitol grounds by Minnesota's Mexican-American veterans to honor all Minnesota veterans who have served at any time in the United States armed forces."

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3224: A bill for an act relating to transportation; authorizing creation of Advisory Committee on Nonmotorized Transportation; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Page 1, lines 8 and 9, delete "may" and insert "shall"

Page 1, delete lines 14 and 15

Page 1, line 19, delete the period and insert ", as follows:"

Page 1, line 20, delete "The commissioner shall appoint"

Page 1, line 22, delete everything after "large" and insert ". Each of the seven members at large must represent nonmotorized"

Page 2, after line 7, insert:

"(c) Members of the committee shall serve four-year terms."

Page 2, before line 8, insert:

"Subd. 3. **Meetings.** The commissioner of transportation's designee shall convene the first meeting by January 15, 2009. The committee shall elect a chair from its membership, and shall establish a meeting schedule and meet at least annually."

Subd. 4. **Reports.** The committee shall issue an annual report to the commissioner of transportation."

Page 2, line 8, delete "3" and insert "5"

Page 2, line 11, after "commissioner" insert "of transportation"

Page 2, line 13, delete "4" and insert "6"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 2988: A bill for an act relating to pupil transportation; establishing qualifications for type III school bus drivers; providing criminal penalties; authorizing rulemaking; amending Minnesota Statutes 2006, sections 169A.03, subdivision 23; 171.02, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 169.443, subdivision 9.

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

Page 1, line 13, delete "for nonscheduled or nonregular"

Page 1, line 14, delete everything before the period

Page 1, line 24, delete everything before the period

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3502: A bill for an act relating to traffic regulations; modifying provisions regulating farm vehicles on highways; providing for size, weight, and load restrictions on highways; amending Minnesota Statutes 2006, sections 169.01, subdivision 55; 169.18, subdivision 5; 169.67, subdivision 3; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; repealing Minnesota Statutes 2006, section 169.145.

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

Page 4, line 1, before "An" insert "(a)"

Page 4, line 2, reinstate the stricken language

Page 4, line 3, delete the colon

Page 4, line 4, delete "(1)"

Page 4, line 5, delete the semicolon and insert a period

Page 4, delete lines 6 to 9

Page 4, line 10, delete everything before the period and insert "(b) After December 31, 2009, a person operating or towing an implement of husbandry on a bridge must comply with the gross weight limitations provided in section 169.824"

Page 5, line 28, before the period, insert "or 169.801"

Page 6, line 1, delete the new language

Page 6, line 2, before "The" insert "A permit issued under section 169.86, subdivision 1, paragraph (a), is required."

Page 6, after line 3, insert:

"Sec. 7. **INFRASTRUCTURE ADAPTATIONS.**

The commissioner of transportation shall investigate and recommend opportunities for infrastructure adaptations to accommodate the implementation of manure application technologies that lessen impacts on roads and bridges."

Renumber the sections in sequence

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3419: A bill for an act relating to traffic regulations; allowing certain state hospitals and institutions and county social service agencies to operate vehicles exempt from payment of registration tax and fees; regulating display of vehicle license plates; amending Minnesota Statutes 2006, sections 168.012, subdivision 1; 169.79.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 2938: A bill for an act relating to taxation; exempting two-wheel, motorized vehicles from wheelage tax levied by metropolitan counties; making clarifying changes; amending Minnesota Statutes 2006, section 163.051, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3561: A bill for an act relating to pupil transportation; modifying certain school bus

definitions and driver's license requirements; amending Minnesota Statutes 2006, sections 169.01, subdivision 6; 171.321, subdivision 5; Minnesota Statutes 2007 Supplement, section 171.02, subdivisions 2, 2a.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3535: A bill for an act relating to pupil transportation; creating an Office of Pupil Transportation Safety; prescribing staffing and duties; requiring report; appropriating money; amending Minnesota Statutes 2006, section 169.435.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 3383: A bill for an act relating to motor vehicles; modifying provisions governing requirement and use of USDOT carrier numbers; amending Minnesota Statutes 2006, section 168.185.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Carlson, for Senator Murphy, from the Committee on Transportation, to which was referred

S.F. No. 2539: A bill for an act relating to public safety; eliminating fee for identification cards for seniors; amending Minnesota Statutes 2007 Supplement, section 171.07, subdivision 3a.

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

Page 1, line 16, delete "\$....." and insert "\$174,000" and after "appropriated" insert "from the general fund" and after "safety" insert "for fiscal year 2009"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Carlson, for Senator Murphy, from the Committee on Transportation, to which was referred

S.F. No. 2695: A bill for an act relating to transportation; requiring transit implementation plan to meet 80 percent of transit needs in greater Minnesota by 2015; requiring annual assessment of ADA paratransit ridership needs in metropolitan area; requiring annual transit report; amending Minnesota Statutes 2006, sections 174.24, by adding a subdivision; 473.1465, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 174.

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

Page 2, line 1, delete "January" and insert "February"

Page 2, after line 19, insert:

"EFFECTIVE DATE. This section is effective August 1, 2009."

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2006, section 473.1465, is amended by adding a subdivision to read:

Subd. 4. **Special transportation service assessment.** As part of its annual update to the performance evaluation report under section 473.13, subdivision 1a, the Metropolitan Council shall include an assessment of progress towards meeting transit goals for people with disabilities. The assessment must include, but is not limited to, the following:

- (1) a description of proposed program enhancements;
- (2) an assessment of progress;
- (3) identification of the estimated total number of potential and actual riders who are disabled;
- (4) an assessment of the level and type of service required to meet unmet ridership needs; and
- (5) an analysis of costs and revenue options, including a calculation of the amounts of surplus or insufficient funds available for achieving paratransit needs.

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

Sec. 4. **CREATION OF REPORT AND ASSESSMENT.**

The Department of Transportation and the Metropolitan Council shall create the reports and assessments required in this act within current appropriation levels."

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

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3302: A bill for an act relating to consumer protection; requiring the attorney general to maintain a consumer complaint database; amending Minnesota Statutes 2006, section 8.32, by adding a subdivision.

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

Page 1, lines 11 and 12, after "goods" insert "or services"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3082: A bill for an act relating to consumer protection; providing for disclosure of damage to older vehicles; amending Minnesota Statutes 2006, section 325F.6644.

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 2006, section 325F.6644, is amended to read:

325F.6644 APPLICATION.

Subdivision 1. **Damage disclosure.** Sections ~~Section~~ 325F.6641 and ~~325F.6642~~ ~~do~~ does not apply to vehicles that are six years old or older as calculated from the first day of January of the designated model year or to commercial motor vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles.

Subd. 2. **Title branding.** Section 325F.6642 does not apply to commercial motor vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles, other than reconstructed vehicles, as defined in section 168A.01, subdivision 16."

Delete the title and insert:

"A bill for an act relating to consumer protection; providing for disclosure of damage to older vehicles; amending Minnesota Statutes 2006, section 325F.6644."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3214: A bill for an act relating to commerce; clarifying the application of the Minnesota Residential Mortgage Originator and Servicer Licensing Act; clarifying the investment authority of certain insurers; amending Minnesota Statutes 2006, sections 58.02, subdivisions 18, 21; 60A.11, subdivision 9.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3467: A bill for an act relating to commerce; regulating insurance fees, coverages, contracts, filings, and forms; regulating financial planners, real estate appraisers, domestic mutual insurance companies, and collection agencies; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 60A.71, subdivision 7; 62A.149, subdivision 1; 62A.152, subdivision 2; 62E.10, subdivision 2; 62M.02, subdivision 21; 62Q.47; 62Q.64; 62S.01, by adding subdivisions; 62S.13, subdivision 4; 62S.15; 62S.18, subdivision 2; 62S.20, subdivision 6, by adding subdivisions; 62S.26, subdivision 2; 62S.266, subdivisions 4, 10; 62S.29, by adding subdivisions; 65A.37; 66A.02, subdivision 4; 66A.07, by adding a subdivision; 72A.51, subdivision 2; 82B.23, subdivision 1; 256B.0571, subdivision 8; Minnesota Statutes 2007 Supplement, sections 62A.30, subdivision 2; 72A.52, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62S; 332; repealing Minnesota Statutes 2006, section 62A.149, subdivision 2; Laws 2006, chapter 255, section 26.

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

Page 1, after line 16, insert:

"Section 1. Minnesota Statutes 2006, section 59B.01, is amended to read:

59B.01 SCOPE AND PURPOSE.

(a) The purpose of this chapter is to create a legal framework within which service contracts may be sold in this state.

(b) The following are exempt from this chapter:

(1) warranties;

(2) maintenance agreements;

(3) warranties, service contracts, or maintenance agreements offered by public utilities, as defined in section 216B.02, subdivision 4, or an entity or operating unit owned by or under common control with a public utility;

(4) service contracts sold or offered for sale to persons other than consumers;

(5) service contracts on tangible property where the tangible property for which the service contract is sold has a purchase price of \$250 or less, exclusive of sales tax;

~~(6) motor vehicle service contracts as defined in section 65B.29, subdivision 1, paragraph (1);~~

~~(7)~~ (6) service contracts for home security equipment installed by a licensed technology systems contractor; and

~~(8)~~ (7) motor club membership contracts that typically provide roadside assistance services to motorists stranded for reasons that include, but are not limited to, mechanical breakdown or adverse road conditions.

(c) The types of agreements referred to in paragraph (b) are not subject to chapters 60A to 79A, except as otherwise specifically provided by law.

(d) Service contracts issued by motor vehicle manufacturers covering private passenger automobiles are only subject to sections 59B.03, subdivision 5, 59B.05, and 59B.07.

Sec. 2. Minnesota Statutes 2006, section 59B.02, is amended by adding a subdivision to read:

Subd. 5a. **Motor vehicle manufacturer.** "Motor vehicle manufacturer" means a person that:

(1) manufactures or produces motor vehicles and sells motor vehicles under its own name or label;

(2) is a wholly-owned subsidiary of the person that manufactures or produces motor vehicles;

(3) is a corporation which owns 100 percent of the person that manufactures or produces motor vehicles;

(4) does not manufacture or produce motor vehicles, but sells motor vehicles under the trade name or label of another person that manufactures or produces motor vehicles;

(5) manufactures or produces motor vehicles and sells such motor vehicles under the trade name

or label of another person that manufactures or produces motor vehicles; or

(6) does not manufacture or produce motor vehicles but, pursuant to a written contract, licenses the use of its trade name or label to another person that manufactures or produces motor vehicles and that sells motor vehicles under the licensor's trade name or label.

Sec. 3. Minnesota Statutes 2006, section 59B.02, subdivision 11, is amended to read:

Subd. 11. **Service contract.** "Service contract" means a contract or agreement for a separately stated consideration for a specific duration to perform the repair, replacement, or maintenance of property or indemnification for repair, replacement, or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for incidental payment of indemnity under limited circumstances, including without limitation, towing, rental, emergency road service, and road hazard protection. Service contracts may provide for the repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling.

Sec. 4. Minnesota Statutes 2006, section 59B.05, subdivision 5, is amended to read:

Subd. 5. **Coverages, limitations, and exclusions.** No particular causes of loss or property are required to be covered, but service contracts must specify the merchandise and services to be provided and, with equal prominence, any limitations, exceptions, or exclusions including, but not limited to, any damage or breakdown not covered by the service contract. Service contracts may cover damage resulting from rust, corrosion, or damage caused by a noncovered part or system."

Page 2, after line 4, insert:

"Sec. 6. Minnesota Statutes 2007 Supplement, section 61A.257, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section only, the following terms have the meanings given them.

(b) "2001 CSO Mortality Table" means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2nd Quarter 2002) and supplemented by the 2001 CSO Preferred Class Structure Mortality Table defined in paragraph (c). Unless the context indicates otherwise, the "2001 CSO Mortality Table" includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables. Mortality tables in the 2001 CSO Mortality Table include the following:

(1) "2001 CSO Mortality Table (F)" means that mortality table consisting of the rates of mortality for female lives from the 2001 CSO Mortality Table;

(2) "2001 CSO Mortality Table (M)" means that mortality table consisting of the rates of mortality for male lives from the 2001 CSO Mortality Table;

(3) "composite mortality tables" means mortality tables with rates of mortality that do not distinguish between smokers and nonsmokers; and

(4) "smoker and nonsmoker mortality tables" means mortality tables with separate rates of mortality for smokers and nonsmokers.

(c) "2001 CSO Preferred Class Structure Mortality Table" means mortality tables with separate rates of mortality for the super preferred ~~Nonsmokers~~ nonsmoker, preferred ~~Nonsmokers~~ nonsmoker, residual standard ~~Nonsmokers~~ nonsmoker, preferred ~~Smokers~~ smoker, and residual standard smoker splits of the 2001 CSO Nonsmoker and Smoker Mortality Tables as adopted by the NAIC at the September 2006 national meeting and published in the NAIC Proceedings (3rd Quarter 2006). Unless the context indicates otherwise, the "2001 CSO Preferred Class Structure Mortality Table" includes both the ultimate form of that table and the select and ultimate form of that table, the smoker and nonsmoker mortality tables, both the male and female mortality tables and the gender composite mortality tables, and both the age-nearest-birthday and age-last-birthday bases of the mortality table.

(d) "Statistical agent" means an entity with proven systems for protecting the confidentiality of individual insured and insurer information; demonstrated resources for and history of ongoing electronic communications and data transfer ensuring data integrity with insurers, which are its members or subscribers; and a history of and means for aggregation of data and accurate promulgation of the experience modifications in a timely manner.

Sec. 7. Minnesota Statutes 2006, section 61A.57, is amended to read:

61A.57 DUTIES OF INSURERS THAT USE AGENTS OR BROKERS.

Each insurer that uses an agent or broker in a life insurance or annuity sale shall:

(a) Require with or as part of each completed application for life insurance or annuity, a statement signed by the agent or broker as to whether the agent or broker knows replacement is or may be involved in the transaction.

(b) Where a replacement is involved:

(1) require from the agent or broker with the application for life insurance or annuity, a copy of the fully completed and signed replacement notice provided the applicant under section 61A.55. The existing life insurance or annuity must be identified by name of insurer, insured, and contract number. If a number has not been assigned by the existing insurer, alternative identification, such as an application or receipt number, must be listed; and

(2) send to each existing insurer a written communication advising of the replacement or proposed replacement and the identification information obtained under this section. This written communication must be made within five working days of the date that the application is received in the replacing insurer's home or regional office, or the date the proposed policy or contract is issued, whichever is sooner.

(c) The replacing insurer shall maintain evidence of the "notice regarding replacement" and a replacement register, cross-indexed, by replacing agent and existing insurer to be replaced. Evidence that all requirements were met shall be maintained for at least six years.

(d) The replacing insurer shall provide in its policy or contract, or in a separate written notice that is delivered with the policy or contract, that the applicant has a right to an unconditional refund of all premiums paid, which right may be exercised within a period of ~~20~~ 30 days beginning from the date of delivery of the policy."

Page 4, line 1, reinstate the stricken "plan" and delete "who are" and insert "or"

Page 9, after line 25, insert:

"Sec. 26. Minnesota Statutes 2007 Supplement, section 62S.23, subdivision 1, is amended to read:

Subdivision 1. **Inflation protection feature.** (a) No insurer may offer a long-term care insurance policy unless the insurer also offers to the policyholder, in addition to any other inflation protection, the option to purchase a policy that provides for benefit levels to increase with benefit maximums or reasonable durations which are meaningful to account for reasonably anticipated increases in the costs of long-term care services covered by the policy. In addition to other options that may be offered, insurers must offer to each policyholder, at the time of purchase, the option to purchase a policy with an inflation protection feature no less favorable than one of the following:

(1) increases benefit levels annually in a manner so that the increases are compounded annually at a rate not less than five percent;

(2) guarantees the insured individual the right to periodically increase benefit levels without providing evidence of insurability or health status so long as the option for the previous period has not been declined. The amount of the additional benefit shall be no less than the difference between the existing policy benefit and that benefit compounded annually at a rate of at least five percent for the period beginning with the purchase of the existing benefit and extending until the year in which the offer is made; or

(3) covers a specified percentage of actual or reasonable charges and does not include a maximum specified indemnity amount or limit.

(b) A long-term care partnership policy must provide the inflation protection described in this subdivision. If the policy is sold to an individual who:

(1) has not attained age 61 as of the date of purchase, the policy must provide compound annual inflation protection;

(2) has attained age 61, but has not attained age 76 as of such date, the policy must provide some level of inflation protection; and

(3) has attained the age of 76 as of such date, the policy may, but is not required to, provide some level of inflation protection.

Inflation protection for a long-term care partnership policy may not be less than three percent per year or a rate based on changes in the Consumer Price Index. The commissioner, however, may approve other types of inflation protection that comply with this section and further the goals of the partnership program."

Page 14, line 29, delete "three" and insert "two"

Page 20, line 3, strike "standard"

Page 21, after line 6, insert:

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 39. Minnesota Statutes 2006, section 66A.07, subdivision 2, is amended to read:

Subd. 2. **Life insurance companies.** (a) Unless otherwise approved by the commissioner of commerce, a domestic mutual life insurance company member is any person who is listed on the records of the company as the owner of an in-force policy, and each member is entitled to one vote regardless of the number of policies owned by the member or the amounts of coverage provided to the member. For purposes of this section, "policy" means a policy or contract of insurance, including an annuity contract issued by the company, but excluding individual noncontributory insurance policies for which the premiums are paid by a financial institution, association, employer, or other institutional entity. Except as otherwise provided in the company's certificate or bylaws, a person covered under a group policy is not a member by virtue of such coverage, except that a person insured under a group life insurance policy is a member if: (1) the person is insured under a group life policy under which cash value has accumulated and ~~been~~ some cash value is allocated to the insured ~~persons~~ person; and (2) the group policyholder makes no contribution to the premiums or deposits for the policy.

(b) Every member of a mutual life insurance company must be notified of its annual meetings by a written notice mailed to the member's address, or by an imprint on the front or back of the policy, premium notice, receipt, or certificate of renewal, substantially as follows:

"The policyowner is hereby notified that by virtue of his or her ownership of this policy, the policyowner is a member of the Insurance Company, and that the annual meetings of said company are held at its home office on the day of in each year, at o'clock."

For mutual life insurance holding companies, the notice of the annual meeting may be modified to reflect that the policyowner, by virtue of his or her ownership of a policy issued by a subsidiary insurance company reorganized under section 66A.40, is a member of the mutual insurance holding company. Notice given in this manner is deemed to comply with the requirements of section 302A.435."

Page 21, after line 15, insert:

"Sec. 42. Minnesota Statutes 2006, section 66A.41, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Converting mutual insurer" means a Minnesota domestic mutual insurance company seeking to reorganize according to this section.

(c) "Converting mutual holding company" means a Minnesota domestic mutual insurance holding company seeking to reorganize according to this section.

(d) "Converting mutual company" means a converting mutual insurer or a converting mutual holding company seeking to convert according to this section.

(e) "Reorganized company" means a converting mutual insurer or a converting mutual holding company, as the case may be, that has reorganized according to this section.

(f) "Eligible member" means:

(1) for converting mutual insurers, a policyholder whose policy is in force as of the record date. Unless otherwise provided in the plan, a person covered under a group policy is not an eligible member, except that a person insured under a group life insurance policy is an eligible member if, on the record date:

(i) the person is insured under a group life policy under which cash value has accumulated and ~~been~~ some cash value is allocated to the insured persons person; and

(ii) the group policyholder makes no contribution to the premiums for the group policy; and

(2) for converting mutual holding companies, a person who is a member of the converting mutual holding company, as defined by the converting mutual holding company's articles of incorporation and bylaws, determined as of the record date.

(g) "Plan of conversion" or "plan" means a plan adopted by a converting mutual company's board of directors under this section.

(h) "Policy" means a policy or contract of insurance, including an annuity contract, issued by a converting mutual insurer or issued by a reorganized insurance company subsidiary of a mutual holding company, but excluding individual noncontributory insurance policies for which the premiums are paid by a financial institution, association, employer, or other institutional entity.

(i) "Active participating policy" means an individual policy of a converting mutual company or its subsidiary that: (1) is a participating policy; (2) is among a class of similar policies that have been credited with policy dividends at any time within the 12 months preceding the effective date of the conversion or that will, under the then current dividend scale, be credited with policy dividends if in force on a future policy anniversary; (3) gives rise to membership interests in the converting mutual company; and (4) is in force on the effective date or some other reasonable date identified in the plan.

(j) "Commissioner" means the commissioner of commerce.

(k) "Effective date of a conversion" means the date determined according to subdivision 6.

(l) "Record date" means the date that the converting mutual company's board of directors adopts a plan of conversion, unless another date is specified in the plan of conversion and approved by the commissioner.

(m) "Membership interests" means all rights as members of the converting mutual company, including, but not limited to, the rights to vote and to participate in any distributions of distributable net worth, whether or not incident to the company's liquidation.

(n) "Distributable net worth" means the value of the converting mutual company as of the record date of the conversion, or other date approved by the commissioner, determined as set forth in the plan and approved by the commissioner. The commissioner may approve a valuation method based on any of the following: (1) the surplus as regards policyholders of a converting mutual insurer determined according to statutory accounting principles, which may be adjusted to reflect the current

market values of assets and liabilities, together with any other adjustments that are appropriate in the circumstances; (2) the net equity of a converting mutual holding company or a converting mutual insurer determined according to generally accepted accounting principles, which may be adjusted to reflect the current market values of assets and liabilities, together with any other adjustments that are appropriate in the circumstances; (3) the fair market value of the converting mutual company determined by an independent, qualified person; or (4) any other reasonable valuation method.

(o) "Permitted issuer" means: (1) a corporation organized and owned by the converting mutual company or by any other insurance company or insurance holding company for the purpose of purchasing and holding securities representing a majority of voting control of the reorganized company; (2) a stock insurance company owned by the converting mutual company or by any other insurance company or insurance holding company into which the converting mutual company will be merged; or (3) any other corporation approved by the commissioner.

Sec. 43. Minnesota Statutes 2006, section 67A.31, subdivision 2, is amended to read:

Subd. 2. **Insurable property in cities.** They may also insure churches and dwellings, together with the usual outbuildings and the usual contents of ~~both~~ those dwellings and churches and outbuildings, in any city except a city of the first ~~or second~~ class, or a city of the second class only with approval granted by the commissioner."

Page 21, delete line 24 and insert "cancellation may be given personally, or by mail, ~~or by telegram.~~ The policy or contract"

Page 21, reinstate lines 25 and 26

Page 21, delete lines 27 to 34

Page 22, delete lines 1 to 4

Page 22, delete section 35 and insert:

"Sec. 45. Minnesota Statutes 2007 Supplement, section 72A.52, subdivision 1, is amended to read:

Subdivision 1. **Contents.** In addition to all other legal requirements a policy or contract of insurance described in section 72A.51 shall show the name and address of the insurer and the seller of the policy or contract and shall ~~state~~ include a notice, clearly and conspicuously in boldface type of a minimum size of ten points, ~~a right to cancel notice~~ which shall include the following elements:

(1) a minimum of ten days to cancel the policy beginning on the date the policy is received by the owner;

(2) if the policy is a replacement policy, a minimum of 30 days beginning on the date the policy is received by the owner if the policy is a replacement policy. Pursuant to section 61A.57, this requirement may also be provided in a separate written notice that is delivered with the policy or contract;

(3) a requirement for the return of the policy to the company or an agent of the company;

(4) a statement that the policy is considered void from the beginning ~~and the parties shall be in the same position as if no policy had been issued;~~

(5) a for policies or contracts other than a variable annuity or a variable life policy, a statement that the insurer will refund of all premiums paid, including any fees or charges, if the policy is returned; and

(6) a statement that notice given by mail and return of the policy or contract by mail are effective on being postmarked, properly addressed, and postage prepaid describing when the cancellation becomes effective.

The insurer must return all payments made for this policy within ten days after it receives notice of cancellation and the returned policy. For variable annuity contracts issued pursuant to sections 61A.13 to 61A.21, this notice shall be suitably modified so as to notify the purchaser that the purchaser is entitled to a refund of the amount calculated in accordance with the provisions of section 72A.51, subdivision 3. For variable life insurance policies, this notice must be suitably modified so as to notify the purchaser that the purchaser is entitled to a refund of: (i) the premiums paid; or (ii) the variable account value plus any amount deducted from the portion of the premium applied to the account.

Sec. 46. Minnesota Statutes 2006, section 79A.06, subdivision 5, is amended to read:

Subd. 5. **Private employers who have ceased to be self-insured.** (a) Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the entire period the employer was self-insured, whether or not reported during that period, the policy will:

(i) discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy;

(ii) discharge any obligation which the self-insurers' security fund has or may have for payment of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period; and

(iii) discharge the obligations of the employer to pay any future assessments to the self-insurers' security fund.

A private employer who has ceased to be a private self-insurer may instead buy an insurance policy described above, except that it covers only a portion of the period of time during which the private employer was self-insured; purchase of such a policy discharges any obligation that the self-insurers' security fund has or may have for payment of all claims for compensation arising out of injuries occurring during the period for which the policy provides coverage, whether or not reported during that period.

A policy described in this clause may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (i) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (ii) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the calendar year immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.

(b) With respect to a self-insurer who terminates its self-insurance authority after April 1, 1998, that member shall obtain and file with the commissioner an actuarial opinion of its outstanding liabilities as determined by an associate or fellow of the Casualty Actuarial Society within 120 days of the date of its termination. If the actuarial opinion is not timely filed, the self-insurers' security fund may, at its discretion, engage the services of an actuary for this purpose. The expense of this actuarial opinion must be assessed against and be the obligation of the self-insurer. The commissioner may issue a certificate of default against the self-insurer for failure to pay this assessment to the self-insurers' security fund as provided by section 79A.04, subdivision 9. The opinion must separate liability for indemnity benefits from liability from medical benefits, and must discount each up to four percent per annum to net present value. Within 30 days after notification of approval of the actuarial opinion by the commissioner, the member shall pay to the security fund an amount equal to 120 percent of that discounted outstanding indemnity liability, multiplied by the greater of the average annualized assessment rate since inception of the security fund or the annual rate at the time of the most recent assessment before termination. If the payment is not made within 30 days of the notification, interest on it at the rate prescribed by section 549.09 must be paid by the former member to the security fund until the principal amount is paid in full.

(c) A former member who terminated its self-insurance authority before April 1, 1998, who has paid assessments to the self-insurers' security fund for seven years, and whose annualized assessment is ~~\$500~~ \$15,000 or less, may buy out of its outstanding liabilities to the self-insurers' security fund by an amount calculated as follows: 1.35 multiplied by the indemnity case reserves at the time of the calculation, multiplied by the then current self-insurers' security fund annualized assessment rate.

(d) A former member who terminated its self-insurance authority before April 1, 1998, and who is paying assessments within the first seven years after ceasing to be self-insured under paragraph (a), clause (3), may elect to buy out its outstanding liabilities to the self-insurers' security fund by obtaining and filing with the commissioner an actuarial opinion of its outstanding liabilities as determined by an associate or fellow of the Casualty Actuarial Society. The opinion must separate liability for indemnity benefits from liability for medical benefits, and must discount each up to four percent per annum to net present value. Within 30 days after notification of approval of the actuarial opinion by the commissioner, the member shall pay to the security fund an amount equal to 120 percent of that discounted outstanding indemnity liability, multiplied by the greater of the average annualized assessment rate since inception of the security fund or the annual rate at the time of the

most recent assessment.

(e) A former member who has paid the security fund according to paragraphs (b) to (d) and subsequently receives authority from the commissioner to again self-insure shall be assessed under section 79A.12, subdivision 2, only on indemnity benefits paid on injuries that occurred after the former member received authority to self-insure again; provided that the member furnishes verified data regarding those benefits to the security fund.

(f) In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 5.25, or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 47. Minnesota Statutes 2006, section 79A.22, subdivision 3, is amended to read:

Subd. 3. **New membership.** The commercial self-insurance group shall file with the commissioner the name of any new employer that has been accepted in the group ~~prior to~~ within five business days of the initiation date of membership along with the member's signed indemnity agreement and evidence the member has deposited sufficient premiums with the group as required by the commercial self-insurance group's bylaws or plan of operation. The security deposit of the group shall be increased quarterly to an amount equal to 50 percent of the new members' premiums for that quarter. If the total increase of new members' premiums for the first quarter is less than five percent of the total annual premium of the group, no quarterly increase is necessary until the cumulative quarterly increases for that calendar year exceed five percent of the total premium of the group. The commissioner may, at the commissioner's option, review the financial statement of any applicant whose premium equals 25 percent or more of the group's total premium.

Sec. 48. Minnesota Statutes 2006, section 79A.22, subdivision 4, is amended to read:

Subd. 4. **Commercial self-insurance group common claims fund.** (a) Each commercial self-insurance group shall establish a common claims fund.

(b) Each commercial self-insurance group shall, not less than ten days prior to the proposed effective date of the group, collect cash premiums from each member equal to not less than 20 percent of the member's annual workers' compensation premium to be paid into a common claims fund, maintained by the group in a designated depository. The remaining balance of the member's premium shall be paid to the group in a reasonable manner over the remainder of the year. Payments in subsequent years shall be made according to the business plan.

(c) Each commercial self-insurance group shall initiate proceedings against a member when that member becomes more than ~~15~~ 30 days delinquent in any payment of premium to the fund.

(d) There shall be no commingling of any assets of the common claims fund with the assets of any individual member or with any other account of the service company or fiscal agent unrelated to the payment of workers' compensation liabilities incurred by the group.

Sec. 49. Minnesota Statutes 2006, section 79A.23, subdivision 2, is amended to read:

Subd. 2. **Required reports from members to group.** (a) Each member of the commercial self-insurance group shall, by September 15, submit to the group its most recent annual financial statement, together with other financial information the group may require. These financial statements submitted must not have a fiscal year end date older than January 15 of the group's calendar year end. Individual group members constituting at least 25 percent of the group's annual premium shall submit to the group reviewed or audited financial statements. The remaining members must submit compilation level statements.

(b) For groups that have been in existence for at least three years, individual group members may satisfy the requirements of paragraph (a) by submitting compiled, reviewed, or audited statements or the most recent federal income tax return filed by the member.

(c) Groups that have been in existence for at least five years may satisfy the requirement of paragraph (a) through submissions from members representing at least 50 percent of the group's total earned premium. Of those submissions, those from members representing at least 25 percent of the entire group's total earned premium must be audited or reviewed financial statements. The remainder of the submissions may be compiled, reviewed, or audited financial statements or the most recent tax return filed by the members."

Page 23, delete section 37

Page 23, line 23, delete "section" and insert "sections" and delete "is" and insert "; and 65B.29, are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first comma, insert "service contracts,"

Amend the title numbers accordingly

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

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 1362: A bill for an act relating to health insurance; requiring all health plans to provide coverage for mental health services; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 2006, section 62A.152.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Health, Housing and Family Security. Report adopted.

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 3342: A bill for an act relating to public safety; providing for an e-charging service; requiring fingerprinting; amending Minnesota Statutes 2006, sections 13.871, by adding a subdivision; 299C.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter

299C.

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

Page 4, line 23, delete "and specifies the" and insert "the specific" and delete the period and insert ", and that the recipient must not redisclose the data."

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

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 3130: A bill for an act relating to corrections; making technical corrections and amendments to certain youth correction, county jail, adult offender supervision, and fingerprinting provisions; changing date for annual report of Advisory Council on Interstate Adult Offender Supervision; amending Minnesota Statutes 2006, sections 241.301; 243.1606, subdivision 3; 609.117, subdivision 3; 641.09; 641.18; repealing Minnesota Statutes 2006, sections 242.193, subdivision 1; 242.39; 260B.241; 260C.207.

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

Page 1, line 19, strike "legislature" and insert "chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy"

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2822: A bill for an act relating to insurance; regulating first party good faith insurance practices; providing remedies; amending Minnesota Statutes 2006, section 471.982, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 604.

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

Page 2, line 14, delete everything after "show" and insert a colon

Page 2, delete lines 15 to 17 and insert:

"(1) the absence of a reasonable basis for denying the benefits of the insurance policy; and

(2) that the insurer knew of the lack of a reasonable basis for denying the benefits of the insurance policy or acted in reckless disregard of the lack of a reasonable basis for denying the benefits of the insurance policy."

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2533: A bill for an act relating to gambling; clarifying definition of gambling device; repealing a provision relating to manufacture of gambling devices or components for shipment to other jurisdictions; amending Minnesota Statutes 2006, section 609.75, subdivision 4; repealing Minnesota Statutes 2006, section 349.40.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 3377: A bill for an act relating to public safety; repealing the Furniture Fire Safety Act; repealing Minnesota Statutes 2006, sections 299F.840; 299F.841, subdivisions 1, 4, 5, 6, 7, 8; 299F.842; 299F.843; 299F.844; 299F.845; 299F.846; 299F.847; 299F.848.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 1948: A resolution memorializing the Governor to take action to prepare a plan of response and preparation to meet the challenges of Peak Oil.

Reports the same back with the recommendation that the resolution do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 2657: A bill for an act relating to taxation; providing a tax credit for certain small wind power generator installations; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Page 1, line 6, delete "Definitions" and insert "Definition"

Page 1, line 7, delete everything after the comma

Page 1, delete line 8

Page 1, line 9, delete "(b)"

Page 1, delete lines 12 to 13

Page 1, line 15, delete "certified"

Page 2, delete subdivision 4

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred

S.F. No. 3546: A bill for an act relating to taxation; providing a property tax exemption for personal property at a certain electric generation facility; amending Minnesota Statutes 2006, section 272.02, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the

Committee on Taxes. Report adopted.

Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was re-referred

S.F. No. 3539: A bill for an act relating to economic development; providing direction to conform the state's economic development policies with the state's environmental policy; requiring a report; amending Minnesota Statutes 2006, section 116J.8731, subdivision 4; Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3368 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.
				3368	3081

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3368 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3368, the first engrossment; and insert the language after the enacting clause of S.F. No. 3081, the first engrossment; further, delete the title of H.F. No. 3368, the first engrossment; and insert the title of S.F. No. 3081, the first engrossment.

And when so amended H.F. No. 3368 will be identical to S.F. No. 3081, and further recommends that H.F. No. 3368 be given its second reading and substituted for S.F. No. 3081, 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 Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 2907 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.
				2907	2534

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2907 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2907, the first engrossment; and insert the language after the enacting clause of S.F. No. 2534; further, delete the title of H.F. No. 2907, the first engrossment; and insert the title of S.F. No. 2534.

And when so amended H.F. No. 2907 will be identical to S.F. No. 2534, and further recommends that H.F. No. 2907 be given its second reading and substituted for S.F. No. 2534, 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 Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 2816 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.
				2816	2472

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2816 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2816, the first engrossment; and insert the language after the enacting clause of S.F. No. 2472; further, delete the title of H.F. No. 2816, the first engrossment; and insert the title of S.F. No. 2472.

And when so amended H.F. No. 2816 will be identical to S.F. No. 2472, and further recommends that H.F. No. 2816 be given its second reading and substituted for S.F. No. 2472, 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 Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 2827 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its 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.
				2827	2690

and that the above 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. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 1546 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.
1546	1297				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1546 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1546, the second engrossment; and insert the language after the enacting clause of S.F. No. 1297, the second engrossment; further, delete the title of H.F. No. 1546, the second engrossment; and insert the title of S.F. No. 1297, the second engrossment.

And when so amended H.F. No. 1546 will be identical to S.F. No. 1297, and further recommends that H.F. No. 1546 be given its second reading and substituted for S.F. No. 1297, 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 Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3099 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.
3099	2656				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3099 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3099, the first engrossment; and insert the language after the enacting clause of S.F. No. 2656, the second engrossment; further, delete the title of H.F. No. 3099, the first engrossment; and insert the title of S.F. No. 2656, the second engrossment.

And when so amended H.F. No. 3099 will be identical to S.F. No. 2656, and further recommends that H.F. No. 3099 be given its second reading and substituted for S.F. No. 2656, 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 Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3289 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its 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.
3289	2979				

and that the above 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. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was re-referred

S.F. No. 2747: A bill for an act relating to insurance; creating statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 3.971, subdivision 6; 13.203; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2470: A bill for an act relating to human services; providing for treatment of certain nursing facility employee pension benefit costs; amending Minnesota Statutes 2006, section 256B.431, subdivision 28.

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 2007 Supplement, section 256B.434, subdivision 20, is amended to read:

Subd. 20. **Payment of Public Employees Retirement Association costs.** (a) Nursing facilities

that participate in the Public Employees Retirement Association (PERA) shall have the component of their payment rate associated with the costs of PERA determined for each rate year. Effective for rate years beginning on and after October 1, 2007, the commissioner shall determine the portion of the payment rate in effect on September 30 each year and shall subtract that amount from the payment rate to be effective on the following October 1. The portion that shall be deemed to be included in the September 30, 2007, rate that is associated with PERA costs shall be the allowed costs in the facility's base for determining rates under this section, divided by the resident days reported for that year. The commissioner shall add to the payment rate to be effective on October 1 each year an amount equal to the reported costs associated with PERA, for the year ending on the most recent September 30 for which data is available, divided by total resident days for that year, as reported by the facility and audited under section 256B.441.

(b) For the rate years beginning on and after October 1, 2009, a nursing facility in Sibley County that was licensed for 54 beds as of August 1, 2007, shall have its employee pension benefit costs reported on its statistical and cost report treated as Public Employees Retirement Association (PERA) contributions for the purpose of computing payment rates under this section and section 256B.441."

Delete the title and insert:

"A bill for an act relating to human services; providing for treatment of certain nursing facility employee pension benefit costs; amending Minnesota Statutes 2007 Supplement, section 256B.434, subdivision 20."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 481: A bill for an act relating to global warming and the environment; requiring adoption of California standards regarding low emission vehicles; providing for updates to the standards as necessary to comply with the federal Clean Air Act; amending Minnesota Statutes 2006, section 116.07, subdivision 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 2006, section 116.07, subdivision 2, is amended to read:

Subd. 2. **Adoption of standards.** (a) The Pollution Control Agency shall improve air quality by promoting, in the most practicable way possible, the use of energy sources and waste disposal methods which produce or emit the least air contaminants consistent with the agency's overall goal of reducing all forms of pollution. The agency shall also adopt standards of air quality, including maximum allowable standards of emission of air contaminants from motor vehicles, recognizing that due to variable factors, no single standard of purity of air is applicable to all areas of the state. In adopting standards the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of air contaminants or the duration of their presence in the atmosphere, which may cause air pollution in one area of the state, may cause less or not cause any air pollution

in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, prevailing wind directions and velocities, and the fact that a standard of air quality which may be proper as to an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such standards of air quality shall be premised upon scientific knowledge of causes as well as effects based on technically substantiated criteria and commonly accepted practices. No local government unit shall set standards of air quality which are more stringent than those set by the Pollution Control Agency.

(b) The Pollution Control Agency shall adopt rules, as authorized under the federal Clean Air Act, United States Code, title 42, section 7507, to regulate emission standards of motor vehicles sold in this state. The rules:

(1) must be adopted under section 14.388, subdivision 1, clause (3);

(2) except as provided in clause (3), must be identical to and must incorporate by reference the California low emission vehicle regulations adopted by the California Air Resources Board under the California Code of Regulations, title 13;

(3) must not include the zero emission vehicle standards contained in California Code of Regulations, title 13, section 1962; and

(4) must be amended as necessary in a timely fashion to minimize the time during which Minnesota's rules are not identical with California's regulations, as required under United States Code, title 42, section 7507. Amendments under this clause must be made under section 14.388, subdivision 1, clause (3).

The rules shall apply to motor vehicles approved by the National Safety Board for on-road use as passenger vehicles on state and county highways and interstate freeways.

If the California regulations are extended to off-road vehicles or engines including, but not limited to, all-terrain vehicles, snowmobiles, boats, aircraft, lawnmowers, or tractors, this section is no longer effective, and Minnesota opts for the federal motor vehicle emissions standards by operation of law without requiring further executive or legislative branch action.

Any portion of California's regulations requiring a federal waiver under the Clean Air Act in order to become effective may not be enforced in Minnesota unless and until California receives the requisite federal waiver.

(c) The Pollution Control Agency shall promote solid waste disposal control by encouraging the updating of collection systems, elimination of open dumps, and improvements in incinerator practices. The agency shall also adopt standards for the control of the collection, transportation, storage, processing, and disposal of solid waste and sewage sludge for the prevention and abatement of water, air, and land pollution, recognizing that due to variable factors, no single standard of control is applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, topography, soils and geology, climate, transportation, and land use. Such standards of control shall be premised on technical criteria and

commonly accepted practices.

(d) The Pollution Control Agency shall also adopt standards describing the maximum levels of noise in terms of sound pressure level which may occur in the outdoor atmosphere, recognizing that due to variable factors no single standard of sound pressure is applicable to all areas of the state. Such standards shall give due consideration to such factors as the intensity of noises, the types of noises, the frequency with which noises recur, the time period for which noises continue, the times of day during which noises occur, and such other factors as could affect the extent to which noises may be injurious to human health or welfare, animal or plant life, or property, or could interfere unreasonably with the enjoyment of life or property. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of noise or the duration of its presence in the outdoor atmosphere, which may cause noise pollution in one area of the state, may cause less or not cause any noise pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, meteorological conditions and the fact that a standard which may be proper in an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such noise standards shall be premised upon scientific knowledge as well as effects based on technically substantiated criteria and commonly accepted practices. No local governing unit shall set standards describing the maximum levels of sound pressure which are more stringent than those set by the Pollution Control Agency.

(e) The Pollution Control Agency shall adopt standards for the identification of hazardous waste and for the management, identification, labeling, classification, storage, collection, transportation, processing, and disposal of hazardous waste, recognizing that due to variable factors, a single standard of hazardous waste control may not be applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall recognize that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state. The agency shall consider existing physical conditions, topography, soils, and geology, climate, transportation and land use. Standards of hazardous waste control shall be premised on technical knowledge, and commonly accepted practices. Hazardous waste generator licenses may be issued for a term not to exceed five years. No local government unit shall set standards of hazardous waste control which are in conflict or inconsistent with those set by the Pollution Control Agency.

A person who generates less than 100 kilograms of hazardous waste per month is exempt from the following agency hazardous waste rules:

(1) rules relating to transportation, manifesting, storage, and labeling for photographic fixer and X-ray negative wastes that are hazardous solely because of silver content; and

(2) any rule requiring the generator to send to the agency or commissioner a copy of each manifest for the transportation of hazardous waste for off-site treatment, storage, or disposal, except that counties within the metropolitan area may require generators to provide manifests.

Nothing in this paragraph exempts the generator from the agency's rules relating to on-site accumulation or outdoor storage. A political subdivision or other local unit of government may not adopt management requirements that are more restrictive than this paragraph.

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

Sec. 2. **ADOPTION.**

The rules under section 1 must be adopted and made effective by September 30, 2008, and shall be effective for motor vehicles with a model year of 2012 and later.

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

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 3237: A bill for an act relating to natural resources; requiring updated rules on structures in public waters.

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

Delete everything after the enacting clause and insert:

"Section 1. DEPARTMENT OF NATURAL RESOURCES RULEMAKING REQUIRED; STRUCTURES IN PUBLIC WATERS.

The commissioner of natural resources shall update rules on structures in public waters allowed and permit requirements for those structures under Minnesota Rules, chapter 6115, as a part of the rulemaking required in Laws 2007, chapter 57, article 1, section 4, subdivision 3. The Department of Natural Resources general permit no. 2008-0401 expires on the effective date of the updated rules.

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

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 3061: A bill for an act relating to environment; modifying Petrofund program; amending Minnesota Statutes 2006, sections 115C.04, subdivision 3; 115C.09, subdivision 3h, by adding a subdivision; repealing Minnesota Statutes 2006, section 115C.09, subdivision 3j.

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

Page 1, line 12, reinstate the stricken "attorney general" and before "board" insert "on behalf of the"

Page 2, line 28, delete "fill"

And when so amended the bill do pass and be re-referred to the Committee on Commerce and Consumer Protection. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 3450, 2632, 3443, 3006, 2988, 3502, 3419, 3561, 3383, 2695, 3214, 3467, 3342, 3130, 2822, 2533 and 3377 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3368, 2907, 2816, 2827, 1546, 3099 and 3289 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Bonoff moved that her name be stricken as chief author, and the name of Senator Wergin be added as chief author to S.F. No. 1739. The motion prevailed.

Senator Saxhaug moved that the names of Senators Frederickson, Skogen and Bakk be added as co-authors to S.F. No. 2651. The motion prevailed.

Senator Wiger moved that his name be stricken as a co-author to S.F. No. 2826. The motion prevailed.

Senator Rosen moved that the name of Senator Wergin be added as a co-author to S.F. No. 2834. The motion prevailed.

Senator Moua moved that the name of Senator Saltzman be added as a co-author to S.F. No. 3101. The motion prevailed.

Senator Betzold moved that the name of Senator Marty be added as a co-author to S.F. No. 3120. The motion prevailed.

Senator Kubly moved that the name of Senator Rest be added as a co-author to S.F. No. 3160. The motion prevailed.

Senator Doll moved that his name be stricken as a co-author to S.F. No. 3223. The motion prevailed.

Senator Dibble moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Murphy be added as chief author to S.F. No. 3223. The motion prevailed.

Senator Moua moved that the name of Senator Sheran be added as a co-author to S.F. No. 3288. The motion prevailed.

Senator Larson moved that the name of Senator Senjem be added as a co-author to S.F. No. 3496. The motion prevailed.

Senator Sheran moved that the name of Senator Latz be added as a co-author to S.F. No. 3514. The motion prevailed.

Senator Vickerman moved that the names of Senators Erickson Ropes, Dille, Skogen and Koering be added as co-authors to S.F. No. 3633. The motion prevailed.

Senator Carlson moved that S.F. No. 2007 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Transportation. The motion prevailed.

Senator Lourey moved that S.F. No. 3658 be withdrawn from the Committee on Environment and Natural Resources and returned to its author. The motion prevailed.

Senator Torres Ray moved that S.F. No. 3320, No. 56 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senators Pogemiller and Senjem introduced –

Senate Concurrent Resolution No. 10: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on Wednesday, March 19, 2008, the Senate and House of Representatives may each set its next day of meeting for Tuesday, March 25, 2008.

2. Each house consents to adjournment of the other house for more than three days.

Senator Pogemiller moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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.

Senator Moua introduced–

S.F. No. 3674: A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2006, sections 13.202, subdivision 3; 13.322, subdivision 1; 13.3806, subdivision 1; 13.635, subdivision 1; 13.681, subdivision 1; 13.712, subdivision 1; 13.83, subdivision 10; 13.871, subdivisions 1, 6; 17.117, subdivision 3; 46.044, subdivision 1; 72A.20, subdivision 11; 103F.725, subdivision 1a; 103I.005, subdivision 22; 103I.311, subdivision 3; 115A.554; 123B.88, subdivision 19; 124D.59, subdivision 3; 126C.17, subdivision 9; 144.396, subdivision 9; 144.581, subdivision 1; 144A.461; 145B.02, subdivision 5; 148.736, subdivisions 2, 3; 169.01, subdivision 4b; 169.421, subdivision 5; 169.448, subdivision 1; 171.12, subdivision 2a; 174.03, subdivision 8; 175.35; 237.411, subdivision 5; 244.08; 256.98, subdivision 7; 256B.04, subdivision 16; 256B.35, subdivision 1; 256J.30, subdivision 9; 256J.32, subdivision 4; 256J.42, subdivisions 5, 6; 256J.425, subdivisions 5, 6; 256J.46, subdivision 1; 256J.50, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivision 5; 260B.235, subdivision 5; 260C.007, subdivision 6; 270.81, subdivision 1; 270.82, subdivision 1; 270.83, subdivision 3; 273.1398, subdivision 6;

275.065, subdivision 5a; 282.01, subdivision 1b; 289A.08, subdivision 7; 289A.63, subdivision 6; 290.0921, subdivision 3; 297A.70, subdivision 13; 298.282, subdivision 2; 300.15; 300.64, subdivision 4; 321.0108; 332.30; 352.03, subdivision 11; 352.119, subdivision 3; 354.07, subdivision 3; 354A.12, subdivisions 1, 2a; 356.30, subdivision 1; 356.65, subdivision 2; 386.015, subdivision 5; 422A.101, subdivision 2; 424A.02, subdivision 8a; 458D.18, subdivision 9; 469.153, subdivision 2; 480.182; 484.012; 501B.86, subdivision 2; 508A.22, subdivision 3; 518C.310; 550.04; 609.101, subdivision 3; 609.75, subdivision 1; 609B.121; 609B.164; 609B.265, subdivision 3; 609B.515; 611.272; Minnesota Statutes 2007 Supplement, sections 16C.03, subdivision 10; 103I.235, subdivision 1; 136A.127, subdivision 8; 144.121, subdivision 5b; 148.67, subdivision 1; 183.57, subdivision 2; 183.59; 216B.1637; 256.01, subdivision 23; 256.476, subdivision 4; 256B.0915, subdivisions 3a, 3e; 256B.49, subdivision 16a; 256J.49, subdivision 13; 256J.55, subdivision 1; 268.101, subdivision 2; 325E.386, subdivision 1; 326.91, subdivision 1; 352.01, subdivision 2b; 446A.051, subdivision 1; 446A.072, subdivision 5a; Laws 2007, chapter 147, article 19, section 3, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 609B; repealing Minnesota Statutes 2006, sections 35.701; 35.96, subdivision 5; 62Q.64; 216C.30, subdivision 4; 256E.21, subdivision 3; 289A.11, subdivision 2; 383D.47; 473.1551, subdivision 1; 473.553, subdivision 14; 473.616; 484.69, subdivision 1a; 525.091, subdivision 2; Laws 2006, chapter 270, article 2, section 13; Laws 2007, chapter 128, article 6, section 16; Laws 2007, chapter 134, article 1, section 8; Laws 2007, chapter 147, article 1, section 32.

Referred to the Committee on Judiciary.

Senators Olson, G.; Michel and Hann introduced—

S.F. No. 3675: A bill for an act relating to education; allowing potential school site to appeal school board decision; amending Minnesota Statutes 2006, section 123B.04, subdivision 2.

Referred to the Committee on Education.

Senator Bonoff introduced—

S.F. No. 3676: A bill for an act relating to human services; appropriating money for food and nutrition assistance.

Referred to the Committee on Finance.

Senator Wergin introduced—

S.F. No. 3677: A bill for an act relating to highways; designating Curt Eastlund Memorial Bridge; amending Minnesota Statutes 2006, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Senator Bonoff introduced—

S.F. No. 3678: A bill for an act relating to education; allowing charter schools that serve as online learning providers and provide more than 50 percent of courses online to conduct board meetings by telephone or other electronic means; amending Minnesota Statutes 2006, section 124D.10, by adding a subdivision.

Referred to the Committee on Education.

Senator Day introduced–

S.F. No. 3679: A bill for an act relating to game and fish; requiring carbon monoxide detectors in fish houses and dark houses; amending Minnesota Statutes 2006, section 97C.355, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senator Day introduced–

S.F. No. 3680: A bill for an act relating to state lands; authorizing conveyance of certain surplus state land.

Referred to the Committee on Environment and Natural Resources.

Senators Wiger, Marty and Robling introduced–

S.F. No. 3681: A bill for an act relating to elections; prohibiting use of deceptive names of candidates, political committees, and political funds; proposing coding for new law in Minnesota Statutes, chapter 211B.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Marty introduced–

S.F. No. 3682: A bill for an act relating to solid waste; prohibiting open burning of solid waste; amending Minnesota Statutes 2006, sections 17.135; 88.171, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Senator Vickerman introduced–

S.F. No. 3683: A bill for an act relating to agriculture; changing an appropriation; amending Laws 2007, chapter 45, article 1, section 3, subdivision 3.

Referred to the Committee on Finance.

Senators Olson, M.; Skoe; Torres Ray; Lourey and Kubly introduced–

S.F. No. 3684: A resolution relating to the sovereign status of federally recognized American Indian tribes and bands.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Tomassoni, Sparks, Metzen and Rosen introduced–

S.F. No. 3685: A bill for an act relating to boxing; changing the name of the Minnesota Boxing Commission; providing penalties; extending jurisdiction of the commissions; authorizing

rulemaking; amending Minnesota Statutes 2006, sections 341.21, as amended; 341.23; 341.24; 341.26; 341.28, as amended; 341.29; 341.30; 341.31; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; Minnesota Statutes 2007 Supplement, sections 214.04, subdivision 3; 341.22; 341.25; 341.27; 341.321; proposing coding for new law in Minnesota Statutes, chapter 341.

Referred to the Committee on Commerce and Consumer Protection.

Senator Jungbauer introduced—

S.F. No. 3686: A bill for an act relating to transportation; appropriating money and reducing appropriations for transportation purposes; deleting surcharge; making technical change relating to driver examination requirements; amending Minnesota Statutes 2006, section 171.29, subdivision 1; repealing Minnesota Statutes 2006, section 168.123, subdivision 2a.

Referred to the Committee on Finance.

Senators Dahle, Doll and Carlson introduced—

S.F. No. 3687: A bill for an act relating to eminent domain; repealing certain exemptions for public service corporations; amending Minnesota Statutes 2006, sections 117.225; 117.48; repealing Minnesota Statutes 2006, section 117.189.

Referred to the Committee on Judiciary.

Senator Scheid introduced—

S.F. No. 3688: A bill for an act relating to consumer protection; prohibiting retail sales of toys that have been recalled for safety reasons; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce and Consumer Protection.

Senators Koch, Pariseau and Rosen introduced—

S.F. No. 3689: A bill for an act relating to state government; appropriating money for jobs, economic development, and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; changing codes and licensing provisions; providing penalties; amending Minnesota Statutes 2006, sections 115C.07, subdivision 3; 116J.03, by adding a subdivision; 116J.656; 116J.66; 116J.68; 116L.02; 116L.04, by adding a subdivision; 446A.12, subdivision 1; 462A.21, by adding a subdivision; 462A.22, subdivision 1; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 10A.01, subdivision 35; 80A.28, subdivision 1; 116L.17, subdivision 1; 268.047, subdivision 2; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 2007, chapter 135, article 1, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 446A; 462A; repealing Laws 2004, chapter 188, section 2.

Referred to the Committee on Finance.

Senator Chaudhary introduced–

S.F. No. 3690: A bill for an act relating to natural resources; prohibiting certain local restrictions of wildlife management areas; creating buffer areas for development; exempting certain areas from county approval requirements; amending Minnesota Statutes 2006, sections 97A.137, by adding a subdivision; 97A.145, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Senator Metzen introduced–

S.F. No. 3691: A bill for an act relating to state government; requiring the legislative auditor to establish a compensation plan for employees of the auditor, subject to legislative review and approval; amending Minnesota Statutes 2006, sections 3.855, subdivision 3; 3.971, subdivision 2.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Jungbauer and Marty introduced–

S.F. No. 3692: A bill for an act relating to manufactured homes; clarifying collection and deposit procedures for the Minnesota manufactured home relocation trust fund; amending Minnesota Statutes 2006, section 273.125, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 327C.095, subdivisions 12, 13.

Referred to the Committee on Finance.

Senators Carlson and Rest introduced–

S.F. No. 3693: A bill for an act relating to labor; modifying provisions relating to employment; adding provisions to the Fair Labor Standards Act; providing penalties; amending Minnesota Statutes 2006, sections 177.23, subdivision 7; 177.27, subdivision 3, by adding a subdivision; 177.32, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 177.27, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 177; repealing Minnesota Statutes 2006, section 177.32, subdivision 2.

Referred to the Committee on Business, Industry and Jobs.

Senator Larson introduced–

S.F. No. 3694: A bill for an act relating to waters; providing for temporary drawdown of public waters; proposing coding for new law in Minnesota Statutes, chapter 103G.

Referred to the Committee on Environment and Natural Resources.

Senator Dibble introduced–

S.F. No. 3695: A bill for an act relating to environment; providing for planning for greenhouse gas reductions; establishing a working group; providing appointments; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Environment and Natural Resources.

Senator Dibble introduced—

S.F. No. 3696: A bill for an act relating to metropolitan government; requiring carbon emission planning in local comprehensive plans; amending Minnesota Statutes 2006, section 473.25; Minnesota Statutes 2007 Supplement, section 473.859, subdivision 3.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Tomassoni, Metzen, Sparks and Rest introduced—

S.F. No. 3697: A bill for an act relating to insurance; regulating the use of credit scores, insurance scores, and other credit information; amending Minnesota Statutes 2006, sections 72A.20, subdivision 36; 72A.499, subdivision 1; 72A.501, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

Senator Doll introduced—

S.F. No. 3698: A bill for an act relating to energy; allowing utilities to make conservation improvement expenditures for certain solar energy projects; amending Minnesota Statutes 2007 Supplement, section 216B.241, by adding a subdivision.

Referred to the Committee on Energy, Utilities, Technology and Communications.

Senators Doll and Marty introduced—

S.F. No. 3699: A bill for an act relating to health; requiring prescription information be kept confidential; proposing coding for new law in Minnesota Statutes, chapter 151.

Referred to the Committee on Health, Housing and Family Security.

Senators Hann and Michel introduced—

S.F. No. 3700: A bill for an act relating to education; modifying charter school board of directors requirements; amending Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 4.

Referred to the Committee on Education.

Senator Marty introduced—

S.F. No. 3701: A bill for an act relating to health; requiring the disclosure of all financial transactions related to prescription drug pricing; requiring rulemaking; providing civil penalties; amending Minnesota Statutes 2006, section 151.061, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 151A.

Referred to the Committee on Health, Housing and Family Security.

Senators Sparks and Tomassoni introduced–

S.F. No. 3702: A bill for an act relating to appropriations; appropriating money for extended employment services.

Referred to the Committee on Finance.

Senators Saltzman and Rummel introduced–

S.F. No. 3703: A bill for an act relating to environment; prohibiting siting of land disposal facilities in certain areas; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Senator Olseen introduced–

S.F. No. 3704: A bill for an act relating to local government; providing that entities created under the joint powers act are subject to open meeting law; amending Minnesota Statutes 2006, section 471.59, by adding a subdivision.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Dibble introduced–

S.F. No. 3705: A bill for an act relating to public health; requiring annual registration of all persons receiving nontransplantable anatomical donations; providing standards for handling certain anatomical gifts; amending Minnesota Statutes 2006, sections 149A.60; 149A.81, subdivision 1, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 149A.03.

Referred to the Committee on Health, Housing and Family Security.

Senator Olseen introduced–

S.F. No. 3706: A bill for an act relating to education finance; modifying the use of the safe schools levy; amending Minnesota Statutes 2007 Supplement, section 126C.44.

Referred to the Committee on Finance.

Senator Doll introduced–

S.F. No. 3707: A bill for an act relating to health; appropriating money for a cost analysis on health care reform plans.

Referred to the Committee on Health, Housing and Family Security.

Senators Olson, G.; Johnson and Saltzman introduced–

S.F. No. 3708: A bill for an act relating to education; establishing teacher licensure via portfolio; amending Minnesota Statutes 2006, section 122A.21.

Referred to the Committee on Finance.

Senator Rest introduced—

S.F. No. 3709: A bill for an act relating to the city of Crystal; authorizing creation of a housing development account.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Olseen introduced—

S.F. No. 3710: A bill for an act relating to veterans; establishing a statewide veteran-to-veteran peer counseling pilot program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Agriculture and Veterans.

Senator Stumpf introduced—

S.F. No. 3711: A bill for an act relating to taxation; allowing the Northwest Minnesota Multicounty Housing and Redevelopment Authority to levy certain taxes.

Referred to the Committee on Taxes.

Senator Stumpf introduced—

S.F. No. 3712: A resolution relating to Lake of the Woods.

Referred to the Committee on Environment and Natural Resources.

Senator Vandever introduced—

S.F. No. 3713: A bill for an act relating to insurance; creating the Minnesota comprehensive health plan; requiring all health carriers and employers to offer the basic health plan; phasing in the state public health programs into the basic health plan; amending Minnesota Statutes 2006, sections 62A.65, subdivisions 1, 6; 62L.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health, Housing and Family Security.

Senators Chaudhary, Saxhaug and Frederickson introduced—

S.F. No. 3714: A bill for an act relating to natural resources; increasing appropriations for enforcement, water access, and grants-in-aid trail programs; appropriating money.

Referred to the Committee on Finance.

Senators Day and Marty introduced—

S.F. No. 3715: A bill for an act relating to Steele County; authorizing transfer of nursing home

and assisted living facility and related assets to nonprofit corporation and acquisition of membership interest in nonprofit corporation.

Referred to the Committee on Finance.

Senator Olson, M. introduced—

S.F. No. 3716: A bill for an act relating to data practices; providing for the protection of certain data relating to reports of the state auditor; amending Minnesota Statutes 2006, section 6.715, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Bonoff, Bakk, Vandevveer, Johnson and Day introduced—

S.F. No. 3717: A bill for an act relating to insurance; providing recovery of damages and attorney fees for breach of an insurance policy; amending Minnesota Statutes 2006, section 471.982, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce and Consumer Protection.

Senator Foley introduced—

S.F. No. 3718: A bill for an act relating to public safety; providing that source codes for breath-testing instruments are not admissible evidence; proposing coding for new law in Minnesota Statutes, chapter 634.

Referred to the Committee on Judiciary.

Senators Cohen and Frederickson introduced—

S.F. No. 3719: A bill for an act relating to appropriations; making forecast adjustments for health, human services, and education; appropriating money; amending Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9; article 3, section 24, subdivisions 3, 4; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13.

Referred to the Committee on Finance.

Senators Dibble, Marty, Torres Ray, Lourey and Anderson introduced—

S.F. No. 3720: A bill for an act relating to health; establishing a right to reproductive privacy; proposing coding for new law as Minnesota Statutes, chapter 145D.

Referred to the Committee on Health, Housing and Family Security.

Senators Dibble and Berglin introduced—

S.F. No. 3721: A bill for an act relating to health; establishing an HIV transmission awareness program; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health, Housing and Family Security.

Senators Langseth and Bakk introduced—

S.F. No. 3722: A bill for an act relating to taxation; providing for an aggregate resource preservation property tax; changing criminal penalties provision; amending Minnesota Statutes 2006, sections 273.13, subdivision 23; 298.75, subdivisions 1, 2, 6, 7; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes.

Senator Dibble introduced—

S.F. No. 3723: A bill for an act relating to real estate appraisers; prohibiting actions to improperly influence the integrity of a real estate appraisal; prescribing a criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 82B.

Referred to the Committee on Judiciary.

Senator Dibble introduced—

S.F. No. 3724: A bill for an act relating to Metropolitan Airports Commission; requiring environmental planning; requiring a report.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Skoe, Stumpf, Dille, Saxhaug and Hann introduced—

S.F. No. 3725: A bill for an act relating to agriculture; providing for control of bovine tuberculosis; amending Minnesota Statutes 2007 Supplement, section 35.244.

Referred to the Committee on Agriculture and Veterans.

Senator Murphy introduced—

S.F. No. 3726: A bill for an act relating to motor fuels; providing for tax refund on fuel used in certain auxiliary power devices; amending Minnesota Statutes 2006, section 296A.16, subdivision 2.

Referred to the Committee on Taxes.

Senator Skoe introduced—

S.F. No. 3727: A bill for an act relating to health; making changes to the smoking ban by adding definitions and an exception and requiring posted signs; amending Minnesota Statutes 2006, section 144.413, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 144.4167, by adding subdivisions.

Referred to the Committee on Health, Housing and Family Security.

Senator Skoe introduced—

S.F. No. 3728: A bill for an act relating to agriculture; providing requirements for cattle herds within certain areas; appropriating money to the Board of Animal Health for the buyout of cattle herds in certain areas; proposing coding for new law in Minnesota Statutes, chapter 35.

Referred to the Committee on Agriculture and Veterans.

Senator Dibble introduced—

S.F. No. 3729: A bill for an act relating to metropolitan government; providing for the additional financing of metropolitan area transit and paratransit capital expenditures; authorizing the issuance of certain obligations; amending Minnesota Statutes 2006, section 473.39, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Lourey introduced—

S.F. No. 3730: A bill for an act relating to health; exempting environmental learning centers from certain space requirements; amending Minnesota Statutes 2006, section 84.0875.

Referred to the Committee on Health, Housing and Family Security.

Senators Pappas and Moua introduced—

S.F. No. 3731: A bill for an act relating to property taxation; reattaching land constituting an intermediate airport to the city and school district where the property is located for property tax purposes; amending Minnesota Statutes 2006, sections 473.625; 473F.02, subdivision 2.

Referred to the Committee on Taxes.

Senator Bakk introduced—

S.F. No. 3732: A bill for an act relating to state lands; requiring conveyance of or compensation for certain state lands.

Referred to the Committee on Environment and Natural Resources.

Senator Bakk introduced—

S.F. No. 3733: A bill for an act relating to natural resources; modifying timber sales provisions; providing for refunds; amending Minnesota Statutes 2006, section 90.14.

Referred to the Committee on Environment and Natural Resources.

Senators Kubly, Langseth, Stumpf, Skoe and Dille introduced—

S.F. No. 3734: A bill for an act relating to health; prohibiting policy waiting periods for prenatal and maternity health insurance benefits; eliminating pregnancy as a preexisting condition; establishing a parenting support grant program; establishing an informational hotline on available

pregnancy, adoption, and parental support agencies; requiring information on alpha-fetoprotein testing be provided; requiring adoption referral information be provided; requiring adoption and parenting counseling be provided; establishing an adoption tax credit; establishing civil penalties; appropriating money; amending Minnesota Statutes 2006, sections 62A.011, by adding a subdivision; 62A.041, subdivision 2; 62A.0411; 62A.047; 145.4243; proposing coding for new law in Minnesota Statutes, chapters 62A; 136A; 145; 290.

Referred to the Committee on Health, Housing and Family Security.

Senators Kubly, Skogen, Stumpf, Saxhaug and Wergin introduced—

S.F. No. 3735: A bill for an act relating to human services; providing base funding for living-at-home/block nurse programs; transferring funds from the community service grant program.

Referred to the Committee on Finance.

Senator Kubly introduced—

S.F. No. 3736: A bill for an act relating to health; establishing procedures for health care cooperative arrangements; proposing coding for new law in Minnesota Statutes, chapter 62R.

Referred to the Committee on Health, Housing and Family Security.

Senator Wiger introduced—

S.F. No. 3737: A bill for an act relating to elections; proposing an amendment to the Minnesota Constitution, article V, section 5; providing for an election to fill a vacancy in the office of governor; amending Minnesota Statutes 2006, section 4.06.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Scheid, Skogen and Michel introduced—

S.F. No. 3738: A bill for an act relating to commerce; reforming no-fault auto insurance; prohibiting an injured person from collecting noneconomic damages in certain circumstances; modifying arbitration procedures; prohibiting balance billing by health care providers; clarifying civil liability with respect to recovery of medical and health care expenses; amending Minnesota Statutes 2006, sections 65B.44, subdivision 2; 65B.51, subdivisions 1, 3; 65B.525, subdivision 1; 65B.54, by adding a subdivision; 604.01, by adding a subdivision; 604.02, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Senators Bonoff, Scheid, Larson and Michel introduced—

S.F. No. 3739: A bill for an act relating to education; authorizing regional pupil transportation centers; proposing coding for new law in Minnesota Statutes, chapters 123B; 179A.

Referred to the Committee on Education.

Senator Metzen introduced—

S.F. No. 3740: A bill for an act relating to financial institutions; making changes in regulation of consumer small loans; providing consumer protections; amending Minnesota Statutes 2006, section 47.60, subdivisions 1, 4; Minnesota Statutes 2007 Supplement, section 47.60, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

Senators Anderson, Prettner Solon, Moua and Metzen introduced—

S.F. No. 3741: A bill for an act relating to taxation; providing tax incentives for green economy businesses; providing for certification of qualified businesses; appropriating money; amending Minnesota Statutes 2006, sections 272.02, by adding a subdivision; 290.01, subdivision 29; 290.06, subdivision 2c, by adding a subdivision; 290.067, subdivision 1; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 297A.68, by adding a subdivision; 297B.03; Minnesota Statutes 2007 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senators Anderson, Chaudhary and Metzen introduced—

S.F. No. 3742: A resolution memorializing the governor to incorporate certain principles into a Regional Greenhouse Gas Emission Reduction Cap and Trade Accord.

Referred to the Committee on Business, Industry and Jobs.

Senator Foley introduced—

S.F. No. 3743: A bill for an act relating to the military; providing for a stay of certain proceedings against the businesses of National Guard and reserve members who have been mobilized into active military service; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Judiciary.

Senator Olson, G. introduced—

S.F. No. 3744: A bill for an act relating to local government aid; modifying the distribution; amending Minnesota Statutes 2006, section 477A.011, subdivision 36, as amended.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 3161: A bill for an act relating to highways; making changes to state highway system.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Erickson Ropes	Kubly	Ortman	Sieben
Berglin	Fischbach	Langseth	Pappas	Skoe
Betzold	Foley	Larson	Pariseau	Skogen
Bonoff	Frederickson	Latz	Pogemiller	Sparks
Carlson	Gerlach	Lourey	Prettner Solon	Stumpf
Chaudhary	Gimse	Lynch	Rest	Tomassoni
Clark	Hann	Marty	Robling	Torres Ray
Cohen	Higgins	Metzen	Rosen	Vandever
Dahle	Ingebrigtsen	Michel	Rummel	Vickerman
Day	Johnson	Moua	Saltzman	Wergin
Dibble	Jungbauer	Olseen	Saxhaug	Wiger
Dille	Koch	Olson, G.	Scheid	
Doll	Koering	Olson, M.	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 3364: A bill for an act relating to state government; changing provisions of the Commission of Deaf, Deaf-blind and Hard-of-Hearing Minnesotans; amending Minnesota Statutes 2006, section 256C.28, as amended.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Erickson Ropes	Kubly	Ortman	Sieben
Berglin	Fischbach	Langseth	Pappas	Skoe
Betzold	Foley	Larson	Pariseau	Skogen
Bonoff	Frederickson	Latz	Pogemiller	Sparks
Carlson	Gerlach	Lourey	Prettner Solon	Stumpf
Chaudhary	Gimse	Lynch	Rest	Tomassoni
Clark	Hann	Marty	Robling	Torres Ray
Cohen	Higgins	Metzen	Rosen	Vandever
Dahle	Ingebrigtsen	Michel	Rummel	Vickerman
Day	Johnson	Moua	Saltzman	Wergin
Dibble	Jungbauer	Olseen	Saxhaug	Wiger
Dille	Koch	Olson, G.	Scheid	
Doll	Koering	Olson, M.	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 3323: A bill for an act relating to health; changing a provision for federally qualified health centers; amending Minnesota Statutes 2007 Supplement, section 145.9269, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Erickson Ropes	Kubly	Ortman	Skoe
Berglin	Fischbach	Langseth	Pappas	Skogen
Betzold	Foley	Larson	Pogemiller	Sparks
Bonoff	Frederickson	Latz	Prettner Solon	Stumpf
Carlson	Gerlach	Lourey	Rest	Tomassoni
Chaudhary	Gimse	Lynch	Robling	Torres Ray
Clark	Hann	Marty	Rosen	Vandever
Cohen	Higgins	Metzen	Rummel	Vickerman
Dahle	Ingebrigtsen	Michel	Saltzman	Wergin
Day	Johnson	Moua	Saxhaug	Wiger
Dibble	Jungbauer	Olseen	Scheid	
Dille	Koch	Olson, G.	Sheran	
Doll	Koering	Olson, M.	Sieben	

So the bill passed and its title was agreed to.

S.F. No. 3286: A bill for an act relating to health; changing information required for filing a complaint with a health plan company; amending Minnesota Statutes 2006, section 62Q.69, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Kubly	Ortman	Sheran
Berglin	Foley	Langseth	Pappas	Sieben
Betzold	Frederickson	Larson	Pariseau	Skoe
Chaudhary	Gerlach	Latz	Pogemiller	Skogen
Clark	Gimse	Lourey	Prettner Solon	Sparks
Cohen	Hann	Lynch	Rest	Stumpf
Dahle	Higgins	Marty	Robling	Tomassoni
Day	Ingebrigtsen	Metzen	Rosen	Torres Ray
Dibble	Johnson	Michel	Rummel	Vandever
Dille	Jungbauer	Moua	Saltzman	Vickerman
Doll	Koch	Olseen	Saxhaug	Wergin
Erickson Ropes	Koering	Olson, M.	Scheid	Wiger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Frederickson in the chair.

After some time spent therein, the committee arose, and Senator Frederickson reported that the committee had considered the following:

S.F. No. 1918 and H.F. No. 1219, which the committee recommends to pass.

S.F. No. 457, which the committee recommends to pass, after the following motions:

Senator Michel moved that S.F. No. 457 be re-referred to the Committee on Education.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 21 and nays 40, as follows:

Those who voted in the affirmative were:

Dille	Hann	Koering	Pogemiller	Wergin
Fischbach	Ingebrigtsen	Michel	Robling	
Frederickson	Johnson	Olson, G.	Rosen	
Gerlach	Jungbauer	Ortman	Senjem	
Gimse	Koch	Pariseau	Vandever	

Those who voted in the negative were:

Bakk	Dahle	Latz	Pappas	Skoe
Berglin	Dibble	Lourey	Rest	Skogen
Betzold	Doll	Lynch	Rummel	Sparks
Bonoff	Erickson Ropes	Marty	Saltzman	Stumpf
Carlson	Foley	Metzen	Saxhaug	Tomassoni
Chaudhary	Higgins	Moua	Scheid	Torres Ray
Clark	Kubly	Olseen	Sheran	Vickerman
Cohen	Larson	Olson, M.	Sieben	Wiger

The motion did not prevail.

The question was taken on the recommendation to pass S.F. No. 457.

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Bakk	Doll	Marty	Rummel	Stumpf
Berglin	Erickson Ropes	Metzen	Saltzman	Tomassoni
Betzold	Foley	Moua	Saxhaug	Torres Ray
Bonoff	Higgins	Murphy	Scheid	Vickerman
Chaudhary	Kubly	Olseen	Sheran	Wiger
Clark	Larson	Olson, M.	Sieben	
Cohen	Latz	Pappas	Skoe	
Dahle	Lourey	Pogemiller	Skogen	
Dibble	Lynch	Rest	Sparks	

Those who voted in the negative were:

Day	Gimse	Koch	Pariseau	Wergin
Dille	Hann	Koering	Robling	
Fischbach	Ingebrigtsen	Michel	Rosen	
Frederickson	Johnson	Olson, G.	Senjem	
Gerlach	Jungbauer	Ortman	Vandever	

The motion prevailed. So S.F. No. 457 was recommended to pass.

H.F. No. 2553, which the committee recommends to pass, subject to the following motions:

Pursuant to Rule 41.2, Senator Ortman moved that she be excused from voting on all questions

pertaining to H.F. No. 2553. The motion prevailed.

Senator Latz moved to amend H.F. No. 2553, the unofficial engrossment, as follows:

Page 7, delete lines 15 to 18 and insert "received, the commissioner shall withhold the payment until the subrogee abandons or waives the subrogation claim."

The motion prevailed. So the amendment was adopted.

Senator Dibble moved to amend H.F. No. 2553, the unofficial engrossment, as follows:

Page 1, delete article 1

Page 2, delete lines 14 and 15

Page 2, line 23, after "collapse" insert ", in response to a catastrophe that was wholly unforeseen,"

Page 2, line 27, after the period, insert "The legislature has every expectation that this catastrophe will prove unique, and that this compensation process will not be used for any future event."

Page 4, delete line 12

Page 4, line 13, delete everything before the period and insert "Notwithstanding Minnesota Statutes, section 3.736, subdivision 4, clause (b), there is no limit on the amount of an offer of settlement or payment required by a settlement agreement with a victim."

Page 8, line 7, delete "\$25,000,000" and insert "\$38,570,000"

Amend the title accordingly

Senator Pogemiller moved to amend the Dibble amendment to H.F. No. 2553, the unofficial engrossment, as follows:

Page 1, delete lines 5 and 6

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Dibble amendment, as amended.

The roll was called, and there were yeas 9 and nays 53, as follows:

Those who voted in the affirmative were:

Betzold	Carlson	Clark	Pogemiller	Torres Ray
Bonoff	Chaudhary	Dibble	Sieben	

Those who voted in the negative were:

Bakk	Foley	Koch	Michel	Rest
Berglin	Frederickson	Koering	Moua	Robling
Cohen	Gerlach	Kubly	Murphy	Rosen
Dahle	Gimse	Larson	Olseen	Rummel
Day	Hann	Latz	Olson, G.	Saltzman
Dille	Higgins	Lourey	Olson, M.	Saxhaug
Doll	Ingebrigtsen	Lynch	Pappas	Scheid
Erickson Ropes	Johnson	Marty	Pariseau	Senjem
Fischbach	Jungbauer	Metzen	Prettner Solon	Sheran

Skoe
Skogen

Sparks
Tomassoni

Vandevier
Vickerman

Wergin
Wiger

The motion did not prevail. So the Dibble amendment, as amended, was not adopted.

Senator Berglin moved to amend H.F. No. 2553, the unofficial engrossment, as follows:

Page 8, line 22, after the period, insert "Services paid for with this appropriation must not be services that could have been funded by settlement payments made to victims. Waite House must submit to the commissioner of finance a budget showing the services that will be provided with this appropriation. Upon approval of the budget, "

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass H.F. No. 2553.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Erickson Ropes	Kubly	Pappas	Sieben
Berglin	Fischbach	Larson	Pariseau	Skoe
Betzold	Foley	Latz	Pogemiller	Skogen
Bonoff	Frederickson	Lourey	Prettner Solon	Sparks
Carlson	Gerlach	Lynch	Rest	Stumpf
Chaudhary	Gimse	Marty	Robling	Tomassoni
Clark	Hann	Metzen	Rosen	Torres Ray
Cohen	Higgins	Michel	Rummel	Vandevier
Dahle	Ingebrigtsen	Moua	Saltzman	Vickerman
Day	Johnson	Murphy	Saxhaug	Wergin
Dibble	Jungbauer	Olseen	Scheid	Wiger
Dille	Koch	Olson, G.	Senjem	
Doll	Koering	Olson, M.	Sheran	

The motion prevailed. So H.F. No. 2553 was recommended to pass.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Day moved that S.F. No. 3715 be withdrawn from the Committee on Finance and re-referred to the Committee on State and Local Government Operations and Oversight. The motion prevailed.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate

reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was re-referred

S.F. No. 3669: A bill for an act relating to transportation; requiring report on mitigating effects of transportation construction projects on small businesses.

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

Page 1, line 11, delete "in this state" and insert "as defined in Minnesota Statutes, section 645.445, subdivision 2"

Page 2, line 2, after "developers" insert "and local chambers of commerce"

Page 2, line 6, after the semicolon, insert "and"

Page 2, line 10, delete the second "and"

Page 2, delete line 11

Page 2, line 13, after "with" insert "the Metropolitan Council and"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was re-referred

S.F. No. 3055: A bill for an act relating to veterans; establishing a loan program; adding certain veterans to those eligible for a program; changing an unemployment compensation provision; appropriating money; amending Minnesota Statutes 2007 Supplement, sections 116L.17, subdivision 1; 268.047, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Page 2, line 12, delete ", including principal and interest,"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was re-referred

S.F. No. 3035: A bill for an act relating to crime; prohibiting use of nonconviction criminal records for private employment purposes; providing immunity from negligent hiring in certain cases involving criminal records; removing a sunset on the law governing Internet access to Bureau of

Criminal Apprehension data; amending Minnesota Statutes 2006, sections 13.87, subdivision 3; 364.09; proposing coding for new law in Minnesota Statutes, chapter 364.

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

Page 3, delete lines 26 to 34 and insert:

"Subd. 3. **Affirmative defense.** (a) To the extent a criminal record as of the date an individual was hired is alleged as the basis for negligent hiring, a private employer shall not be held liable for the hiring of the individual if the employer establishes that they followed the provisions applicable to public employers in section 364.03 and reasonably determined that:

(1) the conviction did not directly relate to the position of employment being sought; or

(2) the individual showed evidence of sufficient rehabilitation and present fitness to perform the duties of the employment being sought."

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was re-referred

S.F. No. 651: A bill for an act relating to the environment; restricting the manufacture and sale of certain polybrominated diphenyl ethers; requiring a report; providing penalties; amending Minnesota Statutes 2007 Supplement, sections 325E.386; 325E.387, by adding a subdivision.

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

Page 2, lines 18 and 28, delete "2010" and insert "2012"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 3455: A bill for an act relating to commerce; regulating the purchase and receipt of beer kegs by scrap metal dealers; amending Minnesota Statutes 2007 Supplement, section 325E.21, by adding a subdivision.

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

Page 1, line 9, before "metal" insert "refillable"

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was re-referred

S.F. No. 3158: A bill for an act relating to commerce; requiring Explore Minnesota Tourism to study vacation rental lodging; creating definitions; requiring a report.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was re-referred

S.F. No. 3003: A bill for an act relating to agriculture; requiring wholesalers of lawn fertilizer containing phosphorous to provide retail signage; amending Minnesota Statutes 2006, section 18C.60, by adding a subdivision; repealing Minnesota Statutes 2006, section 18C.60, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 3147: A bill for an act relating to communications; repealing a sunset provision; repealing Laws 2005, chapter 81, section 7.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 2830: A bill for an act relating to payroll card accounts; repealing a sunset; repealing Laws 2005, chapter 158, section 4, as amended.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 973: A bill for an act relating to economic development; providing for state involvement in trade policies; requiring a report.

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

Page 1, delete section 1

Page 2, line 6, after "governor" insert "or the governor's designee as the state's "single point of contact""

Page 2, line 7, delete "governor's" and after "office" insert "of the governor or in the office of the single point of contact on trade"

Page 2, line 29, after "(c)" insert "At a minimum,"

Page 2, line 31, after "governor" insert "or the single point of contact"

Page 2, delete lines 34 to 35 and insert:

"(i) a state agency or the governor's single point of contact designee's analysis of the trade agreement's effects to the state, including, but not limited to, legal, financial, and government procurement;"

Page 3, delete lines 1 to 4

Page 3, line 7, after "of" insert "necessary"

Page 3, line 10, delete "the bill" and insert "legislation proposed by the governor or the governor's single point of contact on trade"

Page 3, line 21, after "The" insert "state secretary of state in consultation with the"

Page 3, delete section 3

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 3245: A bill for an act relating to health; changing provisions for uniform billing forms and electronic claim filing; amending Minnesota Statutes 2006, sections 62J.51, subdivisions 17, 18; 62J.52, subdivision 4; 62J.59; Minnesota Statutes 2007 Supplement, sections 62J.52, subdivisions 1, 2; 62J.536, subdivision 1, by adding subdivisions; repealing Minnesota Statutes 2006, sections 62J.52, subdivision 5; 62J.58.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 3263: A bill for an act relating to health; permitting hospital records to be transferred to electronic image; amending Minnesota Statutes 2006, sections 145.30; 145.31; Minnesota Statutes 2007 Supplement, section 145.32, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 3259: A bill for an act relating to public safety; allowing prisoners facing civil commitment in certain cases to elect to remain confined in state correctional facilities beyond their scheduled release date; amending Minnesota Statutes 2006, section 244.05, subdivision 1b; Minnesota Statutes 2007 Supplement, section 244.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 243.

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

Page 1, after line 19, insert:

"Subd. 2. **Process for election.** A person who elects to continue confinement under subdivision 1 may do so only after being informed of the person's right to supervised release and to be held in a secure treatment facility pending the determination of the civil commitment petition. The person may waive the right to supervised release and to be transferred to a secure treatment facility if the

waiver is knowing, intelligent, and voluntary."

Page 1, line 20, delete "2" and insert "3"

Page 2, after line 2, insert:

"Subd. 4. **No right to treatment.** Nothing in this section may be construed to establish a right of an inmate in a state correctional facility to participate in sex offender treatment. This section must be construed in a manner consistent with the provisions of section 244.03.

Subd. 5. **Costs of confinement.** The commissioner of corrections may charge the county of financial responsibility as determined in section 253B.045, subdivision 2, for the costs of a person's confinement under this section."

Page 3, after line 3, insert:

"Sec. 4. Minnesota Statutes 2006, section 253B.045, subdivision 1, is amended to read:

Subdivision 1. **Restriction.** Except when ordered by the court pursuant to a finding of necessity to protect the life of the proposed patient or others, no person subject to the provisions of this chapter shall be confined in a jail or correctional institution, except pursuant to section 243.053 or chapter 242 or 244.

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

Sec. 5. Minnesota Statutes 2006, section 253B.18, subdivision 4c, is amended to read:

Subd. 4c. **Special review board.** (a) The commissioner shall establish one or more panels of a special review board ~~for persons committed as mentally ill and dangerous to the public.~~ The board shall consist of three members experienced in the field of mental illness. One member of each special review board panel shall be a psychiatrist and one member shall be an attorney. No member shall be affiliated with the Department of Human Services. The special review board shall meet at least every six months and at the call of the commissioner. It shall hear and consider all petitions for a reduction in custody or to appeal a revocation of provisional discharge. A "reduction in custody" means transfer from a secure treatment facility; all petitions for, discharge, and provisional discharge, and revocation of provisional discharge; and make recommendations to the commissioner concerning them. Patients may be transferred by the commissioner between secure treatment facilities without a special review board hearing.

~~(b)~~ Members of the special review board shall receive compensation and reimbursement for expenses as established by the commissioner.

(b) A petition filed by a person committed as mentally ill and dangerous to the public under this section must be heard as provided in subdivision 5 and, as applicable, subdivision 13. A petition filed by a person committed as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185, or committed as both mentally ill and dangerous to the public under this section and as a sexual psychopathic personality or as a sexually dangerous person must be heard as provided in section 253B.185, subdivision 9.

Sec. 6. Minnesota Statutes 2006, section 253B.18, subdivision 5, is amended to read:

Subd. 5. **Petition; notice of hearing; attendance; order.** (a) A petition for ~~an order of transfer,~~

~~discharge, provisional discharge, a reduction in custody~~ or revocation of provisional discharge shall be filed with the commissioner and may be filed by the patient or by the head of the treatment facility. A patient may not petition the special review board for six months following commitment under subdivision 3 or following the final disposition of any previous petition and subsequent appeal by the patient. The medical director may petition at any time.

(b) Fourteen days prior to the hearing, the committing court, the county attorney of the county of commitment, the designated agency, interested person, the petitioner, and the petitioner's counsel shall be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The patient may designate interested persons to receive notice by providing the names and addresses to the commissioner at least 21 days before the hearing. The board shall provide the commissioner with written findings of fact and recommendations within 21 days of the hearing. The commissioner shall issue an order no later than 14 days after receiving the recommendation of the special review board. A copy of the order shall be sent by certified mail to every person entitled to statutory notice of the hearing within five days after it is signed. No order by the commissioner shall be effective sooner than 30 days after the order is signed, unless the county attorney, the patient, and the commissioner agree that it may become effective sooner.

(c) The special review board shall hold a hearing on each petition prior to making its recommendation to the commissioner. The special review board proceedings are not contested cases as defined in chapter 14. Any person or agency receiving notice that submits documentary evidence to the special review board prior to the hearing shall also provide copies to the patient, the patient's counsel, the county attorney of the county of commitment, the case manager, and the commissioner.

(d) Prior to the final decision by the commissioner, the special review board may be reconvened to consider events or circumstances that occurred subsequent to the hearing.

(e) In making their recommendations and order, the special review board and commissioner must consider any statements received from victims under subdivision 5a.

Sec. 7. Minnesota Statutes 2006, section 253B.18, subdivision 5a, is amended to read:

Subd. 5a. **Victim notification of petition and release; right to submit statement.** (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4a, and also includes offenses listed in section 253B.02, subdivision 7a, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or section 253B.185; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, Rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or section 253B.185 that an act or acts constituting a crime occurred.

(b) A county attorney who files a petition to commit a person under this section or section 253B.185 shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition.

(c) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section or section 253B.185 from a treatment facility, the head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director, special review board, judicial appeal panel, or commissioner with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan.

(d) This subdivision applies only to victims who have requested notification by contacting, in writing, the county attorney in the county where the conviction for the crime occurred. A county attorney who receives a request for notification under this paragraph shall promptly forward the request to the commissioner of human services.

(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5.

Sec. 8. Minnesota Statutes 2006, section 253B.185, subdivision 5, is amended to read:

Subd. 5. **Financial responsibility.** (a) For purposes of this subdivision, "state facility" has the meaning given in section 246.50. The term also includes state correctional facilities when a proposed patient remains in a correctional facility beyond the proposed patient's release date as provided in section 243.053.

(b) Notwithstanding sections 246.54, 253B.045, and any other law to the contrary, when a petition is filed for commitment under this section pursuant to the notice required in section 244.05, subdivision 7, the state and county are each responsible for 50 percent of the cost of the person's confinement at a state facility or county jail, prior to commitment.

(c) The county shall submit an invoice to the state court administrator for reimbursement of the state's share of the cost of confinement.

(d) Notwithstanding paragraph (b), the state's responsibility for reimbursement is limited to the amount appropriated for this purpose.

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

Sec. 9. Minnesota Statutes 2006, section 253B.185, is amended by adding a subdivision to read:

Subd. 9. **Petition for reduction in custody.** (a) This subdivision applies only to committed persons as defined in paragraph (b). The procedures in section 253B.18, subdivision 5a, for victim notification and right to submit a statement under section 253B.18 apply to petitions filed and reductions in custody recommended under this subdivision.

(b) As used in this subdivision:

(1) "committed person" means an individual committed under this section, or under this section and under section 253B.18, as mentally ill and dangerous. It does not include persons committed only as mentally ill and dangerous under section 253B.18; and

(2) "reduction in custody" means transfer out of a secure treatment facility, a provisional discharge, or a discharge from commitment.

(c) A petition for a reduction in custody or an appeal of a revocation of provisional discharge may be filed by either the committed person or by the head of the treatment facility and must be filed with and considered by the special review board. A committed person may not petition the special review board any sooner than six months following either:

(1) the entry of judgment in the district court of the order for commitment issued under section 253B.18, subdivision 3, or upon the exhaustion of all related appeal rights in state court relating to that order, whichever is later; or

(2) any order of the judicial panel or upon the exhaustion of all appeal rights in state court, whichever is later. The medical director may petition at any time. The special review board proceedings are not contested cases as defined in chapter 14.

(d) The special review board shall hold a hearing on each petition before issuing a recommendation under paragraph (f). Fourteen days before the hearing, the committing court, the county attorney of the county of commitment, the designated agency, an interested person, the petitioner and the petitioner's counsel, and the committed person and the committed person's counsel must be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The patient may designate interested persons to receive notice by providing the names and addresses to the commissioner at least 21 days before the hearing.

(e) A person or agency receiving notice that submits documentary evidence to the special review board before the hearing must also provide copies to the committed person, the committed person's counsel, the county attorney of the county of commitment, the case manager, and the commissioner. The special review board must consider any statements received from victims under section 253B.18, subdivision 5a.

(f) Within 30 days of the hearing, the special review board shall issue written findings of fact and shall either deny the petition or recommend approval of the petition to the judicial appeal panel established under section 253B.19. No reduction in custody or reversal of a revocation of provisional discharge recommended by the special review board is effective until it has been reviewed by the judicial appeal panel and until 15 days after an order from the panel affirming or modifying the recommendation.

Sec. 10. Minnesota Statutes 2006, section 253B.185, is amended by adding a subdivision to read:

Subd. 10. **Appeal.** The committed person or the county attorney of the county from which the person was committed may petition the judicial appeal panel under section 253B.19 for a rehearing and reconsideration of a denial of a petition by the special review board under this section. The petition must be filed, heard, decided, and acted upon, and may be appealed, as set forth in section 253B.19, subdivision 2 to 5.

Sec. 11. Minnesota Statutes 2006, section 253B.19, subdivision 2, is amended to read:

Subd. 2. **Petition; hearing.** ~~The committed person or the county attorney of the county from which a patient was committed as a person who is mentally ill and dangerous to the public, or as a sexual psychopathic personality or as a sexually dangerous person may petition the appeal panel for a rehearing and reconsideration of a decision by the commissioner. The petition shall be filed with the Supreme Court within 30 days after the decision of the commissioner is signed. The Supreme Court shall refer the petition to the chief judge of the appeal panel.~~ (a) A person committed as mentally ill and dangerous to the public under section 253B.18 or the county attorney of the county from which the person was committed may petition the appeal panel for a rehearing and reconsideration of a decision by the commissioner under section 253B.18, subdivision 5. The panel must not consider petitions for relief other than those considered by the commissioner from which the appeal is taken. The petition must be filed with the supreme court within 30 days after the decision of the commissioner is signed. The hearing must be held within 45 days of the filing of the petition unless an extension is granted for good cause.

(b) A person committed as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185, or committed as both mentally ill and dangerous to the public under this section and as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185; or the county attorney of the county from which the person was committed may petition the appeal panel for a rehearing and reconsideration of a decision of the special review board under section 253B.185, subdivision 9. The petition must be filed with the supreme court within 30 days after the decision of the special review board is signed by the chair of the board. The hearing must be held within 180 days of the filing of the petition unless an extension is granted for good cause.

(c) For an appeal under paragraph (a) or (b), the chief judge shall notify the patient, the county attorney of the county of commitment, the designated agency, the commissioner, the head of the treatment facility, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing. The hearing shall be within 45 days of the filing of the petition unless an extension is granted for good cause. The supreme court shall refer the petition to the chief judge of the appeal panel.

(d) Any person may oppose the petition. The patient, patient's counsel, and the county attorney of the committing county shall participate as parties to the proceeding pending before the appeal panel and shall, no later than 20 days before the hearing on the petition, inform the panel and the opposing party in writing whether they support or oppose the petition and provide a summary of facts in support of their position. The appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, patient's counsel, and the county attorney of the committing county may shall be present and may present and cross-examine all witnesses and offer a factual and legal basis in support of their positions. The petitioning party bears the burden of going forward with the evidence. The party opposing discharge bears the burden of proof by clear and convincing evidence that the respondent is in need of commitment.

Sec. 12. Minnesota Statutes 2006, section 253B.19, subdivision 3, is amended to read:

Subd. 3. **Decision.** A majority of the appeal panel shall rule upon the petition. The order of the appeal panel shall supersede the an order of the commissioner in the cases under section 253B.18,

subdivision 5, or a decision of the judicial panel. No order of the appeal panel granting a transfer, discharge or provisional discharge shall be made effective sooner than 15 days after it is issued. ~~The panel may not consider petitions for relief other than those considered by the commissioner from which the appeal is taken.~~ For persons committed as mentally ill and dangerous under section 253B.18, the panel may not grant a transfer or provisional discharge on terms or conditions that were not presented to the commissioner or the special review board."

Amend the title accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 3666: A bill for an act relating to game and fish; establishing a walleye fishing stamp for the purpose of increased walleye stocking; amending Minnesota Statutes 2006, sections 97A.045, subdivision 7; 97A.055, subdivision 4b; 97A.075, by adding a subdivision; 97A.473, subdivision 2; 97A.474, subdivision 2; 97A.475, by adding a subdivision; 97A.485, subdivision 6; Minnesota Statutes 2007 Supplement, sections 97A.055, subdivision 4; 97A.405, subdivision 2; 97A.473, subdivision 5.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 2816: A bill for an act relating to education; authorizing school districts to participate in the state employee health insurance plan; amending Minnesota Statutes 2006, sections 43A.24, subdivision 2; 43A.30, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. **COMMISSIONER OF FINANCE; STUDY.**

The commissioner of finance, in consultation with other relevant state agencies and interested parties, shall study issues related to the inclusion of school district employees in the state employee group insurance plan (SEGIP), either combined with other persons currently covered by the SEGIP or as a separately rated group for premium purposes in a plan administered by the commissioner and based upon the SEGIP. The study shall include analysis of costs, reserve requirements and other regulatory issues, effects on the SEGIP and the school districts, and any other factor deemed relevant by the commissioner to legislative consideration of this proposal. The commissioner shall report to the legislature by January 15, 2009, on results of the study."

Delete the title and insert:

"A bill for an act relating to education; requiring a study by the commissioner of finance of inclusion of school district employees in the state employees group insurance plan."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 3523: A bill for an act relating to education; clarifying a student policy on cooperating and providing educators with information about school matters; amending Minnesota Statutes 2006, section 121A.55.

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

Page 2, line 2, delete "a requirement" and insert "an expectation"

Page 2, line 4, delete "The" and insert "For purposes of this paragraph, the"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 2835: A bill for an act relating to education; providing an alternative school start date in 2009 and 2010.

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

Delete everything after the enacting clause and insert:

"Section 1. ALTERNATIVE SCHOOL START DATE.

Notwithstanding Minnesota Statutes, section 120A.40, paragraph (a), a district may commence an elementary or secondary school year on or after August 31 in the 2009-2010 school year and on or after August 30 in the 2010-2011 school year."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 3313: A bill for an act relating to occupations and professions; improving physician licensure standards based on reciprocity; amending Minnesota Statutes 2007 Supplement, section 147.037, subdivision 1.

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 2006, section 147.03, subdivision 1, is amended to read:

Subdivision 1. **Endorsement; reciprocity.** (a) The board may issue a license to practice medicine to any person who satisfies the requirements in paragraphs (b) to (f).

(b) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (b), (d), (e), and (f).

(c) The applicant shall:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the National Board of Medical Examiners, or the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2); the National Board of Osteopathic Examiners; or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or Canada and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass each of steps one, two, and three of the USMLE within the required three attempts, the applicant may be granted a license provided the applicant:

(i) has passed each of steps one, two, and three with passing scores as recommended by the USMLE program within no more than four attempts for any of the three steps;

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, of the Royal College of Physicians and Surgeons of Canada, or of the College of Family physicians of Canada.

(d) The applicant shall pay a fee established by the board by rule. The fee may not be refunded.

(e) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(f) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (e). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

(g) Upon the request of an applicant, the board may conduct the final interview of the applicant by teleconference.

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

Sec. 2. Minnesota Statutes 2007 Supplement, section 147.037, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to any person who satisfies the requirements in paragraphs (a) to (g).

(a) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (e), (f), (g), and (h).

(b) The applicant shall present evidence satisfactory to the board that the applicant is a graduate of a medical or osteopathic school approved by the board as equivalent to accredited United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation, or other relevant data. If the applicant is a graduate of a medical or osteopathic program that is not accredited by the Liaison Committee for Medical Education or the American Osteopathic Association, the applicant may use the Federation of State Medical Boards' Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses this service as allowed under this paragraph, the physician application fee may be less than \$200 but must not exceed the cost of administering this paragraph.

(c) The applicant shall present evidence satisfactory to the board that the applicant has been awarded a certificate by the Educational Council for Foreign Medical Graduates, and the applicant has a working ability in the English language sufficient to communicate with patients and physicians and to engage in the practice of medicine.

(d) The applicant shall present evidence satisfactory to the board of the completion of two years of graduate, clinical medical training in a program located in the United States, its territories, or Canada and accredited by a national accrediting organization approved by the board. This requirement does not apply:

(1) to an applicant who is admitted as a permanent immigrant to the United States on or before October 1, 1991, as a person of exceptional ability in the sciences according to Code of Federal Regulations, title 20, section 656.22(d);

(2) to an applicant holding a valid license to practice medicine in another country and issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability in the field of science or as an outstanding professor or researcher according to Code of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa as a person of extraordinary ability in the field of science according to Code of Federal Regulations, title 8, section 214.2(o),

provided that a person under clause (1) or (2) is admitted pursuant to rules of the United States Department of Labor; or

(3) to an applicant who is licensed in another state, has practiced five years without disciplinary action in the United States, its territories, or Canada, has completed one year of the graduate, clinical medical training required by this paragraph, and has passed the Special Purpose Examination of the Federation of State Medical Boards within three attempts in the 24 months before licensing.

(e) The applicant must:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or country and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, of the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass each of steps one, two, and three of the USMLE within the required three attempts, the applicant may be granted a license provided the applicant:

(i) has passed each of steps one, two, and three with passing scores as recommended by the USMLE program within no more than four attempts for any of the three steps;

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, of the Royal College of Physicians and Surgeons of Canada, or of the College of Family physicians of Canada.

(f) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

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

Amend the title numbers accordingly

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

Senator Marty from the Committee on Health, Housing and Family Security, to which was referred

S.F. No. 2884: A bill for an act relating to human services; requiring certain pension benefit costs to be recognized for purposes of calculating nursing facility payment rates; amending Minnesota Statutes 2006, section 256B.434, by adding a subdivision.

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 2007 Supplement, section 256B.434, subdivision 20, is amended to read:

Subd. 20. **Payment of Public Employees Retirement Association costs.** (a) Nursing facilities

that participate in the Public Employees Retirement Association (PERA) shall have the component of their payment rate associated with the costs of PERA determined for each rate year. Effective for rate years beginning on and after October 1, 2007, the commissioner shall determine the portion of the payment rate in effect on September 30 each year and shall subtract that amount from the payment rate to be effective on the following October 1. The portion that shall be deemed to be included in the September 30, 2007, rate that is associated with PERA costs shall be the allowed costs in the facility's base for determining rates under this section, divided by the resident days reported for that year. The commissioner shall add to the payment rate to be effective on October 1 each year an amount equal to the reported costs associated with PERA, for the year ending on the most recent September 30 for which data is available, divided by total resident days for that year, as reported by the facility and audited under section 256B.441.

(b) For the rate years beginning on and after October 1, 2008, the following nursing facilities shall have their employee pension benefit costs reported on their statistical and cost report treated as Public Employees Retirement Association (PERA) contributions for the purpose of computing payment rates under this section and section 256B.441:

- (1) a facility in Meeker County that was licensed for 58 beds as of December 1, 2007;
- (2) a facility in McLeod County that was licensed for 120 beds as of December 1, 2007;
- (3) a facility in Jackson County that was licensed for 43 beds as of December 1, 2007; and
- (4) a facility in Pennington County that was licensed for 52 beds as of December 1, 2007."

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 3079: A bill for an act relating to education; integrating instruction about the contributions of Minnesota American Indian tribes and communities into teacher preparation and licensing requirements; appropriating money; amending Minnesota Statutes 2006, section 122A.09, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 124D; 127A.

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

Page 3, line 21, delete "COMMITTEES" and insert "COMMITTEE"

Page 3, line 23, delete everything after "create"

Page 3, line 24, delete "more" and insert "an" and delete "committees" and insert "committee" and after the period, insert "The commissioner of education shall appoint the members of the committee."

Page 3, line 31, delete "Each" and insert "The"

Page 4, line 1, delete "Each" and insert "The" and delete "must" and insert "may"

Page 4, line 3, delete "each" and insert "the"

Page 4, line 27, after the period, insert "The appropriation may also be used to reimburse committee members according Minnesota Statutes, section 142D.805, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 3564: A bill for an act relating to transportation finance; correcting transitional rate of special fuel excise tax on compressed natural gas; amending Laws 2008, chapter 152, article 3, section 6.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Wiger from the Committee on Education, to which was referred

S.F. No. 3001: A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, special programs, libraries, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.05, subdivision 10a; 120B.02; 120B.023, subdivision 2; 120B.131, subdivision 2; 120B.31, subdivision 4; 122A.07, subdivisions 2, 3; 122A.60; 122A.61, subdivision 1; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 124D.10, subdivisions 2a, 4a, 6a, 7, 8, 23; 124D.522; 124D.55; 124D.60, subdivision 1; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.15; 120B.30, subdivisions 1, 1a; 123B.81, subdivision 4; 124D.095, subdivision 4; 124D.10, subdivisions 4, 23a; 125A.56; 126C.10, subdivision 34; 127A.49, subdivisions 2, 3; 134.31, subdivision 4a.

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 2006, section 123B.14, subdivision 7, is amended to read:

Subd. 7. **Clerk records.** The clerk shall keep a record of all meetings of the district and the board in books provided by the district for that purpose. The clerk shall, within three days after an election, notify all persons elected of their election. By ~~August~~ September 15 of each year the clerk shall file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents shall subsequently be examined by a public accountant or the state auditor, either of whom shall be paid by the district, as provided in section 123B.77, subdivision 3. The board shall by resolution approve the report or require a further or amended report. By ~~August~~ September 15 of each year, the clerk shall make and transmit to the commissioner certified reports, showing:

~~(1) The condition and value of school property;~~

~~(2)~~ (1) The revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;

~~(3)~~ (2) The length of school term and the enrollment and attendance by grades; and

~~(4)~~ (3) Such other items of information as may be called for by the commissioner.

The clerk shall enter in the clerk's record book copies of all reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the district. The clerk shall furnish to the auditor of the proper county, by ~~October 10~~ September 30 of each year, an attested copy of the clerk's record, showing the amount of ~~money proposed~~ property taxes voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair. Such orders must state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 2. Minnesota Statutes 2006, 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~~ February 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.

Sec. 3. Minnesota Statutes 2006, section 123B.81, subdivision 3, is amended to read:

Subd. 3. **Debt verification.** The commissioner shall establish a uniform auditing or other verification procedure for districts to determine whether a statutory operating debt exists in any Minnesota school district as of ~~June 30, 1977~~. ~~This procedure must identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt.~~ The standards for this uniform auditing or verification procedure must be promulgated by the state board pursuant to chapter 14. If a district applies to the commissioner for a statutory operating debt verification ~~or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist,~~ the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Sec. 4. Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4, is amended to read:

Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted pursuant to subdivision 3 determines that a statutory operating debt exists, a district must follow the procedures set forth in ~~this section~~ 123B.83 to eliminate this statutory operating debt.

Sec. 5. Minnesota Statutes 2006, section 123B.81, subdivision 5, is amended to read:

Subd. 5. **Certification of debt.** The commissioner shall certify the amount of statutory operating debt for each district. ~~Prior to June 30, 1979, the commissioner may, on the basis of corrected figures, adjust the total amount of statutory operating debt certified for any district.~~

Sec. 6. Minnesota Statutes 2006, section 123B.83, subdivision 3, is amended to read:

Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in accordance with this section, the commissioner may so notify the appropriate committees of the legislature by no later than ~~January 4~~ February 15 of the year following the end of that fiscal year.

Sec. 7. Minnesota Statutes 2006, section 124D.10, subdivision 6a, is amended to read:

Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the commissioner by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report a copy of all charter school agreements for corporate management services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(c) If the commissioner receives as part of the an audit report a management letter indicating that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved.

(d) Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of members, the board of directors, and committees having any of the authority of the board of directors, and statements showing the financial result of all operations and transactions affecting income and surplus during the school's last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of the accounting period.

Sec. 8. Minnesota Statutes 2006, section 124D.10, subdivision 8, is amended to read:

Subd. 8. **State and local requirements.** (a) A charter school shall meet all applicable federal, state, and local health and safety requirements applicable to school districts.

(b) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is

affiliated with a nonpublic sectarian school or a religious institution.

(d) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(e) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(f) A charter school may not charge tuition.

(g) A charter school is subject to and must comply with chapter 363A and section 121A.04.

(h) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(i) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner. The Department of Education, state auditor, or legislative auditor may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(j) A charter school is a district for the purposes of tort liability under chapter 466.

(k) A charter school must comply with sections 13.32; 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

(l) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

Sec. 9. Minnesota Statutes 2006, section 124D.10, subdivision 23, is amended to read:

Subd. 23. Causes for nonrenewal or termination of charter school contract. (a) The duration of the contract with a sponsor must be for the term contained in the contract according to subdivision 6. The sponsor may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the sponsor within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the charter school's board of directors of the hearing date. The sponsor shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew

or not renew a contract by the last day of classes in the school year. If the sponsor is a local board, the school's board of directors may appeal the sponsor's decision to the commissioner.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) violations of law; or
- (4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 308A or 317A, except when the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

(c) If at the end of a contract term, either the sponsor or the charter school board of directors wants to voluntarily terminate the contract, a change in sponsors is allowed if the commissioner approves the decision of a different eligible sponsor to authorize the charter school. The commissioner shall consider whether the charter school and prospective new sponsor have addressed any outstanding issues raised by the previous sponsor when determining whether to grant the change of sponsor. The party intending to terminate the contract must notify the other party and the commissioner of its intent at least 90 days before the date on which the contract ends. The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and student performance of the school. If no different eligible sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing sponsor, and after providing an opportunity for a public hearing, may terminate the existing sponsorial relationship if the charter school has a history of:

- (1) financial mismanagement; or
- (2) repeated violations of the law.

Sec. 10. Minnesota Statutes 2007 Supplement, section 126C.10, subdivision 34, is amended to read:

Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal years 2007 ~~and later, 2008, and 2009,~~ the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals ~~65~~ 73.1 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(b) For fiscal years 2010 and later, the basic alternative teacher compensation aid for a school

district with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

~~(b)~~ (c) Notwithstanding paragraphs (a) and (b) and section 122A.415, subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2007 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under section 122A.415 so as not to exceed these limits.

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

Sec. 11. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the board or shall be called by the board upon written petition of qualified voters of the district. The referendum must be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot must state the maximum amount of the increased revenue per resident marginal cost pupil unit. The ballot may state a schedule, determined by the board, of increased revenue per resident marginal cost pupil unit that differs from year to year over the number of years for which the increased revenue is authorized or may state that the amount shall increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The ballot, including a ballot on the question to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate the term "per resident marginal cost pupil unit" as "per pupil." The notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE ARE RENEWING AN EXISTING PROPERTY TAX REFERENDUM. YOU ARE NOT CHANGING YOUR OPERATING REFERENDUM FROM ITS LEVEL IN THE PREVIOUS YEAR."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per resident marginal cost pupil unit times the resident marginal cost pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum may result in ~~an increase~~ a change in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board and shall be called by the board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the revenue amount must state the amount per resident marginal cost pupil unit by which the authority is to be reduced. Revenue authority approved by the voters of the district pursuant to paragraph (a) must be available to the school district at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the district on the day the petition is filed with the board. A referendum invoked by petition must be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

EFFECTIVE DATE. This section is effective for elections conducted on or after July 1, 2008.

Sec. 12. Minnesota Statutes 2006, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a racially isolated school district or a school district with a racially identifiable school required to have a comprehensive desegregation or integration plan for the elimination of segregation under Minnesota Rules, parts 3535.0100 to 3535.0180, which is eligible for revenue under section 124D.86, subdivision 3, clause (1), (2), or (3), and whose plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and school desegregation and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4) or (5), where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Sec. 13. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 2, is amended to read:

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is

changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the abatement adjustment must be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:
 - (i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:
 - (A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;
 - (B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;
 - (C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;
 - (D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;
 - ~~(E) section 126C.13, if the district received general education aid according to section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second preceding year;~~
 - ~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;
 - ~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;
 - ~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;
 - ~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;
 - ~~(J)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;
 - ~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and
 - ~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher compensation equalization aid according to section 126C.10, subdivision 36, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy in the third preceding December, plus or minus auditor's adjustments.

Sec. 14. Minnesota Statutes 2007 Supplement, section 127A.49, subdivision 3, is amended to read:

Subd. 3. Excess tax increment. (a) If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

~~(E) section 126C.13, if the district received general education aid according to section 126C.13, subdivision 4, paragraph (b), clause (1), of that section in the second preceding year;~~

~~(F)~~ (E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

~~(G)~~ (F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

~~(H)~~ (G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

~~(I)~~ (H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

~~(J)~~ (I) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

~~(K)~~ (J) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

~~(L)~~ (K) section 126C.10, subdivision 35, if the district received alternative teacher compensation equalization aid according to section 126C.10, subdivision 36, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment; and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

Sec. 15. REPEALER.

Minnesota Statutes 2006, section 126C.21, subdivision 1, is repealed.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. Data sharing; improving instruction. The following educational data may be shared between the Department of Education and the Minnesota Office of Higher Education as authorized by the Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze instruction in school districts for purposes of improvement:

- (1) attendance data, including name of school or institution, school district, year or term of attendance, and term type;
- (2) student demographic and enrollment data;
- (3) academic performance and testing data; and
- (4) special academic services received by a student.

Any analysis of or report on the data must contain only summary data.

Sec. 2. Minnesota Statutes 2006, section 120A.03, is amended to read:

120A.03 MISSION STATEMENT AND VISION.

Subdivision 1. **Mission statement.** The mission of public education in Minnesota, a system for

lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision making, ensures accountability, models democratic principles, creates and sustains a climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners. The public schools of this state shall serve the needs of the students by cooperating with the students' parents and legal guardians to develop the students' intellectual capabilities and lifework skills in a safe and positive environment. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and
- (7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department.

Subd. 2. **World-class schools vision statement.** To improve the mission of public education in Minnesota, the legislature should pursue policies and school finance reforms based on the following goals:

- (1) in the area of early childhood education, ensure that investment in educational success starts early;
- (2) in the area of educator quality, ensure that great teachers and principals are recruited, prepared, supported, and retained;
- (3) in the area of academic rigor, ensure all roads are rigorous, and all lead to higher education;
- (4) in the area of family and community involvement, ensure families and communities are full partners in education;
- (5) ensure that all cultures are included and supported, and connections are made across local and global cultural divides;
- (6) in the area of data and research, ensure that educators use data and research to improve teaching and learning every day;

(7) ensure schools are provided with funding that is predictable and sufficient to produce world class performance;

(8) ensure schedules and calendars are designed to help all students reach high standards:

(9) in the area of special education, ensure services for students with disabilities are proactive, effective, efficient, and adequately funded; and

(10) in the area of health and wellness, encourage parents and other stakeholders to ensure that students come to school physically and mentally ready to learn.

Sec. 3. Minnesota Statutes 2006, section 120A.22, subdivision 5, is amended to read:

Subd. 5. **Ages and terms.** (a) Every child between age seven or enrollment in first grade and 16 18 years of age must receive instruction unless the child has completed the requirements for graduation. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 4. Minnesota Statutes 2006, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **Reports to superintendent.** The person in charge of providing instruction to a child between the ages of seven and 16 must submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, birth date, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10; and

(3) an annual instructional calendar; ~~and~~

~~(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.~~

Sec. 5. Minnesota Statutes 2006, section 120A.24, subdivision 2, is amended to read:

Subd. 2. **Availability of documentation.** The person in charge of providing instruction to a child must make available documentation indicating that the subjects required in section 120A.22, subdivision 9, are being taught. This documentation must include class schedules, copies of materials used for instruction, and descriptions of methods used to assess student achievement

and for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a copy of a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

Sec. 6. Minnesota Statutes 2006, section 120B.02, is amended to read:

120B.02 EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S STUDENTS.

(a) The legislature is committed to establishing rigorous academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use. For purposes of this chapter, a school site is a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.

(b) All commissioner actions regarding the rule must be premised on the following:

(1) the rule is intended to raise academic expectations for students, teachers, and schools;

(2) any state action regarding the rule must evidence consideration of school district autonomy; and

(3) the Department of Education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

(c) When fully implemented, the requirements for high school graduation in Minnesota must require students to satisfactorily complete, as determined by the school district, the course credit requirements under section 120B.024 and successfully pass graduation examinations as required under section 120B.30.

~~(1) for students enrolled in grade 8 before the 2005-2006 school year, to pass the basic skills test requirements; and~~

~~(2) for students enrolled in grade 8 in the 2005-2006 school year and later, to pass the Minnesota Comprehensive Assessments Second Edition (MCA-II).~~

(d) The commissioner shall periodically review and report on the state's assessment process.

(e) School districts are not required to adopt specific provisions of the federal School-to-Work programs.

Sec. 7. Minnesota Statutes 2007 Supplement, 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, nutrition, 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 with appropriate alternate achievement standards based on these academic standards for students with individualized education plans as described under federal law.~~

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.

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

Sec. 8. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

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 commissioner must ensure that the statewide ~~11th grade mathematics test assessment administered to students under clause (2) in grade 11~~ beginning in the 2013-2014 school year ~~must include~~ is aligned with state academic standards in mathematics, including 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. The commissioner also must ensure that the statewide science assessments administered to students as described under section 120B.30, subdivision 1a, beginning in the 2011-2012 school year are aligned with the state academic standards in science. 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 also must ensure that the statewide language arts assessments administered to students in grades 3 through 8 and grade 10 beginning in the 2012-2013 school year are aligned with the state academic standards in language arts. 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.

Sec. 9. Minnesota Statutes 2006, 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 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 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. 10. **[120B.299] DEFINITIONS.**

Subdivision 1. **Definitions.** The definitions in this section apply to this chapter.

Subd. 2. **Growth.** "Growth" compares the difference between a student's achievement score at two distinct points in time.

Subd. 3. **Value-added.** "Value-added" is the amount of achievement a student demonstrates above an established baseline.

Subd. 4. **Growth-based value-added.** "Growth-based value-added" is a value-added system of assessments that measures the difference between an established baseline of growth and a student's growth over time.

Subd. 5. **Adequate yearly progress.** Adequate yearly progress compares the average achievement of two different groups of students at two different points in time.

Subd. 6. **State growth norm.** "State growth norm" is an established statewide percentile, or standard applicable to all students in a particular grade benchmarked to an established school year. Beginning in the 2008-2009 school year, the state growth norm is benchmarked to 2006-2007 school year data until the commissioner next changes the vertically linked scale score. Each time the commissioner changes the vertically linked scale score, a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers, under Minnesota Statutes, section 120B.299, subdivision 6, in collaboration with the Independent Office of Educational Accountability under section 120B.31, subdivision 3, must recommend a new state growth norm that the commissioner shall consider with the revised standards. For each newly established state growth norm, the commissioner also must establish criteria for identifying schools and school districts that demonstrate accelerated growth in order to advance educators' professional development and to replicate programs that succeed in meeting students' diverse learning needs.

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

Sec. 11. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards

under section 120B.021 and administered annually to all students in grades 3 through 8 and at the high school level. A state-developed test in a subject other than writing, ~~developed after the 2002-2003 school year,~~ must include both machine-scoreable and constructed response questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Schools selected for stand-alone state field testing or other national sampling by the department must participate as requested. Superintendents or charter school directors may appeal in writing to the commissioner of education or the commissioner's designee for exemption from a selected field test if undue hardship is demonstrated. For students enrolled in grade 8 before the 2005-2006 school year, only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 ~~in 1997 and thereafter,~~ as based on the first uniform test ~~administration of~~ administered in February 1998.

(b) For students enrolled in grade 8 in the 2005-2006 school year and later, only the following options shall fulfill students' state graduation test requirements:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in reading and the mathematics test for English language learners or the graduation-required assessment for diploma equivalent of those assessments for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan;

(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state-identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individual education plan; or

(v) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan; and

(2) for writing:

(i) achieving a passing score on the graduation-required assessment for diploma;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in writing for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma

as determined by appropriate state guidelines for students with an individual education plan or 504 plan; or

(iv) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan.

(c) The 3rd through 8th grade and high school level test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the test results upon receiving those results.

(d) State tests must be constructed and aligned with state academic standards. The commissioner shall determine the testing process and the order of administration shall be determined by the commissioner. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(e) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations, alternate assessments, or exemptions consistent with applicable federal law, only with parent or guardian approval, for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06 determines that the general statewide test is inappropriate for a student, or for a limited English proficiency student under section 124D.59, subdivision 2;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

Subd. 1a. Statewide and local assessments; results. (a) The commissioner must develop reading, mathematics, and science assessments aligned with state academic standards that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual reading and mathematics assessments in grades 3 through 8 and at the high school level for the 2005-2006 school year and later; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 9 8 span, ~~and~~ a life sciences assessment in the grades 4 9 through 12 span for the 2007-2008 through 2010-2011 school year, and an earth and space, life, and physical sciences assessment in the grades 9 through 12 span for the 2011-2012 school year and later. Each assessment given in the high school grade span will be administered at the end of the course for which science standards instruction is

completed in each content area of biology, earth and space, and physical sciences.

(b) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(c) Reporting of assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include, by no later than the 2008-2009 school year, a growth-based value-added component that is in addition to a measure for student achievement growth over time indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for students with limited English proficiency.

(e) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress in achieving the proficiency in the context of the state's grade level academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Subd. 2. Department of Education assistance. The Department of Education shall contract for professional and technical services according to competitive bidding procedures under chapter 16C for purposes of this section.

Subd. 3. Reporting. The commissioner shall report test data publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Subd. 4. Access to tests. The commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment. Upon receiving a written request, the commissioner must

make available to parents or guardians a copy of their student's actual responses to the test questions ~~to be reviewed by the parent~~ for their review.

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

Sec. 12. Minnesota Statutes 2006, section 120B.31, as amended by Laws 2007, chapter 146, article 2, section 10, is amended to read:

120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL ADJUSTMENTS.

Subdivision 1. **Educational accountability and public reporting.** Consistent with the ~~process~~ direction to adopt a ~~results-oriented graduation rule~~ statewide academic standards under section 120B.02, the department, in consultation with education and other system stakeholders, must ~~establish~~ maintain a coordinated and comprehensive system of educational accountability and public reporting that promotes ~~higher~~ greater academic achievement, preparation for higher academic education, preparation for the world of work, citizenship as outlined under sections 120B.021, subdivision 1, clause (4); and 120B.024, paragraph (a), clause (4), and the arts.

Subd. 2. **Statewide testing.** Each school year, all school districts shall give a uniform statewide test to students at specified grades to provide information on the status, needs and performance of Minnesota students.

Subd. 3. **Educational accountability.** (a) The Independent Office of Educational Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5, section 28, subdivision 2, is established, and shall be funded through the Board of Regents of the University of Minnesota. The office shall advise the education committees of the legislature and the commissioner of education, at least on a biennial basis, on the degree to which the statewide educational accountability and reporting system includes a comprehensive assessment framework that measures school accountability for students achieving the goals described in the state's ~~results-oriented~~ high school graduation rule. The office shall determine and annually report to the legislature whether and how effectively:

(1) the statewide system of educational accountability ~~utilizes~~ uses multiple indicators to provide valid and reliable comparative and contextual data on students, schools, districts, and the state, and if not, recommend ways to improve the accountability reporting system;

(2) ~~the commissioner makes statistical adjustments when reporting student data over time, consistent with clause (4);~~

(3) ~~the commissioner uses indicators of student achievement growth~~ a growth-based value-added indicator of student achievement over time and a value-added assessment model that estimates the effects of the school and school district on student achievement to measure school performance, consistent with section ~~120B.36, subdivision 1~~ 120B.35, subdivision 3, paragraph (b);

(4) ~~(3)~~ the commissioner makes data available on students who do not pass one or more of the state's required GRAD tests and do not receive a diploma as a consequence, and categorizes these data according to gender, race, eligibility for free or reduced lunch, and English language proficiency; and

~~(5)~~ (4) the commissioner fulfills the requirements under section 127A.095, subdivision 2.

(b) When the office reviews the statewide educational accountability and reporting system, it shall also consider:

- (1) the objectivity and neutrality of the state's educational accountability system; and
- (2) the impact of a testing program on school curriculum and student learning.

Subd. 4. **Statistical adjustments; student performance data.** In ~~developing~~ managing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, ~~regional, or~~ and statewide level. When collecting and reporting the performance data, the commissioner shall: ~~(1) acknowledge the impact of significant demographic factors such as residential instability, the number of single parent families, parents' level of education, and parents' income level on school outcomes; and (2) organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.~~

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

Sec. 13. Minnesota Statutes 2006, section 120B.35, as amended by Laws 2007, chapter 147, article 8, section 38, is amended to read:

120B.35 STUDENT ACADEMIC ACHIEVEMENT AND ~~PROGRESS~~ GROWTH.

Subdivision 1. ~~Adequate yearly progress of schools and students~~ **School and student indicators of growth and achievement.** The commissioner must ~~develop and implement~~ maintain a system for measuring and reporting academic achievement and individual student ~~progress~~ growth, consistent with the statewide educational accountability and reporting system. The system components ~~of the system~~ must measure the adequate yearly progress of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational ~~progress~~ growth over time under subdivision 3. The system also must include statewide measures of student ~~academic achievement~~ growth that identify schools with high levels of ~~achievement~~ growth, and also schools with low levels of ~~achievement~~ growth that need improvement. When determining a school's effect, the data must include both statewide measures of student achievement and, ~~to the extent annual tests are administered,~~ indicators of achievement growth that take into account a student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. Indicators that take into account a student's prior achievement must not be used to disregard a school's low achievement or to exclude a school from a program to improve low achievement levels. ~~The commissioner by January 15, 2002, must submit a plan for integrating these components to the chairs of the legislative committees having policy and budgetary responsibilities for elementary and secondary education.~~

Subd. 2. **Expectations for federally mandated student academic achievement.** (a) Each school year, a school district must determine if the student achievement levels at each school site meet ~~state and local~~ federally mandated expectations. If student achievement levels at a school site do not meet ~~state and local~~ federally mandated expectations and the site has not made adequate yearly progress for two consecutive school years, beginning with the 2001-2002 school year, the

district must work with the school site to adopt a plan to raise student achievement levels to meet ~~state and local~~ federally mandated expectations. The commissioner of education shall establish student academic achievement levels to comply with this paragraph.

(b) School sites identified as not meeting federally mandated expectations must develop continuous improvement plans in order to meet ~~state and local~~ federally mandated expectations for student academic achievement. The department, at a district's request, must assist the district and the school site in developing a plan to improve student achievement. The plan must include parental involvement components.

(c) The commissioner must:

(1) ~~provide assistance to~~ assist school sites and districts identified as not meeting federally mandated expectations; and

(2) provide technical assistance to schools that integrate student progress measures under subdivision 3 in the school continuous improvement plan.

(d) The commissioner shall establish and maintain a continuous improvement Web site designed to make data on every school and district available to parents, teachers, administrators, community members, and the general public.

Subd. 3. **Student ~~progress assessment growth; other state measures~~**. (a) The state's educational assessment system ~~component~~ measuring individual students' educational ~~progress~~ must be growth is based, ~~to the extent annual tests are administered,~~ on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement ~~must be~~ are based on highly reliable statewide or districtwide assessments.

(b) The commissioner must ~~identify effective models for measuring individual student progress that enable a school district or school site to perform gains based analysis, including evaluating the effects of the teacher, school, and school district on student achievement over time. At least one model must be a "value added" assessment model that reliably estimates those effects for classroom settings where a single teacher teaches multiple subjects to the same group of students, for team teaching arrangements, and for other teaching circumstances.~~ use a growth-based value-added system. The commissioner must apply the state growth norm to students in grades 4 through 8 beginning in the 2008-2009 school year, consistent with section 120B.299, subdivision 6, initially benchmarking the state growth norm to 2007-2008 school year data. The model must allow the user to:

(1) report student growth at and above the state norm; and

(2) for all student categories with a cell size of at least 20, report and compare aggregated and disaggregated state growth data using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively. The model must have the ability to measure the effects on student growth at the teacher team level, grade teacher teams level, school level, and school district level.

(c) ~~If a district has an accountability plan that includes gains based analysis or "value added" assessment, the commissioner shall, to the extent practicable, incorporate those measures in determining whether the district or school site meets expectations. The department must coordinate with the district in evaluating school sites and continuous improvement plans, consistent with~~

~~best practices~~ If a district has an accountability plan that includes other growth-based value-added analysis, the commissioner may, to the extent practicable and consistent with this section, incorporate those measures in determining whether the district or school site shows growth.

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public four-year colleges and universities as determined by the Minnesota Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively.

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must include summary data showing student's average self-reported sense of school safety, engagement in school, and the quality of students' relationship with teachers, administrators, and other students. The commissioner must gather these data consistently from students in grade 4 or 5, in one grade level in grades 6 through 8, and in one grade level in high school, as determined by the commissioner in consultation with recognized and qualified experts.

~~Subd. 4. **Improving schools.** Consistent with the requirements of this section, the commissioner of education must establish a second achievement benchmark to identify improving schools. The commissioner must recommend to annually report to the public and the legislature by February 15, 2002, indicators in addition to the achievement benchmark for identifying improving schools, including an indicator requiring a school to demonstrate ongoing successful use of best teaching practices~~ best practices learned from those schools that demonstrate accelerated growth compared to the state growth norm.

The commissioner also must use those learned best practices to provide additional assistance and intervention support to a district or school site that does not meet either federally mandated expectations or the state growth norm.

Subd. 5. Improving graduation rates for students with emotional or behavioral disorders.
(a) A district must develop strategies in conjunction with parents of students with emotional or behavioral disorders and the county board responsible for implementing sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in school, when the district has a drop-out rate for students with an emotional or behavioral disorder in grades 9 through 12

exceeding 25 percent.

(b) A district must develop a plan in conjunction with parents of students with emotional or behavioral disorders and the local mental health authority to increase the graduation rates of students with emotional or behavioral disorders. A district with a drop-out rate for children with an emotional or behavioral disturbance in grades 9 through 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight to the commissioner.

EFFECTIVE DATE. Subdivision 3, paragraph (b), applies to students in the 2009-2010 school year and later. Subdivision 3, paragraph (c), applies to students in the 2010-2011 school year and later. Subdivision 3, paragraph (d), applies to high school students in the 2009-2010 school year and later, and to students in any grades 4 through 8 in the 2010-2011 school year and later, consistent with the commissioner's grade level determinations. Subdivision 4 applies in the 2011-2012 school year and later.

Sec. 14. Minnesota Statutes 2006, section 120B.36, as amended by Laws 2007, chapter 146, article 2, section 11, is amended to read:

120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.

Subdivision 1. **School performance report cards.** (a) ~~The commissioner shall use objective criteria based on levels of student performance to report at least student academic performance under section 120B.35, subdivision 2, a table showing the percentages of students at and above the state growth norm under section 120B.35, subdivision 3, paragraph (b), school safety and student engagement under section 120B.35, subdivision 3, paragraph (d), rigorous coursework under section 120B.35, subdivision 3, paragraph (c), two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios, and staff characteristics excluding salaries, with a value-added component added no later than the 2008-2009 school year student enrollment demographics, district mobility, and extracurricular activities. The report must indicate a school's adequate yearly progress status, and must not set any designations applicable to high and low performing schools due solely to adequate yearly progress status.~~

(b) The commissioner shall develop, annually update, and post on the department Web site school performance report cards.

(c) The commissioner must make available ~~the first performance report cards by November 2003, and during~~ the beginning of each school year thereafter.

(d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance report ~~cards~~ card data are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in paragraph (d) concludes. The department shall annually post school performance report cards to its public Web site no later than September 1.

Subd. 2. **Adequate yearly progress data.** All data the department receives, collects, or creates ~~for purposes of determining to determine~~ adequate yearly progress designations status under Public Law 107-110, section 1116, set state growth norms, and determine student growth are nonpublic

data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in subdivision 1, paragraph (d), concludes. Districts must provide parents sufficiently detailed summary data to permit parents to appeal under Public Law 107-110, section 1116(b)(2). The department shall annually post federally mandated adequate yearly progress data and state student growth data to its public Web site no later than September 1.

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

Sec. 15. Minnesota Statutes 2006, section 120B.362, is amended to read:

120B.362 GROWTH-BASED VALUE-ADDED ASSESSMENT PROGRAM.

~~(a) The commissioner of education must implement a growth-based value-added assessment program to assist school districts, public schools, and charter schools in assessing and reporting individual students' growth in academic achievement under section 120B.30, subdivision 1a. The program must use assessments of individual students' academic achievement to make longitudinal comparisons of each student's academic growth over time. School districts, public schools, and charter schools may apply to the commissioner to participate in the initial trial program using a form and in the manner the commissioner prescribes. The commissioner must select program participants from urban, suburban, and rural areas throughout the state.~~

~~(b) The commissioner may issue a request for proposals to contract with an organization that provides a value added assessment model that reliably estimates school and school district effects on students' academic achievement over time. The model the commissioner selects must accommodate diverse data and must use each student's test data across grades. Data on individual teachers generated under the model are personnel data under section 13.43.~~

~~(c) The contract under paragraph (b) must be consistent with the definition of "best value" under section 16C.02, subdivision 4.~~

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

Sec. 16. Minnesota Statutes 2006, section 121A.035, subdivision 2, is amended to read:

Subd. 2. **School district and charter school policy.** A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed 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, and an expectation that students be present and participate in these drills. This section does not apply to a full-time online learning student under section 124D.095.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 17. Minnesota Statutes 2006, section 121A.037, is amended to read:

121A.037 SCHOOL SAFETY DRILLS.

Private schools and educational institutions not subject to section 121A.035 must have at least five school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado

drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 18. **[121A.37] ENVIRONMENTALLY SENSITIVE CLEANING AND MAINTENANCE PRODUCTS.**

Subdivision 1. Definitions. (a) For the purposes of this section, the following definitions apply.

(b) "Environmentally sensitive cleaning and maintenance products" means cleaning and maintenance products that minimize adverse impacts on human health and the environment.

(c) "School" has the meaning given under section 120A.22, subdivision 4, excluding home schools.

Subd. 2. Use of environmentally sensitive cleaning and maintenance products. By September 1, 2009, a school may follow the specifications established under subdivision 4 regarding the purchase and use of environmentally sensitive cleaning and maintenance products, where economically feasible. A school may deplete existing cleaning and maintenance product supplies purchased prior to this date. A school shall annually review the school's cleaning and maintenance product purchasing practices, as they relate to the specifications established under subdivision 4.

Subd. 3. Task force. (a) The commissioner of education shall appoint an Environmentally Sensitive Product Task Force composed of the following members:

- (1) the commissioner of education or the commissioner's designee;
- (2) the commissioner of administration or the commissioner's designee;
- (3) the commissioner of health or the commissioner's designee;
- (4) the commissioner of natural resources or the commissioner's designee;
- (5) the commissioner of the Pollution Control Agency or the commissioner's designee;
- (6) the commissioner of labor and industry or the commissioner's designee;
- (7) one member from the environmentally sensitive cleaning and maintenance product industry to be appointed by the commissioner;
- (8) two members from environmental advocacy groups with knowledge of environmentally sensitive cleaning and maintenance products to be appointed by the commissioner;
- (9) two school superintendents to be appointed by the commissioner; and
- (10) a school nutrition professional appointed by the commissioner.

(b) The appointing authorities under paragraph (a) must complete their appointments by June 30, 2011. The commissioner of education or the commissioner's designee shall serve as the chair of the task force and convene the first meeting of the task force. The commissioner shall provide meeting space and the necessary support staff for the task force. Members of the task force serve until their appointing authority designates a successor.

(c) Notwithstanding section 15.059, subdivision 5, the task force expires, 20...

Subd. 4. **Environmentally sensitive cleaning and maintenance product guidelines and specifications.** (a) By January 1, 2009, the commissioner of education, in cooperation with the task force established under subdivision 3, shall establish guidelines and specifications for the purchase and use of environmentally sensitive cleaning and maintenance products in schools. In developing the guidelines and specifications, the task force shall review and evaluate existing standards established by other states regarding environmentally sensitive cleaning and maintenance products, and research and guidance issued by the United States Environmental Protection Agency and the Office of the Federal Environmental Executive.

(b) The commissioner of education shall inform schools of the requirements of this section, distribute the guidelines and specifications developed in paragraph (a) to all schools, and make information regarding the requirements, guidelines, and specifications available on the agency's Web site.

(c) By January 1, 2010, and annually thereafter, the commissioner, in cooperation with the task force established in subdivision 3, shall review and issue any revisions to the guidelines and specifications to reflect new research and guidance available. The commissioner shall inform all schools of any revisions and post the updated guidelines and specifications on the agency's Web site.

(d) The guidelines and specifications established under this section shall not prohibit the use of disinfectants, disinfecting cleaners, sanitizers, or any other antimicrobial product regulated by the federal Insecticide, Fungicide, and Rodenticide Act (United States Code, title 7, section 136, et seq.), when necessary to protect public health and provided that the use of these products is in accordance with responsible cleaning procedure requirements.

Subd. 5. **Rule making exemption.** The guidelines and specifications developed under this section are exempt from the rulemaking provisions of chapter 14. The guidelines and specifications are subject to section 14.386, except that notwithstanding section 14.386, paragraph (b), the guidelines and specifications continue in effect until repealed or superseded by other law or rule.

Sec. 19. Minnesota Statutes 2006, section 122A.06, subdivision 4, is amended to read:

Subd. 4. **Comprehensive, scientifically based reading instruction.** (a) "Comprehensive, scientifically based reading instruction" includes a program or collection of instructional practices that is based on ~~reliable~~, valid, replicated evidence showing that when these programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, instruction in five areas of reading: phonemic awareness, phonics, fluency, vocabulary development, and ~~text~~ reading comprehension.

Comprehensive, scientifically based reading instruction also includes and integrates instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs in order to design and implement ongoing interventions so that students of all ages and proficiency levels can read and comprehend text and apply higher level thinking skills.

(b) "Phonemic awareness" is the ability of students to notice, think about, and manipulate the individual sounds in spoken syllables and words.

(c) "Phonics" is the understanding that there are systematic and predictable relationships between written letters and spoken words. Phonics instruction is a way of teaching reading that stresses learning how letters correspond to sounds and how to apply this knowledge in reading and spelling.

(d) "Fluency" is the ability of students to be able to read orally with speed, accuracy, and proper expression.

(e) "Vocabulary development" is the process of teaching vocabulary both directly and indirectly, with repetition and multiple exposures to vocabulary items. Learning in rich contexts, incidental learning, and use of computer technology all enhance the acquisition of vocabulary.

(f) "Reading comprehension" is an active process that requires intentional thinking during which meaning is constructed through interactions between text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning by intentional, problem-solving thinking processes.

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

Sec. 20. Minnesota Statutes 2006, section 122A.07, subdivision 2, is amended to read:

Subd. 2. **Eligibility; board composition.** Except for the representatives of higher education and the public, to be eligible for appointment to the Board of Teaching a person must be a teacher currently teaching in a Minnesota school and fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination and appointment. Each nominee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board must be composed of:

- (1) six teachers who are currently teaching in a Minnesota school or who were teaching at the time of the appointment, at least four of whom must be teaching in a public school;
- (2) one higher education representative, who must be a faculty member preparing teachers;
- (3) one school administrator; and
- (4) three members of the public, two of whom must be present or former members of school boards.

Sec. 21. Minnesota Statutes 2006, section 122A.07, subdivision 3, is amended to read:

Subd. 3. **Vacant position.** With the exception of a teacher who retires from teaching, the position of a member who leaves Minnesota or whose employment status changes to a category different from that from which appointed is deemed vacant.

Sec. 22. Minnesota Statutes 2006, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must

require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board but not later than September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent

with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in understanding the key warning signs of early-onset mental illness in children and adolescents.

(o) When reviewing and revising rules, the board must align the requirements for teacher preparation programs to reflect the expectation that all students can successfully complete rigorous academic coursework.

Sec. 23. Minnesota Statutes 2006, 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. In addition, the board must require a person to successfully complete a Minnesota reading instruction competence assessment consistent with subdivision 2c before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten or elementary 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 or Minnesota reading instruction competence assessment, 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 and, where applicable, the reading instruction competence assessment.

(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." 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. Subdivision 2, paragraph (b), is effective July 1, 2010, and subdivision 2, paragraph (d), is effective July 1, 2013.

Sec. 24. Minnesota Statutes 2006, section 122A.18, subdivision 2a, is amended to read:

Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the Board of Teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs research-based best practices in reading, consistent with section 122A.06, subdivision 4, that enable the licensure candidate to know how to teach reading in the candidate's content areas and prepare the licensure candidate, where applicable, for the Minnesota reading instruction competence assessment.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in the application of comprehensive, scientifically based, ~~and balanced~~ reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with section 122A.06, subdivision 4, so that all students will achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

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

Sec. 25. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 2c. **Minnesota reading instruction competence assessment.** The Minnesota reading instruction competence assessment must measure the knowledge, skill, and ability of prekindergarten and elementary instructors in comprehensive, scientifically based reading instruction as defined in section 122A.06. The assessment must have been previously administered in another state for over five years and be composed of multiple choice and constructed response questions designed to measure reading instruction knowledge and skills. Test content areas must assess foundations of reading development, development of reading comprehension, reading

assessment and instruction, and integration of knowledge and understanding.

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

Sec. 26. Minnesota Statutes 2006, section 122A.60, is amended to read:

122A.60 STAFF DEVELOPMENT PROGRAM.

Subdivision 1. **Staff development committee.** A school board must use the revenue authorized in section 122A.61 for ~~in-service education for~~ programs under section 120B.22, subdivision 2, or for staff development and teacher training plans under this section. The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators.

Subd. 1a. **Effective staff development activities.** (a) Staff development activities must be aligned with the district and school site staff development plans, based on student achievement data, focused on student learning goals and used in the classroom setting. Activities must:

(1) focus on the school classroom and ~~research-based~~ scientifically-based research strategies that improve student learning;

(2) provide opportunities for teachers to practice and improve their instructional skills over time and receive instructional-based observations using objective standards-based assessments to assist in the professional growth process;

(3) provide regular opportunities for teachers to use student data as part of their daily work to increase student achievement;

(4) enhance teacher content knowledge and instructional skills;

(5) align with state and local academic standards;

(6) provide job embedded or integrated professional development opportunities during teacher contract day to build professional relationships, foster collaboration among principals and staff who ~~provide instruction~~ to identify instructional strategies to meet student learning goals, plan for instruction, practice new teaching strategies, review the results of implementing strategies, and provide opportunities for teacher-to-teacher coaching and mentoring; and

(7) align with the plan of the district or site for an ~~alternative teacher professional pay system~~ those participating in an alternative professional pay system under section 122A.414.

Staff development activities may also include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be

counted as staff development time that is financed with staff development reserved revenue under section 122A.61.

Subd. 2. **Contents of the plan.** The plan must be based on student achievement and include student learning goals, the staff development outcomes under subdivision 3, the means to achieve the outcomes, and procedures for evaluating progress at each school site toward meeting education outcomes.

Subd. 3. **Staff development outcomes.** The advisory staff development committee must adopt a staff development plan for increasing teacher effectiveness and improving student achievement. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum by using best practices methods and scientifically-based research;

(2) effectively meet the needs of a diverse student population, including at-risk children, English-language learners, children with disabilities, and gifted children, within the regular classroom and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;

(4) improve staff collaboration and develop mentoring and peer coaching programs for teachers new to the school or district in their first five years of teaching;

(5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution; and

(6) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

Subd. 4. **Staff development report.** (a) By October ~~15~~ 1 of each year, the district and site staff development committees shall write and submit a report of staff development activities and expenditures for the previous year, in the form and manner determined by the commissioner. The report, signed by the district superintendent and staff development chair, must include assessment and evaluation data indicating progress toward district and site staff development goals based on teaching and learning outcomes, including the percentage of teachers and other staff involved in instruction who participate in effective staff development activities under subdivision 3.

(b) The report must break down expenditures for:

(1) curriculum development and curriculum training programs; and

(2) staff development training models, workshops, and conferences, and the cost of releasing teachers or providing substitute teachers for staff development purposes.

The report also must indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by grants to school

sites that demonstrate exemplary use of allocated staff development revenue. These expenditures must be reported using the uniform financial and accounting and reporting standards.

(c) The commissioner shall report the staff development progress and expenditure data to the house of representatives and senate committees having jurisdiction over education by February 15 each year.

Sec. 27. Minnesota Statutes 2006, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for ~~in-service~~ education ~~for~~ programs under section 120B.22, subdivision 2, ~~for~~ with the primary purpose of creating and implementing district and school site staff development plans, ~~including~~. Funds may also be used to support plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs. With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue must be used to make grants to school sites for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, ~~or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site professional development team.~~ The site professional development team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

Sec. 28. Minnesota Statutes 2006, section 123B.88, subdivision 3, is amended to read:

Subd. 3. **Transportation services contracts; requirements.** (a) The board may contract for the furnishing of authorized transportation under section 123B.52, and may purchase gasoline and furnish same to a contract carrier for use in the performance of a contract with the school district for transportation of school children to and from school.

(b) An initiated transportation service contract shall include by contract language, addendum, or supplementary information terms addressing:

(1) a summary of school bus driver training requirements, including the minimum number of preservice training hours and the minimum number of inservice training hours;

(2) a driver recruitment and retention plan, including:

(i) an explanation of the actions the contractor has taken or will take to recruit qualified drivers for the transportation services contract;

(ii) an explanation of the process for screening applicants to be certain that they meet the school bus driver requirements of federal law, state law, and of the transportation service contract, including federal and state controlled substance and alcohol testing requirements;

(iii) an explanation of the training that drivers receive prior to assignment to transportation service; and

(iv) an explanation of the actions of the employer to retain qualified drivers to meet requirements of the transportation services contract, including an explanation of wage rates and employee benefits and policies on compensated absences such as paid vacations, holidays, and sick leave;

(3) the reporting to the local school district of all school bus accidents;

(4) the reporting to the local school district of all school bus driver reported traffic convictions, based upon the requirement of commercial drivers to report traffic convictions to their employer under Federal Motor Carrier Safety Administration, rule 383.31;

(5) the reporting within one week to the local school district the results of any Minnesota Highway Patrol inspection of school buses being regularly utilized for the transportation under the transportation contract;

(6) the school bus driver employee turnover ratio as defined as the number of school bus drivers during the most recent school year, divided by the daily average number of school bus drivers during the same regular school year within bus garage location or other reasonable basis. The turnover rate may exclude those drivers whose employment is terminated or who are otherwise removed from service at the direction of the local school district; and

(7) the date of hire of the employer's current employees identified by their job classification, which may include any relevant prior experience. Summer and other regular school breaks should not be considered interruptions to employment.

(c) Notwithstanding section 123B.52, a school district may award a transportation contract in the interest of student safety and cost effectiveness.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 29. [123B.915] SCHOOL BUS DRIVERS.

Subdivision 1. Driver pay. School bus driver employees must be paid for the actual time worked. If a route pay system or hourly estimation is used, school bus driver employees must be scheduled and paid for actual time for required inspection of buses.

Subd. 2. Right to refuse. School bus drivers who document needed bus repairs shall have the right to refuse to operate the bus immediately for a safety-related repair, which meets the out-of-service definition of Minnesota Rules, part 7470.0600. In this situation, the driver shall be provided an alternate bus, if available, and time to inspect it. The driver shall not be penalized in any way for fees, fines, or consequences incurred by the employer for delays or failure to provide the transportation service in a timely manner in this situation. Nothing in this section may diminish the rights, pay, or benefits of drivers covered by a collective bargaining agreement with

an exclusive representative.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 30. Minnesota Statutes 2006, section 124D.09, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings given to them.

(a) "Eligible institution" means a Minnesota public postsecondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the North Central Association of Colleges and Schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota.

(b) "Course" means a course or program.

(c) "Full time" means no less than 12 semester hours of college credit and no more than 15 semester hours of college credit per semester.

(d) "Secondary pupils" means a high school student requiring four semesters or less of full-time enrollment to meet requirements necessary for a high school diploma.

Sec. 31. Minnesota Statutes 2006, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit only, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 32. Minnesota Statutes 2006, section 124D.09, subdivision 7, is amended to read:

Subd. 7. **Dissemination of information; notification of intent to enroll.** By March 1 of each year, a district must provide general information about the program to all pupils in grades 10 and 11. To assist the district in planning, a pupil shall inform the district by no earlier than March 30 of each year and no later than May 1 of each year of the pupil's intent to enroll in postsecondary courses during the following school year. A pupil is not bound by notifying or not notifying the district by March 30.

Sec. 33. Minnesota Statutes 2006, section 124D.09, subdivision 16, is amended to read:

Subd. 16. **Financial arrangements for courses provided according to agreements.** (a) The agreement between a board and the governing body of a public postsecondary system or private postsecondary institution shall set forth the payment amounts and arrangements, if any, from the board to the postsecondary institution. No payments shall be made by the department according to subdivision 13 or 15. For the purpose of computing state aids for a district, a pupil enrolled according to subdivision 10 shall be counted in the average daily membership of the district as

though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public postsecondary system or private postsecondary institution from receiving additional state funding ~~that may be available under any other law~~ not linked to calculation of state per pupil general education revenue formula under section 126C.10, subdivision 2.

(b) If a course is provided under subdivision 10, offered at a secondary school, and taught by a secondary teacher, the postsecondary system or institution must not require a payment from the school board that exceeds the cost to the postsecondary institution that is directly attributable to providing that course.

Sec. 34. Minnesota Statutes 2006, section 124D.09, subdivision 24, is amended to read:

Subd. 24. **Limit; state obligation.** The provisions of subdivisions 13, 19, 22, and 23 shall not apply for any postsecondary courses in which a pupil is enrolled in addition to being enrolled full time in that pupil's district or for any postsecondary course in which a pupil is enrolled for postsecondary credit. ~~The pupil is enrolled full time if the pupil attends credit bearing classes in the high school or high school program for all of the available hours of instruction.~~

Sec. 35. Minnesota Statutes 2007 Supplement, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may apply for full-time enrollment in an approved online learning program under section 124D.03, 124D.08 or 124D.10, ~~or for supplemental online learning.~~ Notwithstanding sections 124D.03, 124D.08, and 124D.10, procedures for enrolling in supplemental online learning shall be as provided in this subdivision. 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 online learning. In order that a student may enroll in online learning, the student and the student's parents must submit an application to the online learning provider and identify the reason for enrolling in online learning. The online learning provider that accepts a student under this section must within ten days notify the student and the enrolling district in writing if the enrolling district is not the online learning provider. The student and family must notify the online learning provider of their intent to enroll in online learning within ten days of acceptance, at which time the student and parent must sign a statement of assurance that they have reviewed the online course or program and understand the expectations of online learning enrollment. The online learning provider must notify the enrolling district of the student's enrollment application to enroll in online learning in writing on a form provided by the department.

(b) Supplemental online learning notification to the enrolling district upon student ~~enrollment in application to the online learning program~~ provider will include the courses or program, credits to be awarded, and the start date of online enrollment, and confirmation. An online learning provider must make available to the enrolling district the course syllabus, standard alignment, content outline, assessment requirements, and contact information for supplemental online courses taken by students in the enrolling district. The enrolling district must confirm that the courses will meet the student's graduation plan before the student is enrolled in the online program. A student may enroll in supplemental online learning courses up to the midpoint of the enrolling district's term. The enrolling district may waive this requirement for special circumstances and upon acceptance by the online provider.

(c) An online learning provider must notify the commissioner that it is delivering online learning and report the number of online learning students it is accepting and the online learning courses and programs it is delivering.

(d) An online 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.

(e) An enrolling district may reduce an online learning student's regular classroom instructional membership in proportion to the student's membership in online learning courses.

(f) The online provider must report student progress to the enrolling district in a manner specified by the commissioner. The enrolling district must designate a contact person to assist in monitoring student progress.

Sec. 36. Minnesota Statutes 2007 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. ~~An online learning provider must make available to the enrolling district the course syllabus, standard alignment, content outline, assessment requirements, and contact information for supplemental online courses taken by students in 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 course schedule 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 in supplemental online learning courses during a single school year to a maximum of 50 percent of the student's full schedule of courses per term. A student may exceed the supplemental online learning registration limit if the enrolling district grants permission for supplemental online learning enrollment above the limit, or if an agreement is made between the enrolling district and the online learning provider for instructional services;

(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.

(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.

(d) An enrolling district or charter school may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. An enrolling district or charter school that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7, unless the enrolling district or charter school is a full-time online provider. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district or charter school. 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.

(e) ~~An~~ A full-time 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.

(f) To enroll in more than 50 percent of the student's full schedule of courses per term in online learning, the student must qualify to exceed the supplemental online learning registration limit under paragraph (b) or apply for enrollment to an approved full-time online learning program following appropriate procedures in subdivision 3, paragraph (a). Full-time online learning students may enroll in classes at a local school per contract for instructional services between the online learning provider and the school district.

Sec. 37. Minnesota Statutes 2007 Supplement, section 124D.095, subdivision 7, is amended to read:

Subd. 7. Department of Education. (a) The department must review and certify online learning providers. The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. Online learning providers must demonstrate to the commissioner that online learning courses ~~have equivalent~~ meet professional standards of instruction, curriculum, and assessment requirements ~~as other courses offered to enrolled students~~ as indicated in a syllabus submitted according to the commissioner's requirements. The online learning provider must also demonstrate expectations for actual teacher contact time or other student-to-teacher communication. Once an online learning provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (b).

(b) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the certification procedures under paragraph (a). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(c) The department may collect a fee not to exceed \$250 for certifying online learning providers

or \$50 per course for reviewing a challenge by an enrolling district.

(d) The department must develop, publish, and maintain a list of approved online learning providers and online learning courses and programs that it has reviewed and certified.

Sec. 38. Minnesota Statutes 2006, section 124D.095, subdivision 10, is amended to read:

Subd. 10. **Online Learning Advisory Council.** ~~(a)~~ An Online Learning Advisory Council is established under section 15.059, except that the term for each council member shall be three years. The advisory council is composed of 12 members from throughout the state who have demonstrated experience with or interest in online learning. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to online learning and provide input to the department in matters related, but not restricted, to:

- (1) quality assurance;
- (2) teacher qualifications;
- (3) program approval;
- (4) special education;
- (5) attendance;
- (6) program design and requirements; and
- (7) fair and equal access to programs.

~~(b) The Online Learning Advisory Council under this subdivision expires June 30, 2008.~~

Sec. 39. Minnesota Statutes 2006, section 124D.10, subdivision 2a, is amended to read:

Subd. 2a. **Charter School Advisory Council.** (a) A Charter School Advisory Council is established under section 15.059 except that the term for each council member shall be three years. The advisory council is composed of seven members from throughout the state who have demonstrated experience with or interest in charter schools. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to charter schools that the council deems necessary and shall:

- (1) encourage school boards to make full use of charter school opportunities;
- (2) encourage the creation of innovative schools;
- (3) provide leadership and support for charter school sponsors to increase the innovation in and the effectiveness, accountability, and fiscal soundness of charter schools;
- (4) serve an ombudsman function in facilitating the operations of new and existing charter schools;
- (5) promote timely financial management training for newly elected members of a charter school board of directors and ongoing training for other members of a charter school board of directors; and

(6) facilitate compliance with auditing and other reporting requirements. The advisory council shall refer all its proposals to the commissioner who shall provide time for reports from the council.

(b) The Charter School Advisory Council under this subdivision ~~expires June 30, 2007~~ does not expire and the expiration date provided in section 15.059, subdivision 5, does not apply to this section.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2007.

Sec. 40. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 4, is amended to read:

Subd. 4. Formation of school. (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the commissioner. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section. Notwithstanding sections 465.717 and 465.719, a school district may create a corporation for the purpose of creating a charter school.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the commissioner stating its intent to authorize a charter school. The affidavit must demonstrate the sponsor's abilities, capacities, and expertise in fulfilling the responsibilities of a sponsor and state the terms and conditions under which the sponsor would authorize a charter school and how the sponsor intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the sponsor and the charter school board of directors under subdivision 6 in the form and manner prescribed by the commissioner. The sponsor must submit an affidavit to the commissioner for each charter school it proposes to authorize. The commissioner must approve or disapprove the sponsor's proposed authorization within 90 days of receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

(c) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five nonrelated members until a timely election for members of the charter school board of directors is held according to the school's articles and bylaws. A charter school board of directors must be composed of at least five members. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may be eligible to participate in the election for members of the school's board of directors. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors before the school completes its third year of operation, unless the commissioner waives the requirement for a majority of licensed teachers on the board. Board of director meetings must comply with chapter 13D.

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

(e) The granting or renewal of a charter school by a sponsor must not be contingent on the

charter school being required to contract, lease, or purchase services from the sponsor. A sponsor is prohibited from entering into a contract to provide management and financial services for a school that it is authorized to sponsor.

~~(e)~~ (f) A sponsor may authorize the operators of a charter school to expand the operation of the charter school to additional sites or to add additional grades at the school beyond those described in the sponsor's application as approved by the commissioner only after submitting a supplemental application to the commissioner in a form and manner prescribed by the commissioner. The supplemental application must provide evidence that:

- (1) the expansion of the charter school is supported by need and projected enrollment;
- (2) the charter school is fiscally sound;
- (3) the sponsor supports the expansion; and
- (4) the building of the additional site meets all health and safety requirements to be eligible for lease aid.

~~(f)~~ (g) The commissioner annually must provide timely financial management training to newly elected members of a charter school board of directors and ongoing training to other members of a charter school board of directors. Training must address ways to:

- (1) proactively assess opportunities for a charter school to maximize all available revenue sources;
- (2) establish and maintain complete, auditable records for the charter school;
- (3) establish proper filing techniques;
- (4) document formal actions of the charter school, including meetings of the charter school board of directors;
- (5) properly manage and retain charter school and student records;
- (6) comply with state and federal payroll record-keeping requirements; and
- (7) address other similar factors that facilitate establishing and maintaining complete records on the charter school's operations.

Sec. 41. Minnesota Statutes 2006, section 124D.10, subdivision 4a, is amended to read:

Subd. 4a. **Conflict of interest.** (a) A member of a charter school board of directors is prohibited from serving as a member of the board of directors or as an employee or agent of or a contractor with a for-profit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the commissioner. The charter school's state aid may be reduced by the commissioner under section 127A.42 if the charter school board fails to correct violations under this subdivision in a timely manner. A member of a charter school board of directors who violates this prohibition shall be individually liable to the charter school for any damage caused by the violation.

(b) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(c) A member of a charter school board of directors that serves as a member of the board of directors or as an employee or agent of or a contractor with a nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities, must disclose all potential conflicts to the commissioner. A violation of this requirement renders a contract voidable at the option of the commissioner. The charter school's aid may be reduced by the commissioner under section 127A.42 if the charter school fails to correct violations under this subdivision in a timely manner.

(d) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.

(e) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

Sec. 42. Minnesota Statutes 2006, section 124D.10, subdivision 6, is amended to read:

Subd. 6. **Contract.** The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the commissioner's approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years for the initial contract, and up to five years for renewed contracts based on the academic, financial, and operational performance of the school;
- (10) if how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability; and
- (11) the process and criteria the sponsor intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15.

Sec. 43. Minnesota Statutes 2006, section 124D.10, subdivision 7, is amended to read:

Subd. 7. **Public status; exemption from statutes and rules.** A charter school is a public school

and is part of the state's system of public education. ~~Except as provided in this section, a charter school is exempt from all statutes and rules applicable to a school, a board, or a district, although it may elect to comply with one or more provisions of statutes or rules.~~ A charter school is exempt from all statutes and rules applicable to a school, board, or district unless provided by this section or provided in another section of statutes or rules.

Sec. 44. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

Subd. 20. Leave to teach in a charter school. If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that the request for a leave or extension of leave be made ~~up to 90 days before the teacher would otherwise have to report for duty~~ before February 1 in the school year preceding the school year in which the teacher wishes to return, or February 1 of the calendar year in which the leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Sec. 45. Minnesota Statutes 2006, section 124D.10, subdivision 23, is amended to read:

Subd. 23. Causes for nonrenewal or termination of charter school contract. (a) The duration of the contract with a sponsor must be for the term contained in the contract according to subdivision 6. The sponsor may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor shall notify the board of directors of the charter school of the proposed action in writing by registered mail. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the sponsor within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the charter school's board of directors of the hearing date. The sponsor shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract ~~by the last day of classes in the school year~~ no later than 15 days before the termination date or the end of the contract. If the sponsor is a local board, the school's board of directors may appeal the sponsor's decision to the commissioner.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;

- (3) violations of law; or
- (4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 308A or 317A, except when the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

(c) If at the end of a contract term, ~~either the sponsor or~~ and the charter school board of directors wants mutually agree to voluntarily terminate the contract, a change in sponsors is allowed if the commissioner approves the decision of a different eligible sponsor to authorize the charter school. ~~The party intending to terminate the contract must notify the other party and the commissioner of its intent at least 90 days before the date on which the contract ends. Both parties must jointly submit in writing to the commissioner its intent to terminate the contract.~~ The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and student performance of the school. If no different eligible sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing sponsor, and after providing an opportunity for a public hearing, may terminate the existing sponsorial relationship if the charter school has a history of:

- (1) sustained failure to meet the requirements for pupil performance contained in the contract;
- (2) financial mismanagement; or
- ~~(2)~~ (3) repeated violations of the law; or
- (4) other good cause shown.

Sec. 46. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 23a, is amended to read:

Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from entering a lease of real property with a related party as defined in ~~subdivision 26~~ this subdivision, unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

(b) For purposes of this subdivision:

(1) "related party" means an affiliate or close relative of the other party in question, an affiliate of a close relative, or a close relative of an affiliate;

(2) "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(3) "close relative" means an individual whose relationship by blood, marriage, or adoption to another individual is no more remote than first cousin;

(4) "person" means an individual or entity of any kind; and

(5) "control" includes the terms "controlling," "controlled by," and "under common control with" and means the possession, direct or indirect, of the power to direct or cause the directions of the

management, operations, or policies of a person, whether through ownership of voting securities, by contract, or otherwise.

~~(b)~~ (c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must contain the following statement: "This lease is subject to Minnesota Statutes, section 124D.10, subdivision 23a."

~~(e)~~ (d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments in excess of those that are reasonable under section 124D.11, subdivision 4, clause (1).

Sec. 47. Minnesota Statutes 2006, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** (a) 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, 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

(12) is being treated in a hospital in the seven-county metropolitan area for cancer or other life threatening illness or is the sibling of an eligible pupil who is being currently treated, and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

(b) A pupil who is between the ages of 16 and 21 who meets the criteria of clauses (2), (5), or (11) may be assigned to an area learning center by the district only after consultation with the pupil and their parent.

Sec. 48. Minnesota Statutes 2006, section 125B.07, is amended by adding a subdivision to read:

Subd. 8. **Technology data and guidelines.** (a) The department shall maintain a list of technology infrastructure data including, but not limited to, the following data:

- (1) instructional technology;
- (2) technology tools;
- (3) network and data systems administration;
- (4) data practices;
- (5) data management; and
- (6) facilities infrastructure.

Each school must provide the technology data to the department in the form and manner prescribed by the commissioner. The data must include the impact of each indicator on student achievement.

(b) The commissioner shall maintain technology guidelines for uniform data collections including common data definitions for required elements, a common course catalogue, common transcript definitions, and district technology infrastructure standards.

Sec. 49. Minnesota Statutes 2006, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** "Habitual truant" means a child under the age of ~~16~~ 18 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school, ~~or a child who is 16 or 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 50. Minnesota Statutes 2006, section 299F.30, subdivision 1, is amended to read:

Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037, and this section, 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 five fire drills each school year, to expect students to be present and participate in these drills, and to keep all doors and exits unlocked from the inside of the building during school hours.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 51. Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to read:

Subd. 13. **Preadvanced placement, advanced placement, international baccalaureate, and concurrent enrollment programs.** For preadvanced placement, advanced placement, international baccalaureate, and concurrent enrollment programs under Minnesota Statutes, sections 120B.132 and 124D.091:

\$	6,500,000	2008
\$	6,500,000	2009

Of this amount, \$2,500,000 each year is for concurrent enrollment program aid under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district. Any balance in the first year does not cancel but is available in the second year.

The base appropriation for fiscal year 2010 and later is \$2,000,000.

Sec. 52. IMPLEMENTING A STUDENT GROWTH-BASED VALUE-ADDED SYSTEM.

(a) To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), and to help parents and members of the public compare the reported data, the commissioner must convene a group of expert school district assessment and evaluation staff, including a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers under Minnesota Statutes, section 120B.299, subdivision 6, and interested stakeholders, including school superintendents, school principals, and school teachers to examine the actual statewide performance of students using Minnesota's growth-based value-added system and establish criteria for identifying schools and school districts that demonstrate accelerated growth in order to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs.

(b) The commissioner must submit a written report to the education committees of the house of representatives and senate by February 15, 2009, describing the criteria for identifying schools and school districts that demonstrate accelerated growth.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards in the 2008-2009 school year and later.

Sec. 53. IMPLEMENTING RIGOROUS COURSEWORK MEASURES RELATED TO STUDENT PERFORMANCE.

To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (c), clauses (1) and (2), and to help parents and members of the public compare the reported data, the commissioner of education must convene a group of recognized and qualified experts and interested stakeholders including parents to develop a model projecting anticipated performance of each high school on preparation and rigorous coursework measures that compares the school with similar schools. The model must use information about entering high school students based on particular background characteristics that are predictive of differing rates of college readiness. The characteristics include grade 8 achievement levels, high school student mobility, high school student attendance, the nine student categories identified under the federal 2001 No Child Left Behind Act, and two student gender categories of male and female, respectively, to predict student performance on these two core measures. The commissioner must use the anticipated level of entering students' performance to provide a context for interpreting graduating students' actual performance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards beginning July 1, 2011.

Sec. 54. IMPLEMENTING MEASURES FOR ASSESSING STUDENTS' SELF-REPORTED SENSE OF SCHOOL SAFETY, ENGAGEMENT IN SCHOOL, AND THE QUALITY OF RELATIONSHIPS WITH TEACHERS, ADMINISTRATORS, AND OTHER STUDENTS.

(a) To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (d), and to help parents and members of the public compare the reported data, the commissioner of education, in consultation with interested stakeholders, must convene a group of recognized and qualified experts including parents to:

(1) analyze the University of Minnesota student safety and engagement survey instrument and other commonly recognized survey instruments to select or devise the survey instrument that best meets state accountability requirements;

(2) ensure that the identified survey instrument has sound psychometric properties and is useful for intervention planning;

(3) determine at what grade levels to administer the survey instrument and ensure that the survey instrument can be used at those grade levels; and

(4) determine through disaggregated use of survey indicators or other means how to report "safety" in order to comply with federal law.

(b) The commissioner must submit a written report to the education committees of the house of representatives and senate by February 15, 2009, presenting the experts' responses to paragraph (a), clauses (1) to (4).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school report cards beginning July 1, 2011.

Sec. 55. GROWTH-BASED VALUE-ADDED SYSTEM.

The growth-based value-added system used by the commissioner of education to comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), must be consistent with the growth-based value-added model contained in the document labeled "Educational Report Card Growth Model, 2008." The document must be deposited with the Minnesota Office of the Revisor of Statutes, the Minnesota Legislative Reference Library, and the Minnesota State Law Library, where the document shall be maintained until the commissioner implements the growth-based value-added system under Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b). The recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers under Minnesota Statutes, section 120B.299, subdivision 6, must determine whether the growth-based value-added model the commissioner uses to comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), is consistent with the deposited document and report its determination to the education committees of the house of representatives and senate by February 15, 2009.

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

Sec. 56. REVIVAL AND REENACTMENT.

Minnesota Statutes, section 124D.10, subdivision 2a, is revived and reenacted effective

retroactively and without interruption from June 30, 2007.

Sec. 57. WORLD-CLASS SCHOOLS WORKING GROUP.

Subdivision 1. **Creation.** The world class school working group is established and consists of the following members:

(1) three senators, including two members from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) three members of the house of representatives, including two members appointed by the speaker of the house and one member appointed by the minority leader;

(3) the commissioner of education; and

(4) two members of the public who have an interest in education, appointed by the governor.

Subd. 2. **Duties.** The working group must monitor the progress of the state in meeting the world-class schools goals under section 120A.03 and propose strategies, recommendations, and draft legislation to the legislative committees with jurisdiction over education by January 15 of each year.

Subd. 3. **Administrative provisions.** (a) The commissioner of education must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the working group. The members of the working group must elect a chair or cochair from the legislative members of the working group at the initial meeting.

(b) Public members of the working group serve without compensation or payment of expenses.

(c) The working group expires January 15, 2015.

(d) The working group may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of education for purposes of the working group.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized under this section must be completed by August 1, 2008.

Sec. 58. MINNESOTA READING INSTRUCTION COMPETENCE ASSESSMENT AND PRETEST.

Subdivision 1. **Commissioner of education.** (a) No later than June 30, 2008, the commissioner of education shall adopt a reading instruction competence assessment for all prekindergarten and elementary instructors consistent with Minnesota Statutes, section 122A.18, subdivision 2c.

(b) The commissioner shall report to the senate and house of representatives committees having jurisdiction over prekindergarten through grade 12 education policy by July 1, 2008, on the reading instruction competence assessment that was adopted.

(c) The commissioner, in consultation with members of the professional reading community, shall establish an approved list of reading instruction program centers that offer staff development

and remedial training necessary to successfully complete the assessment described under Minnesota Statutes, section 122A.18, subdivision 2c, and adopted in paragraph (a).

Subd. 2. Pretest and grant for candidates in an approved teacher preparation program.

(a) No later than November 1, 2008, a candidate enrolled in the final year of an approved teacher preparation program in prekindergarten or elementary education may apply to the commissioner of education, in a manner prescribed by the commissioner, to take a Minnesota reading instruction competence assessment pretest as determined under subdivision 1, paragraph (a).

(b) A candidate taking the pretest under paragraph (a) is eligible for a grant to attend an approved reading instruction program if the candidate also commits to attending and completing an approved reading instruction program of their choosing, and takes the reading instruction competence assessment as determined under subdivision 1, paragraph (a), at the completion of the reading instruction program.

Subd. 3. Pretest and grant for districts. (a) No later than November 1, 2008, schools providing instruction in prekindergarten through grade 6 may apply to the commissioner of education, in a manner prescribed by the commissioner, for their teachers to take a Minnesota reading instruction competence assessment pretest as determined under subdivision 1, paragraph (a).

(b) A school is eligible for a grant for prekindergarten through grade 2 teachers to attend an approved reading instruction program, if the teachers take the pretest, commit to attending and completing an approved reading instruction program of their choosing, and take the reading instruction competence assessment as determined under subdivision 1, paragraph (a), at the completion of the reading instruction program.

Subd. 4. Passing score on the Minnesota reading instruction competence assessment. The commissioner, in cooperation with the testing contractor providing the reading instruction competence assessment, must use the reading instruction competence assessment results on the pretest and posttest to determine a passing score on the Minnesota reading instruction competence assessment by October 1, 2009.

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

Sec. 59. FOUNDATIONS OF READING GRANT FOR PREKINDERGARTEN THROUGH GRADE 2 TEACHERS AND TEACHER CANDIDATES.

Of the amounts allocated under Laws 2007, chapter 146, article 7, section 4, subdivision 2, paragraph (j), \$..... must be allocated for foundations of reading grants to school districts for their prekindergarten through grade 2 teachers and \$..... must be allocated for foundations of reading grants for prekindergarten and elementary teacher candidates. The amounts allocated to this program must not be expended until the commissioner has certified that a private match has been received.

EFFECTIVE DATE. This section is effective for fiscal year 2009 only.

Sec. 60. READING INSTRUCTION RULES; LEGISLATIVE REVIEW.

Beginning July 1, 2008, and until July 1, 2009, the Board of Teaching must submit any proposed rules regarding licensure in reading instruction to the chairs of the legislative committees with jurisdiction over kindergarten through grade 12 education policy by February 1, 2009. The board may not adopt the rules until the legislature has adjourned the 2009 regular session.

Sec. 61. SCHOOL DISTRICT PLANS TO IMPROVE STUDENTS' ACADEMIC ACHIEVEMENT.

Subdivision 1. **District academic achievement plan; priorities.** (a) A school district experiencing disparities in academic achievement must develop a plan to significantly improve students' academic achievement using concrete measures to eliminate differences in academic performance among groups of students defined by race, ethnicity and income. The plan must:

(1) reflect a research-based understanding of high-performing educational systems and best educational practices;

(2) include innovative and practical strategies and programs, whether existing or new, that supplement district initiatives to increase students' academic achievement under state and federal educational accountability requirements; and

(3) contain valid and reliable measures of student achievement that the district uses to demonstrate the efficacy of the district plan to the commissioner of education.

(b) A district must address the elements under section 63, paragraph (a), to the extent those elements are implicated in the district's plan.

(c) The district must include with the plan the amount of expenditures necessary to implement the plan. The district must indicate how current resources are used to implement the plan, including, but not limited to, state-limited English proficiency aid under Minnesota Statutes, section 124D.65; integration revenue under Minnesota Statutes, section 124D.86; early childhood family education revenue under Minnesota Statutes, section 124D.135; school readiness aid under Minnesota Statutes, section 124D.16; basic skills revenue under Minnesota Statutes, section 126C.10, subdivision 4; extended time revenue under Minnesota Statutes, section 126C.10, subdivision 2a; and alternative compensation revenue under Minnesota Statutes, section 122A.415.

Subd. 2. **Plan.** (a) A school district by October 1, 2008, must submit its plan in electronic format to the commissioner of education, consistent with subdivision 1.

(b) The commissioner must analyze the commonalities and differences of the district plans and submit the analysis and underlying data to the advisory task force on improving students' academic achievement under section 63 by November 1, 2008, and also report the substance of the analyses to the education policy and finance committees of the legislature by January 1, 2009.

(c) A school district that submits a plan must be given priority in funding if the legislature provides funding for implementing the plans.

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

Sec. 62. ADVISORY TASK FORCE ON IMPROVING STUDENTS' ACADEMIC ACHIEVEMENT.

(a) An advisory task force on improving students' academic achievement is established to review the plans submitted to the commissioner of education and recommend to the education committees of the legislature a proposal for improving students' academic achievement and eliminating differences in academic performance among groups of students defined by race, ethnicity, and income. The task force members must at least consider how the following education-related issues

impact the educational achievement of low-income and minority students:

(1) rigorous preparation and coursework and how to (i) effectively invest in early childhood and parent education, (ii) impose academic rigor and high expectations on elementary and secondary students in low-income and minority schools, and (iii) provide parents, educators, and community members with meaningful opportunities to collaborate in educating students in low-income and minority schools;

(2) professional development for educators and how to (i) provide stronger financial and professional incentives to attract and retain experienced, bilingual, and culturally competent teachers and administrators in low-income and minority schools, (ii) recruit and retain teachers of color, and (iii) develop and include cultural sensitivity and interpersonal and pedagogical skills training that teachers need for effective intercultural teaching;

(3) English language learners and how to (i) use well designed tests, curricula, and English as a second language programs and services as diagnostic tools to develop effective student interventions, (ii) monitor students' language capabilities, (iii) provide academic instruction in English that supports students' learning and is appropriate for students' level of language proficiency, and (iv) incorporate the perspectives and contributions of ethnic and racial groups, consistent with Minnesota Statutes, section 120B.022, subdivision 1, paragraph (b);

(4) special education and how to (i) incorporate linguistic and cultural sensitivity into special education diagnosis and referral, (ii) increase the frequency and quality of prereferral interventions, and (iii) decrease the number of minority and nonnative English speaking students inappropriately placed in special education;

(5) GRAD tests and how to (i) incorporate linguistic and cultural sensitivity into the reading and math GRAD tests, and (ii) develop interventions to meet students' learning needs; and

(6) valid and reliable data and how to use data on student on-time graduation rates, student dropout rates, documented disciplinary actions, and completed and rigorous course work indicators to determine how well-prepared low-income and minority students are for postsecondary academic and career opportunities.

The task force also must examine the findings of a 2008 report by Minnesota superintendents on strategies for creating a world-class educational system to establish priorities for improving students' academic achievement. The task force may consider other related matters at its discretion.

(b) The commissioner of education must convene the first meeting of the advisory task force on improving students' academic achievement by July 1, 2008. The task force members must adopt internal standards for subsequent meetings. The task force is composed of the following members:

(1) a representative from a Twin Cities metropolitan area school district, a suburban school district, a school district located in a regional center, and a rural school district, all four representatives appointed by the state demographer based on identified concentrations of low-income, minority, and low performing students;

(2) a faculty member of a teacher preparation program at the University of Minnesota's college of education and human development, appointed by the college dean or the dean's designee;

(3) a faculty member from the urban teachers program at Metropolitan State University

appointed by the university president or the president's designee;

(4) a faculty member from a MnSCU teacher preparation program located outside the Twin Cities metropolitan area, appointed by the university president or the president's designee;

(5) a classroom teacher appointed by Education Minnesota;

(6) an expert in early childhood care and education appointed by a state early childhood organization;

(7) a member from each state council representing a community of color, appointed by the respective council;

(8) a curriculum specialist with expertise in providing language instruction for nonnative English speakers, appointed by a state curriculum organization;

(9) a special education teacher, appointed by a state organization of special education educators;

(10) a parent of color, appointed by a state parent-teacher organization;

(11) a district testing director appointed by a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers; and

(12) a Minnesota Department of Education staff person with expertise in school desegregation matters appointed by the commissioner of education or the commissioner's designee.

A majority of task force members, at their discretion, may invite other representatives of interested public or nonpublic organizations, Minnesota's business community, Minnesota private colleges, Minnesota's communities of color, and stakeholders in local and state educational equity to become task force members.

(c) Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The commissioner may reimburse task force members from the Department of Education's current operating budget but may not compensate task force members for task force activities. By February 15, 2009, the task force must submit a written proposal to the education policy and finance committees of the legislature on how to significantly improve students' academic achievement.

(d) The advisory task force expires on February 16, 2009.

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

Sec. 63. **FIVE-YEAR PILOT PROGRAM FOR IDENTIFYING SYSTEMIC IMPROVEMENT MEASURES TO BEST SERVE STUDENTS ENROLLED IN ALTERNATIVE LEARNING CENTERS AND CHARTER SCHOOLS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Systemic improvement measures" means methods that yield data and information showing the progress of a well-ordered and repeatable process directed at organizational and student learning; for example, management, services, curriculum, resources, and overall organization.

(c) "Process" means a linked activity with the purpose of producing a school program, resource,

or service for students to support learning.

(d) "Sustainability" means the ability of the organization to stay current in addressing the educational needs of students and society. Sustainability includes the ability and strategic management to prepare for the future.

Subd. 2. **Establishment; eligibility.** A five-year pilot program is established to allow alternative learning centers and charter schools to identify systemic improvement measures to best serve eligible students. Interested alternative learning centers and charter schools must serve eligible students under Minnesota Statutes, section 124D.68, subdivision 2, to participate in this program.

Subd. 3. **Application and selection process.** Interested alternative learning centers and charter schools serving eligible students under Minnesota Statutes, section 124D.68, subdivision 2, may apply to the commissioner of education to participate in this program in the form and manner the commissioner determines, in consultation with the advisory board under subdivision 4, and consistent with this section. The applicant must demonstrate the applicant's interest and ability to implement systemic improvement measures, the sustainability of those measures, and the process the applicant proposes to use to ensure that sustainability. The commissioner, after consulting with the advisory board under subdivision 4, shall select by September 1, 2008, up to a total of 20 program participants.

Subd. 4. **Advisory board.** A Pilot Program Advisory Board is established to make recommendations to the commissioner about program oversight, including selecting program participants, coordinating program activities, training program participants, managing program budgets, and making periodic program reports to the legislature. The board members include: three Minnesota Association of Alternative Programs members selected by the Minnesota Association of Alternative Programs; two Minnesota Association of Charter Schools members selected by the Minnesota Association of Charter Schools; one Metropolitan Federation of Alternative Schools members selected by the Metropolitan Federation of Alternative Schools; one Minnesota K-12 Online Learning Alliance member selected by the Minnesota K-12 Online Learning Alliance; one Minnesota Department of Education staff selected by the commissioner of education; two higher education representatives from teacher and administrator training programs selected by the training programs; one Minnesota Council for Quality member selected by the council; one member of the Minnesota House of Representatives selected by the house speaker; and one state senator selected by the senate majority leader. Advisory board members' terms and other board matters are subject to Minnesota Statutes, section 15.059. The commissioner may reimburse board members from the Department of Education's current operating budget but may not compensate board members for board activities. The Minnesota Association of Alternative Programs president, or the president's designee, must convene the first advisory board meeting before September 1, 2008. Advisory board members are expected to meet at least one time per month. The advisory board expires on March 1, 2014.

Subd. 5. **Annual reports; evaluation.** (a) The commissioner, after consulting with the advisory board under subdivision 4, annually must submit to the education policy and finance committees of the legislature no later than February 1 of the proximate school year, a longitudinal report detailing the efforts and success of program participants to implement systemic improvement measures to best serve eligible students under Minnesota Statutes, section 124D.68, subdivision 2.

(b) The commissioner must contract with a qualified expert in systemic improvement at the

University of Minnesota College of Education and Human Development to evaluate and report on short- and long-term program efficacy throughout the term of the program. The commissioner must immediately convey the expert's reports to the education policy and finance committees of the legislature upon receipt.

Subd. 6. **Waivers.** (a) Consistent with the data results submitted by program participants, the commissioner of education must petition the federal Department of Education for waivers from No Child Left Behind requirements to allow program participants to use alternative forms of assessment. Also consistent with the data results submitted by program participants, the commissioner must waive those state education rules that interfere with the ability of program participants to implement systemic improvement measures.

(b) Notwithstanding Minnesota Statutes, section 120A.41, or other law to the contrary, program participants must annually allocate five days of student instruction for staff development in systemic improvement measures.

EFFECTIVE DATE. This section is effective for the 2008-2009 through 2012-2013 school years.

Sec. 64. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Alternative Learning Center and charter school grants.** For grants to Alternative Learning Centers and charter schools:

\$ 2009

A program participant must obtain a dollar-for-dollar nonstate match. The commissioner must allocate the appropriation on a per student basis to eligible program participants for costs related to participating in the program.

Sec. 65. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall renumber section 122A.60, subdivision 1a, as section 122A.60, subdivision 3a, and make necessary cross-reference changes consistent with the renumbering.

Sec. 66. **REPEALER.**

Minnesota Statutes 2006, section 120A.22, subdivision 8, is repealed.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2006, section 124D.60, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Within ~~ten~~ 30 days after the enrollment of any pupil in an instructional

program for limited English proficient students, the district in which the pupil resides must notify the parent by mail. This notice must:

- (1) be in writing in English and in the primary language of the pupil's parents;
- (2) inform the parents that their child has been enrolled in an instructional program for limited English proficient students;
- (3) contain a simple, nontechnical description of the purposes, method and content of the program;
- (4) inform the parents that they have the right to visit the educational program for limited English proficient students in which their child is enrolled;
- (5) inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and
- (6) inform the parents of their rights to withdraw their child from an educational program for limited English proficient students and the time and manner in which to do so.

The department shall, at the request of the district, prepare the notice in the primary language of the parent.

Sec. 2. Minnesota Statutes 2006, 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 disability, other health impairment, mental disability, 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. A licensed physician or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying 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. 3. Minnesota Statutes 2006, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner if neither parent nor guardian is living within the state.

(b) If the placement of a pupil for care and treatment is not made by the district of residence, the district of residence must be notified and provided an opportunity to participate in the placement

decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When placement has been made without prior consultation with the resident district, the resident district has up to five business days following notice of the emergency placement to respond and must, at that time, be provided an opportunity to participate in the placement decision.

~~(b)~~ (c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment facility program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation; however, if a court or state agency has ordered the placement at the day care and treatment program and the resident district receives a copy of the order, the resident district must provide transportation to and from the program unless the court or agency otherwise orders. Transportation shall only be provided by the resident district during regular operating hours of the that district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

~~(e)~~ (d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph ~~(d)~~ (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

~~(d)~~ (e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph ~~(e)~~ (d) applies.

~~(e)~~ (f) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

Sec. 4. Minnesota Statutes 2006, section 125A.51, is amended to read:

125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION

AND TRANSPORTATION.

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the commissioner, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides.

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides.

(c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When placement has been made without prior consultation with the resident district, the resident district has up to five business days following notice of the emergency placement to respond and must, at that time, be provided an opportunity to participate in the placement decision.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment ~~facility~~ program for the pupil. The resident district may establish reasonable restrictions on transportation; however, if a Minnesota court or state agency has ordered the placement at the day care and treatment program and the resident district receives a copy of the order, the resident district must provide transportation to and from the program unless the court or agency otherwise orders. Transportation shall only be provided by the resident district during regular operating hours of the that district. The resident district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state Board of Teaching.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 127A.47, subdivision 2, shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract

with a residential facility to provide instruction by teachers licensed by the state Board of Teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations.

Sec. 5. Minnesota Statutes 2006, section 125A.744, subdivision 3, is amended to read:

Subd. 3. Implementation. Consistent with section 256B.0625, subdivision 26, school districts may enroll as medical assistance providers or subcontractors and bill the Department of Human Services under the medical assistance fee for service claims processing system for special education services which are covered services under chapter 256B, which are provided in the school setting for a medical assistance recipient, and for whom the district has secured informed consent consistent with section 13.05, subdivision 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type of covered service. School districts shall be reimbursed by the commissioner of human services for the federal share of individual education plan health-related services that qualify for reimbursement by medical assistance, minus up to five percent retained by the commissioner of human services for administrative costs, ~~not to exceed \$350,000 per fiscal year~~. The commissioner may withhold up to five percent of each payment to a school district. Following the end of each fiscal year, the commissioner shall settle up with each school district in order to ensure that collections from each district for departmental administrative costs are made on a pro rata basis according to federal earnings for these services in each district. A school district is not eligible to enroll as a home care provider or a personal care provider organization for purposes of billing home care services under sections 256B.0651 and 256B.0653 to 256B.0656 until the commissioner of human services issues a bulletin instructing county public health nurses on how to assess for the needs of eligible recipients during school hours. To use private duty nursing services or personal care services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school.

Sec. 6. **EXPEDITED PROCESS; SPECIFIC LEARNING DISABILITY RULE.**

The commissioner of education may use the expedited process under Minnesota Statutes, section 14.389, to conform Minnesota Rules, part 3525.1341, to new federal requirements on specific learning disabilities under Public Law 108-446, sections 602(30) and 614(b)(6), the Individuals with Disabilities Education Improvement Act of 2004, and its implementing regulations.

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

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, section 121A.67, and Laws 2006, chapter 263, article 3, section 16, are repealed.

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

ARTICLE 4**LIBRARIES AND FACILITIES**

Section 1. Minnesota Statutes 2006, section 123B.51, is amended by adding a subdivision to read:

Subd. 5a. **Temporary closing.** A school district that proposes to temporarily close a schoolhouse or that intends to lease the facility to another entity for use as a schoolhouse for three or fewer years is not subject to subdivision 5 if the school board holds a public meeting and allows public comment on the schoolhouse's future.

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

Sec. 2. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;
- (2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;
- (3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and

(2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

Sec. 3. Minnesota Statutes 2007 Supplement, section 134.31, subdivision 4a, is amended to read:

Subd. 4a. **Services to the blind and physically handicapped.** The Minnesota Department of Education shall provide specialized services to the blind and physically handicapped through the Minnesota Braille and Talking Book Library ~~for the Blind and Physically Handicapped~~ under a cooperative plan with the National Library Services for the Blind and Physically Handicapped of the Library of Congress.

Sec. 4. Minnesota Statutes 2006, section 134.31, subdivision 6, is amended to read:

Subd. 6. **Advisory committee.** The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota Braille and Talking Book Library ~~for the Blind and Physically Handicapped~~ on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall not expire.

Sec. 5. Minnesota Statutes 2006, section 134.31, is amended by adding a subdivision to read:

Subd. 7. **Telephone or electronic meetings.** (a) Notwithstanding section 13D.01, the Advisory Committee for the Minnesota Braille and Talking Book Library 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 committee participating in the meeting, wherever their physical locations, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the committee can hear all discussion, testimony, and votes of the members of the committee;

(3) at least one member of the committee is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's votes on each issue can be identified and recorded.

(b) Each member of the committee participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, to the extent practical, the committee shall allow a person to monitor the meeting electronically from a remote location. The committee may require the person making the connection to pay for the documented marginal costs that the committee 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 committee shall provide notice of the regular meeting location, the fact that some members may participate by telephone or other electronic means, and the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 6. **[134.55] ELECTRONIC LIBRARY FOR MINNESOTA.**

Notwithstanding Laws 1998, chapter 398, article 9, section 7, as amended by Laws 1999, chapter 241, article 8, section 3, a school media center, public library as defined by section 134.001, subdivision 2, state government agency library, and public or private college or university library must be given access to the electronic library for Minnesota databases regardless of whether or not they are a member of a regional library system.

ARTICLE 5

STATE AGENCIES

Section 1. Minnesota Statutes 2006, section 122A.14, is amended by adding a subdivision to

read:

Subd. 2a. **Gifted and talented preparation.** A university approved by the board to prepare candidates for administrative licensure must provide candidates, as part of the traditional and alternative preparation programs, the opportunity to acquire competency in administering gifted and talented services.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to candidates who enroll in either a traditional or an alternative preparation administrator licensure program after August 15, 2009.

Sec. 2. Minnesota Statutes 2006, section 122A.14, is amended by adding a subdivision to read:

Subd. 2c. **Gifted and talented preparation; board review.** (a) The board must periodically review and approve traditional and alternative preparation sequences for school administrators and the sequence of competencies in administering gifted and talented student programs and services.

(b) The board also may advise a university on developing and implementing continuing education programs focused on building competencies for administering gifted and talented programs and other gifted services.

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

Sec. 3. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 10. **Gifted and talented preparation; board review.** (a) A college or university with a teacher preparation program approved by the board must provide teacher candidates with the opportunity to acquire competency in recognizing gifted students and in providing classroom instruction to gifted and talented students.

(b) The board must periodically review and approve traditional and alternative sequences for teacher candidates in recognizing gifted students and in providing classroom instruction to gifted and talented students.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to teacher candidates who enroll in either a traditional or an alternative preparation teacher licensure program after September 1, 2009.

Sec. 4. Minnesota Statutes 2006, section 122A.75, subdivision 1, is amended to read:

Subdivision 1. **Services.** An Administrators Academy is established. The academy shall provide at least the following services:

- (1) an administrator assessment that results in an individual professional development plan;
- (2) research and development assistance that provides current research and data of interest to administrators; ~~and~~
- (3) brokerage assistance to provide services and resources to help administrators with needs identified in their individual professional development plan; and
- (4) the opportunity for administrators to acquire competency in administering gifted and talented services, consistent with section 122A.14, subdivision 2c.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to administrators participating in an administrators academy program after August 1, 2009.

Sec. 5. Minnesota Statutes 2006, 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~~ 2008 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing an one to one instructional aide and behavioral management aides assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, if ~~that aide is~~ the aides are 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~~ 2008 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.

(e) For fiscal year 2007, the academies may retain receipts received through mutual agreements with school districts for one to one behavior management aides.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue in fiscal year 2008.

Sec. 6. Minnesota Statutes 2006, section 125A.65, is amended by adding a subdivision to read:

Subd. 11. **Third party reimbursement.** The Minnesota State Academies must seek reimbursement under section 125A.21 from third parties for the cost of services provided by the Minnesota State Academies whenever the services provided are otherwise covered by a child's public or private health plan.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue in fiscal year 2008.

Sec. 7. **[125B.015] STATE AND SCHOOL DISTRICT TECHNOLOGY STANDARDS.**

Subdivision 1. **State technology standards; standard setting.** (a) Notwithstanding other law to the contrary, the commissioner, the Minnesota Education Technology Task Force, and representatives of school districts must enter into a technology partnership to identify for school districts the robust technology tools and systems that improve the educational achievement of all Minnesota students. The partnership must establish a foundation of flexible shared services that supports state development and implementation of new and more efficient educational business

practices, including the use of modern analytical tools that help schools and school districts make data-driven decisions and increase instructional time. The partnership also must anticipate the needs of school districts for effectively using emerging technologies to make the best and most cost-effective use of finite educational resources.

(b) The commissioner, in collaboration with the other members of the technology partnership and other interested and affected stakeholders, must establish and then maintain, revise, and publish every four years beginning June 1, 2012, state and district technology standards and accompanying guidelines consistent with the requirements of this section. The state and school districts must use the technology standards to participate in a uniform data collection system premised on:

- (1) common data definitions for all required data elements;
- (2) a common course catalogue;
- (3) common transcript definitions; and
- (4) school district infrastructure technology standards.

Subd. 2. **District technology standards.** (a) The commissioner, in collaboration with the Minnesota Education Technology Task Force, must establish and then maintain, revise, and publish six categories of district technology standards consistent with this section. The district technology standards must encompass:

(1) instructional technology that include best practices in 21st century classroom instruction and student learning;

(2) technological tools that support formative and summative online assessments, equipment, and software;

(3) shared services that facilitate network and data systems administration;

(4) data practices that include technical security, Internet safety, and data privacy;

(5) data management that facilitates efficient data transfers involving school districts and the department; and

(6) facilities infrastructure that supports multipurpose technology facilities for instruction and assessment.

(b) School districts must align district technology expenditures with state and district technology standards established under this section.

(c) Beginning December 1, 2010, and each two-year period thereafter, school districts must use the district technology standards in this section to complete a review of the district technology environment that:

(1) examines the alignment of district technology expenditures to the technology standards under this section;

(2) identifies service gaps in the district technology plan; and

(3) estimates the funding needed to fill service gaps.

(d) School districts must transmit the substance of the review to the commissioner in the form and manner the commissioner determines in collaboration with the Minnesota Education Technology Task Force. The commissioner must evaluate and report the substance of the reviews to the legislature by February 15, 2011, and each two-year period thereafter.

Subd. 3. **Nonapplicability.** Consistent with section 14.03, subdivision 3, paragraph (b), clause (4), and notwithstanding other law to the contrary, the state and district technology standards established, maintained, revised, and published under this section are not subject to chapter 14.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 8. **[127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.**

Subdivision 1. **Establishment; membership.** (a) A P-20 education partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education. Upon enactment of this legislation, the members shall be those currently serving on the Minnesota P-16 Education Partnership plus four legislators as follows:

(1) one senator from the majority party and one senator from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(2) one member of the house of representatives appointed by the speaker of the house and one member appointed by the minority leader of the house.

Prospective members may be nominated by any partnership member and new members will be added with the approval of a two-thirds majority of the partnership. The partnership will also seek input from nonmember organizations whose expertise can help inform the partnership's work.

Partnership members shall be represented by the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership shall meet at least three times during each calendar year.

Subd. 2. **Powers and duties; report.** The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through the graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work; and

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers.

By January 15 of each year, the partnership shall submit a report to the governor and to the

legislature that summarizes the partnership's progress in meeting its goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Sec. 9. Minnesota Statutes 2006, section 205A.03, subdivision 1, is amended to read:

Subdivision 1. **Required Resolution requiring primary in certain circumstances.** ~~In~~ The school board of a school district election, may, by resolution adopted by June 1 of any year, decide to choose school board nominees by a primary under this section. The resolution, when adopted, is effective for all subsequent board member elections in the school district until it is revoked. If the board decides to choose nominees by primary and if there are more than two candidates for a specified school board position or more than twice as many school board candidates as there are at-large school board positions available, a school district must hold a primary.

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

Sec. 10. Minnesota Statutes 2006, section 205A.06, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** In school districts that have adopted a resolution to choose nominees for school board by a primary election, affidavits of candidacy must be filed with the school district clerk no earlier than the 70th day and no later than the 56th day before the first Tuesday after the second Monday in September in the year when the school district general election is held. In all other school districts, affidavits of candidacy must be filed no earlier than the 70th day and no later than the 56th day before the school district's general election.

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

Sec. 11. **COMPUTER ADAPTIVE ASSESSMENTS.**

The Department of Education, by December 1, 2008, must report to the education committees of the legislature on its efforts to add a computer adaptive assessment that includes formative analytics to the Minnesota's comprehensive assessment administered under Minnesota Statutes, section 120B.30.

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

Sec. 12. **DEPARTMENT OF EDUCATION REPORT.**

The Department of Education must submit a report to the education committees of the legislature by January 15, 2009, analyzing the department's data collection procedures under each of the department's major data reporting systems and recommend a streamlined, Web-based system of reporting school district data. The report also must analyze existing stand-alone school district reporting requirements and recommend the elimination of any district reports that are duplicative of other data already collected by the department.

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

Sec. 13. **HEALTH, NUTRITION, AND PHYSICAL EDUCATION ADVISORY COUNCIL.**

The commissioner of education shall convene an advisory council that consists of 22 members. The council shall consist of two senators, including one member of the minority caucus, appointed

by the Subcommittee on Committees of the Committee on Rules and Administration; two members of the house of representatives, one appointed by the speaker and one appointed by the minority leader; the commissioner of health or the commissioner's designee; the commissioner of education or the commissioner's designee; up to 16 public members who have an interest in addressing childhood obesity, including up to eight public members appointed by the speaker of the house of representatives and up to eight public members appointed by the majority leader of the senate. The membership of the council shall include a curriculum specialist from the Department of Education; a representative of the Minnesota Association of Health, Physical Education, Recreation, and Dance; a representative of the Minnesota Board of Teaching; a representative of the Minnesota School Boards Association; a representative of the School Nurse Organization; a representative of the American Heart Association; an elementary school principal; a secondary school principal; a representative of the Minnesota School Nutrition Association; a nutritionist; a health educator who sits on Quality Teaching Network; a representative of the Obesity Prevention Center; a representative of the Minnesota Association of Family and Consumer Sciences; a representative of the Minnesota Medical Association; and a physical fitness educator who sits on the Quality Teaching Network.

The advisory council shall develop recommendations for statewide standards for health, nutrition, and physical education and increased physical activity during the school day based on 2007-2008 Health Care Access Commission's recommendations on childhood obesity. The goal of these standards must be to promote the understanding of the health habits that will serve students throughout their lifetimes, by promoting health and avoiding health risks, encouraging increased activity and cardiovascular health, and supporting improved nutrition. The commissioner of education shall report the recommendations to the legislature by December 15, 2008. The advisory council is governed by Minnesota Statutes, section 15.059.

Sec. 14. **TASK FORCE ON TEACHER LICENSURE AND CERTIFICATION.**

Subdivision 1. **Creation and duties.** (a) The commissioner of education shall develop a task force in collaboration with Dakota and Ojibwe language immersion programs and the Minnesota Indian Affairs Council to identify barriers to teacher licensing, teacher certification, fluency certification, and licensing for prekindergarten through grade 12 Dakota and Ojibwe language immersion programs. The task force shall focus on changes needed in licensure to ensure the continuation and development of Dakota and Ojibwe language immersion programs in Bureau of Indian Affairs programs, charter schools, private schools, nonprofit organizations, and public schools in Minnesota.

(b) Minnesota recognizes the responsibility of the Minnesota tribes to oversee the revitalization of Dakota and Ojibwe language in the state and shall receive tribal direction on issues of teacher certification, fluency certification, and licensing of Dakota and Ojibwe language immersion programs by the Departments of Human Services and Education. The task force shall also identify strategies to ensure existing funding sources will be used for Dakota and Ojibwe language immersion programs.

Subd. 2. **Report.** The task force shall report to the Minnesota Indian Affairs Council and the legislature by December 15, 2008, on changes needed for licensing and certification specified in subdivision 1. The task force shall make recommendations to the legislature on changes required in law to obtain the licensing and certification specified in subdivision 1.

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

ARTICLE 6

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. [4.046] OFFICE OF EARLY LEARNING.

(a) An Office of Early Learning is established to coordinate a high quality early childhood system in Minnesota to make such programs more effective, and to improve the educational outcomes of all children. The governor must appoint, with the advice and consent of the senate, a director who is a recognized expert in the field of early childhood care and education who will facilitate communication and coordinate prekindergarten and child care programs under the administration of the Departments of Education, Health, and Human Services.

(b) The director of the Office of Early Learning must coordinate Departments of Education, Health, and Human Services staff efforts to:

(1) consolidate and coordinate resources and public funding streams for early education and child care, and ensure the accountability and coordinated development of all early education and child care services to children from birth to age five;

(2) work with the Departments of Education, Health, and Human Services and Minnesota Early Learning Foundation (MELF) to create common standards for quality early childhood programming and rules for teacher training and certification;

(3) create a seamless transition from early childhood programs to kindergarten;

(4) encourage family choice by ensuring a mixed system of high quality public and private programs, with local points of entry, staffed by well-qualified professionals;

(5) ensure parents a decisive role in the planning, operation, and evaluation of programs that aid families in the care of children;

(6) provide consumer education and accessibility to early education and child care resources;

(7) advance the quality of early education and child care programs in order to support the healthy development of children and preparation for their success in school;

(8) develop a seamless service delivery system of early education and child care programs administered by local, state, and federal agencies, with local points of entry;

(9) develop and manage an effective data collection system to support the necessary functions of a coordinated system of early education and child care in order to enable accurate evaluation of its impact;

(10) respect and be sensitive to family values and cultural heritage; and

(11) establish the administrative framework for and promote the development of early education and child care services in order to provide that such services, staffed by well-qualified professionals, are available in every community for all families that express a need for them.

(c) The director of the Office of Early Learning must report to the legislative committees with

jurisdiction over the early childhood education and child care programs by February 1 of each year on the status of the work required under paragraph (b) and any statutory changes necessary to improve quality and increase access. The director also must present to these same legislative committees by February 1, 2009, a detailed plan, with an implementation timeline, to colocate state early childhood education and child care assistance programs and services.

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

Sec. 2. **[120A.015] SCHOOL READINESS GOAL.**

The legislature seeks to ensure that 75 percent of Minnesota children are school-ready by 2012.

Sec. 3. Minnesota Statutes 2006, section 120A.05, subdivision 10a, is amended to read:

Subd. 10a. **Kindergarten.** (a) "Kindergarten" means a program designed for pupils five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter first grade the following school year. A program designed for pupils younger than five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter kindergarten the following school year is a prekindergarten program.

(b) "Full-day kindergarten" means an academic program that prepares pupils to enter first grade the following school year, provides a minimum of 850 hours in a school year, includes curriculum and instruction under section 120B.11, and aligns with academic standards under section 120B.021, subdivision 1. Revenues and expenditures for full-day kindergarten must be accounted for in the school district's general fund. Learning activities provided as a part of a community education program are not kindergarten, and must be accounted for in the school district's community service fund.

Sec. 4. Minnesota Statutes 2006, section 123B.36, subdivision 1, is amended to read:

Subdivision 1. **School boards may require fees.** (a) For purposes of this subdivision, "home school" means a home school as defined in sections 120A.22 and 120A.24 with five or fewer students receiving instruction.

(b) A school board is authorized to require payment of fees in the following areas:

(1) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(2) admission fees or charges for extracurricular activities, where attendance is optional and where the admission fees or charges a student must pay to attend or participate in an extracurricular activity is the same for all students, regardless of whether the student is enrolled in a public or a home school;

(3) a security deposit for the return of materials, supplies, or equipment;

(4) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the board;

(5) items of personal use or products that a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(6) fees specifically permitted by any other statute, including but not limited to section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual cost to the school and school district of providing driver education, and (ii) the driver education courses are open to enrollment to persons between the ages of 15 and 18 who reside or attend school in the school district;

(7) field trips considered supplementary to a district educational program;

(8) any authorized voluntary student health and accident benefit plan;

(9) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(10) transportation of pupils to and from extracurricular activities conducted at locations other than school, where attendance is optional;

(11) transportation to and from school of pupils living within two miles from school and all other transportation services not required by law. If a district charges fees for transportation of pupils, it must establish guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(12) motorcycle classroom education courses conducted outside of regular school hours; provided the charge must not exceed the actual cost of these courses to the school district;

(13) transportation to and from postsecondary institutions for pupils enrolled under the postsecondary enrollment options program under section 123B.88, subdivision 22. Fees collected for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of pupils riding the route; and

(14) the additional cost of an optional full-day kindergarten program in a district or a charter school that also provides a half-time kindergarten option, except that no fee shall be charged for providing a child with a disability a free and appropriate public education in accordance with the child's individualized education program according to section 125A.03. If a district charges fees for a full-day kindergarten program, it must establish a reasonable sliding fee scale but it shall waive the fee for a participant unable to pay.

Sec. 5. Minnesota Statutes 2006, section 123B.37, subdivision 1, is amended to read:

Subdivision 1. **Boards shall not charge certain fees.** (a) A board is not authorized to charge fees in the following areas:

(1) textbooks, workbooks, art materials, laboratory supplies, towels;

(2) supplies necessary for participation in any instructional course except as authorized in sections 123B.36 and 123B.38;

(3) field trips that are required as a part of a basic education program or course;

(4) graduation caps, gowns, any specific form of dress necessary for any educational program,

and diplomas;

(5) instructional costs for necessary school personnel employed in any course or educational program required for graduation except as authorized in section 123B.36, subdivision 1, clause (14);

(6) library books required to be utilized for any educational course or program;

(7) admission fees, dues, or fees for any activity the pupil is required to attend;

(8) any admission or examination cost for any required educational course or program;

(9) locker rentals;

(10) transportation to and from school of pupils living two miles or more from school.

(b) Notwithstanding paragraph (a), clauses (1) and (6), a board may charge fees for textbooks, workbooks, and library books, lost or destroyed by students. The board must annually notify parents or guardians and students about its policy to charge a fee under this paragraph.

Sec. 6. [124D.141] STATE ADVISORY BOARD ON SCHOOL READINESS.

Subdivision 1. **Establishment.** A 12-member State Advisory Board on School Readiness is established. The director of the Office of Early Learning must start the advisory board and assist in developing a coordinated, efficient, and cost-effective system for delivering early childhood programs throughout Minnesota that focus on early care and education, health care, and family support.

Subd. 2. **Board members; terms.** (a) The advisory board includes the following 12 members:

(1) the commissioner of employment and economic development or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of education or the commissioner's designee;

(4) the commissioner of human services or the commissioner's designee;

(5) four public members appointed jointly by the majority and minority leaders in the house and senate who are recognized experts in early care and education;

(6) two public members appointed jointly by the majority and minority leaders in the house and senate who are community or business leaders; and

(7) two parents with at least one child under the age of six appointed by the governor.

(b) Members appointed by the majority and minority leaders in the house and senate serve staggered three-year terms. Board members must nominate and elect a chair and other officers from among the public members. Members initially appointed to the board shall assign themselves by lot to terms of one, two, or three years. The chair must notify the governor on the assignment of these terms. The board shall meet regularly at the times and places the board determines. Meetings shall be called by the chair or at the written request of any three members. Members' terms, compensation, removal, and vacancies are governed by section 15.0575. Notwithstanding section 15.059, board members must not be paid a per diem or reimbursed for any expenses associated

with their membership on the board.

(c) The public members of the board must represent the communities of color.

Subd. 3. **Duties.** The board shall recommend to the governor and the legislature:

(1) the most effective method to improve the coordination and delivery of early care and education services that integrates child care, preschools, and family support services and programs;

(2) a multiyear plan for effectively and efficiently coordinating and integrating state services for early care and education, improving service delivery and standards of care, avoiding duplication and fragmentation of service, and enhancing public and private investment;

(3) methods for measuring the quality, quantity, and effectiveness of early care and education programs throughout the state;

(4) how to identify and measure school readiness indicators on a regular basis;

(5) how to track, enhance, integrate, and coordinate federal, state, and local funds allocated for early care and education and related family support services;

(6) policy changes to improve children's ability to start school ready to learn; and

(7) how to provide technical assistance to community efforts that promote school readiness and encourage community organizations to collaborate in promoting school readiness.

Subd. 4. **Board expiration.** The State Advisory Board on School Readiness expires January 1, 2013.

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

Sec. 7. Minnesota Statutes 2006, section 124D.522, is amended to read:

124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up

to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed \$100,000 25 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

Sec. 8. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2008 equals \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the lesser of:

(i) 1.03; or

(ii) ~~the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year~~ the average growth in state total contact hours over the prior 10 program years.

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

Sec. 9. Minnesota Statutes 2006, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of a general education development (GED) test, but not more than \$20 \$40 for an eligible individual.

Sec. 10. Minnesota Statutes 2007 Supplement, 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.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 disabled 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 ~~-.612~~ 1.0 pupil units.

(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. 11. [126C.127] ALL-DAY KINDERGARTEN RESERVE.

Subdivision 1. **Revenue.** Of a district's general education revenue for fiscal year 2009 and later, each school district shall reserve an amount equal to the formula allowance multiplied by the sum of the adjusted marginal cost pupil units in average daily membership, according to section 126C.05, subdivision 5, in kindergarten times .388.

Subd. 2. **Revenue use.** Revenue under this section must be used to provide all-day kindergarten.

Subd. 3. **Alternate revenue use.** If the board of a district determines that the district is already providing all-day kindergarten or if the board chooses to reallocate the revenue under subdivision 1, a district may use the revenue to provide early childhood education programs for children aged three or four.

Sec. 12. SCHOOL READINESS ASSESSMENTS AND KINDERGARTEN TRANSITION STRATEGIES.

Subdivision 1. **Establishment.** In order to increase the capacity of school districts to improve the performance of children at risk for not being fully prepared for kindergarten, school readiness assessment and kindergarten transition strategy grants are established.

Subd. 2. **Technical assistance.** (a) The commissioner of education must provide resources and technical assistance to enable a participating school district to offer comprehensive and developmentally appropriate assessments to entering kindergartners or, where applicable, children in prekindergarten programs and to develop and implement kindergarten transition strategies.

(b) A school district's assessment tool must be research-based and must assist with identifying risk and informing instructional improvement. A participating school district must coordinate with community and school-based early childhood programs.

(c) An effective kindergarten transition strategy may include:

(1) transition plans for children entering kindergarten;

(2) a transition planning team composed of representatives from early care and education providers, elementary school staff including kindergarten teachers, parents, and community members;

(3) information and education for parents, program providers, and educators on:

(i) comprehensive child development;

(ii) the skills and knowledge incoming kindergartners should demonstrate; and

(iii) related community resources;

(4) building community awareness about the importance of children's school readiness; and

(5) fostering collaboration among child care, Head Start, early childhood family education, school readiness, family, friends and neighbors, and other early childhood programs and elementary school providers.

Subd. 3. **Application.** A school district must submit its application to the commissioner in the form and manner required by the commissioner. The commissioner must select school districts to receive grants giving priority to districts with high poverty rates. To the extent practical, the selected districts must be located throughout the state.

Subd. 4. **Annual report.** A school district that receives a grant must submit an annual report to the commissioner in the form and manner required by the commissioner. The report must include a description of the assessment tool, process, and results.

Sec. 13. **APPROPRIATION.**

Subdivision 1. **Commissioner of education.** The sums indicated in this section are appropriated from the general fund to the commissioner of education for the fiscal years designated.

Subd. 2. **Parent-child home program.** For a grant to the Jewish Family and Children's Service for a research-based early childhood literacy and school readiness program:

\$	252,000	2009
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Subd. 3. **School readiness assessments and kindergarten transition strategies.** For school readiness assessments and kindergarten transition strategies:

\$ 2009

Of this amount, \$..... is for program administration. This appropriation must be added to the base budget."

Delete the title and insert:

"A bill for an act relating to education; providing for general education, education excellence, special programs, state agencies, self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 120A.03; 120A.05, subdivision 10a; 120A.22, subdivision 5; 120A.24, subdivisions 1, 2; 120B.02; 120B.023, subdivision 2; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 121A.035, subdivision 2; 121A.037; 122A.06, subdivision 4; 122A.07, subdivisions 2, 3; 122A.09, subdivision 4; 122A.14, by adding subdivisions; 122A.18, subdivisions 2, 2a, by adding subdivisions; 122A.60; 122A.61, subdivision 1; 122A.75, subdivision 1; 123B.14, subdivision 7; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.51, by adding a subdivision; 123B.59, subdivision 1; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 123B.88, subdivision 3; 124D.09, subdivisions 3, 5, 7, 16, 24; 124D.095, subdivision 10; 124D.10, subdivisions 2a, 4a, 6, 6a, 7, 8, 20, 23; 124D.522; 124D.55; 124D.60, subdivision 1; 124D.68, subdivision 2; 125A.02, subdivision 1; 125A.15; 125A.51; 125A.65, subdivision 4, by adding a subdivision; 125A.744, subdivision 3; 125B.07, by adding a subdivision; 126C.17, subdivision 9; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; 205A.03, subdivision 1; 205A.06, subdivision 1a; 260C.007, subdivision 19; 299F.30, subdivision 1; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.30; 123B.81, subdivision 4; 124D.095, subdivisions 3, 4, 7; 124D.10, subdivisions 4, 23a; 124D.531, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 34; 127A.49, subdivisions 2, 3; 134.31, subdivision 4a; Laws 2007, chapter 146, article 2, section 46, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 4; 120A; 120B; 121A; 123B; 124D; 125B; 126C; 127A; 134; repealing Minnesota Statutes 2006, sections 120A.22, subdivision 8; 121A.67; 126C.21, subdivision 1; Laws 2006, chapter 263, article 3, section 16."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

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

S.F. No. 2538: A bill for an act relating to economic development; appropriating money for a grant to the city of Nassau for a fire station.

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

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the

Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>University of Minnesota</u>	\$	<u>133,999,000</u>
<u>Minnesota State Colleges and Universities</u>		<u>277,185,000</u>
<u>Education</u>		<u>35,740,000</u>
<u>Minnesota State Academies</u>		<u>2,800,000</u>
<u>Perpich Center for Arts Education</u>		<u>999,000</u>
<u>Natural Resources</u>		<u>104,269,000</u>
<u>Pollution Control Agency</u>		<u>30,000,000</u>
<u>Board of Water and Soil Resources</u>		<u>26,975,000</u>
<u>Agriculture</u>		<u>20,000</u>
<u>Zoological Garden</u>		<u>7,500,000</u>
<u>Administration</u>		<u>17,205,000</u>
<u>Minnesota Amateur Sports Commission</u>		<u>7,725,000</u>
<u>Military Affairs</u>		<u>6,000,000</u>
<u>Public Safety</u>		<u>13,135,000</u>
<u>Transportation</u>		<u>68,700,000</u>
<u>Metropolitan Council</u>		<u>137,200,000</u>
<u>Human Services</u>		<u>10,685,000</u>
<u>Veterans Affairs</u>		<u>11,282,000</u>
<u>Corrections</u>		<u>26,000,000</u>
<u>Employment and Economic Development</u>		<u>130,275,000</u>
<u>Public Facilities Authority</u>		<u>46,800,000</u>
<u>Housing Finance Agency</u>		<u>2,000,000</u>
<u>Minnesota Historical Society</u>		<u>10,594,000</u>
<u>Bond Sale Expenses</u>		<u>962,000</u>
<u>Cancellations</u>		<u>(26,615,000)</u>
<u>Lewis and Clark</u>		<u>5,282,000</u>
<u>TOTAL</u>	\$	<u>1,086,717,000</u>

<u>Bond Proceeds Fund (General Fund Debt Service)</u>	918,147,000
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	72,928,000
<u>Maximum Effort School Loan Fund</u>	32,000,000
<u>State Transportation Fund</u>	2,000,000
<u>Remediation Fund</u>	25,000,000
<u>General Fund</u>	15,057,000
<u>Trunk Highway Fund</u>	48,200,000
<u>Bond Proceeds Cancellations</u>	(26,615,000)

APPROPRIATIONS**Sec. 2. UNIVERSITY OF MINNESOTA**

Subdivision 1. Total Appropriation **\$ 133,999,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) **40,000,000**

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Twin Cities Campus

(a) Science Teaching and Student Services **48,333,000**

To design, construct, furnish, and equip a new science teaching and student services building on the Twin Cities campus near the Washington Avenue Bridge. This appropriation includes money to demolish the existing Science Classroom Building and to construct infrastructure required to serve the new building.

(b) Bell Museum of Natural History **24,000,000**

To complete design and to construct, furnish, and equip a new Bell Museum of Natural History on the St. Paul campus.

Subd. 4. Duluth Campus

Civil Engineering Addition10,000,000

To design, construct, furnish, and equip an addition to Voss-Kovach Hall on the University of Minnesota Duluth campus for the Department of Civil Engineering. The addition will include teaching laboratories, research laboratories, classrooms, and administrative offices.

Subd. 5. Morris Campus**Community Services Building Renovation**5,000,000

To design, construct, furnish, and equip a renovation of the Community Services Building on the University of Minnesota Morris campus to serve as the campus gateway center. This appropriation includes money to improve infrastructure required to serve the renovated building.

Subd. 6. Research and Outreach Centers1,333,000

To design, construct, furnish, and equip a new maintenance facility at the Northwest Research and Outreach Center in Crookston.

Subd. 7. Classroom Renewal2,000,000

To renovate classrooms and classroom technology and improve accessibility to classrooms by the disabled.

Subd. 8. Laboratory Renovation3,333,000

To renovate research laboratories.

Subd. 9. University Share

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 10. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means and Finance Committees and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES**Subdivision 1. Total Appropriation****\$ 277,185,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation And Replacement**50,000,000**

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space restoration.

Subd. 3. Alexandria Technical College**Law Enforcement Center****10,500,000**

To complete design of and construct, furnish, and equip a new Law Enforcement Center and renovate, furnish, and equip classroom and laboratory space.

Subd. 4. Anoka Ramsey Community College, Coon Rapids

Classrooms and Laboratories3,800,000

To design, construct, furnish, and equip an academic addition for classrooms and offices, and to design the renovation of the Fine Arts Classroom and Laboratory Building.

Subd. 5. Bemidji State University**Sattgast Science Building Addition and Renovation**8,900,000

To construct, furnish, and equip an addition to and renovation of Sattgast Hall for biology and chemistry labs, science classrooms, and associated spaces, and to demolish the Peters Aquatics Lab.

Subd. 6. Century College**Classroom and Student Support Space Renovation**7,900,000

As Phase 2, to design, construct, furnish, and equip renovation of space on the east and west campuses vacated by the move to the new Science Instruction and Learning Resource Center Building on the east campus in Phase 1.

Subd. 7. Dakota County Technical College**Transportation and Emerging Technologies Labs**200,000

To design the relocation and renovation of transportation and emerging technologies classrooms, laboratories, and related spaces.

Subd. 8. Hennepin Technical College**Science Addition and Library and Student Service Design**2,400,000

To design, renovate, furnish, and equip existing space at the Eden Prairie campus for science labs and shared classrooms, and to design a renovation of existing space at the Brooklyn Park and Eden Prairie campuses for a library and student services.

Subd. 9. Inver Hills Community College**Classroom Addition and Renovation**13,200,000

To construct, furnish, and equip a classroom addition to and renovation of the Fine Arts Building, to include classrooms, teaching labs, and a renovated auditorium. This appropriation includes funding to demolish obsolete space in the building. College funds may be added to this appropriation up to a total project cost of \$13,450,000.

Subd. 10. Lake Superior Community and Technical College**Health and Science Center Addition**11,000,000

To complete design of and to construct, furnish, and equip an addition to the Health and Science Center and to renovate existing spaces.

Subd. 11. Mesabi Range Community and Technical College, Eveleth**Carpentry and Industrial Mechanical Technology and Shops**5,000,000

To construct, furnish and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for ADA compliance.

Subd. 12. Metropolitan State University**(a) Smart Classroom Center**4,980,000

To construct, furnish, and equip renovation of two floors of technology-enhanced classrooms and academic offices in the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

(b) Law Enforcement Training Center13,900,000

To complete design of and to construct, furnish, and equip, in cooperation with Minneapolis Community and Technical College, a colocated Law Enforcement Training Center on the campus of Hennepin Technical College in Brooklyn Park.

Subd. 13. Minneapolis Community and Technical College

Workforce Program Space

400,000

To design renovation of instructional space, support space, and infrastructure for workforce programs.

Subd. 14. Minnesota State University, Mankato

Trafton Science Center Renovation

25,500,000

To construct, furnish, and equip a renovation of south and center sections of Trafton Hall for classrooms, science laboratories, and related offices.

Subd. 15. Minnesota State University, Moorhead

(a) Lommen Hall Renovation

13,100,000

To complete design of and to construct, furnish, and equip renovation of Lommen Hall and construct an addition to the basement.

(b) Livingston Lord Library

400,000

To design renovation of the Livingston Lord Library.

Subd. 16. Minnesota West Community and Technical College, Worthington

Fieldhouse Renovation

450,000

To design renovation of and an addition to the Fieldhouse.

Subd. 17. Moorhead Community and Technology College

Trades Addition and Library Design2,500,000

To design, construct, furnish and equip an addition for the mechanical construction trades, and to design a classroom-library addition.

Subd. 18. Normandale Community College**Classroom Addition and Renovation**7,000,000

To complete design of and to construct, furnish, and equip an addition to and renovation of the Health and Wellness Building for classrooms, laboratories, and related offices, and to renovate, furnish, and equip the Athletics Building for classrooms and related space. This appropriation includes funding to install an elevator to make the building ADA accessible.

Subd. 19. North Hennepin Community College**(a) Center for Business and Technology**13,300,000

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate the center for classrooms and related space.

(b) Science, Technology, Engineering, and Math Facilities900,000

To design for construction and renovation of facilities at both North Hennepin Community College and Anoka Ramsey Community College, Coon Rapids, to support Science Technology Engineering and Math (STEM) program initiatives.

Subd. 20. Northland Community and Technical College, East Grand Forks**Nursing, Health Care, and Learning Resources Center**7,800,000

To construct, furnish, and equip a nursing addition and renovate spaces for allied health

laboratories, library, learning resource center, student commons, bookstore, classrooms, ancillary spaces, and boiler system expansion.

Subd. 21. Owatonna College and University Center

Property Acquisition

3,500,000

To acquire the Owatonna College and University Center Building in Steele County, including the purchase of adjacent vacant land.

Subd. 22. Ridgewater College, Willmar

Technical Instruction Design and Construction

3,500,000

To design, construct, furnish, and equip new instructional space, including "smart" classrooms, and to renovate, furnish, and equip existing instructional space. This appropriation includes money to demolish outdated structures.

Subd. 23. Rochester Community and Technical College

Workforce Center Colocation

200,000

To design an addition to the Heintz Center for colocation of a workforce center, a career and technical education center, and for classroom renovation.

Subd. 24. South Central College, Faribault

Classroom Renovation and Addition

400,000

To design demolition of obsolete space, a small addition, and renovation of remaining space for classrooms, a learning resource center, and laboratories.

Subd. 25. St. Cloud State University

(a) Brown Science Hall Renovation

14,800,000

To complete design of and to construct, furnish, and equip a renovation of Brown

Hall for classrooms, science laboratories, and other instructional and ancillary spaces. This appropriation includes funding to reglaze the existing skyway from the building and to construct a new skyway to Centennial Hall.

(b) Science and Engineering Lab

900,000

To design an integrated science and engineering laboratory and student and academic support building.

Subd. 26. St. Cloud Technical College

Allied Health Center Renovation

200,000

To design renovation of the Allied Health Center.

Subd. 27. St. Paul College

Transportation and Applied Technology Laboratories and Shops

13,500,000

To construct, furnish, and equip the renovation of classrooms, the transportation and applied technology and trades laboratories on the ground floor, and an expansion of the truck mechanics shop.

Subd. 28. Southwest Minnesota State University

(a) Science and Hotel and Restaurant Laboratories

9,000,000

To complete design of and to construct, furnish, and equip renovation of laboratories in the Science and Technology Building, laboratories and a classroom in the Science and Math Building, and hotel and restaurant industries teaching laboratories in the Individualized Learning Center.

(b) Science Laboratory Renovation

200,000

To design renovation of the science laboratories and an addition to the Plant Science Learning Center in the Science and Math Building.

Subd. 29. Winona State University**Memorial Hall**8,400,000

To construct, furnish, and equip an addition to Memorial Hall and renovation of vacated spaces at Gildemeister Hall. The board may use nonstate money for the remainder of the cost of the construction.

Subd. 30. Systemwide Initiatives**(a) Science Laboratory and Classroom Renovation**5,775,000

To design, renovate, furnish, and equip teaching laboratories and classrooms for science and applied technology. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Alexandria Technical College; Anoka Technical College; Anoka Ramsey Community College, Cambridge; Bemidji State University; Central Lakes College, Brainerd; Century College, White Bear Lake; Inver Hills Community College, Inver Grove Heights; Hennepin Technical College, Brooklyn Park and Eden Prairie; Northeast Higher Education District Vermilion Community College; and Ridgewater Community Technical College, Willmar.

(b) Classroom Renovation3,625,000

To design, construct, furnish, and equip renovation of classroom and academic space. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Moorhead and Wadena; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine Technical College, Pine City; and Rochester Community Technical College, Rochester.

(c) Property Acquisition10,055,000

To acquire real property adjacent to the state college and university campuses or within the boundaries of the campus master plan.

This appropriation may be used only at Bemidji State University; Dakota County Technical College; Fond du Lac Tribal Community College; Minnesota State Community and Technical College, Moorhead; Minnesota State University Moorhead; and Vermilion Community College.

Subd. 31. Debt Service

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement and the expansion of Memorial Hall at Winona State University, and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the

payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

**Subd. 32. Anoka Technical College;
Anoka-Hennepin School District Partnership**

(a) By June 30, 2008, the Board of Trustees of the Minnesota State Colleges and Universities shall enter into a memorandum of understanding with the Anoka-Hennepin School District on new and expanded joint programs to be offered for the secondary technical education program currently based at the Anoka Technical College campus. The programs may be offered at the site now known as the "horticultural center" in Anoka County and under the control of Anoka Technical College.

(b) By July 31, 2008, the board shall transfer the real property known as the "horticultural center" to the Anoka-Hennepin School District by quit claim deed for \$1. Minnesota Statutes, section 136F.60, subdivision 5, does not apply to the real estate transaction under this subdivision.

Sec. 4. EDUCATION

Subdivision 1. Total Appropriation

\$ 35,740,000

To the commissioner of education for the purposes specified in this section.

**Subd. 2. Independent School District No. 11,
Anoka-Hennepin**

240,000

For a grant to Independent School District No. 11, Anoka-Hennepin, to acquire land adjacent to Riverview Elementary School and for improvements of a capital nature to develop and restore wetland and native prairie habitat on the land.

Subd. 3. Independent School District No. 38, Red Lake32,000,000

From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and equip renovation of existing facilities and construction of new facilities. The project includes renovation of, and an addition to, the high school and middle school to provide classrooms and related facilities for technology education, vocational education, physical education, and community education, and to provide for food services and administrative offices. The heating plant and piping for the high school and middle school will be upgraded and the motor vehicle fuel and propane tanks may be relocated. This appropriation will complete the Red Lake High School and Red Lake Middle School projects.

The project may include renovation of the Red Lake Elementary School to add classrooms and to link it to the Early Childhood Learning Center. The project may include renovation of the Ponemah Elementary School to add a media center and Head Start center, add parking, improve the bus drop-off, and expand playground facilities.

The commissioner and Independent School District No. 38, Red Lake, shall report to the legislature by January 10, 2009, on the progress of the project funded by the grant.

The unexpended balance of the appropriation in Laws 2005, chapter 20, article 1, section 5, subdivision 2, as amended by Laws 2006, chapter 258, section 42, to design, construct, renovate, furnish, equip, and make health and safety capital improvements to school facilities must be added to this appropriation, and its availability is extended until July 1, 2008, notwithstanding any earlier date that

may have been included in the capital loan contract.

Subd. 4. Independent School District No. 279, Osseo

2,000,000

For a grant to Independent School District No. 279, Osseo, to predesign, design, construct, furnish, and equip the Northwest Hennepin Family Center in Brooklyn Center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

No later than five years after the facility opens, the school district must report to the commissioner of education on how the facility has improved student achievement and reduced educational disparities.

Subd. 5. Library Improvement Grants

1,500,000

For library improvement grants under Minnesota Statutes, section 134.45, subdivision 5b.

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation

\$ 2,800,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

2,700,000

For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Frechette Hall Renovation

100,000

To predesign a new boys dormitory on the campus of the Minnesota State Academy for the Deaf.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION

Subdivision 1. Total Appropriation

\$ 999,000

90TH DAY]

THURSDAY, MARCH 13, 2008

7437

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation**

355,000

For campus asset preservation at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Master Plan Update and Predesign**

206,000

To predesign facilities in conjunction with an update to the campus master plan for the Perpich Center for Arts Education. The predesign must address the possible removal of the existing Alpha Building.

Subd. 4. **Delta Dorm Windows Project**

385,000

For a whole-building window replacement project of the Delta Dormitory Building on the Perpich Center for Arts Education campus.

Subd. 5. **Storage Building**

53,000

To construct a prefabricated storage and workshop building, and connect utilities to it, next to the existing maintenance and boiler room.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

\$ **104,269,000**

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. **Statewide Asset Preservation**

1,000,000

For the renovation of state-owned facilities operated by the commissioner of natural resources, to be spent in accordance with Minnesota Statutes, section 16B.307. The commissioner may use this appropriation to replace buildings if that is the most cost-effective method of renovation.

Subd. 3. Flood Hazard Mitigation Grants

33,900,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

- (a) Agassiz Valley
- (b) Area II of the Minnesota River Basin
- (c) Austin
- (d) Ada
- (e) Bois de Sioux Watershed District, North Ottawa project
- (f) Breckenridge
- (g) Brandt-Angus
- (h) Browns Valley
- \$3,900,000 is from the general fund for the Browns Valley project.
- (i) Crookston
- (j) Canisteo Mine

For a grant to the Western Mesabi Mine Planning Board to construct a conveyance system, and other betterments to accommodate water level and outflow control of the water level in the Canisteo Mine Pit in Itasca County. This appropriation does not

require a local match. The commissioner of natural resources is responsible to maintain the improvements after completion of the project.

(k) Dawson

(l) Granite Falls

(m) Hay Creek-Norland

(n) Malung

(o) Montevideo

(p) Moorhead

(q) Oakport Township

(r) Roseau City

(s) Southeast Minnesota

(t) Stillwater

(u) Sweded Grove Lake

(v) Wild Rice River Watershed District, Becker Dam project

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, Granite Falls, Montevideo, Oakport Township, or Roseau exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 4. Crookston Ice Arena

10,000,000

For a grant to the city of Crookston to design, construct, furnish, and equip an ice arena complex to replace an existing facility that

is being relocated to accommodate a planned flood control project.

This appropriation is not available until the commissioner has determined that the city of Crookston has committed at least \$1,720,825 to the project.

Subd. 5. Red River Digital Elevation Model

600,000

This appropriation is from the general fund to develop and implement a high-resolution digital elevation model for the Red River basin.

Subd. 6. Ground Water Monitoring and Observation Wells

500,000

To install new ground water level observation wells to monitor and assess ground water for water supply planning. This appropriation may also be used to seal existing obsolete monitoring wells that are no longer functional.

Subd. 7. Dam Renovation and Removal

2,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

Subd. 8. Water Control Structures

500,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under

Minnesota Statutes, section 97A.101; or structures on other waters under Minnesota Statutes, section 103G.505.

Subd. 9. Mississippi River Aquatic Invasive Species Barrier

500,000

To predesign and design a barrier in the Mississippi River to prevent aquatic invasive species from migrating up river. This money may be used by the commissioner to match available federal money and money from other states. The commissioner must inform and work with affected federal and state agencies and local communities along the Mississippi River before constructing the river barrier.

Subd. 10. Stream Protection and Restoration

1,000,000

To design and construct stream protection and restoration projects that concentrate on downstream flooding protection. This appropriation may be used only for projects in flood areas.

Subd. 11. Lake Zumbro Restoration

175,000

For an agreement with Olmsted and Wabasha Counties to design and implement the restoration of Lake Zumbro.

Subd. 12. Water Access Acquisition, Betterment, and Fishing Piers

650,000

For public water access acquisition, construction, and renovation projects of a capital nature on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

Subd. 13. Fish Hatchery Improvements

1,500,000

For improvements of a capital nature to renovate fish culture facilities at hatcheries owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045,

subdivision 1, and to design, construct, or acquire drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

Subd. 14. Rim - Wildlife Area Land Acquisition and Improvement

7,000,000

To acquire land for wildlife management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8.

Subd. 15. RIM Critical Habitat Match

3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 16. Native Prairie Conservation and Protection

3,000,000

To acquire native prairie bank easements under Minnesota Statutes, section 84.96, to develop and restore certain tracts of prairie bank lands for which the easement is permanent, and to acquire native prairie for scientific and natural areas, and for the native prairie protection and improvements of a capital nature in scientific and natural areas in the prairie region under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Subd. 17. Scientific and Natural Area Acquisition And Development

1,000,000

To acquire land for scientific and natural areas and for protection and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Subd. 18. State Forest Land Reforestation

3,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2,

including planting, seeding, site preparation,
and purchasing tree seeds and seedlings.

Subd. 19. Forest Roads and Bridges

1,000,000

For reconstruction, resurfacing, replacement,
and construction of state forest roads and
bridges under Minnesota Statutes, section
89.002.

**Subd. 20. Diseased Shade Tree Removal and
Replacement**

500,000

For grants to cities, counties, townships, and
park and recreation boards in cities of the
first class for the identification, removal,
disposal, and replacement of dead or dying
shade trees lost to forest pests or disease.
For purposes of this appropriation, "shade
tree" means a woody perennial grown
primarily for aesthetic or environmental
purposes with minimal to residual timber
value. The commissioner shall consult
with municipalities, park, and recreation
boards in cities of the first class, nonprofit
organizations, and other interested parties in
developing eligibility criteria.

**Subd. 21. State Park and Recreation Area
Acquisition, Rehabilitation, and Development**

16,970,000

To acquire from willing sellers private
lands within state parks established under
Minnesota Statutes, section 85.012, and state
recreation areas established under Minnesota
Statutes, section 85.013, and to rehabilitate
and develop facilities in state parks and state
recreation areas in accordance with a master
plan required under Minnesota Statutes,
section 86A.09.

\$1,600,000 is to better the contact station,
make other capital improvements, and restore
and interpret the forest at the Big Bog State
Recreation Area.

\$2,000,000 is to construct a new access
road, rustic campground, support facilities
for biking and scuba activities, and for other

improvements of a capital nature at the Cuyuna State Recreation Area, including \$150,000 to match federal money to develop a natural surface, minimal impact trail to be used for mountain biking and other compatible uses.

\$500,000 is for a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff in Fort Snelling State Park. This appropriation is not available until the commissioner of finance has determined that Hennepin County has entered into appropriate agreements to use sentence-to-serve labor for the project that will train sentence-to-serve laborers in the skills needed for the work.

\$2,400,000 to acquire from willing sellers land within the boundaries of Greenleaf Lake State Recreation Area, established under Minnesota Statutes, section 85.013, subdivision 11b.

\$1,650,000 is to rehabilitate infrastructure and renovate and develop facilities within state parks located along the North Shore of Lake Superior, including Gooseberry Falls, Tettegouche, and Split Rock Lighthouse State Parks. Projects leveraging other private, state, or federal funding must receive priority.

\$290,000 is for prairie and savanna reconstruction projects at the following state parks: Big Stone, Blue Mounds, Camden, Crow Wing, Frontenac, Glacial Lakes, Maplewood, Split Rock Creek, Upper Sioux, and William O'Brien.

\$255,000 is for forest restoration projects at the following state parks: Itasca, Lake Bemidji, Nerstrand, and St. Croix.

Prairie restorations funded in whole or in part with this appropriation must include planting native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

\$200,000 is to develop campgrounds at Red

River State Recreation Area.

Subd. 22. Regional and Local Park Grants

621,000

An appropriation in this subdivision is not available unless a covenant is placed, or has been placed, on the land to keep the land as a public park in perpetuity.

\$492,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to acquire 23 acres of land adjacent to Warner Lake Park in Stearns County.

\$129,000 is for a grant to the city of Ortonville to construct improvements of a capital nature at the Minnesota River Regional Park in the city of Ortonville.

Subd. 23. State Trail Acquisition and Development

14,500,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Blufflands Trail from Rochester to Chester Woods Park and must be used for a bicycle and pedestrian trail from which horses are prohibited.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail for predesign, design, and preliminary acquisition of an extension of the Heartland Trail from Park Rapids, Detroit Lakes, and Moorhead.

\$500,000 is for the Mill Towns Trail from

Lake Byllesby Park to Cannon Falls.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$680,000 is for the Minnesota River Trail from Appleton to Milan.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$500,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is to extend the Root River Trail to the city of Mounds Prairie.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 24. Regional Trails

156,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

For a grant to the city of Cambridge to design and construct the Cambridge-Isanti Bike/Walk Trail connecting the city of Cambridge, the city of Isanti, and Isanti Township in Isanti County. The trail will be designed to provide safe biking and walking connections between the cities and township, and is envisioned to become part of the state's larger trail systems. Along with health and recreational benefits, the trail will help protect and provide an opportunity for environmental education and enjoyment of the wetlands in the area.

It is anticipated that the total capital cost of the project will be \$1,080,000, with the federal and local governments contributing \$924,000. Through a joint powers agreement, Cambridge, Isanti, and Isanti Township will share in the maintenance and upkeep of the Cambridge-Isanti Bike/Walk Trail.

Subd. 25. Trail Connections

697,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$225,000 is for a grant to Clara City to design and construct a walking path in Clara City.

\$100,000 is for a grant to the city of Mora for construction of pedestrian and bicycle trails, bridge restoration and renovation, and other improvements of a capital nature for the Spring Lake Trail, located in the city of Mora.

\$372,000 is for a grant to the city of Rockville to design and construct the Rocori Trail from Richmond through Cold Spring to Rockville, connecting with the Glacial Lakes Trail, the Beaver Island Trail, and the Lake Wobegon Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another trail connection project in this subdivision. The chairs of the house and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 26. Wildlife Rehabilitation Center

500,000

This appropriation is from the general fund for a grant to the Wildlife Rehabilitation Center of Minnesota to retire loans incurred by the center for construction of its facility in the city of Roseville, and to complete educational technology infrastructure at the center.

Subd. 27. Unspent Appropriations.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, is available for asset preservation. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 8. POLLUTION CONTROL AGENCY**Subdivision 1. Total Appropriation****\$ 30,000,000**

To the Pollution Control Agency for the purposes specified in this section

Subd. 2. Albert Lea Landfill2,500,000

For a grant to the city of Albert Lea to construct remedial systems at the Albert Lea landfill. This includes relocating and incorporating waste from the former Albert Lea dump owned by the city of Albert Lea under Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b).

The appropriation in this subdivision is added to the amounts for the city of Albert Lea landfill funding in Laws 2006, chapter 258, section 8, subdivision 2.

Subd. 3. Closed Landfill Cleanup Revenue Bonds25,000,000

From the bond proceeds account in the remediation fund under new Minnesota Statutes, section 116.156.

This appropriation is for action at qualified closed landfill facilities in Albert Lea, Mille Lacs, Washington County, the Western Lake Superior Sanitary District, and other locations as determined by the commissioner of the Pollution Control Agency.

By January 15, 2009, the commissioner of the Pollution Control Agency shall report to the house and senate Finance Committees and divisions with jurisdiction over the environment on whether the remediation fund needs additional revenue in order to provide timely cleanup of closed landfills in the state. If the fund needs additional revenue, the commissioner shall include in the report recommendations for revenue sources and amounts that will meet that need.

Subd. 4. Beneficial Reuse of Wastewater Grant Program

2,500,000

For grants under new Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that demonstrate the beneficial use of wastewater.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$ 26,975,000

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. RIM Conservation Reserve

20,000,000

\$1,200,000 is to implement the program.

To acquire conservation easements from landowners on marginal lands and to construct conservation measures on acquired land in order to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, sections 103F.501 to 103F.535. The board may establish alternative payment rates for easements and practices to establish native vegetation.

The board must submit to the legislative committees with jurisdiction over environment finance and capital investment an interim report on this program by October 1, 2008, and a final report by February 1,

2009.

Subd. 3. Wetland Replacement Due to Public Road Projects

4,200,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (k) and (l).

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Subd. 4. RIM Clean Energy Conservation Easements

1,500,000

For a pilot project of a capital nature under Minnesota Statutes, section 103F.518, to acquire land in fee title or through easement and to improve the land in order to demonstrate the technical and economic feasibility of developing biofuels using native plant species. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish native vegetation.

The board shall annually report project progress and results to the house and senate committees and divisions with jurisdiction over environment and natural resources policy and budget.

Subd. 5. Grass Lake Prairie Wetlands

800,000

For a grant to Kandiyohi County to acquire conservation easements, design and construct water control structures and pumping infrastructure, and plant native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6, in order to restore the Grass Lake prairie wetland basins adjacent to the city of Willmar in Kandiyohi County. This amount must be matched one-to-one by money from other sources;

Subd. 6. Lake Titlow Watershed Improvements

475,000

For a grant to the city of Gaylord to construct and reconstruct storm water sewer drains and related facilities to divert water that currently drains into Lake Titlow into holding ponds south of the city. The cost of reconstructing city streets as part of this diversion, and as outlined in the city of Gaylord's street improvement plan, is the responsibility of the city. This diversion will keep phosphorus and other chemicals from entering the lake, and will improve the water quality of Lake Titlow.

Sec. 10. AGRICULTURE

\$ 20,000

To the commissioner of administration to replace the roof of the potato inspection unit building located at 312 Fourth Avenue Northeast in East Grand Forks.

Sec. 11. MINNESOTA ZOOLOGICAL GARDEN

7,500,000

To the Minnesota Zoological Garden for capital asset preservation improvements and betterments, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 12. ADMINISTRATION

Subdivision 1. Total Appropriation

\$ 17,205,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Capital Asset Preservation and Replacement Account (CAPRA)

980,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. Property Acquisition

2,325,000

To acquire property at 639 Jackson Street in St. Paul adjacent to the Harold E. Stassen Building, to demolish existing structures on the property, and to develop temporary parking on the site and adjacent areas.

Subd. 4. State Capitol Building Restoration

13,400,000

For renovation of the State Capitol Building including, but not limited to: site work to stabilize the plaza; replacement and stabilization of the building's exterior envelope; replacement of air handling units at risk of failure; and projects to improve interior emergency lighting, dome lighting, and catwalks.

Subd. 5. Predesign State Emergency Operations Center and Department of Public Safety/Department of Corrections Building

500,000

(a) To predesign a new state emergency operations center. The predesign must consider the potential benefits of colocating this center with a new National Guard joint force headquarters and emergency operations center.

(b) If other funding is available or if this appropriation is not fully spent to complete the predesign under paragraph (a), the unspent portion of this appropriation may be used to predesign a colocated headquarters for the Departments of Public Safety and Corrections.

Sec. 13. AMATEUR SPORTS COMMISSION

Subdivision 1. Total Appropriation

\$ 7,725,000

To the Minnesota Amateur Sports Commission for the purposes specified in this section.

Subd. 2. National Sports Center - Blaine

1,400,000

For asset preservation, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. National Volleyball Center - Rochester

3,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the Phase 2 expansion of the National Volleyball Center in Rochester, designated by the Minnesota Amateur Sports Commission as a regional amateur sports center, subject to Minnesota Statutes, section 16A.695.

Subd. 4. Metro North Regional Sports Center - Arden Hills

125,000

To predesign the renovation of Building 189 located within the Rice Creek Corridor in Ramsey County, formerly the Twin Cities Army Ammunition Plant, to serve as a regional, multiuse recreational amateur sports facility, to be known as the Metro North Regional Sports Facility.

Subd. 5. Northwestern Minnesota Regional Sports Center - Moorhead

3,000,000

For a grant to the city of Moorhead to design, construct, furnish, and equip the Northwestern Minnesota Regional Sports Center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. The match may include in-kind contributions, and may include contributions made since January 1, 2007.

Subd. 6. St. Paul Regional Amateur Sports Facility

100,000

To predesign the St. Paul Regional Amateur Sports Facility. The St. Paul facility may include, but is not limited to, facilities for the sports of soccer, lacrosse, football, and baseball.

Subd. 7. Southwest Regional Amateur Sports Center - Marshall 100,000

For a grant to the city of Marshall to predesign the Southwest Regional Amateur Sports Center at Marshall.

Sec. 14. **MILITARY AFFAIRS**

Subdivision 1. Total Appropriation **\$ 6,000,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. Asset Preservation 3,500,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Facility Life Safety Improvements 1,000,000

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. Facility ADA Compliance 1,500,000

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 5. Unspent Appropriations.

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section

16B.307.

Sec. 15. **PUBLIC SAFETY**

Subdivision 1. Total Appropriation

\$ 13,135,000

To the commissioner of public safety, or other named agency, for the purposes specified in this section.

Subd. 2. Anoka County Forensic Crime Laboratory

3,000,000

Notwithstanding any law to the contrary, this appropriation is for a grant to Anoka County to design, construct, furnish, and equip a regional forensic crime laboratory for the use of Anoka, Sherburne, and Wright Counties, to be located in Anoka County.

This appropriation is not available until the commissioner has determined that at least \$7,500,000 has been committed or will be committed from nonstate sources to the forensic crime laboratory or a public safety facility that will contain the forensic crime laboratory, or both.

Subd. 3. Camp Ripley Training and Exercising Center

5,000,000

To the commissioner of administration to predesign, design, construct, furnish, and equip Phase 1 of a tier-3 homeland security and emergency management training and exercise center at Camp Ripley, which includes a classroom facility and several facilities for field response training. Any unspent portion of this appropriation may be used to begin predesign for Phase 2 of this project.

Subd. 4. Gonvick Public Safety Training Center

55,000

Notwithstanding any law to the contrary, for a grant to the city of Gonvick to predesign a regional emergency training administration center in Gonvick.

This appropriation is not available until the

commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 5. Marshall - Minnesota Emergency Response and Industry Training Center

300,000

For a grant to the city of Marshall to predesign Phase 2 of the Minnesota Emergency Response and Industry Training (MERIT) Center, including a wind energy training area, an ethanol fuels training area, and other training facilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources. The match may include in-kind contributions.

Subd. 6. Nassau Public Safety Facility

125,000

From the general fund for a grant to the city of Nassau to predesign, design, construct, furnish, and equip a new public safety facility for fire and other equipment.

Subd. 7. Scott County Public Safety Training Center

1,000,000

Notwithstanding any law to the contrary, for a grant to Scott County to design, construct, furnish, and equip a regional public safety training center in Scott County.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 8. Southeastern Minnesota Regional Public Safety Training Center

3,655,000

Notwithstanding any law to the contrary, for a grant to Olmsted County to design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Rochester. The facility must include, but is not limited to, a live burn

training simulator, a driving range, and a weapons training facility.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Sec. 16. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

\$ 68,700,000

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Bridge Replacement and Rehabilitation**

2,000,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal money and to replace or rehabilitate local deficient bridges.

For the preliminary planning, design, and engineering of the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County.

Subd. 3. **Urban Partnership Agreement**

(a) **General Fund Appropriation**

3,500,000

From the general fund for expenses related to technology improvements, telecommuting, and outreach efforts for the Urban Partnership Agreement.

This appropriation is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

This appropriation is onetime and is available until June 30, 2011.

(b) **Federal Grant Appropriation**

48,200,000

From the trunk highway fund for the purposes specified in the federal grant

implementing the Urban Partnership Agreement. This appropriation is in addition to the appropriations in Laws 2007, chapter 143, article 1, section 3, subdivision 3; and Laws 2008, chapter 152, article 2, section 3, subdivision 4. This appropriation is available until June 30, 2011.

Subd. 4. Greater Minnesota Transit

1,000,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c. Money from this appropriation may be used to pay up to 80 percent of the nonfederal share of these facilities.

Subd. 5. Rail Service Improvement

2,000,000

For the rail service improvement program, to be spent for the purposes set forth in Minnesota Statutes, section 222.50, subdivision 7.

Subd. 6. Minnesota Valley Railroad Track Rehabilitation

4,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Subd. 7. Northshore Express

1,500,000

For a grant to the St. Louis and Lake County Regional Rail Authority for railroad acquisition and track restoration, environmental impact studies, advanced corridor planning, preliminary design and preliminary engineering, station design, analysis of railroad capacity, and easement costs for intercity and passenger rail service between the city of Duluth and the cities of

Minneapolis and St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 16, subdivision 5, paragraph (b), as added by this act.

Subd. 8. St. Paul to Chicago High-Speed Rail Line

4,000,000

For the state's share of Phase 1 of a high-speed rail line connecting Chicago, LaCrescent, Winona, Red Wing, and the Union Depot Concourse Multimodal Transit Hub, located in downtown St. Paul in the area south of Kellogg Boulevard and east of Jackson Street.

No part of this appropriation may be spent to acquire or better capital improvements that are located outside the state of Minnesota, that may be used from time to time outside the state of Minnesota, or that are part of a rail corridor that is not designated by the Midwest Interstate Passenger Rail Compact.

The commissioner shall work with the Wisconsin Department of Transportation to coordinate application for federal capital assistance for the high-speed rail project.

The commissioner shall develop a comprehensive rail plan, as part of the state transportation plan, including the high-speed rail project. The commissioner shall provide to the chairs of the legislative committees with jurisdiction over transportation policy and finance a copy of the draft state transportation plan for review and comment before the plan is adopted.

Subd. 9. Southeast Express

500,000

For predesign, preliminary engineering, and alternatives analysis for a transit corridor between Rochester and St. Paul.

Subd. 10. Port Development Assistance

2,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Sec. 17. METROPOLITAN COUNCILSubdivision 1. Total Appropriation\$ 137,200,000To the Metropolitan Council for the purposes specified in this section.Subd. 2. Urban Partnership Agreement16,672,000(a) \$8,360,000 is to acquire land, design, and construct new or expanded park-and-rides or transit stations in the Interstate 35W and Trunk Highway 77/Cedar Avenue corridors.(b) \$8,312,000 is for bus lane construction and related street and sidewalk improvements and bus shelters in downtown Minneapolis. Up to \$6,433,000 of this appropriation is for a grant to the city of Minneapolis for bus lane construction and related street and sidewalk improvements in downtown Minneapolis.(c) The appropriations in this subdivision are not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.Subd. 3. Bottineau Boulevard Transit Way500,000For a grant to the Hennepin County Regional Rail Authority for preliminary engineering for the Bottineau Transit Way corridor from the Hiawatha light rail and Northstar transit hub in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park.Subd. 4. Cedar Avenue Bus Rapid Transit4,000,000To acquire land, or an interest in land, and to design the Cedar Avenue Bus Rapid Transit in Dakota County. This appropriation may not be spent for capital improvements within a trunk highway right-of-way. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 3.

Subd. 5. Central Corridor Transit Way70,000,000

(a) For one or more of the following activities for the Central Corridor light rail transit line that will connect downtown Minneapolis with downtown St. Paul: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction. No more than \$20,000,000 of the appropriation may be used for preliminary engineering.

(b) Hennepin and Ramsey Counties need not spend their matching money for this project at a rate faster than dollar for dollar with the money from this appropriation.

(c) District heating and district cooling nonprofit corporations organized under Minnesota Statutes, chapter 317A, that are exempt organizations under section 501(c)(3) of the United States Internal Revenue Code that are public right-of-way users under Minnesota Rules, chapter 7819, are eligible to receive grants and federal money for costs of relocating facilities from public rights-of-way to prevent interference with public light rail projects, unless eligibility would impact the project's Federal Transit Authority required cost effectiveness index.

Subd. 6. I-94 Corridor Transit Way750,000

For a grant to Washington County for predesign and preliminary engineering of transportation and transit improvements, including busways or rail transit, in the marked Interstate Highway 94 Corridor, beginning at the Union Depot Concourse Multimodal Transit Hub located in downtown St. Paul in the area south of Kellogg Boulevard and east of Jackson Street, extending eastward through Washington County to the Minnesota-Wisconsin border, and terminating in St. Croix County, Wisconsin.

Subd. 7. I-494 Corridor Transit Way500,000

For predesign and preliminary engineering in the I-494 corridor, on or near marked Interstate Highway 494, from Minneapolis-St. Paul International Airport to a transit station on the proposed Southwest Corridor transit way.

Subd. 8. Red Rock Corridor Transit Way500,000

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor transit way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

Subd. 9. Robert Street Corridor Transit Way500,000

For environmental studies and engineering of bus rapid transit or light rail transit for the Robert Street corridor transit way along a corridor on or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 6.

Subd. 10. Rush Line Corridor Transit Way500,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35W and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

Subd. 11. Southwest Corridor Transit Way500,000

For a grant to the Hennepin County Regional Rail Authority to prepare a draft environmental impact statement (DEIS) and for preliminary engineering for the Southwest Corridor Transit Way, from the Hiawatha light rail in downtown Minneapolis to the vicinity of the Southwest Station transit hub

in Eden Prairie.

Subd. 12. Union Depot

2,000,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to revitalize Union Depot for use as a multimodal transit center in St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 7.

Subd. 13. Metropolitan Regional Parks Capital Improvements

(a) Metropolitan Council Priorities

6,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects.

(b) Cedar Avenue Bridge

2,000,000

For a grant to the city of Bloomington to remove and replace the old Cedar Avenue bridge for bicycle commuters and recreational users. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

(c) Como Zoo Polar Bear and Gorilla Exhibits

11,000,000

For a grant to the city of St. Paul to construct, furnish, and equip Phase 2 renovation of the polar bear and gorilla exhibits at the Como Zoo.

(d) Coon Rapids 85th Avenue Bicycle Trail

500,000

For a grant to the city of Coon Rapids to predesign, design, and construct a bicycle and pedestrian trail connecting the city of

Fridley bicycle and pedestrian trail along 85th Avenue to the Mississippi Regional Trail Corridor in the city of Coon Rapids.

(e) Dakota County North Urban Regional Trail

1,400,000

For a grant to the city of South St. Paul to design and construct a span arch bridge under 19th Avenue in South St. Paul for connection with the Dakota County North Urban Regional Trail.

(f) Father Hennepin Regional Park

400,000

For a grant to the Minneapolis Park and Recreation Board for restoration and rehabilitation of trails, picnic areas, lighting, signage, and stairs and for bluff and slope stabilization at Father Hennepin Regional Park.

(g) Heritage Village Park

200,000

\$100,000 is for grant to the city of Inver Grove Heights to predesign the Heritage Village Park along the Mississippi River in the city.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

\$100,000 is for a grant to the city of Inver Grove Heights to renovate Mississippi River Bridge 5600, the Swing Bridge, between Inver Grove Heights and St. Paul Park.

(h) Grand Rounds Bridge

600,000

For a grant to the city of Minneapolis to acquire land for and to predesign, design, and construct a bridge for the Grand Rounds Scenic Byway on St. Anthony Parkway over the Northtown Rail Yard.

(i) Grand Rounds Lighting

1,000,000

For a grant to the city of Minneapolis

to purchase, install, and replace lighting fixtures along the nonmotorized routes of the Grand Rounds. Any outdoor lighting fixtures installed, replaced, maintained, or operated with this appropriation must be a full cutoff luminaire, as defined in Minnesota Statutes, section 16B.328, subdivision 1, if the rated output of the outdoor lighting fixture is greater than 1,800 lumens, and be the minimum illuminance adequate for the intended purpose with consideration given to nationally recognized standards. Full consideration must be given to energy conservation and savings, reduction of glare, minimization of light pollution, and preservation of the natural night environment.

This appropriation is not available until the commissioner of finance determines that at least an equal amount has been committed to the project from nonstate sources.

(j) Grand Rounds Roadways

1,000,000

For a grant to the Minneapolis Park and Recreation Board to design a roadway to complete the Grand Rounds National Scenic Byway in the city of Minneapolis between Stinson Boulevard in northeast Minneapolis and southeast Minneapolis at East River Road, and to repair and reconstruct portions of the existing 55-mile Grand Rounds National Scenic Byway.

(k) Lower Afton Road Trail

450,000

For a grant to Ramsey County to design and construct a paved bicycle and pedestrian trail on the north side of Lower Afton Road between McKnight Road and Point Douglas Road.

(l) Minnehaha Creek

2,500,000

For a grant to the Minneapolis Park and Recreation Board to be used in conjunction with the Minnehaha Creek Watershed District's plan to renovate Works Projects

Administration projects in the glen area of Minnehaha Creek, to restore and stabilize the shoreline and cavernous banks of Minnehaha Creek as it flows past Minnehaha Falls, to restore fish and other natural habitat, and to provide storm water retention and creek bank management at or below the Minnesota Veterans Home.

This appropriation is not available until the commissioner of finance determines that at least \$1,600,000 has been committed to the project from nonstate sources.

(m) National Great River Park - Upper Landing Shoreline Protection

3,800,000

For a grant to the city of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

The appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

(n) Rice Creek North Regional Trail

2,183,000

For a grant to Anoka County as the local share to match federal money, to design and develop the Rice Creek North Regional Trail, extending from Rice Creek Chain of Lakes Park Reserve in Lino Lakes to the Ramsey County trail system in Shoreview.

(o) Springbrook Nature Center

2,500,000

For a grant to the city of Fridley to predesign, design, construct, and equip the redevelopment and expansion of the Springbrook Nature Center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

(p) Tamarack Nature Center

745,000

For a grant to Ramsey County to design and construct a nature play area, woodland play stream, children's garden, and outdoor multiuse pavilion with restrooms, as well as associated parking lot expansion and access improvements for the Tamarack Nature Center located within the Bald Eagle-Otter Lakes Regional Park.

Sec. 18. HUMAN SERVICES

Subdivision 1. Total Appropriation

\$ 10,685,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

4,000,000

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Systemwide Campus Redevelopment, Reuse, or Demolition

4,000,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Subd. 4. Early Childhood Learning and Child Protection Facilities

2,000,000

To the commissioner of human services for grants to construct and rehabilitate facilities for programs under Minnesota Statutes, section 119A.45.

Subd. 5. West Central Multicounty Secured Treatment Facility

150,000

For a grant to Pope County to predesign a multicounty regional secured treatment facility in west central Minnesota. The commissioner shall prepare a report to the legislature assessing the need for and the viability of the facility and the benefits derived from a coordinated multicounty, regional approach to local chemical dependency needs in west central Minnesota. The report is due to the legislature by February 1, 2009.

Subd. 6. Ah Gwah Ching Regional Treatment Center

400,000

For preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. If the campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Subd. 7. Remembering with Dignity

135,000

For grave markers or memorial monuments for unmarked graves of deceased residents of state hospitals or regional treatment centers.

Sec. 19. VETERANS AFFAIRS

Subdivision 1. Total Appropriation

\$ 11,282,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

4,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Fergus Falls Veterans Home

2,700,000

To construct, furnish, and equip a 21-bed special care unit to treat individuals with Alzheimer's disease or dementia.

Subd. 4. Minneapolis Veterans Home Campus

Building 17 HVAC Replacement

3,955,000

To replace the sections of the campus-wide heating, ventilation, and air conditioning system that serve Building 17.

Subd. 5. Silver Bay Campus Master Plan Renovation

227,000

For the state share of the cost to design, construct, furnish, and equip an addition to and renovation of the nursing care facility. This appropriation is added to the appropriation to the Veterans Homes Board in Laws 2006, chapter 258, section 19, subdivision 7, for this project.

Subd. 6. Veterans Memorial, Eden Prairie

100,000

For a grant to the city of Eden Prairie to design and construct improvements of a capital nature for a veterans memorial in Purgatory Creek Recreation Area in the city of Eden Prairie.

Subd. 7. All Veterans Memorial, Richfield

200,000

For a grant to the city of Richfield to design and construct the All Veterans Memorial, to be built in the city-owned Veterans Memorial Park. The All Veterans Memorial will acknowledge the six branches of military service at the first American flag raising of the battle of Iwo Jima, and will feature a bronze bust of Charles "Chuck" W. Lindberg, who helped raise the first flag on February

23, 1945, and was the last flag raiser of both Iwo Jima flag raisings to pass away. It is anticipated that the total cost of the project is \$711,500, with the city and nonprofit organizations contributing \$511,500.

This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed from nonstate sources.

Subd. 8. Veterans Memorial, Virginia

100,000

For a grant to the city of Virginia to acquire a bronze statue to complete an Iron Range Veterans Memorial in City Center Park. Any expenditures by the city for development and construction of the veterans memorial and City Center Park are considered the city's match for this project.

Sec. 20. CORRECTIONS

Subdivision 1. Total Appropriation

\$ 26,000,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

10,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota Correctional Facility - Faribault

Expansion Phase 3

16,000,000

To design, construct, furnish, and equip a building to serve as a secure intake, receiving, warehouse, and security watch center at the Minnesota Correctional Facility - Faribault, including, but not limited to, a secure vehicle sally port for processing offenders and a receiving and distribution area to process and search incoming supplies. This appropriation includes funding to demolish two existing buildings on the site of this new building and

remodel existing buildings and infrastructure
as required to accommodate the new facility
operations.

**Sec. 21. EMPLOYMENT AND ECONOMIC
DEVELOPMENT**

Subdivision 1. Total Appropriation **\$ 130,275,000**

To the commissioner of employment and
economic development or other named
agency for the purposes specified in this
section.

**Subd. 2. Greater Minnesota Business Development
Infrastructure Grant Program** **7,500,000**

For grants under Minnesota Statutes, section
116J.431.

**Subd. 3. Bioscience Business Development Public
Infrastructure Grant Program** **9,000,000**

For grants under Minnesota Statutes, section
116J.435.

\$3,500,000 is for public infrastructure,
including land acquisition, to support a
private research park within a designated
bioscience subzone that is adjacent to and
complementary to research facilities of a
college or university.

Subd. 4. Redevelopment Account **7,500,000**

For purposes of the redevelopment account
under Minnesota Statutes, section 116J.571.

The commissioner may require that a
grant from this appropriation be returned if
construction does not commence within 120
days after a grant agreement is signed.

Subd. 5. Bemidji Regional Event Center **20,000,000**

For a grant to the city of Bemidji to acquire
land, predesign, design, construct, furnish,
and equip a regional event center to be located
within the core of downtown Bemidji.

The appropriation is added to the appropriation in Laws 2006, chapter 258, section 21, subdivision 11.

This appropriation is not available until the commissioner of finance determines that at least \$25,000,000 is has been committed to the project from nonstate sources.

Subd. 6. Chisholm - Sewer and Water

750,000

For a grant to St. Louis County to design, construct, and install water and sewer lines from the city of Chisholm to the regional competition and exhibit center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 7. Duluth - DECC Arena

40,000,000

For a grant to the Duluth Entertainment and Convention Center Authority to design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center. The capital improvements and renovations must include an arena of at least 200,000 square feet with an ice sheet of at least 200 feet by 85 feet; trade show and concert space; seating capacity of at least 6,500 with suites, club seats, and concessions; updated locker and training facilities; and accessible and expanded media space. Notwithstanding any law to the contrary, the authority may adopt a design and construction procurement process as determined by the authority, in its discretion, to be in the public interest in connection with the Duluth Entertainment and Convention Center improvements.

Subd. 8. Hibbing; Memorial Building

250,000

For a grant to the city of Hibbing to design, renovate, furnish, and equip the Memorial Building.

Subd. 9. Itasca County - Steel Plant Infrastructure25,000,000

This appropriation is in addition to the appropriation in Laws 2006, chapter 258, section 21, subdivision 14.

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads, and, in cooperation with municipal public utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. This appropriation may also be used for a grant to the Itasca County Regional Rail Authority to predesign, design, construct, and equip rail lines needed to support the steel plant.

Subd. 10. Mankato - Theater and Hockey Center975,000

For a grant to the city of Mankato to predesign and design a performing arts theater and Southern Minnesota Women's Hockey Exposition Center attached to the Mankato Civic Center for use by Minnesota State University, Mankato.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 11. Minneapolis**Orchestra Hall**2,000,000

For a grant to the city of Minneapolis to predesign the renovation of Orchestra Hall and Peavey Plaza at its current downtown Minneapolis location, subject to Minnesota Statutes, section 16A.695.

Subd. 12. Rochester - Mayo Civic Center Complex3,500,000

For a grant to the city of Rochester to design the renovation and expansion of the Mayo Civic Center Complex.

Subd. 13. St. Cloud State University - National Hockey Center

6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of the National Hockey Center.

Subd. 14. St. Paul

(a) Asian Pacific Cultural Center

5,000,000

For a grant to the city of St. Paul, or the Housing and Redevelopment Authority of the city of St. Paul, to construct, furnish, and equip an Asian Pacific Cultural Center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

(b) Gillette Children's Specialty Healthcare

300,000

For a grant to Ramsey County to predesign and design renovations for surgical suites and the pediatric intensive care unit at Gillette Children's Specialty Healthcare, which until 1989 was a state institution housed in a state building that served the medical needs of children with disabilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Sec. 22. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 46,800,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. State Match For Federal Grants30,000,000

(a) To the Public Facilities Authority:

(1) to match federal grants for the water pollution control revolving fund under Minnesota Statutes, section 446A.07; and

(2) to match federal grants for the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) The expenditure and allocation of state matching money between funds described in paragraph (a), clauses (1) and (2), must ensure that the matching funds required for the drinking water revolving fund are available to match the 2009 and 2010 federal grants, with the balance to be made available to the water pollution control revolving fund.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. Upper Sioux Community Water System750,000

This appropriation is from the general fund to the Public Facilities Authority for a grant to the Upper Sioux Community to improve the current water system to ensure continuity of service to the entire population of the community and to meet the demands of the planned community expansion over the next 20 years.

This appropriation is not available until the Public Facilities Authority has determined that at least \$375,000 has been committed from nonstate sources.

Subd. 4. Wastewater Infrastructure Funding Program12,300,000

(a) To the Public Facilities Authority for the purposes specified in this subdivision.

\$10,000,000 is for grants and loans to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

\$300,000 is from the general fund to implement the wastewater infrastructure program.

To the greatest practical extent, the authority must use the appropriation for projects on the 2008 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development by June 30, 2009, or for projects on the 2009 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by December 31, 2009.

(b) The grants listed in this paragraph are not subject to the 2008 or 2009 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

Up to \$2,000,000 may be used for corrective action on wastewater treatment systems listed in Laws 2005, chapter 20, article 1, section 23, subdivision 3, paragraph (b).

Subd. 5. Total Maximum Daily Load (TMDL) Grants

2,000,000

To the Public Facilities Authority for total maximum daily load grants under Minnesota Statutes, section 446A.073.

Subd. 6. Small Community Wastewater Grants

1,500,000

To the Public Facilities Authority for transfer to the small community wastewater treatment account for loans and grants under Minnesota Statutes, section 446A.075.

Subd. 7. Streamlined Infrastructure Financing

100,000

From the general fund for staff and consultant costs to develop a credit enhanced pooled

bond program for municipal infrastructure projects. This appropriation is onetime.

Subd. 8. Bayport Storm Sewer

150,000

For a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River. This appropriation is in addition to the appropriations in Laws 2000, chapter 492, article 1, section 21, subdivision 8, to the commissioner of corrections and in Laws 2005, chapter 20, article 1, section 23, subdivision 3, to the Public Facilities Authority, for the same project.

Sec. 23. MINNESOTA HOUSING FINANCE AGENCY

\$

2,000,000

To the Minnesota Housing Finance Agency for transfer to the housing development fund for the purposes specified in this section.

This appropriation is for loans or grants: (1) for publicly owned emergency shelter; (2) for publicly owned temporary or transitional housing under Minnesota Statutes, section 462A.202, subdivision 2; and (3) for publicly owned permanent rental housing under Minnesota Statutes, section 462A.202, subdivision 3a, for persons who have been without a permanent residence either for at least 12 months or on at least four occasions in the last three years, or who were at significant risk of lacking a permanent residence for at least 12 months or on at least four occasions in the last three years. Loans or grants under Minnesota Statutes, section 462A.202, subdivision 3a, must be for housing that provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation \$ 10,594,000

To the Minnesota Historical Society for the purposes specified in this section

Subd. 2. Historic Sites Asset Preservation 5,000,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. Historic Fort Snelling Museum and Visitor Center 3,000,000

For projects of a capital nature at historic Fort Snelling to preserve historic structures and to enhance visitor services.

Subd. 4. County and Local Preservation Grants 2,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.051. Grant recipients must be public entities and must match state funds on at least an equal basis. The facilities must be publicly owned.

\$100,000 is for a grant to the city of Wells to renovate the historic Wells Train Depot. No match is required for this grant.

Subd. 5. Kelley Farm Renovation 300,000

To predesign and design renovation of the visitor center and support facilities at the Oliver H. Kelley historic site.

Subd. 6. Heritage Trails 294,000

To complete development of the educational interpretive trail system at the Fort Ridgely

historic site.

Sec. 25. **BOND SALE EXPENSES**

\$ 962,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 26. **BOND SALE SCHEDULE**

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2009, no more than \$872,163,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. In future biennia, the commissioner of finance shall likewise schedule the sale of general obligation bonds so that, during the biennium, an amount equal to no more than three percent of general fund revenue for the biennium will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$991,075,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to

7.

Subd. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$32,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. **Transportation fund bond proceeds account.** To provide the money appropriated in this article from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 28. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.

(a) \$17,262,000 of the appropriation in Laws 2002, chapter 393, section 19, subdivision 2, to the Metropolitan Council for the Northwest busway, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, is reduced by \$17,262,000.

(b) \$2,571,000 of the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 2, subdivision 2, paragraph (c), for the teaching and technology center, is canceled. The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$2,571,000.

(c) The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$1,500,000.

(d) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by \$2,000,000.

(e) The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by \$3,282,000.

Sec. 29. Minnesota Statutes 2006, section 16B.32, is amended by adding a subdivision to read:

Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two-percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two-percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not. The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given

by the agency for not meeting the two-percent requirement were supported by evidence in the record.

Sec. 30. Minnesota Statutes 2006, section 16B.325, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. **Development of sustainable building 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, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed ~~existing~~ the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings and major renovations. The guidelines shall define "major renovations" for purposes of this section. The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the complete replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. 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.

Subd. 3. **Development of guidelines; applicability.** (a) In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.

(b) The commissioners of administration and commerce shall review the guidelines periodically and incorporate performance standards developed under section 216B.241, subdivision 9, into the guidelines as soon as practicable.

Sec. 31. Minnesota Statutes 2006, section 115A.908, subdivision 2, is amended to read:

~~Subd. 2. **Deposit of revenue.** (a) From July 1, 2003, through June 30, 2007, revenue collected shall be credited to the general fund.~~

~~(b) After June 30, 2007, From the revenue collected under this section, the amount necessary to make debt service payments on revenue bonds issued under section 116.156 is annually appropriated to the commissioner of finance. Any remaining revenue collected shall be credited to the environmental fund.~~

Sec. 32. Minnesota Statutes 2006, section 116.155, subdivision 3, is amended to read:

Subd. 3. **Revenues.** The following revenues shall be deposited in the general portion of the remediation fund:

(1) response costs and natural resource damages related to releases of hazardous substances, or pollutants or contaminants, recovered under sections 115B.17, subdivisions 6 and 7, 115B.443, 115B.444, or any other law;

(2) money paid to the agency or the Agriculture Department by voluntary parties who have received technical or other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(3) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants; ~~and~~

(4) money received from revenue bonds sold under section 116.156 and placed in a special bond proceeds account; and

(5) interest accrued on the fund.

Sec. 33. 116.156 CLOSED LANDFILL CLEANUP REVENUE BONDS.

Subdivision 1. Bonding authority. (a) The commissioner of finance, if requested by the commissioner of the Pollution Control Agency, shall sell and issue state revenue bonds for the following purposes:

(1) to take actions related to hazardous substances, pollutants, or contaminants at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed \$25,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

Subd. 2. Procedure. The commissioner of finance may sell and issue the bonds on the terms and conditions the commissioner of finance determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner of finance may enter any agreements or pledges the commissioner of finance determines necessary or useful to sell the bonds that are not inconsistent with this section. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special bond proceeds account in the remediation fund and are appropriated to the commissioner of the Pollution Control Agency for the purposes specified in subdivision 1.

Subd. 3. Revenue sources. The debt service on the bonds is payable only from the following sources:

(1) the motor vehicle transfer fee under section 115A.908; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. Refunding bonds. The commissioner of finance may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds

and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner of finance, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner of finance.

Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a trustee for bondholders. The trustee has the powers and authority vested in it by the commissioner of finance under the bond and trust indentures.

Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner of finance is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner of finance at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

Sec. 34. **[116.195] BENEFICIAL USE OF WASTEWATER; CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Beneficial use of wastewater" means use of the effluent from a wastewater treatment plant that replaces use of groundwater.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature for the treatment of wastewater intended for beneficial use. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater. The maximum amount for a grant under this subdivision is \$500,000. The grant agreement must provide that the predesign and design work being funded is public information and available to anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

Subd. 4. **Application form; procedures.** The agency shall develop an application form and procedures.

Subd. 5. **Reports.** The agency shall report by February 1 of each year to the chairs of the house and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater supply, the quality of treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

Sec. 35. Minnesota Statutes 2006, section 119A.45, is amended to read:

119A.45 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.

Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, with priority to centers in counties or municipalities with the highest percentage of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries, or parenting time centers. The following requirements apply:

(a) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(b) A grant for an individual facility must not exceed \$200,000 \$300,000 for each program that is housed in the facility, up to a maximum of \$500,000 \$750,000 for a facility that houses three programs or more. Programs include Head Start, ~~early childhood and family education programs~~ School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

(c) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

Subd. 2. **Grant priority.** (a) The commissioner must give priority to:

(1) projects in counties or municipalities with the highest percentage of children living in poverty;

(2) grants that involve collaboration among sponsors of programs under this section; and

(3) where feasible, grants for programs that utilize Youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor portion of the construction, whichever is less, if:

(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and the local Youthbuild program, considering safety and skills needed;

(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall cost of the project; and

(iii) eligible programs consult with appropriate labor organizations to deliver education and training.

(b) The commissioner may give priority to:

(1) projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, and programs that include services to refugee and immigrant families. ~~The commissioner may give priority to;~~ and

(2) grants for programs that will increase their child care workers' wages as a result of the grant. ~~If there is work that is appropriate for youthbuild, as mutually agreed upon by the grantee and the local youthbuild program, considering safety and skills needed, and if it is demonstrated by youthbuild that using youthbuild will not increase the overall cost of the project, then priority must be given to grants for programs that utilize youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000, whichever is less, of the labor portion of the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply programwide and not to individual grants.~~

Sec. 36. Minnesota Statutes 2006, section 136F.10, is amended to read:

136F.10 DESIGNATION.

The following are designated as the Minnesota State Colleges and Universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge ~~and~~, Duluth, and Owatonna; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona, and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

Sec. 37. Minnesota Statutes 2006, section 136F.60, subdivision 5, is amended to read:

Subd. 5. **Disposition of surplus property.** (a) The board may declare state lands or improvements under its control that are no longer needed by the Minnesota State Colleges and Universities system to be surplus and may offer them for public sale in a manner consistent with the procedures set forth in sections 16B.282 to 16B.286 for disposition of state lands by the commissioner of administration. The parcels must not be exchanged or transferred for no or nominal consideration.

(b) Proceeds from the sale or disposition of land or improvements under this subdivision, after paying all expenses incurred in selling or disposing of the land and then paying any amounts due under section 16A.695, are appropriated to the board for use for capital projects at the institution that was responsible for management of the land or improvements.

Sec. 38. Minnesota Statutes 2006, section 136F.64, subdivision 1, is amended to read:

Subdivision 1. **General authority; construction; improvements.** (a) Specific legislative authority is not required for repairs or minor capital projects financed with operating appropriation or institutional receipts that:

- (1) are undertaken for asset preservation or code compliance purposes; or
- (2) do not materially increase the net square footage of the institution; and
- (3) do not materially increase the costs of instructional programs.

For any project under this section with a cost in excess of ~~\$50,000~~ \$3,000,000, unless the Board of Trustees determines that an emergency exists, the board must notify the chair of the Finance Committee of the senate, and the chairs of the Ways and Means Committee and the Capital Investment Committee of the house in writing before incurring any contractual obligations.

(b) The board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of state college and university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Sec. 39. Minnesota Statutes 2006, section 136F.64, is amended by adding a subdivision to read:

Subd. 4. **Unspent appropriations.** (a) Upon substantial completion of a project authorized by the legislature and after written notice to the commissioner of finance, the Board of Trustees must use any money remaining in the appropriation for that project for higher education asset preservation and replacement under section 135A.046. The board must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project authorized by the legislature that is complete, is available for higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement is reduced accordingly. Section 16A.642 applies from the date of the original appropriation to the unspent amount transferred.

Sec. 40. Minnesota Statutes 2006, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$150,000,000~~ \$250,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

Sec. 41. [137.61] PURPOSE.

Sections 137.61 to 137.64 provide for a biomedical science research funding program to further the investment in biomedical science research facilities in Minnesota to 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 this state.

Sec. 42. [137.62] DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 137.61 to 137.64.

Subd. 2. **Biomedical science research facility.** "Biomedical science research facility" means a facility located on the campus of the University of Minnesota to be used as a research facility and laboratory for biomedical science and biomedical technology. A hospital licensed under sections 144.50 to 144.56 is not a biomedical science research facility.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of finance.

Subd. 4. **Project costs.** "Project costs" means the sum of all obligations incurred, paid, or to be paid that 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) payments under construction contracts and payments for performance bonds; and

(4) purchase and installation of furniture, fixtures, and equipment.

Subd. 5. **Project.** "Project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of a structure, facility, infrastructure, or equipment necessary for a biomedical science research facility approved by the Board of Regents.

Sec. 43. **[137.63] BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING PROGRAM.**

Subdivision 1. **Program established.** A biomedical science research facilities funding program is established to provide appropriations to the Board of Regents of the University of Minnesota for up to 80 percent of the project costs for each of four projects approved by the Board of Regents under section 137.64.

Subd. 2. **Project requirements.** The Board of Regents of the University of Minnesota, either acting on its own or in collaboration with another private or public entity, must pay at least 20 percent of the project costs for each of four projects.

Sec. 44. **[137.64] CONDITIONS FOR PAYMENTS TO UNIVERSITY.**

Subdivision 1. **Certifications.** Before the commissioner may make any payments authorized in this section to the Board of Regents for a biomedical science research facility project, the commissioner must certify that the board has, by board resolution, approved the maximum project cost for the project and complied with the requirements of section 137.63, subdivision 2. For each project approved by the board, the board must certify to the commissioner the amount of the annual payments of principal and interest required to service each series of bonds issued by the University of Minnesota for the project, and the actual amount of the state's annual payment to the University of Minnesota under subdivision 2. The annual payment must not exceed the amount required to pay debt service on the bonds issued to finance 80 percent of the project costs.

Subd. 2. **Payments.** On July 15 of each year after the certification under subdivision 1, but no earlier than July 15, 2009, and for so long thereafter as any bonds issued by the board for the construction of a project are outstanding, the state must transfer to the board annual payments as certified under subdivision 1, up to the maximum amounts in the appropriation schedule under subdivision 3. Payments under this section are to reimburse the Board of Regents for the state's share of the project costs for the biomedical science research facility projects, provided that the principal amount of bonds issued by the University of Minnesota to pay the state's share of the costs must not exceed \$233,600,000.

Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to the commissioner of finance for transfer to the Board of Regents, as follows:

(1) up to \$1,000,000 is appropriated in fiscal year 2010;

(2) up to \$4,000,000 is appropriated in fiscal year 2011;

(3) up to \$9,000,000 is appropriated in fiscal year 2012;

(4) up to \$14,000,000 is appropriated in fiscal year 2013;

(5) up to \$16,000,000 is appropriated in fiscal year 2014; and

(6) up to \$16,575,000 is appropriated in fiscal year 2015 and each year thereafter, up to 25 years following the certification of the last project by the commissioner.

Subd. 4. **Reinvestment.** The Board of Regents must, to the extent permitted under federal law and University of Minnesota policies, place a priority on reducing the state's share of project costs by dedicating a share of the proceeds from any commercialization or licensing revenues attributable to research conducted in the biomedical science facilities to reducing the appropriations needed under subdivision 3.

Sec. 45. Minnesota Statutes 2006, section 462A.21, is amended by adding a subdivision to read:

Subd. 32. **Nonprofit housing bonds account.** The agency may establish a nonprofit housing bond account as a separate account within the housing development fund. Proceeds of nonprofit housing bonds and payments made by the state under section 462A.36 may be credited to the account. The agency may transfer the proceeds of nonprofit housing bonds to another account within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.36.

Sec. 46. [462A.36] NONPROFIT HOUSING BONDS; AUTHORIZATION; STANDING APPROPRIATION.

Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have the meanings given them in this subdivision.

(b) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on nonprofit housing bonds and the fees, charges, and expenses related to the bonds.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(c) "Nonprofit housing bonds" means bonds issued by the agency under chapter 462A that are "qualified 501(c)(3) bonds" (within the meaning of Section 145(a) of the Internal Revenue Code) or are not "private activity bonds" (within the meaning of Section 141(a) of the Internal Revenue Code), for the purpose of financing or refinancing affordable housing authorized under chapter 462A.

(d) "Permanent supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 2. **Authorization.** (a) The agency may issue up to \$30 million of nonprofit housing bonds in one or more series to which the payments made under this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(b) An insubstantial portion of the bond proceeds may be used for permanent supportive housing for individuals and families experiencing homelessness who do not meet the criteria of paragraph (a).

Subd. 3. **No full faith and credit.** The nonprofit housing bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the nonprofit housing bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to that effect.

Subd. 4. **Certification and payment; payment to the agency or trustee.** (a) The agency must certify annually to the commissioner of finance the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 1, beginning in 2009 and through 2031, if any nonprofit housing bonds issued under subdivision 2 remain outstanding, the commissioner of finance must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary to make the transfers is appropriated from the general fund to the commissioner of finance.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 47. Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3, is amended to read:

Subd. 3. Wastewater Infrastructure Funding Program	15,000,000 <u>13,500,000</u>
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To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority should use the grants for projects on the 2002 project priority list in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2003.

~~\$1,500,000 is for grants to the Larsmont portion of the Knife River Larsmont sanitary district. This appropriation must be used to reduce the amount of the municipality's loan from the water pollution revolving fund that exceeds five percent of the market value of the properties in the project service area. This appropriation is in addition to grants from other appropriations.~~

Sec. 48. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. State Park and Recreation Area Acquisition

2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

\$500,000 is to purchase land within the boundaries of Greenleaf Lake ~~state park~~ recreation area in Meeker county.

Sec. 49. Laws 2005, chapter 20, article 1, section 17, is amended to read:

Section 1. PUBLIC SAFETY

642,000

To the commissioner of public safety for a grant to the Economic Development Authority in and for the city of Blue Earth to acquire land for and to predesign, design, construct, furnish, and equip a fire and police station. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

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

Sec. 50. Laws 2005, chapter 20, article 1, section 23, subdivision 3, is amended to read:

Subd. 3. Wastewater Infrastructure Funding Program

29,900,000

(a) To the Public Facilities Authority for the purposes specified in this subdivision. \$29,300,000 of this appropriation is for grants and loans to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority must use the appropriation for projects on the 2005 project priority list in priority order to qualified applicants that submit plans and specifications to the Pollution Control

Agency or receive a funding commitment from USDA Rural Economic and Community Development before December 1, 2006.

\$600,000 of this appropriation is to implement the wastewater infrastructure program.

(b) The grants listed in this paragraph are not subject to the 2005 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

\$1,500,000 is for a grant to the city of Aurora to reconstruct its wastewater treatment plant, damaged in an explosion May 5, 2004.

\$1,700,000 is for a grant to the Central Iron Range Sanitary Sewer District Authority to predesign and design the necessary facilities to collect, treat, and dispose of sewage in the district, including a pump-storage facility and a wind-energy facility.

Up to \$5,000,000 may be used as grants to the cities of Dunnell, Dumont, Henriette, Lewisville, McGrath, and Ostrander to undertake corrective action on systems built since 2001 with federal money from USDA Rural Economic and Community Development. A grant must not exceed the amount of federal money used in the construction of systems that incorporated sand filter treatment, fixed activated sludge treatment, or mechanical package plant treatment technologies.

\$4,950,000 is for a grant to the city of Duluth for design and construction of sanitary sewer overflow storage facilities at selected locations in the city of Duluth. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

\$1,700,000 is for a grant to the city of Eagle Bend to predesign, design, construct, furnish, and equip a wastewater collection and treatment system.

\$1,500,000 is for a grant to the city of Two Harbors to retire loans, whether interfund or otherwise, incurred to acquire land for, design, construct, furnish, and equip a 2,500,000 gallon equalization basin and a chlorine-contact tank of at least 100,000 gallon capacity, adjacent to the city's wastewater treatment plant. The equalization basin is required under the city's National Pollution Discharge Elimination System permit. This appropriation is not available until the commissioner of finance determines that \$325,000 has been committed to the project from nonstate sources.

\$1,550,000 for a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until December 31, 2011.

\$2,000,000 is to the commissioner of employment and economic development for a grant to the city of New Brighton to relocate a sanitary sewer interceptor in the Northwest Quadrant to allow for redevelopment of that area.

Sec. 51. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

Subd. 8. Lewis and Clark Rural Water System, Inc.

2,000,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with of the Lewis and Clark Rural Water System, Inc.

that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc., must be awarded ~~to projects~~ approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent ~~that each \$1 of state money is matched~~ by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~for each \$1 of state money to be used to reimburse costs incurred on eligible projects.~~

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 52. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to read:

Subd. 16. Minneapolis

(a) Minnesota Planetarium 22,000,000

For a grant to ~~the city of Minneapolis~~ Hennepin County to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center 1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Sec. 53. Laws 2006, chapter 258, section 7, subdivision 3, as amended by Laws 2007, chapter 122, section 4, is amended to read:

Subd. 3. **Flood Hazard Mitigation Grants** 25,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

- (a) Austin
- (b) Albert Lea
- (c) Browns Valley
- (d) Crookston
- (e) Canisteo Mine
- (f) Delano
- (g) East Grand Forks
- (h) Golden Valley
- (i) Grand Marais Creek
- (j) Granite Falls
- (k) Inver Grove Heights
- (l) Manston Slough
- (m) Oakport Township
- (n) Riverton Township
- (o) Roseau
- (p) Shell Rock Watershed District
- ~~(q)~~ St. Vincent
- ~~(r)~~ Wild Rice River Watershed District

For any project listed in this subdivision that the commissioner determines is not

ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project. The local share for the St. Vincent dike may not exceed \$30,000.

Sec. 54. Laws 2006, chapter 258, section 7, subdivision 7, is amended to read:

Subd. 7. Lake Superior safe harbors

3,000,000

To design and construct capital improvements to public accesses and small craft harbors on Lake Superior in accordance with Minnesota Statutes, sections 86A.20 to 86A.24, and in cooperation with the United States Army Corps of Engineers.

This appropriation may be used to develop the harbor of refuge and marina at Two Harbors and is added to the appropriations in Laws 1998, chapter 404, section 7, subdivision 24; and Laws 2000, chapter 492, article 1, section 7, subdivision 21, as amended by Laws 2005, chapter 20, article 1, section 42. Notwithstanding those laws, the commissioner may proceed with the Two Harbors project by providing up to \$1,500,000 to complete the design specifications and environmental work currently underway. The commissioner may spend the remaining money for the project upon securing an agreement with the U.S. Army Corps of Engineers that commits federal expenditures of at least \$4,000,000 to the project.

Sec. 55. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

Subd. 11. Water control structures

1,000,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101.

Sec. 56. Laws 2006, chapter 258, section 7, subdivision 22, is amended to read:

Subd. 22. Regional trails

1,133,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

\$648,000 is for the Agassiz Recreational ATV Trail. Snowmobile trail grant money received under Minnesota Statutes, section 84.83, subdivision 3, and all-terrain vehicle trail grant money received under Minnesota Statutes, section 84.927, subdivision 2, may be counted as part of the county's required 50 percent nonstate match.

\$485,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to design, engineer, and construct 6.3 miles of trail and two parking areas along the Mississippi River in Sherburne County, to be known as Xcel Energy Great River Woodland Trail.

Sec. 57. Laws 2006, chapter 258, section 16, subdivision 5, is amended to read:

Subd. 5. Northeast Minnesota rail initiative

1,300,000

(a) Heritage and Arts Center400,000

For a grant to St. Louis County to renovate the St. Louis County Heritage and Arts Center (the Duluth Depot).

(b) Passenger Rail Service900,000

~~and to match federal money for~~ For a grant to the St. Louis and Lake County Regional Rail Authority for Phase 1 of preliminary engineering, environmental

studies, and construction of the rail line, railway stations, park-and-ride lots, and other railroad appurtenances necessary to facilitate the return of intercity and commuter/passenger rail service within Duluth and the Duluth/Twin Cities rail corridor.

Sec. 58. Laws 2006, chapter 258, section 17, subdivision 8, is amended to read:

Subd. 8. Metropolitan Regional Parks Capital Improvements

35,362,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects.

\$300,000 is for a grant to the city of Bloomington to renovate the old Cedar Avenue bridge to serve as a hiking and bicycling trail connection.

\$6,000,000 is for a grant to the county of Dakota to acquire land for a regional park and wildlife area adjacent to the ~~Empire Wetlands~~ Vermillion Highlands Research, Recreation, and Wildlife Management Area and Regional Park in Dakota County.

\$1,800,000 is for a grant to the city of Minneapolis to complete land acquisition for and construction of the Cedar Lake Trail.

\$3,500,000 is for a grant to the Minneapolis Park and Recreation Board to design, construct, furnish, and equip a new cultural and community center in the East Phillips neighborhood in Minneapolis.

\$250,000 is for a grant to the Minneapolis Park and Recreation Board to predesign completion of the Grand Rounds National Scenic Byway by providing a link between northeast Minneapolis on Stinson Avenue and Southeast Minneapolis at East River Road.

\$2,500,000 is for a grant to the Minneapolis Park and Recreation Board to mitigate flooding at Lake of the Isles in the city of Minneapolis. The grant must be used for shoreline stabilization and restoration, dredging, wetland replacement, and other infrastructure improvements necessary to deal with the 1997 flood damage and to prevent future flooding.

\$321,000 is for a grant to Ramsey County to construct a bicycle and pedestrian trail on the north side of Lower Afton Road between Century Avenue and McKnight Road in the city of Maplewood. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

\$9,000,000 is for a grant to the city of St. Paul to predesign, design, construct, furnish, equip, and redevelop infrastructure at the Como Zoo.

\$2,500,000 is for a grant to the city of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

\$2,000,000 is for a grant to the city of South St. Paul for the closure, capping, and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul, as the fifth phase of converting the land into parkland, and to restore approximately 80 acres of riverfront land along the Mississippi River.

\$191,000 is for a grant to the city of White Bear Lake to construct the Lake Avenue Regional Trail connecting Highway 96 Regional Trail with Ramsey Beach.

EFFECTIVE DATE. This section is effective retroactively from June 2, 2006.

Sec. 59. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

Subd. 6. **Redevelopment Account**

9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$250,000 is for a grant to the city of Winona to predesign facilities for a multipurpose events center and arena to be used for the Shakespeare Festival ~~as part of the riverfront redevelopment plan~~, Beethoven Festival, and Winona State University events. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 60. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

Subd. 15. Lewis and Clark Rural Water System, Inc.

3,282,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

The grants Payment to the Lewis and Clark Rural Water System, Inc. must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~to reimburse the system for costs incurred on eligible projects.~~

Sec. 61. Laws 2006, chapter 258, section 23, subdivision 3, is amended to read:

Subd. 3. **Historic Fort Snelling Museum and Visitor Center**

1,100,000

To design ~~the restoration and renovation of the 1904 Cavalry Barracks Building~~ for the historic Fort Snelling Museum and Visitor Center and other site improvements to revitalize historic Fort Snelling.

Sec. 62. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to jobs and capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 115A.908, subdivision 2; 116.155, subdivision 3; 119A.45; 136F.10; 136F.60, subdivision 5; 136F.64, subdivision 1, by adding a subdivision; 136F.98, subdivision 1; 462A.21, by adding a subdivision; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 3, 8, 16; Laws 2006, chapter 258, sections 7, subdivisions 3, as amended, 7, 11, 22; 16, subdivision 5; 17, subdivision 8; 21, subdivisions 6, 15; 23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A."

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

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 2007: A bill for an act relating to consumer protection; changing motor vehicle damage disclosure requirement; amending Minnesota Statutes 2006, section 325F.6641, subdivisions 1, 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 2965: A bill for an act relating to children; regulating gestational carrier arrangements; proposing coding for new law in Minnesota Statutes, chapter 257.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2006, section 257.56, is amended to read:

257.56 ARTIFICIAL INSEMINATION ASSISTED REPRODUCTION.

Subdivision 1. **Husband Partner treated as biological father parent; woman treated as**

biological mother. (a) If, under the supervision of a licensed physician and with the consent of her husband partner, if any, a wife woman is inseminated artificially with semen donated by a man not her husband partner, the husband partner, if any, is treated in law as if he the partner were the biological father parent of a child thereby conceived. The husband's consent must be in writing and signed by him and his wife.

(b) If, under the supervision of a licensed physician and with the consent of her partner, if any, a woman has embryos created with eggs donated by another woman and her partner's or a donor's sperm transferred into her uterus for gestation, the woman and her partner, if any, are treated in law as if they were the biological parents of a child thereby gestated and delivered.

(c) The woman and her partner, if any, must consent in a writing signed by both the partner and the woman that they intend to become the legal parents of the resulting child. The consent must be retained by the physician for at least four years after the confirmation of a pregnancy that occurs during the process of artificial insemination or embryo transfer.

(d) All papers and records pertaining to the insemination or embryo transfer, whether part of the permanent record of a court or of a file held by the supervising physician or elsewhere, are subject to inspection only upon an order of the court for good cause shown.

Subd. 2. **Donor not treated as biological father parent.** The donor of semen, eggs, or embryos provided to a licensed physician for use in artificial insemination or assisted reproduction for a married woman other than the donor's wife partner is treated in law as if he the donor were not the biological father or mother of a child thereby conceived, gestated, and delivered.

Subd. 3. **Effect of noncompliance.** In the event of noncompliance with any of the requirements or terms of subdivision 1, a court of competent jurisdiction shall determine the respective parental rights and obligations of the parties, including both the intended parents and donors, based solely on evidence of the parties' original intent.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to donations made before, on, or after the effective date."

Page 8, line 9, delete "1 to 13" and insert "2 to 14"

Amend the title numbers accordingly

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 3132: A bill for an act relating to health; regulating medical debt information; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Page 1, delete lines 6 to 22

Page 1, line 23, delete "Subd. 4." and insert "Subdivision 1."

Page 2, line 8, delete "Subd. 5." and insert "Subd. 2."

Page 2, line 14, delete "Subd. 6." and insert "Subd. 3."

Page 2, line 20, after the period, insert "Nothing in this section prevents a health care provider from disclosing a court judgment obtained by the provider. Nothing in this section prevents a health care provider from discussing payment options or insurance coverage with a patient. This section only applies to medically necessary health care services, products, or devices and not to cosmetic procedures without any medical necessity."

Page 2, delete lines 21 to 25

Page 2, line 26, delete "Subd. 8." and insert "Subd. 4."

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 3138: A bill for an act relating to health; changing provisions for handling genetic information; amending Minnesota Statutes 2006, section 13.386, subdivision 3; Minnesota Statutes 2007 Supplement, section 144.125, subdivision 3.

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

Page 1, line 21, delete "this subdivision" and insert "paragraph (a)"

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 2006, section 144.05, is amended by adding a subdivision to read:

Subd. 5. **Collection or use of genetic information.** Before the collection or use of genetic information by the commissioner, the individual whose genetic information is being collected must be given a Tennessen warning as provided in section 13.04, subdivision 2."

Page 2, line 4, after "parents" insert "or legal guardians"

Page 2, lines 5 and 7, strike "or tissue"

Page 2, line 8, reinstate the stricken language

Page 2, line 10, delete ", or (iii) to decline to have" and insert "or that"

Page 2, line 11, after "samples" insert "not be"

Page 2, line 14, after "parents" insert "or legal guardians"

Page 2, line 15, strike "the parents" and insert "a parent or legal guardian" and strike the second "object" and insert "objects"

Page 2, line 16, strike "elect" and insert "elects"

Page 2, line 17, strike the comma and delete "elect to decline to have" and insert "that" and after "results" insert "not be"

Page 2, line 19, after the second "parent" insert "or legal guardian"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Moua from the Committee on Judiciary, to which was re-referred

S.F. No. 2775: A bill for an act relating to utilities; requiring notice to city when customer's heat source disconnected; amending Minnesota Statutes 2006, section 13.681, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Page 1, delete lines 8 and 9 and insert:

"Subd. 6. **Utility disconnection.** Data received by cities relating to the involuntary disconnection of utility services are classified in section 216B.0976."

Page 1, line 11, before "Notwithstanding" insert:

"Subdivision 1. **Notice required.**"

Page 1, line 12, after "that" insert "initiates an"

Page 1, line 13, delete "involuntarily disconnects" and insert "involuntary disconnection of"

Page 1, line 21, delete everything after the period

Page 1, delete lines 22 and 23 and insert:

"Subd. 2. **Data.** Data on customers that are provided to cities under subdivision 1 are private data on individuals or nonpublic data, as defined in section 13.02."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3685: A bill for an act relating to boxing; changing the name of the Minnesota Boxing Commission; providing penalties; extending jurisdiction of the commissions; authorizing rulemaking; amending Minnesota Statutes 2006, sections 341.21, as amended; 341.23; 341.24; 341.26; 341.28, as amended; 341.29; 341.30; 341.31; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; Minnesota Statutes 2007 Supplement, sections 214.04, subdivision 3; 341.22; 341.25; 341.27; 341.321; proposing coding for new law in Minnesota Statutes, chapter 341.

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 2007 Supplement, section 214.04, subdivision 3, is amended to

read:

Subd. 3. **Officers; staff.** The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) Dentistry;
- (2) Medical Practice;
- (3) Nursing;
- (4) Pharmacy;
- (5) Accountancy;
- (6) Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;
- (7) Barber Examiners;
- (8) Cosmetology;
- (9) Teaching;
- (10) Peace Officer Standards and Training;
- (11) Social Work;
- (12) Marriage and Family Therapy;
- (13) Dietetics and Nutrition Practice; ~~and~~
- (14) Licensed Professional Counseling; and
- (15) Combative Sports Commission.

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

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

Sec. 2. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter 135, article 3, section 30, is amended to read:

341.21 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the Association of Boxing Commissions, or equivalent. Where applicable, boxing includes tough person contests.

Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack and defense as a boxer, tough person, or mixed martial artist while engaged in a combative sport.

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing and professional and amateur tough person and professional and amateur mixed martial arts contests.

Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Combative Sports Commission.

Subd. 4. **Combative sports contest.** "Combative sports contest" means any a professional boxing, a professional or amateur tough person, or a professional or amateur mixed martial art bout, competition ~~contest~~, match, or exhibition.

Subd. 4a. **Director.** "Director" means the executive director of the commission.

Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in the most recent blood test.

Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 4e. **Individual.** "Individual" means a living human being.

Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest between two or more individuals consisting of any combination of full contact martial art including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling, or other recognized martial art.

Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited liability company, organization, or other business entity organized and existing under law, its officers and directors, or a person holding 25 percent or more of the ownership of a corporation that is authorized to do business under the laws of this state.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of ~~boxing~~ a combative sport as a means of obtaining a livelihood or pecuniary gain.

~~Subd. 6. **Director.** "Director" means the executive director of the commission.~~

Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed as tough man ~~and~~ or tough woman contests, means ~~any boxing match consisting a contest of one minute rounds~~ two-minute rounds consisting of not more than four rounds between two or more ~~persons~~ individuals who use their hands, or their feet, or both, in any manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized martial arts ~~competition~~ contest.

~~Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

341.22 ~~BOXING~~ COMBATIVE SPORTS COMMISSION.

There is hereby created the Minnesota Boxing Combative Sports Commission consisting of nine members who are citizens of this state. The members must be appointed by the governor. One member of the commission must be a retired judge of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and at least ~~three~~ four members must have knowledge of the boxing industry. At least four members must have knowledge of the mixed martial arts industry. The governor shall make serious efforts to appoint qualified women to serve on the commission. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements must be as provided in sections 214.07 to 214.09. Unless otherwise provided, the provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations ~~must be~~ are as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

Sec. 4. Minnesota Statutes 2006, section 341.23, is amended to read:

341.23 LIMITATIONS.

No member of the Boxing commission may directly or indirectly promote a ~~boxing~~ contest, directly or indirectly engage in the managing of a ~~boxer~~ combatant, or have an interest in any manner in the proceeds from a boxing combative sports contest.

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

Sec. 5. Minnesota Statutes 2007 Supplement, section 341.25, is amended to read:

341.25 RULES.

(a) The commission may adopt rules that include standards for the physical examination and condition of boxers combatants and referees. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

(b) The commission may adopt other rules necessary to carry out the purposes of this chapter,

including, but not limited to, the conduct of ~~boxing exhibitions, bouts, and fights,~~ all combative sports contests and their manner, supervision, time, and place. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

(c) The commission must adopt unified rules for mixed martial arts contests.

(d) The commission may adopt the rules of the Association of Boxing Commissions, with amendments.

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

Sec. 6. Minnesota Statutes 2006, section 341.26, is amended to read:

341.26 MEETINGS.

The commission shall hold a regular meeting quarterly and may hold special meetings. Except as otherwise provided in law, all meetings of the commission must be open to the public and reasonable notice of the meetings must be given under chapter 13D. If compliance with section 13D.02 is impractical, the commission 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 commission 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 commission can hear clearly all discussion and testimony and all votes of members of the commission and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the commission 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.

Each member of the commission 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.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The commission may require the person making such a connection to pay for documented costs that the commission incurs as a result of the additional connection.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and that a person may monitor the meeting electronically from a remote location. The timing and method of providing notice is governed by section 13D.04.

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

Sec. 7. Minnesota Statutes 2007 Supplement, section 341.27, is amended to read:

341.27 COMMISSION DUTIES.

The commission shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the commission open to inspection at all reasonable times;
- (4) assist the director in the development of rules to be implemented under this chapter;
- (5) conform to the rules adopted under this chapter; ~~and~~
- (6) develop policies and procedures for regulating mixed martial arts;
- (7) immediately suspend an individual license for a medical condition, including but not limited to a medical condition resulting from an injury sustained during a match, bout, or contest that has been confirmed by the ringside physician. The medical suspension must be lifted after the commission receives written information from a physician licensed in the home state of the licensee indicating that the combatant may resume competition, and any other information that the commission may by rule require. Medical suspensions are not subject to section 214.10; and
- (8) evaluate the performance and compensation of the director, including eligibility for salary increases, in keeping with state procedures.

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

Sec. 8. **[341.271] GIFT AUTHORITY.**

The commission may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in section 341.27. The commission may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the commission.

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

Sec. 9. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter 135, article 3, sections 34, 35, is amended to read:

341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORTS CONTESTS.

Subdivision 1. **Regulatory authority; ~~boxing~~ combative sports.** All professional ~~boxing~~ combative sports contests are subject to this chapter. ~~Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces.~~ The commission shall, for every ~~boxing~~ combative sports contest:

- (1) direct a commission member to be present; and
- (2) direct the attending commission member to make a written report of the contest.

All boxing combative sports contests within this state must be conducted according to the requirements of this chapter.

Subd. 1a. **Regulatory authority; boxing contests.** All professional boxing contests are subject to this chapter. Every combatant in a boxing contest shall wear padded gloves that weigh at least eight ounces. Officials at all boxing contests must be licensed under this chapter.

Subd. 2. **Regulatory authority; tough person contests.** All professional and amateur tough person contests, ~~including amateur tough person contests,~~ are subject to this chapter. All tough person contests are subject to American Association of Boxing Commission (ABC) Commissions rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four total rounds. Officials at all tough person bouts contests shall be licensed under this chapter.

Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting events.** All professional and amateur mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter and all officials at these events must be licensed under this chapter.

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

Sec. 10. Minnesota Statutes 2006, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSION.

The commission shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all boxing combative sports contests ~~and tough person contests~~ that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter; and

(3) grant a license to an applicant if, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, convenience, or necessity and the best interests of boxing combative sports and conforms with this chapter and the commission's rules.

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

Sec. 11. Minnesota Statutes 2006, section 341.30, is amended to read:

341.30 LICENSURE REQUIREMENTS.

Subdivision 1. **Licensure; individuals.** All referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, ~~boxers~~ combatants, ~~boxers'~~ managers, and ~~boxers'~~ seconds are required to be licensed by the commission. The commission shall not permit any of these persons to participate in the holding or conduct of any boxing combative sports contest unless the commission has first issued the person a license.

Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any boxing combative sports contest, a corporation, partnership, limited liability company, or other business

entity organized and existing under law, its officers and directors, and any person holding 25 percent or more of the ownership of the corporation shall obtain a license from the commission and must be authorized to do business under the laws of this state.

Subd. 3. **Background investigation.** The commission may require referees, judges, matchmakers, promoters, and ~~boxers~~ combatants to furnish fingerprints and background information under commission rules before licensure. The commission shall charge a fee for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, matchmakers, promoters, and ~~boxers~~ combatants to furnish fingerprints and background information before license renewal. The fee may include a reasonable charge for expenses incurred by the commission or the Department of Public Safety. For this purpose, the commission and the Department of Public Safety may enter into an interagency agreement.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, matchmaker, corporation, or other business entity, the applicant shall:

(1) provide the commission with a copy of any agreement between a ~~contestant~~ combatant and the applicant that binds the applicant to pay the ~~contestant~~ combatant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter shall submit an application a minimum of six weeks before the combative sports contest is scheduled to occur.

(c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commission by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The neurological examination must include an electroencephalogram or medically superior test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other athletic competition~~ contest. The commission may also order an electroencephalogram or other appropriate neurological or physical examination before any contest, ~~match, or exhibition~~ if it determines that the examination is desirable to protect the health of the ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV.

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

Sec. 12. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter 135, article 3, section 36, is amended to read:

341.32 LICENSE FEES; EXPIRATION; RENEWAL.

Subdivision 1. **Annual licensure.** The commission may establish and issue annual licenses subject to the collection of advance fees by the commission for promoters, ~~matchmakers~~, managers, judges, referees, ring announcers, ringside physicians, timekeepers, ~~boxers~~ combatants, ~~boxers'~~ trainers, ~~boxers'~~ seconds, business entities filing for a license to participate in the holding of any ~~boxing~~ contest, and officers, directors, or other persons affiliated with the business entity.

Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, is valid for one year from the date it is issued and may be renewed by filing an application for renewal with the commission and payment of the license fee ~~fees~~ established in section 341.321. An application for a license and renewal of a license must be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the ~~Minnesota Boxing~~ commission is as follows:

- (1) referees, \$45 ~~\$25~~ for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, \$45 ~~\$25~~ for each initial license and each renewal;
- (4) trainers, \$45 ~~\$25~~ for each initial license and each renewal;
- (5) ring announcers, \$45 ~~\$25~~ for each initial license and each renewal;
- (6) ~~boxers'~~ seconds, \$45 ~~\$25~~ for each initial license and each renewal;
- (7) timekeepers, \$45 ~~\$25~~ for each initial license and each renewal;
- (8) ~~boxers~~ combatant, \$45 ~~\$25~~ for each initial license and each renewal;
- (9) managers, \$45 ~~\$25~~ for each initial license and each renewal; and
- (10) ringside physicians, \$45 ~~\$25~~ for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a combatant license on the same day the combative sporting event is held shall pay a fee of \$100 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commission is as follows:

- (1) referees, \$10 for each initial license and each renewal;
- (2) promoters, \$100 for each initial license and each renewal;
- (3) judges and knockdown judges, \$10 for each initial license and each renewal;
- (4) trainers, \$10 for each initial license and each renewal;
- (5) ring announcers, \$10 for each initial license and each renewal;
- (6) seconds, \$10 for each initial license and each renewal;
- (7) timekeepers, \$10 for each initial license and each renewal;
- (8) combatants, \$10 for each initial license and each renewal;
- (9) managers, \$10 for each initial license and each renewal; and
- (10) ringside physicians, \$10 for each initial license and each renewal.

(c) The commission shall establish and assess an event a contest fee for each sporting event combative sports contest. The event contest fee is set at a minimum of \$1,500 per event or a percentage not more than four percent of the gross ticket sales as determined by the commission when the sporting event combative sports contest is scheduled, except that the amateur combative sports contest fee shall be \$150. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. An amateur combative sports contest fee is nonrefundable.

~~(e)~~ (d) All fees collected by the Minnesota Boxing commission must be deposited in the Boxing commission account in the special revenue fund.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 14. Minnesota Statutes 2006, section 341.33, is amended to read:

341.33 PHYSICAL EXAMINATION REQUIRED; FEES.

Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants must be examined by a physician licensed by this state within ~~three~~ 36 hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination shall ~~may~~ report on the condition of the ~~boxer's~~ combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the ~~boxer's~~ combatant's nervous system and brain as required by the commission. The physician may prohibit the ~~boxer~~ combatant from entering the ring if, in the physician's professional opinion, it is in the best interest of the ~~boxer's~~ combatant's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~ combative sports contest, shall have in attendance a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

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

Sec. 15. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

Subdivision 1. **Required insurance.** The commission shall:

(1) require insurance coverage for a ~~boxer~~ combatant to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least ~~\$20,000~~ \$10,000 and payable to the ~~boxer~~ combatant as beneficiary; and

(2) require life insurance for a ~~boxer~~ combatant in the amount of at least ~~\$20,000~~ \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

Sec. 16. Minnesota Statutes 2006, section 341.35, is amended to read:

341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.

Any person or persons who send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public ~~boxing or sparring~~ combative sports match or contest, with or without gloves, for any prize, reward, or compensation, or for which any admission fee is charged directly or indirectly, or go into training preparatory for the fight, exhibition, or contest, or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at the fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of any ground, building, or structure of any kind permitting the same to be used for any fight, exhibition, or contest, is guilty of a misdemeanor unless a ~~license~~ the licenses required for the holding of the fight, exhibition, or contest ~~has~~ have been issued by the commission in compliance with the rules adopted by it.

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

Sec. 17. **[341.355] PENALTIES.**

When the commission finds that a person has violated one or more provisions of any statute, rule, or order that the commission is empowered to regulate, enforce, or issue, the commission may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both.

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

Sec. 18. Minnesota Statutes 2006, section 341.37, is amended to read:

341.37 APPROPRIATION.

A ~~Boxing~~ Boxing commission account is created in the special revenue fund. Money in the account is annually appropriated to the ~~Boxing~~ Boxing commission for the purposes of conducting its statutory responsibilities and obligations.

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

Sec. 19. **APPROPRIATION.**

\$80,000 is appropriated from the general fund to the Combative Sports Commission. The

appropriation is available for the biennium ending June 30, 2009, and is added to the commission's base.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 20. **REPEALER.**

Minnesota Statutes 2006, section 341.31, is repealed.

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

Delete the title and insert:

"A bill for an act relating to boxing; changing the name of the Minnesota Boxing Commission; providing penalties; extending jurisdiction of the commissions; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; Minnesota Statutes 2007 Supplement, sections 214.04, subdivision 3; 341.22; 341.25; 341.27; 341.321; proposing coding for new law in Minnesota Statutes, chapter 341; repealing Minnesota Statutes 2006, section 341.31."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Higher Education, to which was referred

S.F. No. 3623: A bill for an act relating to higher education; providing for disclosure of certain information; amending Minnesota Statutes 2006, section 13.32, subdivision 3.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Judiciary without recommendation. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred

S.F. No. 1402: A bill for an act relating to planning and zoning; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; requiring priority provisions in certain county and city comprehensive plans; requiring consideration of certain development to occur in designated priorities; providing a bill title; amending Minnesota Statutes 2006, sections 394.232, subdivision 6; 394.24, by adding a subdivision; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 394.23; proposing coding for new law in Minnesota Statutes, chapter 394.

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 2007 Supplement, section 394.23, is amended to read:

394.23 COMPREHENSIVE PLAN.

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. The board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 2. [394.231] COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a county may identify.

Sec. 3. Minnesota Statutes 2006, section 394.232, subdivision 6, is amended to read:

Subd. 6. **Plan update.** The county board, or the board of the joint planning district, shall review and update the community-based comprehensive plan periodically, but at least every ten years, and submit the updated plan to the office of strategic and long-range planning for review and comment. When updating the plan, the county board or the board of the joint planning district must consider natural heritage data resulting from the county biological survey. The board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 4. Minnesota Statutes 2006, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the

planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency must consider adopting goals and objectives that will protect open space and the environment.

Sec. 5. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 1h. **Comprehensive plans in greater Minnesota; open spaces.** When adopting or updating a comprehensive plan in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land and the minimization of development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the municipality shall consider adopting ordinances as part of the municipality's official controls that encourage the implementation of the goals and objectives.

Sec. 6. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a municipality may identify.

Sec. 7. **TITLE.**

Sections 1 to 6 shall be known as the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land.

Sec. 8. **AGRICULTURAL AND OPEN SPACE PRESERVATION TASK FORCE.**

An agricultural and open space preservation task force is created to study state and local policies

and incentives related to encouraging farms, privately owned forest lands, and other privately owned open spaces to be preserved. The task force shall consist of one member of the majority party of the senate appointed by the majority leader and one member of the minority party of the senate appointed by the minority leader; one member of the majority party in the house of representatives, appointed by the speaker of the house of representatives, and one member of the minority party in the house of representatives appointed by the minority leader; and one representative each from the Association of Minnesota Counties, the League of Minnesota Cities, and the Minnesota Association of Townships. The task force shall consult with representatives of agricultural groups such as Farm Bureau and Farmer's Union and may consult with other interested parties, including appropriate state agencies, as needed. No public member of the task force shall be entitled to compensation or reimbursements for expenses. Appointments shall be made by July 1, 2008, and the first meeting shall be convened by agreement of the senate members no later than August 1, 2008. The task force shall elect a chair from among its members at the first meeting. The task force must report its findings with recommendations for proposed legislation to the chair and ranking minority member of the committees in the house of representatives and senate with jurisdiction over land use planning no later than January 30, 2009. The task force shall expire on June 30, 2009.

Sec. 9. EFFECTIVE DATE.

Sections 1 to 7 are effective July 1, 2008. Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to planning and zoning; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; requiring priority provisions in certain county and city comprehensive plans; requiring consideration of certain development to occur in designated priorities; providing a bill title; amending Minnesota Statutes 2006, sections 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 394.23; proposing coding for new law in Minnesota Statutes, chapter 394."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3444: A bill for an act relating to state auditor; requiring employees and officers of local public pension plans to report unlawful actions; amending Minnesota Statutes 2006, section 609.456, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3208: A bill for an act relating to municipal boundary adjustments; providing for

changes in municipal boundaries; imposing powers and duties on the chief administrative law judge; amending Minnesota Statutes 2006, sections 4A.02; 40A.121, subdivision 1; 272.67, subdivision 1; 276A.09; 365.46, subdivision 2; 379.05; 412.021, subdivision 1; 412.091; 414.01, subdivisions 1, 1a, 8a, 16; 414.011, by adding a subdivision; 414.02, subdivision 1a; 414.031, subdivisions 1a, 4, by adding a subdivision; 414.0325, subdivisions 1, 5; 414.0333; 414.035; 414.067, subdivision 1; 414.12, subdivisions 1, 3, 4, by adding subdivisions; 462.3535, subdivision 5; 473F.13, subdivision 1; 473H.14; 572A.01, subdivision 2; 572A.015, subdivision 2; 572A.02, subdivision 6; Minnesota Statutes 2007 Supplement, section 414.0325, subdivision 1b; Laws 2006, chapter 270, article 2, section 1, as amended; repealing Minnesota Statutes 2006, sections 414.01, subdivision 7a; 414.011, subdivision 11; 414.12, subdivision 2.

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

Page 13, line 11, delete "December 31," and strike "2008" and insert "January 16, 2009"

Page 13, line 14, delete "December 31, 2008" and insert "January 16, 2009"

Page 13, line 20, delete "December"

Page 13, line 21, delete "31" and strike ", 2008" and insert "January 16, 2009, or the day after the report required by subdivision 2 is submitted, whichever is later"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3119: A bill for an act relating to emergency management; authorizing interstate assistance by local governments; proposing coding for new law in Minnesota Statutes, chapter 192.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred

S.F. No. 2790: A bill for an act relating to corrections; authorizing deferral of judgment for certain drug offenses; repealing the sunset on early release of nonviolent controlled substance offenders; requiring the commissioner of corrections to develop a marketing plan for MINNCOR industries; requiring the commissioner of corrections to study re-entry facilities and programming; increasing funding for chemical and mental health treatment for inmates and probationers; creating a certificate of rehabilitation; establishing a task force to study and recommend approaches for developing a re-entry court pilot program; establishing a controlled substance law working group; requiring the commissioner of corrections to conduct an internal review of parole and supervised release procedures and sanctions; amending Minnesota Statutes 2006, sections 152.18, subdivision 1; 241.27, by adding a subdivision; 364.03, subdivision 3; 364.09; 611A.06, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 364; repealing Minnesota Statutes 2006, section 244.055, subdivision 11.

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

Page 9, delete section 8 and insert:

"Sec. 8. WORKING GROUP ON CONTROLLED SUBSTANCE LAWS; REPORT TO LEGISLATURE.

Subdivision 1. **Establishment; membership; staff.** (a) The working group on the state's controlled substance laws shall include:

- (1) two representatives of the Minnesota County Attorneys Association;
- (2) two representatives of the Board of Public Defense;
- (3) three representatives of state law enforcement associations, including one sheriff, one chief of police, and one member of the Minnesota Police and Peace Officers Association;
- (4) two representatives of the Judicial Council;
- (5) one representative from community corrections or probation;
- (6) one expert in the fields of drug treatment and controlled substance laws;
- (7) two individuals who are not affiliated with any of the associations in clauses (1) to (6) and who have relevant experience related to sentencing policy or the criminal justice field, one of whom shall be appointed by the speaker of the house of representatives and one of whom shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and
- (8) four community members that reside in areas adversely affected by controlled substance crimes and violent crimes, two of whom shall be appointed by the speaker of the house of representatives and two of whom shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. One of the community members appointed by the senate must be a member of a community crime prevention organization.

(b) Before making the appointments required under paragraph (a), the legislative appointing authorities must consider the recommendations of the chairs and ranking minority members of the committees and divisions in their respective legislative body with jurisdiction over criminal justice and policy funding.

(c) The appointments under paragraph (a) must be completed by July 1, 2008. Staff support for the working group shall be provided by the Department of Corrections and the Sentencing Guidelines Commission. The commissioner of corrections or the commissioner's designee shall convene the first meeting of the working group. The working group shall elect its chair from its membership at the first meeting.

Subd. 2. **Subject matter.** (a) The working group must review, assess, and make specific recommendations, including any necessary draft legislation regarding the following alternatives for modification of Minnesota's controlled substance laws:

- (1) revising the threshold amounts for Minnesota's controlled substance crimes;
- (2) establishing a separate sentencing guidelines grid for drug offenses;
- (3) establishing additional aggravating factors so as to target certain particularly dangerous

offenders; and

(4) revising the criminal history point calculations for repeat drug offenders.

(b) As part of its review of the various possible reforms, the working group may also study and consider:

(1) the significance, if any, of current rates of departure from presumptive guideline sentences for controlled substance crimes;

(2) the significance, if any, of current rates of departure from presumptive guideline sentences for controlled substance crimes for identifiable categories of offenders;

(3) the impact that recent United States Supreme Court criminal sentencing decisions have on implementing further reform;

(4) the barriers to comparing Minnesota's sentencing data with data from other states;

(5) strategies for reducing probation and supervised release violations among drug offenders;

(6) strategies for increasing the efficacy of programs that are now available to treat drug offenders;

(7) the likely impact of any recommended change in policy upon victims of drug-related crimes and the neighborhoods in which these crimes occur;

(8) the likely impact of any recommended change in policy upon the efficacy of law enforcement, prosecution, public defender, or court personnel; or

(9) any other sentencing-related matter that the working group sees fit to consider.

Subd. 3. **Report to legislature.** The working group shall report its findings and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal justice policy and funding by January 15, 2009. The working group expires upon the submission of the report required by this subdivision.

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

Page 11, delete section 10 and insert:

"Sec. 10. **RE-ENTRY COURT TASK FORCE.**

Subdivision 1. **Establishment.** The Judicial Council shall establish a task force to study and recommend approaches and strategies for developing a re-entry court pilot program. The purpose of the re-entry court is to aid the reintegration of offenders into the community and reduce recidivism by:

(1) improving tracking and supervision of offenders upon release;

(2) preparing communities to address public safety concerns; and

(3) providing services necessary to assist offenders in reconnecting with their families and communities.

Subd. 2. **Membership; organization.** (a) Except as otherwise provided in this subdivision, the appointments to the task force shall be made by the Judicial Council. The task force shall consist of the following members:

- (1) a representative from the Supreme Court;
- (2) two district court judges;
- (3) a court administrator;
- (4) a county attorney selected by the Minnesota County Attorneys Association;
- (5) a public defender selected by the Board of Public Defense;
- (6) a law enforcement representative;
- (7) a representative from community corrections;
- (8) the commissioner of corrections or a designee;
- (9) the commissioner of human services or a designee;
- (10) representatives from community organizations that specialize in mental health counseling, substance abuse treatment, family counseling, employment and vocational assistance, and housing assistance, and
- (11) any other persons designated by the Judicial Council.

(b) The appointments required under paragraph (a) must be completed by July 1, 2008. Staff designated by the Judicial Council shall convene the first meeting of the task force within 30 days after the appointments under paragraph (a) have been completed. The task force shall select a chair at its first meeting.

Subd. 3. **Report.** By January 15, 2009, the task force shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over criminal justice policy and funding on its findings and recommendations regarding a re-entry court pilot program, including anticipated costs and any necessary draft legislation. As part of its study and report, the task force shall assess the re-entry court's ability to issue certificates of relief to offenders to exempt them from specific collateral consequences.

Subd. 4. **Expiration.** The task force expires upon submission of the report required under subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2008."

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3239: A bill for an act relating to local government; revising procedures and fees charged by county registrars of title for registering supplemental declarations of common interest communities; amending Minnesota Statutes 2006, sections 508.82, subdivision 1; 515B.1-116.

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

Page 2, line 24, after "plat" insert ", other than a CIC plat complying with section 515B.2-110, paragraph (c),"

Page 2, after line 30, insert:

"(13) for filing any document affecting two or more units in a condominium governed by chapter 515, \$46 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. For purposes of this paragraph, an amendment to the declaration of a condominium governed by chapter 515 and a related amendment to the condominium floor plans shall be considered a single document, and the filing fee shall be \$56 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered."

Page 2, line 31 strike the old language

Page 2, line 32, delete the new language and strike the old language

Page 2, line 33, strike the old language

Page 2, line 34, strike "515."

Page 3, after line 7, insert:

"(15) for filing a common interest community declaration and a CIC plat complying with section 515B.2-110, paragraph (c); an amendment to a common interest community declaration and a related amendment to a CIC plat complying with section 515B.2-110, paragraph (c); or a supplemental declaration and a related supplemental CIC plat complying with section 515B.2-110, paragraph (c), each of which related documents shall be considered a single document, the filing fee shall be \$56 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. For filing any other document affecting two or more units in a common interest community, the filing fee shall be \$46 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. The same fees shall apply to filing any document affecting two or more units or other parcels subject to a master declaration."

Page 3, lines 8 to 10, strike the old language

Page 3, line 11, strike the old language and delete the new language

Page 3, line 12, strike the old language

Page 4, line 6, delete "January 1, 2009" and insert "August 1, 2008"

Page 5, strike lines 1 to 5

Page 5, line 19, delete "January 1, 2009" and insert "August 1, 2008"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and

Oversight, to which was referred

S.F. No. 3084: A bill for an act relating to the city of Duluth; correcting the legal description of the boundaries of the tracts of land administered by the Spirit Mountain Recreation Area Authority; amending Laws 1973, chapter 327, section 2, subdivision 1, as amended.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred

S.F. No. 2943: A bill for an act relating to natural resources; providing a process for designating star lakes or rivers; creating a Star Lake Board as a nonprofit corporation; allowing for the placement of star lake or river signs on highways; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 103B; 173.

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

Page 1, line 12, delete "comprehensive" and insert "star lake or river"

Page 1, line 21, delete "board" and insert "Star Lake Board"

Page 1, line 22, delete "comprehensive" and insert "star"

Page 2, line 3, delete "comprehensive" and insert "star"

Page 2, line 7, delete "the Pollution Control Agency's citizen" and insert "a"

Page 2, line 8, after "subdivision 4" insert ", or other programs meeting Pollution Control Agency standards"

Page 2, delete lines 9 and 10 and insert:

"(4) meet at least annually to review the plan and notify appropriate state agencies and local government units in the development and monitoring of the star"

Page 2, line 12, delete "Comprehensive" and insert "Star" and delete "comprehensive" and insert "star"

Page 2, line 13, delete "self-assessment" and insert "baseline"

Page 2, line 14, after "river" insert "based on scientific information,"

Page 2, lines 15 and 16, after "river" insert ", where appropriate"

Page 2, delete lines 21 to 29 and insert:

"(5) how the association will work with state agencies and local government units to identify water pollution sources and impairments;

(6) how the association will assist state and local programs to generate data needed by state agencies and local government units in an appropriate format;

(7) promoting compliance with adopted shoreland zoning standards and shoreland best management practices;

(8) how the lake association will assure its involvement in public input opportunities for various local comprehensive and project-specific planning and zoning processes;

(9) education and recognition opportunities for shoreland owners and other entities that conduct activities affecting the quality of the lake or river; and

(10) other activities that will coordinate with or enhance other state and local water management efforts."

Page 2, line 30, delete "comprehensive" and insert "star"

Page 3, line 1, delete "is" and insert "shall be"

Page 3, line 6, delete "maximum results for" and insert "and sustain the designation of"

Page 3, line 7, delete "that is"

Page 3, line 8, delete "available" and after "agencies" insert "and local government units"

Page 3, line 10, after "may" insert "secure," and delete "direct" and insert ", or recommend"

Page 3, line 11, delete "when financial assistance is not otherwise available,"

Page 3, line 12, delete "comprehensive" and insert "star"

Page 3, line 21, delete "randomly" and before the second comma, insert "with regard to obtaining representation from a variety of types of lakes and rivers within the state"

Page 3, line 22, delete "in the"

Page 3, line 23, delete "process of achieving" and insert "eligible to achieve"

Page 3, line 24, delete "from the Department of Natural Resources"

Page 3, line 26, delete "from the Pollution Control Agency"

Page 3, line 28, delete "from the Board of Water and Soil Resources"

Page 3, line 29, delete "executive director" and insert "chair"

Page 3, line 30, delete everything after "member" and insert "designated by the Association of Minnesota Counties;"

Page 3, delete line 31

Page 3, line 32, delete everything after "member" and insert "designated by the Minnesota Inter-County Association; and"

Page 3, delete line 33

Page 3, line 34, delete "appointed" and insert "designated" and delete "governor" and insert "League of Minnesota Cities"

Page 3, line 35, delete "December 1 of each even-numbered" and insert "January 15 of each odd-numbered"

Page 3, line 36, delete "the legislature" and insert "the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment policy and finance"

Page 4, delete subdivision 3 and insert:

"Subd. 3. **Staff; contracts.** The board may hire staff or enter into contracts to carry out the activities of the board."

Page 4, line 28, delete "that it finds" and insert "necessary to"

Page 4, line 29, delete "convenient" and insert "carry out its responsibilities" and delete "annual"

Page 5, after line 10, insert:

"Sec. 4. **FIRST MEETING; DEADLINE FOR APPOINTMENTS.**

The appointing authorities named in Minnesota Statutes, section 103B.702, must complete their appointments to the Star Lake Board by August 1, 2008, with the exception of the appointments required under Minnesota Statutes, section 103B.702, subdivision 1, paragraph (c), clause (3), which must be completed within 30 days of the first meeting of the board. The board member designated by the commissioner of natural resources must convene the first meeting of the board no later than September 1, 2008."

Page 5, line 12, after "to" insert "the Board of Water and Soil Resources for a grant to"

Renumber the sections in sequence and correct the internal references

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 960: A bill for an act relating to local government; modifying the definition of "dependent" for purposes of group benefits for local government officers and employees; amending Minnesota Statutes 2006, section 471.61, subdivision 1a.

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

Page 1, line 9, strike "minor" and strike "18 years"

Page 1, delete line 10 and insert "~~and dependent students under the age of 25 years actually dependent upon the employee,~~"

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3472: A bill for an act relating to state government; incorporating Minnesota

Milestones goals and indicators in budget preparation; establishing a subcommittee of the Legislative Commission on Planning and Fiscal Policy; establishing a working group; providing additional duties for the Sesquicentennial Commission; amending Minnesota Statutes 2006, sections 3.885, by adding a subdivision; 16A.10, subdivisions 1, 1c; Laws 2005, First Special Session chapter 1, article 4, section 121, subdivision 4, as amended.

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

Page 3, after line 24, insert:

"Sec. 6. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3375: A bill for an act relating to teacher retirement savings; requiring collective bargaining over the number of tax-sheltered annuity vendors a school district permits for payroll deduction; amending Minnesota Statutes 2006, section 123B.02, subdivision 15.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3363: A bill for an act relating to state government; specifying the development of budget recommendations and requiring state agencies to provide information; amending Minnesota Statutes 2006, section 3.885, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3567: A bill for an act relating to St. Louis County; providing for civil service pilot projects; amending Minnesota Statutes 2006, section 383C.034.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 2967: A bill for an act relating to local government; authorizing the Minneapolis Park and Recreation Board and the city of Minneapolis to adopt standards for dedication of land to the public or a payment of a dedication fee on certain new commercial and industrial development;

amending Laws 2006, chapter 269, section 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3268: A bill for an act relating to counties; authorizing interim use ordinances; amending Minnesota Statutes 2006, section 394.26; proposing coding for new law in Minnesota Statutes, chapter 394.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3643: A bill for an act relating to the city of Minneapolis; extending the duration of certain tax increment financing districts; providing for distribution of their increments; limiting changes to the neighborhood revitalization program governance structure; amending Minnesota Statutes 2006, sections 469.1781; 469.1831, by adding a subdivision.

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

Page 2, line 23, delete everything after the period

Page 2, delete lines 24 and 25

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 3669, 3055, 3035, 651, 3455, 3158, 3003, 3147, 2830, 3263, 3313, 3564, 2538, 2965, 3132, 3138, 3444, 3208, 2790, 3084, 960, 3375, 3567, 2967 and 3268 were read the second time.

MEMBERS EXCUSED

Senators Anderson and Limmer were excused from the Session of today. Senators Murphy and Senjem were excused from the Session of today from 11:00 to 11:35 a.m. Senator Prettner Solon was excused from the Session of today from 12:00 noon to 12:50 p.m. Senator Langseth was excused from the Session of today at 12:05 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Monday, March 17, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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