

NINETY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, May 5, 2010

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Senator Tomassoni 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. Dr. Jules Erickson.

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

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

The President declared a quorum present.

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

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.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Moua moved that the following members be excused for a Conference Committee on S.F. No. 2790 at 3:10 p.m.:

Senators Moua, Latz and Dille. The motion prevailed.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration, designated S.F. No. 2918 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2918: A bill for an act relating to retirement; various retirement plans; increasing certain contribution rates; suspending certain postretirement adjustments; reducing certain postretirement adjustment increase rates; reducing interest rates on refunds; reducing deferred annuity augmentation rates; eliminating interest on reemployed annuitant earnings limitation deferred accounts; increasing certain vesting requirements; increasing certain early retirement reduction rates; reducing certain benefit accrual rates; extending certain amortization periods; making changes of an administrative nature for retirement plans administered by the Minnesota State Retirement Association; revising insurance withholding for certain retired public employees; authorizing state patrol plan service credit for leave procedures; addressing plan coverage errors and omitted contributions; revising unlawful discharge annuity repayment requirements; requiring employment unit accommodation of daily valuation of investment accounts; eliminating administrative fee maximum for the unclassified state employees retirement program; making changes of an administrative nature in the general employees retirement plan of the Public Employees Retirement Association, the public employees police and fire retirement plan, and the defined contribution retirement plan; making various administrative modifications in the voluntary statewide lump-sum volunteer firefighter retirement plan of the Public Employees Retirement Association; revising purchase of salary credit procedures in certain partial salary situations; adding new partial salary credit purchase authority for partial paid medical leaves and budgetary leaves; redefining TRA allowable service credit; defining annual base salary; requiring base salary reporting by TRA-covered employing units; making changes of an administrative nature in the Minnesota State Colleges and Universities System individual retirement account plan; setting deadline dates for actuarial reporting; extending and revising an early retirement incentive program; permitting the court-ordered revocation of an optional annuity election in certain marriage dissolutions; transfer of the administrative functions of the Minneapolis Employees Retirement Fund to the Public Employees Retirement Association; creation of MERF consolidation account within the Public Employees Retirement Association; making various technical corrections relating to volunteer fire relief associations; revising break-in-service return to firefighting authorizations; authorizing Minnesota deferred compensation plan service pension transfers; revising payout defaults in survivor benefits; authorizing corrections of certain special fund deposits; requiring a retirement fund investment authority study; authorizing certain bylaw amendments; making technical changes; appropriating money; amending Minnesota Statutes 2008, sections 3A.02, subdivision 4; 3A.07; 11A.04; 11A.23, subdivision 4; 13D.01, subdivision 1; 43A.17, subdivision

9; 43A.316, subdivision 8; 69.021, subdivision 10; 69.051, subdivision 3; 126C.41, subdivision 3; 256D.21; 352.01, subdivision 2a; 352.03, subdivision 4; 352.04, subdivision 9; 352.113, subdivision 1; 352.115, subdivisions 1, 10; 352.12, subdivision 2; 352.22, subdivisions 2, 3; 352.72, subdivisions 1, 2; 352.91, by adding a subdivision; 352.93, subdivisions 1, 2a, 3a; 352.931, subdivision 1; 352.965, subdivisions 1, 2, 6; 352B.02, as amended; 352B.08, subdivisions 1, 2a; 352B.11, subdivision 2b; 352B.30, subdivisions 1, 2; 352D.015, subdivisions 4, 9, by adding a subdivision; 352D.02, subdivisions 1, 1c, 2, 3; 352D.03; 352D.04, subdivisions 1, 2; 352D.05, subdivisions 3, 4; 352D.06, subdivision 3; 352D.065, subdivision 3; 352D.09, subdivisions 3, 7; 352F.07; 353.01, subdivisions 2b, 2d, by adding subdivisions; 353.0161, subdivision 2; 353.03, subdivision 1; 353.05; 353.27, as amended; 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivisions 1, 1a; 353.34, subdivisions 1, 2, 3, 6; 353.37, subdivisions 1, 2, 3, 3a, 4, 5; 353.46, subdivisions 2, 6; 353.64, subdivision 7; 353.651, subdivisions 1, 4; 353.657, subdivisions 1, 2a; 353.71, subdivisions 1, 2, 4; 353.86, subdivisions 1, 2; 353.87, subdivisions 1, 2; 353.88; 353D.01, subdivision 2; 353D.03, subdivision 1; 353D.04, subdivisions 1, 2; 353E.04, subdivisions 1, 4; 353E.07, subdivisions 1, 2; 353F.025, subdivisions 1, 2; 353F.03; 354.05, by adding a subdivision; 354.07, subdivision 5; 354.091; 354.42, subdivisions 3, 7, by adding subdivisions; 354.52, subdivision 6, by adding a subdivision; 354.66, subdivision 3; 354.71; 354A.011, subdivision 27; 354A.12, subdivisions 1, 3c, by adding a subdivision; 354A.27, subdivisions 5, 6, by adding a subdivision; 354A.31, subdivision 1; 354A.35, subdivision 1; 354A.37, subdivisions 2, 3, 4; 354A.39; 354B.25, subdivisions 1, 3; 354C.14; 355.095, subdivision 1; 356.214, subdivision 1; 356.215, subdivisions 3, 8; 356.216; 356.24, subdivision 1; 356.30, subdivisions 1, 3; 356.302, subdivisions 1, 3, 4, 5, 7; 356.303, subdivisions 2, 4; 356.315, subdivision 5; 356.351, subdivision 1; 356.407, subdivision 2; 356.431, subdivision 1; 356.465, subdivision 3; 356.47, subdivision 3; 356.50, subdivision 4; 356.64; 356.65, subdivision 2; 356.91; 356.96, subdivisions 2, 3, 7, 8; 356A.06, subdivision 8; 422A.101, subdivision 3; 422A.26; 473.511, subdivision 3; 473.606, subdivision 5; 475.52, subdivision 6; 490.123, by adding a subdivision; 518.58, subdivisions 3, 4; Minnesota Statutes 2009 Supplement, sections 6.67; 69.011, subdivision 1; 69.031, subdivision 5; 69.772, subdivision 6; 69.773, subdivision 6; 352.01, subdivision 2b; 352.75, subdivision 4; 352.95, subdivision 2; 352B.011, subdivision 3; 353.01, subdivisions 2, 2a, 16; 353.06; 353.27, subdivisions 2, 3, 7; 353.33, subdivision 1; 353.371, subdivision 4; 353.65, subdivisions 2, 3; 353F.02, subdivision 4; 353G.05, subdivision 2; 353G.06, subdivision 1; 353G.08; 353G.09, subdivision 3; 353G.11, subdivision 1, by adding a subdivision; 354.42, subdivision 2; 354.47, subdivision 1; 354.49, subdivision 2; 354.52, subdivision 4b; 354.55, subdivision 11; 354A.12, subdivision 2a; 356.20, subdivision 2; 356.215, subdivision 11; 356.32, subdivision 2; 356.351, subdivision 2; 356.401, subdivision 3; 356.415, subdivisions 1, 2, by adding subdivisions; 356.96, subdivisions 1, 5; 423A.02, subdivision 3; 424A.01, subdivisions 1, 6; 424A.015, by adding a subdivision; 424A.016, subdivisions 4, 7; 424A.02, subdivisions 9, 10; 424A.05, subdivision 3, by adding a subdivision; 424A.08; 480.181, subdivision 2; Laws 2006, chapter 271, article 3, section 43, as amended; Laws 2009, chapter 169, article 4, section 49; article 5, section 2; article 7, section 4; proposing coding for new law in Minnesota Statutes, chapters 352B; 353; 353G; 356; repealing Minnesota Statutes 2008, sections 13.63, subdivision 1; 69.011, subdivision 2a; 352.91, subdivision 5; 353.01, subdivision 40; 353.46, subdivision 1a; 353.88; 353D.03, subdivision 2; 353D.12; 354A.27, subdivision 1; 354C.15; 356.43; 422A.01, subdivisions 1, 2, 3, 4, 4a, 5, 6, 7, 8, 9, 10, 11, 12, 13a, 17, 18; 422A.02; 422A.03; 422A.04; 422A.05, subdivisions 1, 2a, 2b, 2c, 2d, 2e, 2f, 5, 6, 8; 422A.06, subdivisions 1, 2, 3, 5, 6, 7; 422A.08, subdivision 1; 422A.09; 422A.10; 422A.101, subdivisions 1, 1a, 2, 2a; 422A.11; 422A.12; 422A.13; 422A.14, subdivision 1; 422A.15; 422A.151; 422A.155; 422A.156; 422A.16, subdivisions 1, 2, 3, 4, 5, 6, 7,

8, 9, 10; 422A.17; 422A.18, subdivisions 1, 2, 3, 4, 5, 7; 422A.19; 422A.20; 422A.21; 422A.22, subdivisions 1, 3, 4, 6; 422A.23, subdivisions 1, 2, 5, 6, 7, 8, 9, 10, 11, 12; 422A.231; 422A.24; 422A.25; Minnesota Statutes 2009 Supplement, sections 422A.06, subdivision 8; 422A.08, subdivision 5; 424A.001, subdivision 6; Laws 2009, chapter 169, article 10, section 32.

Senator Betzold moved to amend S.F. No. 2918 as follows:

Page 86, delete section 1

Page 90, delete section 6

Page 92, line 28, delete "(b)" and insert "(c)"

Page 93, delete lines 5 to 12

Page 93, line 13, delete "(c)" and insert "(b)"

Page 93, line 27, delete "(d)" and insert "(c)" and delete "or (b)"

Page 93, line 29, delete "(e)" and insert "(d)" and delete "(b)" and insert "(c)" and after "(1)" insert ", (5),"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Koering	Pariseau	Sheran
Bakk	Fischbach	Kubly	Parry	Sieben
Berglin	Fobbe	Langseth	Pogemiller	Skoe
Betzold	Foley	Limmer	Prettner Solon	Skogen
Bonoff	Frederickson	Lynch	Rest	Sparks
Carlson	Gerlach	Marty	Robling	Stumpf
Chaudhary	Hann	Michel	Rosen	Tomassoni
Clark	Higgins	Murphy	Rummel	Vanderveer
Cohen	Ingebrigtsen	Olseen	Saltzman	Vickerman
Dahle	Jungbauer	Olson, G.	Saxhaug	Wiger
Dibble	Kelash	Olson, M.	Scheid	
Doll	Koch	Ortman	Senjem	

The motion prevailed. So the amendment was adopted.

Senator Tomassoni moved to amend S.F. No. 2918 as follows:

Page 86, delete article 4

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 3 and nays 57, as follows:

Those who voted in the affirmative were:

Lynch Pappas Tomassoni

Those who voted in the negative were:

Anderson	Erickson Ropes	Koch	Ortman	Sheran
Bakk	Fischbach	Koering	Pariseau	Sieben
Berglin	Fobbe	Kubly	Parry	Skoe
Betzold	Foley	Langseth	Prettner Solon	Sparks
Bonoff	Frederickson	Limmer	Rest	Stumpf
Carlson	Gerlach	Lourey	Robling	Vandever
Chaudhary	Hann	Marty	Rosen	Vickerman
Clark	Higgins	Michel	Rummel	Wiger
Cohen	Ingebrigtsen	Murphy	Saltzman	
Dahle	Johnson	Olseen	Saxhaug	
Dibble	Jungbauer	Olson, G.	Scheid	
Doll	Kelash	Olson, M.	Senjem	

The motion did not prevail. So the amendment was not adopted.

Senator Hann moved to amend S.F. No. 2918 as follows:

Page 69, after line 29, insert:

"ARTICLE 2

DEFINED CONTRIBUTION RETIREMENT PLAN COVERAGE FOR POST-JULY 1, 2010, HIRES

Section 1. Minnesota Statutes 2008, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

- (1) employees of the Minnesota Historical Society;
- (2) employees of the State Horticultural Society;
- (3) employees of the Minnesota Crop Improvement Association;
- (4) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (5) employees of the Minnesota State Colleges and Universities employed under the university or college activities program;
- (6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);
- (7) employees of the legislature appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(9) employees of the Minnesota Safety Council;

(10) any employees on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, Metropolitan Mosquito Control Commission, or Metropolitan Radio Board unless excluded or covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) seasonal help in the classified service employed by the Department of Revenue;

(15) persons employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply; ~~and~~

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply; and

(19) persons first employed by the state, a county, city, township, school district, municipal authority, municipal instrumentality, joint powers agency, the Minnesota State Colleges and Universities System if not covered by the retirement plan governed by chapter 354B, the association of municipalities and schools, the association of metropolitan municipalities, a public hospital, a soil and water conservation district, a charter school, the Minnesota Inter-County Association, the Minnesota Municipal Utilities Association, an economic development authority, the Port Authority of the city of St. Paul, and Hennepin Healthcare System, Inc., if first employed by a Minnesota public employer on or after July 1, 2010, or person who were members of the general employees retirement plan of the Public Employees Retirement Association, the local government correctional retirement plan, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, the St. Paul Retirement Fund Association, or the judges retirement plan and who elected a prospective retirement plan coverage change under section 63.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 2. Minnesota Statutes 2009 Supplement, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** "State employee" does not include:

(1) students employed by the University of Minnesota, or the state colleges and universities, unless approved for coverage by the Board of Regents of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities, whichever is applicable;

(2) employees who are eligible for membership in the state Teachers Retirement Association, ~~except other than employees of~~ who were hired by the Department of Education before July 1, 2010, and who have chosen or may choose to be covered by the general state employees retirement plan of the Minnesota State Retirement System instead of the Teachers Retirement Association unless the person elected a retirement plan coverage change under section 63;

(3) employees of the University of Minnesota who are excluded from coverage by action of the Board of Regents;

(4) officers and enlisted personnel in the National Guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(5) election officers;

(6) persons who are engaged in public work for the state but who are employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(7) officers and employees of the senate, or of the house of representatives, or of a legislative committee or commission who are temporarily employed;

(8) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the Department of Labor and Industry;

(9) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota Veterans Home;

(10) persons who are employed for professional services where the service is incidental to their regular professional duties and whose compensation is paid on a per diem basis;

(11) employees of the Sibley House Association;

(12) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years; and the board of managers of the State Agricultural Society and its treasurer unless the treasurer is also its full-time secretary;

(13) state troopers and persons who are described in section 352B.011, subdivision 10, clauses (2) to (8);

(14) temporary employees of the Minnesota State Fair who are employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons who are employed at any time

by the state fair administration for special events held on the fairgrounds;

(15) emergency employees who are in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee must be considered a "state employee" retroactively to the beginning of the pay period;

(16) temporary employees in the classified service, and temporary employees in the unclassified service who are appointed for a definite period of not more than six months and who are employed less than six months in any one-year period;

(17) interns hired for six months or less and trainee employees, except those listed in subdivision 2a, clause (8);

(18) persons whose compensation is paid on a fee basis or as an independent contractor;

(19) state employees who were first employed before July 1, 2010, and who are employed by the Board of Trustees of the Minnesota State Colleges and Universities in unclassified positions enumerated in section 43A.08, subdivision 1, clause (9);

(20) state employees who, in any year, have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the Teachers Retirement Association or a retirement system in St. Paul, Minneapolis, or Duluth, except for incidental employment as a state employee that is not covered by one of the teacher retirement associations or systems;

(21) employees of the adjutant general who are employed on an unlimited intermittent or temporary basis in the classified or unclassified service for the support of Army and Air National Guard training facilities;

(22) chaplains and nuns who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended through December 31, 1992;

(23) examination monitors who are employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(24) persons who are appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(25) temporary employees who are employed for limited periods under any state or federal program for training or rehabilitation, including persons who are employed for limited periods from areas of economic distress, but not including skilled and supervisory personnel and persons having civil service status covered by the system;

(26) full-time students who are employed by the Minnesota Historical Society intermittently during part of the year and full-time during the summer months;

(27) temporary employees who are appointed for not more than six months, of the Metropolitan Council and of any of its statutory boards, if the board members are appointed by the Metropolitan Council;

(28) persons who are employed in positions designated by the Department of Management and Budget as student workers;

(29) members of trades who are employed by the successor to the Metropolitan Waste Control Commission, who have trade union pension plan coverage under a collective bargaining agreement, and who are first employed after June 1, 1977;

(30) off-duty peace officers while they are employed in that capacity by the Metropolitan Council;

(31) persons who are employed as full-time police officers by the Metropolitan Council and as police officers are members of the public employees police and fire fund;

(32) persons who are employed as full-time firefighters by the Department of Military Affairs and as firefighters are members of the public employees police and fire fund;

(33) foreign citizens with a work permit of less than three years, or an H-1b/JV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended; and

(34) persons who were first employed before July 1, 2010, and who are employed by the Board of Trustees of the Minnesota State Colleges and Universities and who elected to remain members of the Public Employees Retirement Association or the Minneapolis Employees Retirement Fund, whichever applies, under Minnesota Statutes 1994, section 136C.75.

Sec. 3. Minnesota Statutes 2008, section 352.01, subdivision 11, is amended to read:

Subd. 11. **Allowable service.** (a) "Allowable service" means:

(1) service by an employee for which on or before July 1, 1961, the employee chose to obtain credit for service by making payments to the fund under Minnesota Statutes 1961, section 352.24;

(2) service by an employee who was first employed as a state employee before July 1, 2010, that was rendered after July 1, 1957, for any calendar month in which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041;

(3) service by an employee ~~for~~ who was first employed as a state employee before July 1, 2010, that was rendered during any calendar month for which payments in lieu of salary deductions are made, deposited, and credited in the fund, as provided in section 352.27;

(4) the period of absence from their duties by employees who was first employed as a state employee before July 1, 2010, and who are temporarily disabled because of injuries incurred in the performance of duties and for which disability the state is liable under the workers' compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund;

(5) service that was rendered before July 1, 2010, that was covered by a refund repaid as provided in section 352.23 or 352D.05, subdivision 4, except service rendered as an employee of the adjutant general for which the person has credit with the federal civil service retirement system;

(6) service before July 1, 1978, by an employee of the Transit Operating Division of the Metropolitan Transit Commission or by an employee on an authorized leave of absence from the Transit Operating Division of the Metropolitan Transit Commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division, which was credited by the Metropolitan Transit Commission-Transit Operating Division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous, or allowable service as defined in the Metropolitan Transit Commission-Transit Operating Division employees retirement fund plan document in effect on December 31, 1977;

(7) service after July 1, 1983, by an employee who was first employed as a state employee before July 1, 2010, and who is employed on a part-time basis for less than 50 percent of full time, for which the employee is paid salary from which deductions are made, deposited, and credited in the fund, including deductions made, deposited, and credited as provided in section 352.041 or for which payments in lieu of salary deductions are made, deposited, and credited in the fund as provided in section 352.27 shall be credited on a fractional basis either by pay period, monthly, or annually based on the relationship that the percentage of salary earned bears to a full-time salary, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time pay period, month, or a full-time year. For periods of part-time service that is duplicated service credit, section 356.30, subdivision 1, clauses (i) and (j), govern; and

(8) any period of authorized leave of absence without pay by an employee who was first employed as a state employee before July 1, 2010, that does not exceed one year and for which the employee obtained credit by payment to the fund under section 352.017.

(9) [Renumbered clause (8)]

(10) MS 2002 [Expired]

(11) [Expired, 2002 c 392 art 2 s 4]

(b) For purposes of paragraph (a), clauses (2) and (3), any salary that is paid for a fractional part of any calendar month, including the month of separation from state service, is deemed to be the compensation for the entire calendar month.

(c) Allowable service determined and credited on a fractional basis must be used in calculating the amount of benefits payable, but service as determined on a fractional basis must not be used in determining the length of service required for eligibility for benefits.

Sec. 4. Minnesota Statutes 2008, section 352.021, subdivision 2, is amended to read:

Subd. 2. **State employees covered.** (a) Every person who becomes a state employee as defined in section 352.01 before July 1, 2010, is covered by the general state employees retirement plan. Acceptance of state employment before July 1, 2010, or continuance in state service after June 30, 2010, by a state employee who was first employed before July 1, 2010, is deemed to be consent to have deductions made from salary for deposit to the credit of the account of the state employee in the retirement fund.

(b) Every person who becomes a state employee as defined in section 352.01 after June 30, 2010, is covered by the Minnesota defined contribution retirement plan under chapter 352D. Acceptance of state employment after June 30, 2010, or continuance in state service after June 30, 2010, by a state employee who was first employed before July 1, 2010, and who elected a retirement plan

coverage change under section 63 is deemed to consent to have deductions made from salary for deposit to the credit of the account of the state employee in the Minnesota defined contribution retirement plan.

Sec. 5. Minnesota Statutes 2008, section 352.029, subdivision 1, is amended to read:

Subdivision 1. **Qualifications.** Unless specifically excluded under section 352.01, subdivision 2b, a state employee on leave of absence without pay after June 30, 2010, to provide service as an employee or officer of a labor organization that is an exclusive bargaining agent representing state employees may elect under subdivision 2 to be covered by the general state employees retirement plan of the Minnesota State defined contribution retirement System plan for service with the labor organization, subject to the limitations set forth in subdivisions 2a and 2b.

Sec. 6. Minnesota Statutes 2008, section 352.85, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; retirement annuity.** Any person who is employed by the Department of Military Affairs before July 1, 2010, other than as a full-time firefighter, who is covered by the general employee retirement plan of the system as provided in section 352.01, subdivision 23, who is ordered to active duty under section 190.08, subdivision 3, who elects this special retirement coverage under subdivision 4, who is required to retire from federal military status at an age earlier than normal retirement age by applicable federal laws or regulations, and who terminates employment as a state employee upon attaining that mandatory retirement age is entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement under section 352.116, subdivision 1 or 1a.

Sec. 7. Minnesota Statutes 2009 Supplement, section 352.86, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** This section applies to any employee of the Department of Transportation in the civil service employment classification of aircraft pilot or chief pilot who was first employed as a state employee before July 1, 2010, who is covered for that employment by the general employee retirement plan, and who elected before June 1, 2008, special retirement coverage under this section by an irrevocable election on forms provided by the executive director.

Sec. 8. Minnesota Statutes 2008, section 352.87, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A person who was first employed as a state employee before July 1, 2010, who is a member of the general state employees retirement plan, who is employed by the Department of Public Safety, State Fire Marshal Division, as a deputy state fire marshal, fire/arson investigator, who elects special benefit coverage under subdivision 8, is entitled to retirement benefits or disability benefits, as applicable, as stated in under this section for eligible service under this section that was rendered after July 1, 1999, for which allowable service credit is received. The covered member must be at least age 55 to qualify for the retirement annuity specified in subdivision 3.

Sec. 9. Minnesota Statutes 2008, section 352.90, is amended to read:

352.90 POLICY.

It is the policy of the legislature to provide special retirement benefits for and special contributions by certain correctional employees who were employed before July 1, 2010, and who may be required to retire at an early age because they lose the mental or physical capacity required

to maintain the safety, security, discipline, and custody of inmates at state correctional facilities or of patients at the Minnesota Security Hospital, of patients in the Minnesota sex offender program, or of patients in the Minnesota extended treatment options program.

Sec. 10. Minnesota Statutes 2008, section 352.91, subdivision 1, is amended to read:

Subdivision 1. **Qualifying jobs.** "Covered correctional service" means service performed by a state employee, as defined in section 352.01, who was employed before July 1, 2010, and who was employed at a state correctional facility, the Minnesota Security Hospital, or the Minnesota sex offender program as:

- (1) a corrections officer 1;
- (2) a corrections officer 2;
- (3) a corrections officer 3;
- (4) a corrections officer supervisor;
- (5) a corrections lieutenant;
- (6) a corrections captain;
- (7) a security counselor;
- (8) a security counselor lead; or
- (9) a corrections canine officer.

Sec. 11. Minnesota Statutes 2008, section 352.91, subdivision 2, is amended to read:

Subd. 2. **Maintenance, correctional industry, and trades.** "Covered correctional service" also means service rendered at any time by state employees who were first employed before July 1, 2010, and who are employed as maintenance personnel, correctional industry personnel, or members of trades certified by the commissioner of management and budget to the executive director as being engaged for at least 75 percent of the employee's working time in the rehabilitation, treatment, custody, or supervision of inmates at a Minnesota correctional facility, or of patients at the Minnesota Security Hospital or the Minnesota sex offender program.

Sec. 12. Minnesota Statutes 2008, section 352.91, subdivision 2a, is amended to read:

Subd. 2a. **Special teachers.** "Covered correctional service" also means service rendered by a state employee who was first employed before July 1, 2010, and who is employed as a special teacher employed by the Department of Corrections or by the Department of Human Services at a security unit, provided that at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under Laws 1996, chapter 408, article 8, section 21.

Sec. 13. Minnesota Statutes 2008, section 352.91, subdivision 3c, is amended to read:

Subd. 3c. **Nursing personnel.** (a) "Covered correctional service" means service by a state employee who was first employed before July 1, 2010, and who is employed in one of the

employment positions at a correctional facility or at the Minnesota Security Hospital, or in the Minnesota sex offender program that are specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner.

(b) The employment positions are as follows:

- (1) registered nurse - senior;
- (2) registered nurse;
- (3) registered nurse - principal;
- (4) licensed practical nurse 2; and
- (5) registered nurse advance practice.

Sec. 14. Minnesota Statutes 2009 Supplement, section 352.91, subdivision 3d, is amended to read:

Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means service by a state employee who was first employed before July 1, 2010, and who is employed in one of the employment positions at a correctional facility or at the Minnesota Security Hospital specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner.

(b) The employment positions are:

- (1) automotive mechanic;
- (2) baker;
- (3) central services administrative specialist, intermediate;
- (4) central services administrative specialist, principal;
- (5) chaplain;
- (6) chief cook;
- (7) cook;
- (8) cook coordinator;
- (9) corrections program therapist 1;
- (10) corrections program therapist 2;
- (11) corrections program therapist 3;
- (12) corrections program therapist 4;
- (13) corrections inmate program coordinator;

- (14) corrections transitions program coordinator;
- (15) corrections security caseworker;
- (16) corrections security caseworker career;
- (17) corrections teaching assistant;
- (18) delivery van driver;
- (19) dentist;
- (20) electrician supervisor;
- (21) general maintenance worker lead;
- (22) general repair worker;
- (23) library/information research services specialist;
- (24) library/information research services specialist senior;
- (25) library technician;
- (26) painter lead;
- (27) plant maintenance engineer lead;
- (28) plumber supervisor;
- (29) psychologist 1;
- (30) psychologist 3;
- (31) recreation therapist;
- (32) recreation therapist coordinator;
- (33) recreation program assistant;
- (34) recreation therapist senior;
- (35) sports medicine specialist;
- (36) work therapy assistant;
- (37) work therapy program coordinator; and
- (38) work therapy technician.

Sec. 15. Minnesota Statutes 2008, section 352.91, subdivision 3e, is amended to read:

Subd. 3e. **Minnesota extended treatment options program.** (a) "Covered correctional service" means service by a state employee who was first employed before July 1, 2010, and who is employed in one of the employment positions with the Minnesota extended treatment options program specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota extended treatment options program and

if service in such a position is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 1;
- (2) behavior analyst 2;
- (3) behavior analyst 3;
- (4) group supervisor;
- (5) group supervisor assistant;
- (6) human services support specialist;
- (7) residential program lead;
- (8) psychologist 2;
- (9) recreation program assistant;
- (10) recreation therapist senior;
- (11) registered nurse senior;
- (12) skills development specialist;
- (13) social worker senior;
- (14) social worker specialist; and
- (15) speech pathology specialist.

Sec. 16. Minnesota Statutes 2008, section 352.91, subdivision 3f, is amended to read:

Subd. 3f. **Additional Department of Human Services personnel.** (a) "Covered correctional service" means service by a state employee who was first employed before July 1, 2010, and who is employed in one of the employment positions specified in paragraph (b) at the Minnesota Security Hospital or in the Minnesota sex offender program if at least 75 percent of the employee's working time is spent in direct contact with patients and the determination of this direct contact is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 2;
- (2) behavior analyst 3;
- (3) certified occupational therapy assistant 1;
- (4) certified occupational therapy assistant 2;
- (5) chemical dependency counselor senior;

- (6) client advocate;
- (7) customer services specialist principal;
- (8) dental assistant registered;
- (9) group supervisor;
- (10) group supervisor assistant;
- (11) human services support specialist;
- (12) licensed alcohol and drug counselor;
- (13) licensed practical nurse 1;
- (14) management analyst 3;
- (15) occupational therapist;
- (16) occupational therapist, senior;
- (17) psychologist 1;
- (18) psychologist 2;
- (19) psychologist 3;
- (20) recreation program assistant;
- (21) recreation therapist lead;
- (22) recreation therapist senior;
- (23) rehabilitation counselor senior;
- (24) security supervisor;
- (25) skills development specialist;
- (26) social worker senior;
- (27) social worker specialist;
- (28) social worker specialist, senior;
- (29) special education program assistant;
- (30) speech pathology clinician;
- (31) work therapy assistant; and
- (32) work therapy program coordinator.

Sec. 17. Minnesota Statutes 2008, section 352.91, subdivision 3g, is amended to read:

Subd. 3g. **Additional Corrections Department personnel.** (a) "Covered correctional service"

means service by a state employee who was first employed before July 1, 2010, and who is employed in one of the employment positions specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates and the determination of this direct contact is certified to the executive director by the commissioner of corrections.

(b) The qualifying employment positions are:

- (1) corrections discipline unit supervisor;
- (2) dental assistant registered;
- (3) dental hygienist;
- (4) psychologist 2; and
- (5) sentencing to service crew leader involved with the inmate community work crew program.

Sec. 18. Minnesota Statutes 2008, section 352D.01, is amended to read:

352D.01 ESTABLISHMENT.

There is hereby established within the Minnesota State Retirement System a retirement program for certain public employees first employed before July 1, 2010, and all public employees first employed after June 30, 2010, or first employed before July 1, 2010, and elected a retirement plan coverage change under section 63, to be known as the Minnesota unclassified employees defined contribution retirement program plan. The program plan must be administered by the Minnesota State Retirement System.

Sec. 19. Minnesota Statutes 2008, section 352D.015, subdivision 2, is amended to read:

Subd. 2. **Unclassified program Minnesota defined contribution retirement plan.** "Unclassified program Minnesota defined contribution retirement plan" means the program retirement plan established by this chapter.

Sec. 20. Minnesota Statutes 2008, section 352D.015, subdivision 4, is amended to read:

Subd. 4. **General fund.** "General fund" means the general state employees retirement fund except the moneys for the unclassified program established by section 352.04, subdivision 1.

Sec. 21. Minnesota Statutes 2008, section 352D.015, subdivision 5, is amended to read:

Subd. 5. **Covered employment.** "Covered employment" means employment covered by this chapter or by chapter 352.

Sec. 22. Minnesota Statutes 2008, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. **Coverage.** (a) Employees who were first employed by the state before July 1, 2010, and who are enumerated in paragraph (c), clauses (2), (3), (4), (6) to (14), and (16) to (18), if they are in the unclassified service of the state or Metropolitan Council and ~~are~~ were eligible for coverage under the general state employees retirement plan under chapter 352 before July 1, 2010, are participants in the unclassified program retirement plan under this chapter unless the employee gives notice to the executive director of the Minnesota State Retirement System within one year following the commencement of employment in the unclassified service or September 1,

2010, whichever is earlier, that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified program.

(b) Persons referenced in paragraph (c), clause (5), who first obtained that status before July 1, 2010, are participants in the ~~unclassified program~~ retirement plan under this chapter unless the person was eligible to elect different coverage under section 3A.07 and elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), who obtained that status before July 1, 2010, are participants in the ~~unclassified program~~ retirement plan under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;

(2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;

(3) an employee of the State Board of Investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) a full-time unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;

(9) the executive director, associate executive director, and not to exceed nine positions of the Minnesota Office of Higher Education in the unclassified service, as designated by the Minnesota Office of Higher Education before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota, the state court administrator and judicial district administrators;

(11) the chief executive officers of correctional facilities operated by the Department of

Corrections and of hospitals and nursing homes operated by the Department of Human Services;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Agricultural Utilization Research Institute;

(14) an employee of the State Lottery who is covered by the managerial plan established under section 43A.18, subdivision 3;

(15) a judge who has exceeded the service credit limit in section 490.121, subdivision 22;

(16) an employee of Enterprise Minnesota, Inc.;

(17) a person employed by the Minnesota State Colleges and Universities as faculty or in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, who was employed by the former state university or the former community college system before May 1, 1995, and elected unclassified program coverage prior to May 1, 1995; and

(18) a person employed by the Minnesota State Colleges and Universities who was employed in state service before July 1, 1995, who subsequently is employed in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, and who elects coverage by the unclassified program.

(d) Additionally, persons who first became state employees under section 352.01, subdivision 2a, paragraph (a), clause (19), on or after July 1, 2010, and person who elect under section 63 to become state employees under section 352.01, subdivision 2a, paragraph (a), clause (19), on or after July 1, 2010, shall be members of the Minnesota defined contribution retirement plan and have retirement coverage under this chapter.

Sec. 23. Minnesota Statutes 2008, section 352D.02, subdivision 1c, is amended to read:

Subd. 1c. **Transfer of contributions.** ~~An A state employee covered by the regular plan under section 352.01, subdivision 2a, paragraph (a), clause (19), who is subsequently employed as a full-time unclassified employee of the legislature or any commission or agency of the legislature without a limit on the duration of the employment may elect on or before January 1, 2011, or within six months of becoming employed as a state employee, whichever is later, to transfer accumulated employee and matching employer contributions, as provided in section 352D.03.~~

Sec. 24. Minnesota Statutes 2008, section 352D.02, subdivision 3, is amended to read:

Subd. 3. **Transfer to general plan.** (a) A person who was first employed by a Minnesota public employer before July 1, 2010, who is an employee credited with employee shares in the unclassified program, after acquiring credit for ten years of allowable service under section 352.01, subdivision 11, and not later than one month following the termination of covered employment, may elect to terminate participation in the unclassified program retirement plan and be covered by the general state employees retirement plan by filing a written election with the executive director. The executive director shall then redeem the employee's total shares and shall credit to the employee's account in the general state employees retirement plan the amount of contributions that would have been so credited had the employee been covered by the general state employees retirement plan during the employee's entire covered employment. The balance of money so redeemed and not credited to the employee's account shall be transferred to the general state employees retirement plan retirement

fund, except that (1) the employee contribution paid to the ~~unclassified-program~~ retirement plan must be compared to (2) the employee contributions that would have been paid to the general plan for the comparable period, if the individual had been covered by that plan. If clause (1) is greater than clause (2), the difference must be refunded to the employee as provided in section 352.22. If clause (2) is greater than clause (1), the difference must be paid by the employee within six months of electing general state employees retirement plan coverage or before the effective date of the annuity, whichever is sooner.

(b) An election under paragraph (a) to transfer coverage to the general state employees retirement plan is irrevocable during any period of covered employment.

Sec. 25. Minnesota Statutes 2008, section 352D.03, is amended to read:

352D.03 TRANSFER OF ASSETS.

Unless an eligible employee enumerated in section 352D.02, subdivision 1, has elected coverage under the individual retirement account plan under chapter 354B, a sum of money representing the assets credited to each employee exercising the option contained in section 352D.02, subdivision 1c, plus an equal employer contribution together with interest for the employment period at the applicable preretirement interest actuarial assumption rate during this period, compounded annually, must be used for the purchase of shares on behalf of each employee in the accounts of the supplemental ~~retirement~~ investment fund established by section 11A.17.

Sec. 26. Minnesota Statutes 2008, section 352D.04, subdivision 2, is amended to read:

Subd. 2. **Contribution rates.** (a) The money used to purchase shares under this section is the employee and employer contributions provided in this subdivision.

(b) Except as provided in paragraph (d), the employee contribution is:

(1) an amount equal to four percent of salary that is a mandatory contribution for persons who are members of the plan on June 30, 2010; and

(2) a percentage amount of salary designated annually by the person that is not a mandatory contribution for persons who become members of the plan on or after July 1, 2010.

(c) The employer contribution is:

(1) an amount equal to six percent of salary for persons who were members of the plan on June 30, 2010; and

(2) an amount equal to the employee contribution for persons who became members of the plan on or after July 1, 2010, up to six percent of salary.

(d) For members of the legislature, the contributions under this subdivision also must be made on per diem payments received during a regular or special legislative session, but may not be made on per diem payments received outside of a regular or special legislative session, on the additional compensation attributable to a leadership position under section 3.099, subdivision 3, living expense payments under section 3.101, or special session living expense payments under section 3.103.

(e) For a judge who became a judge before July 1, 2010, and who is a member of the unclassified plan under section 352D.02, subdivision 1, paragraph (c), clause (16), the employee contribution

rate is eight percent of salary, and there is no employer contribution.

(f) These contributions must be made in the manner provided in section 352.04, subdivisions 4, 5, and 6.

Sec. 27. Minnesota Statutes 2009 Supplement, section 353.01, subdivision 2, is amended to read:

Subd. 2. **Public employee.** "Public employee" means a governmental employee ~~performing~~ who was first employed before July 1, 2010, who performs personal services for a governmental subdivision defined in subdivision 6, and whose salary is paid, in whole or in part, from revenue derived from taxation, fees, assessments, or from other sources. The term includes the classes of persons described or listed in subdivision 2a. The term also includes persons who elect association membership under subdivision 2d, paragraph (a), and persons for whom the applicable governmental subdivision had elected association membership under subdivision 2d, paragraph (b). For purposes of membership in the association, the term excludes the classes of persons listed in subdivision 2b ~~for purposes of membership in the association.~~

Sec. 28. Minnesota Statutes 2009 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) Public employees who were first employed before July 1, 2010, and whose salary from employment in one or more positions within one governmental subdivision exceeds \$425 in any month shall participate as members of the association. If the salary is less than \$425 in a subsequent month, the employee retains membership eligibility. Eligible public employees who were first employed before July 1, 2010, shall participate as members of the association with retirement coverage by the public employees retirement plan or the public employees police and fire retirement plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies, as a condition of their employment ~~on the first day of employment unless they:~~

- (1) are specifically excluded under subdivision 2b;
- (2) do not exercise their option to elect retirement coverage in the association as provided in subdivision 2d, paragraph (a); or
- (3) are employees of the governmental subdivisions listed in subdivision 2d, paragraph (b), where the governmental subdivision has not elected to participate as a governmental subdivision covered by the association.

(b) A public employee who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) Public employees under paragraph (a) include persons who were first employed by a public employer before July 1, 2010, as:

(1) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(2) full-time employees of the Dakota County Agricultural Society; and

(3) employees of the Minneapolis Firefighters Relief Association or Minneapolis Police Relief Association who are not excluded employees under subdivision 2b due to coverage by the relief association pension plan and who elect Public Employee Retirement Association general plan coverage under Laws 2009, chapter 169, article 12, section 10.

Sec. 29. Minnesota Statutes 2008, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** The following public employees are not eligible to participate as members of the association with retirement coverage by the public employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) public officers, other than county sheriffs, who are elected to a governing body, or persons who are appointed to fill a vacancy in an elective office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elective position;

(2) election officers or election judges;

(3) patient and inmate personnel who perform services for a governmental subdivision;

(4) except as otherwise specified in subdivision 12a, employees who are hired for a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision;

(5) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster;

(6) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, the St. Paul Teachers Retirement Fund Association, the Minneapolis Employees Retirement Fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the Public Employees Retirement Association, or any local police or firefighters consolidation account who have not elected the type of benefit coverage provided by the public employees police and fire fund under sections 353A.01 to 353A.10, or any persons covered by section 353.665, subdivision 4, 5, or 6, who have not elected public employees police and fire plan benefit coverage. This clause must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(7) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service

as specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(8) employees of a governmental subdivision who have not reached the age of 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or a public or charter high school;

(9) resident physicians, medical interns, and pharmacist residents and pharmacist interns who are serving in a degree or residency program in public hospitals or clinics;

(10) students who are serving in an internship or residency program sponsored by an accredited educational institution;

(11) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(12) except for employees of Hennepin County or Hennepin Healthcare System, Inc., foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens must be reported for membership from the date of the extension;

(13) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

(14) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the public employees retirement fund or the public employees police and fire fund, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(15) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant in the public employees retirement fund or the public employees police and fire fund, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(16) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(17) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who have retirement coverage under a collective bargaining agreement by the Electrical Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the Carpenters Local 87 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to

be excluded under Laws 2000, chapter 461, article 7, section 5;

(18) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(19) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan, who either were first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(20) employees who are hired after June 30, 2002, to fill seasonal positions under subdivision 12b which are limited in duration by the employer to 185 consecutive calendar days or less in each year of employment with the governmental subdivision;

(21) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to three years or less, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(22) independent contractors and the employees of independent contractors; ~~and~~

(23) reemployed annuitants of the association during the course of that reemployment; and

(24) employees other than police officers or firefighters as defined in section 353.64 who are hired after June 30, 2010.

Sec. 30. Minnesota Statutes 2008, section 353.01, subdivision 2d, is amended to read:

Subd. 2d. **Optional membership.** (a) Membership in the association is optional by action of the individual employee for the following public employees who were first employed before July 1, 2010, and who meet the conditions set forth in subdivision 2a:

(1) members of the coordinated plan who are also employees of labor organizations as defined in section 353.017, subdivision 1, for their employment by the labor organization only, if they elect to have membership under section 353.017, subdivision 2;

(2) persons who are elected or persons who are appointed to elected positions other than local governing body elected positions who elect to participate by filing a written election for membership;

(3) members of the association who are appointed by the governor to be a state department head and who elect not to be covered by the general state employees retirement plan of the Minnesota State Retirement System under section 352.021;

(4) city managers as defined in section 353.028, subdivision 1, who do not elect to be excluded

from membership in the association under section 353.028, subdivision 2; and

(5) employees of the Port Authority of the city of St. Paul on January 1, 2003, who were at least age 45 on that date, and who elected to participate by filing a written election for membership.

(b) Membership in the association is optional by action of the governmental subdivision for the employees of the following governmental subdivisions who were first employed before July 1, 2010, and under the conditions specified:

(1) the Minnesota Association of Townships if the board of that association, at its option, certifies to the executive director that its employees who meet the conditions set forth in subdivision 2a are to be included for purposes of retirement coverage, in which case the status of the association as a participating employer is permanent;

(2) a county historical society if the county in which the historical society is located, at its option, certifies to the executive director that the employees of the historical society who meet the conditions set forth in subdivision 2a are to be considered county employees for purposes of retirement coverage under this chapter. The status as a county employee must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society; and

(3) Hennepin Healthcare System, Inc., a public corporation, with respect to employees other than paramedics, emergency medical technicians, and protection officers, if the corporate board establishes alternative retirement plans for certain classes of employees of the corporation and certifies to the association the applicable employees to be excluded from future retirement coverage.

(c) For employees who were first employed before July 1, 2010, and who are covered by paragraph (a), clause (1), (2), or (3), or covered by paragraph (b), clause (1) or (2), if the necessary membership election is not made, the employee is excluded from retirement coverage under this chapter. For employees who were first employed before July 1, 2010, and who are covered by paragraph (a), clause (4), if the necessary election is not made, the employee must become a member and have retirement coverage under this chapter. For employees specified in paragraph (b), clause (3), membership continues until the exclusion option is exercised for the designated class of employee. The option to become a member for a person who was first employed before July 1, 2010, once exercised under this subdivision, may not be withdrawn until the termination of public service as defined under subdivision 11a.

Sec. 31. Minnesota Statutes 2009 Supplement, section 353.01, subdivision 16, is amended to read:

Subd. 16. Allowable service; limits and computation. (a) "Allowable service" means:

(1) service during years of actual membership in the course of which employee deductions were withheld from salary of a person who was first employed before July 1, 2010, and contributions were made at the applicable rates under section 353.27, 353.65, or 353E.03;

(2) periods of service by a person who was first employed before July 1, 2010, that were covered by payments in lieu of salary deductions under sections 353.27, subdivision 12, and 353.35;

(3) service by a person who was first employed before July 1, 2010, in years during which the public employee was not a member but for which the member later elected, while a member, to

obtain credit by making payments to the fund as permitted by any law then in effect;

(4) a period of authorized leave of absence with pay from which deductions for employee contributions are made by a person who was first employed before July 1, 2010, deposited, and credited to the fund;

(5) a period by a person who was first employed before July 1, 2010, of authorized personal, parental, or medical leave of absence without pay, including a leave of absence covered under the federal Family Medical Leave Act, that does not exceed one year, and for which a member obtained service credit for each month in the leave period by payment under section 353.0161 to the fund made in place of salary deductions. An employee must return to public service and render a minimum of three months of allowable service in order to be eligible to make payment under section 353.0161 for a subsequent authorized leave of absence without pay. Upon payment, the employee must be granted allowable service credit for the purchased period;

(6) a periodic, repetitive leave by a person who was first employed before July 1, 2010, that is offered to all employees of a governmental subdivision. The leave program may not exceed 208 hours per annual normal work cycle as certified to the association by the employer. A participating member obtains service credit by making employee contributions in an amount or amounts based on the member's average salary that would have been paid if the leave had not been taken. The employer shall pay the employer and additional employer contributions on behalf of the participating member. The employee and the employer are responsible to pay interest on their respective shares at the rate of 8.5 percent a year, compounded annually, from the end of the normal cycle until full payment is made. An employer shall also make the employer and additional employer contributions, plus 8.5 percent interest, compounded annually, on behalf of an employee who makes employee contributions but terminates public service. The employee contributions must be made within one year after the end of the annual normal working cycle or within 30 days after termination of public service, whichever is sooner. The executive director shall prescribe the manner and forms to be used by a governmental subdivision in administering a periodic, repetitive leave. Upon payment, the member must be granted allowable service credit for the purchased period;

(7) an authorized temporary or seasonal layoff of a person who was first employed before July 1, 2010, under subdivision 12, limited to three months allowable service per authorized temporary or seasonal layoff in one calendar year. An employee who has received the maximum service credit allowed for an authorized temporary or seasonal layoff must return to public service and must obtain a minimum of three months of allowable service subsequent to the layoff in order to receive allowable service for a subsequent authorized temporary or seasonal layoff;

(8) a period during which a member who was first employed before July 1, 2010, is absent from employment by a governmental subdivision by reason of service in the uniformed services, as defined in United States Code, title 38, section 4303(13), if the member returns to public service with the same governmental subdivision upon discharge from service in the uniformed service within the time frames required under United States Code, title 38, section 4312(e), provided that the member did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions. The service is credited if the member pays into the fund equivalent employee contributions based upon the contribution rate or rates in effect at the time that the uniformed service was performed multiplied by the full and fractional years being purchased and applied to the annual salary rate. The annual salary rate is the average annual salary during the purchase period that the member would have received if the member had continued to be employed

in covered employment rather than to provide uniformed service, or, if the determination of that rate is not reasonably certain, the annual salary rate is the member's average salary rate during the 12-month period of covered employment rendered immediately preceding the period of the uniformed service. Payment of the member equivalent contributions must be made during a period that begins with the date on which the individual returns to public employment and that is three times the length of the military leave period, or within five years of the date of discharge from the military service, whichever is less. If the determined payment period is less than one year, the contributions required under this clause to receive service credit may be made within one year of the discharge date. Payment may not be accepted following 30 days after termination of public service under subdivision 11a. If the member equivalent contributions provided for in this clause are not paid in full, the member's allowable service credit must be prorated by multiplying the full and fractional number of years of uniformed service eligible for purchase by the ratio obtained by dividing the total member contributions received by the total member contributions otherwise required under this clause. The equivalent employer contribution, and, if applicable, the equivalent additional employer contribution must be paid by the governmental subdivision employing the member if the member makes the equivalent employee contributions. The employer payments must be made from funds available to the employing unit, using the employer and additional employer contribution rate or rates in effect at the time that the uniformed service was performed, applied to the same annual salary rate or rates used to compute the equivalent member contribution. The governmental subdivision involved may appropriate money for those payments. The amount of service credit obtainable under this section may not exceed five years unless a longer purchase period is required under United States Code, title 38, section 4312. The employing unit shall pay interest on all equivalent member and employer contribution amounts payable under this clause. Interest must be computed at a rate of 8.5 percent compounded annually from the end of each fiscal year of the leave or the break in service to the end of the month in which the payment is received. Upon payment, the employee must be granted allowable service credit for the purchased period; or

(9) a period specified under subdivision 40.

(b) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the Community Corrections Act, chapter 401, and transferred into county service under section 401.04, "allowable service" means the combined years of allowable service as defined in paragraph (a), clauses (1) to (6), and section 352.01, subdivision 11.

(c) For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the Public Employees Retirement Association or to which section 353.665 applies, and who has elected the type of benefit coverage provided by the public employees police and fire fund either under section 353A.08 following the consolidation or under section 353.665, subdivision 4, "applicable service" is a period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on law and on bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure.

(d) No member may receive more than 12 months of allowable service credit in a year either for vesting purposes or for benefit calculation purposes.

(e) MS 2002 [Expired]

Sec. 32. Minnesota Statutes 2008, section 353.017, subdivision 1, is amended to read:

Subdivision 1. **Qualifications.** Unless specifically exempt under section 353.01, subdivision 2b, a coordinated member of the association who was first employed before July 1, 2010, who is on an authorized leave of absence, and who is an employee of a labor organization that represents public employees who are association members may elect, under subdivision 2, to continue to be a coordinated member with respect to employment by the labor organization subject to the limitations set forth in subdivisions 4 and 7.

Sec. 33. Minnesota Statutes 2008, section 353.025, is amended to read:

353.025 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS.

Employees of the Range Association of Municipalities and Schools who were first employed before July 1, 2010, are coordinated members of the general employees retirement plan of the Public Employees Retirement Association unless specifically exempt under section 353.01, subdivision 2b. The Range Association of Municipalities and Schools is a governmental subdivision for the purposes of this chapter.

Sec. 34. Minnesota Statutes 2008, section 353.028, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, each of the terms in this subdivision has the meaning indicated.

(b) "City manager" means (1) a person who was first employed before July 1, 2010, and who is duly appointed to and is holding the position of city manager in a Plan B statutory city or in a home rule city operating under the "council-manager" form of government, or (2) a person who is appointed to and is holding the position of chief administrative officer of a home rule charter city or a statutory city under a charter provision, ordinance, or resolution establishing such a position and prescribing its duties and responsibilities.

(c) "Governing body" means the city council of the city employing the city manager.

(d) "Election" means the election described in subdivision 2.

Sec. 35. Minnesota Statutes 2008, section 353.64, subdivision 9, is amended to read:

Subd. 9. **Pension coverage for certain sheriffs' association employees.** (a) A former member of the association who was first employed by a governmental subdivision before July 1, 2010, and who is an employee of the Minnesota Sheriffs' Association may elect to be a police and fire fund member with respect to service with the sheriffs' association, if written election to be covered is delivered to the board within 60 days after July 1, 1989, ~~or within 60 days after commencement of employment, whichever is later~~ 2010.

(b) Employee and employer contributions for past service are the obligation of the employee, except that the Minnesota sheriffs' association may pay the employer contributions. The employer shall, in any event, deduct necessary future contributions from the employee's salary and remit all contributions to the association as required by this chapter.

(c) Persons who become association members under this section shall not be eligible for election to the board of trustees.

Sec. 36. Minnesota Statutes 2008, section 353E.02, subdivision 1, is amended to read:

Subdivision 1. **Retirement coverage.** The members of the local government correctional service retirement plan established by this chapter are persons who were employed before July 1, 2010, as:

- (1) local government correctional service employees as defined in subdivision 2; and
- (2) medical center protection officers as defined in subdivision 2a.

Sec. 37. Minnesota Statutes 2008, section 353E.02, subdivision 2, is amended to read:

Subd. 2. **Local government correctional service employee.** (a) A local government correctional service employee, for purposes of subdivision 1, is a person who was first employed by a governmental subdivision before July 1, 2010, whom the employer certifies:

(1) is employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers;

(2) is directly responsible for the direct security, custody, and control of the county correctional institution and its inmates;

(3) is expected to respond to incidents within the county correctional institution as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire fund.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

(c) A person who was a member of the local government correctional service retirement plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration of the person's employment in that county correctional institution position, even if the person's subsequent service in this position does not meet the requirements set forth in paragraph (a).

Sec. 38. Minnesota Statutes 2008, section 353E.02, subdivision 2a, is amended to read:

Subd. 2a. **Medical center protection officer.** (a) A medical center protection officer, for purposes of subdivision 1, is a person who was first employed by a governmental subdivision before July 1, 2010, whom the employer certifies:

(1) is employed by Hennepin Healthcare System, Inc. as a protection officer;

(2) is directly responsible for the direct security of the medical center;

(3) is expected to respond to any incidents within the medical center as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire plan.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

Sec. 39. Minnesota Statutes 2008, section 354.05, subdivision 2, is amended to read:

Subd. 2. **Teacher.** (a) "Teacher" means a person who was first employed by a public employer before July 1, 2010, and who is:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in a public school of the state located outside of the corporate limits of the city of Duluth or the city of St. Paul, or in any charter school, irrespective of the location of the school, or in any charitable, penal, or correctional institutions of a governmental subdivision, or who is engaged in educational administration in connection with the state public school system, but excluding the University of Minnesota, whether the position be a public office or an employment, and not including the members or officers of any general governing or managing board or body;

(2) a person who is an employee of the Teachers Retirement Association;

(3) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit. A person whose teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit. If the person's teaching service comprises less than 50 percent of the combined employment salary, the executive director must determine whether all or none of the combined service is covered by the association; or

(4) a person who is not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and Universities system in an unclassified position as:

(i) a president, vice-president, or dean;

(ii) a manager or a professional in an academic or an academic support program other than specified in item (i);

(iii) an administrative or a service support faculty position; or

(iv) a teacher or a research assistant.

(b) "Teacher" does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) a person who renders part-time teaching service or who is a customized trainer as defined by the Minnesota State Colleges and Universities system if (i) the service is incidental to the regular nonteaching occupation of the person; and (ii) the employer stipulates annually in advance that the part-time teaching service or customized training service will not exceed 300 hours in a fiscal year and retains the stipulation in its records; and (iii) the part-time teaching service or customized training service actually does not exceed 300 hours in a fiscal year; or

(3) a person who is exempt from licensure under section 122A.30-; or

(4) a person who was employed by a school district or other educational institution after June 30, 2010.

Sec. 40. Minnesota Statutes 2008, section 354.05, subdivision 5, is amended to read:

Subd. 5. **Member of the association.** "Member of the association" means every person who was first employed by a public employer before July 1, 2010, who is a teacher, who contributes to the teachers retirement fund as provided in this chapter, who has not retired, or who is a teacher who exercises an option to elect coverage under another public pension plan enumerated in section 356.30, subdivision 3. Any former member of the association who is retired and subsequently resumes teaching service is a member of the association only for purposes of Social Security coverage.

Sec. 41. Minnesota Statutes 2008, section 354.05, subdivision 13, is amended to read:

Subd. 13. **Allowable service.** "Allowable service" means:

(1) Any service rendered by a teacher for which on or before July 1, 1957, the teacher's account in the retirement fund was credited by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, sections 135.01 to 135.13, as amended by Laws 1955, chapters 361, 549, 550, 611, or

(2) Any service rendered by a teacher for which on or before July 1, 1961, the teacher elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1980, section 354.09 and section 354.51, or

(3) Any service rendered by a teacher after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, or

(4) Any service rendered by a person who was first employed by a public employer before July 1, 2010, after July 1, 1957, for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund as provided in Minnesota Statutes 1980, section 354.09, subdivision 4, and section 354.53, or

(5) Any service rendered by a teacher for which the teacher elected to obtain credit for service by making payments before July 1, 2010, to the fund pursuant to under Minnesota Statutes 1980, section 354.09, subdivisions 1 and 4, sections 354.50, 354.51, Minnesota Statutes 1957, section 135.41, subdivision 4, Minnesota Statutes 1971, section 354.09, subdivision 2, or Minnesota Statutes, 1973 Supplement, section 354.09, subdivision 3, or

(6) Both service during years of actual membership in the course of which contributions were currently made and service in years during which the teacher who was first employed by a public employer before July 1, 2010, was not a member but for which the teacher later elected to obtain credit by making payments to the fund as permitted by any law then in effect, or

(7) Any service rendered where contributions were made and no credit was established because of the limitations contained in Minnesota Statutes 1957, section 135.09, subdivision 2, as determined by the ratio between the amounts of money credited to the teacher's account in a fiscal year and the maximum retirement contribution allowable for that year, or

(8) MS 2002 [Expired]

(9) A period of time during which a teacher was on strike without pay, not to exceed a period of one year, if payment in lieu of salary deductions is made under section 354.72 before July 1, 2010, or

(10) A period of service before July 1, 2006, that was properly credited as allowable service by the Minneapolis Teachers Retirement Fund Association, and that was rendered by a teacher as an employee of Special School District No. 1, Minneapolis, or by an employee of the Minneapolis Teachers Retirement Fund Association who was a member of the Minneapolis Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Minneapolis Teachers Retirement Fund Association calculated in whole or in part on that service before July 1, 2006, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4. Service as an employee of Special School District No. 1, Minneapolis, on or after July 1, 2006, is "allowable service" only as provided by this chapter.

Sec. 42. Minnesota Statutes 2008, section 354.05, subdivision 25, is amended to read:

Subd. 25. **Formula service credit.** "Formula service credit" means, if a teacher who was first employed by a public employer before July 1, 2010, any allowable service credit as defined in subdivision 13 except:

(1) Any service rendered prior to July 1, 1951, for which payments were made pursuant to subdivision 13 except as provided in section 354.09, subdivision 4, as determined by multiplying the number of years of service established in the records of the Teachers Retirement Association as of July 1, 1961 by the ratio obtained between the total amount paid and the maximum amount payable for those years;

(2) Any service rendered prior to July 1, 1957 for which payments were made pursuant to section 354.09, subdivision 4, as determined by multiplying the number of years of service established in the records of the teachers retirement association by the ratio obtained between the total amount paid and the maximum amount payable for those years; or

(3) Any service rendered for which contributions were not made in full as determined by the ratio between the amounts of money credited to the teacher's account in a fiscal year and the retirement contribution payable for the fiscal year pursuant to sections 354.092, 354.42 and 354.51; and

(4) No period of service shall be counted more than once for purposes of this subdivision.

Sec. 43. Minnesota Statutes 2008, section 354A.011, subdivision 4, is amended to read:

Subd. 4. **Allowable service.** "Allowable service" means any service rendered by a teacher who was first employed by a public employer before July 1, 2010, during a period in which the teacher receives salary from which employee contribution salary deductions are made to and credited by the teachers retirement fund association, any service rendered by a person during any period where assessments or payments in lieu of salary deductions were made if authorized by any law or provision of the association's articles of incorporation or bylaws then in effect or pursuant to section 354A.091, 354A.092, 354A.093, or 354A.094.

Sec. 44. Minnesota Statutes 2008, section 354A.011, subdivision 15, is amended to read:

Subd. 15. **Member.** "Member" for purposes of entitlement to annuities or benefits pursuant to sections 354A.31 to 354A.41 and any other applicable provisions of this chapter means every teacher who was first employed by a public employer before July 1, 2010, who is engaged in teaching service ~~and~~, who under section 354A.05 contributes to the respective teachers retirement fund association, and who has not retired. "Member" for purposes of determining who may

participate in the organization and governance of the teachers retirement fund association, including the eligibility to elect members of and to serve as a member of the board of trustees, means every teacher who joins and contributes to the respective teachers retirement fund association and any other person designated as a member by the articles of incorporation or the bylaws of the respective teachers retirement fund association.

Sec. 45. Minnesota Statutes 2008, section 354A.011, subdivision 27, is amended to read:

Subd. 27. Teacher. (a) "Teacher" means any person who was first employed by a public employer before July 1, 2010, and who renders service for a public school district, other than a charter school, located in the corporate limits of Duluth or St. Paul, as any of the following:

(1) a full-time employee in a position for which a valid license from the state Department of Education is required;

(2) an employee of the teachers retirement fund association located in the city of the first class unless the employee has exercised the option pursuant to Laws 1955, chapter 10, section 1, to retain membership in the Minneapolis Employees Retirement Fund established pursuant to chapter 422A;

(3) a part-time employee in a position for which a valid license from the state Department of Education is required; or

(4) a part-time employee in a position for which a valid license from the state Department of Education is required who also renders other nonteaching services for the school district, unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service may not be covered by the association.

(b) The term does not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) an employee who is a full-time teacher covered by the Teachers Retirement Association or by another teachers retirement fund association established pursuant to this chapter or chapter 354;

(3) an employee exempt from licensure pursuant to section 122A.30;

(4) an employee who is a teacher in a technical college located in a city of the first class unless the person elects coverage by the applicable first class city teacher retirement fund association under section 354B.21, subdivision 2;

(5) a teacher employed by a charter school, irrespective of the location of the school; or

(6) an employee who is a part-time teacher in a technical college in a city of the first class and who has elected coverage by the applicable first class city teacher retirement fund association under section 354B.21, subdivision 2, but (i) the teaching service is incidental to the regular nonteaching occupation of the person; (ii) the applicable technical college stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year; and (iii) the part-time teaching actually does not exceed 300 hours in the fiscal year to which the certification applies; or

(7) a person who is employed by a public employer after June 30, 2010.

Sec. 46. Minnesota Statutes 2008, section 355.01, subdivision 2c, is amended to read:

Subd. 2c. **Duluth teacher.** "Duluth teacher" means a person employed by Independent School District No. 709, Duluth, who holds a position covered by the Duluth Teachers Retirement Fund Association established under chapter 354A if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 47. Minnesota Statutes 2008, section 355.01, subdivision 2d, is amended to read:

Subd. 2d. **Educational employee.** "Educational employee" means an employee of the state of Minnesota or of a public subdivision of the state who performs services in a position covered by the Teachers Retirement Association under chapter 354 if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 48. Minnesota Statutes 2008, section 355.01, subdivision 2e, is amended to read:

Subd. 2e. **Employee.** "Employee" means a person employed by the state of Minnesota or by a political subdivision of the state and includes an officer of the state of Minnesota or of a political subdivision of the state whether covered by the general state employees retirement plan, the correctional state employees retirement plan, the general employees retirement plan of the Public Employees Retirement Association, the local government correctional retirement plan, the Teachers Retirement Association, or a first class city teachers retirement fund association if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 49. Minnesota Statutes 2008, section 355.01, subdivision 3d, is amended to read:

Subd. 3d. **Hospital employee.** "Hospital employee" means an officer or employee of a public hospital who performs services in a position covered by the general employees retirement plan of the Public Employees Retirement Association under chapter 353 if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 50. Minnesota Statutes 2008, section 355.01, subdivision 3e, is amended to read:

Subd. 3e. **Judge.** "Judge" means a judge as defined in section 490.121, subdivision 3 if first having that status before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first becoming a judge after June 30, 2010.

Sec. 51. Minnesota Statutes 2008, section 355.01, subdivision 3h, is amended to read:

Subd. 3h. **Minneapolis teacher.** "Minneapolis teacher" means a person employed by Special School District No. 1, Minneapolis, who holds a position covered by the Teachers Retirement Association under section 354.70 if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 52. Minnesota Statutes 2008, section 355.01, subdivision 3j, is amended to read:

Subd. 3j. **Public employee.** "Public employee" means an officer or an employee of a local governmental subdivision of the state who performs services in a position covered by the general

employees retirement plan of the Public Employees Retirement Association or of the local government correctional plan of the Public Employees Retirement Association established under chapter 353 or 353E if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 53. Minnesota Statutes 2008, section 355.01, subdivision 31, is amended to read:

Subd. 31. **St. Paul teacher.** "St. Paul teacher" means a person employed by Independent School District No. 625, St. Paul, who holds a position covered by the St. Paul Teachers Retirement Fund Association established under chapter 354A if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 54. Minnesota Statutes 2008, section 355.01, subdivision 12, is amended to read:

Subd. 12. **Special authority or district employee.** "Special authority or district employee" means an employee, other than an elected official, of a municipal housing and redevelopment authority organized under sections 469.001 to 469.047, of a soil and water conservation district organized under chapter 103C, of a port authority organized under sections 469.048 to 469.068, of an economic development authority organized under sections 469.090 to 469.108, or of a hospital district organized or reorganized under sections 447.31 to 447.37, whether covered by the general employees retirement plan of the Public Employees Retirement Association if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 55. Minnesota Statutes 2008, section 355.01, subdivision 13, is amended to read:

Subd. 13. **State employee.** "State employee" means an employee of the state of Minnesota or of a political subdivision who performs services in a position covered by the general state employees retirement plan of the Minnesota State Retirement System governed by chapter 352, except any position for which the compensation is on a fee basis if first employed before July 1, 2010, or covered by the Minnesota defined contribution retirement plan under chapter 352D if first employed after June 30, 2010.

Sec. 56. Minnesota Statutes 2008, section 355.02, subdivision 3, is amended to read:

Subd. 3. **Groups covered by Social Security.** (a) The following groups having coverage under a retirement plan in section 356.30, subdivision 3, except for the retirement plans specified in section 356.30, subdivision 3, clauses (4) and (8), if the person in the group was employed before July 1, 2010, or if covered by the Minnesota defined contribution retirement plan under chapter 352D if the person in the group was employed after June 30, 2010, must be covered by an agreement or a modification to an agreement between the director and the federal Secretary of Health and Human Services:

- (1) constitutional officers;
- (2) Duluth teachers;
- (3) educational employees;
- (4) higher education employees;

- (5) hospital employees;
- (6) judges;
- (7) legislators;
- (8) Minneapolis teachers;
- (9) public employees;
- (10) St. Paul teachers; and
- (11) state employees.

(b) The following groups must be covered prospectively following the referendum in subdivision 4 and the modification to the state Social Security agreement under subdivision 1:

(1) special authority or district employees in positions covered by a retirement plan provided by the employer; and

(2) local elected officials of a local governmental subdivision or of a special authority or district holding positions covered by the defined contribution plan under chapter 353D.

(c) Each local governmental subdivision or special authority or district desiring inclusion in the state Social Security agreement for groups covered by paragraph (b) must request such coverage by submitting a formal resolution to the director, including therein the desired starting date for Social Security coverage.

(d) For purposes of paragraph (b), clause (2), the defined contribution plan of the Public Employees Retirement Association is considered a separate retirement system with respect to each local governmental subdivision or special authority or district, and the elected officials in a local governmental subdivision or in a special authority or district must be treated separately and independently from the other governmental subdivisions.

Sec. 57. Minnesota Statutes 2008, section 490.121, subdivision 4, is amended to read:

Subd. 4. **Allowable service.** (a) "Allowable service" means any calendar month, subject to the service credit limit in subdivision 22, that a person who was first employed by a public employer or became a judge before July 1, 2010, served as a judge at any time, during which the judge received compensation for that service from the state, municipality, or county, whichever applies, and for which the judge made any required member contribution. It also includes any month served as a referee in probate for all referees in probate who were in office before January 1, 1974.

(b) "Allowable service" also means a period of authorized leave of absence for which the judge who served in that position before July 1, 2010, has made a payment in lieu of contributions, not in an amount in excess of the service credit limit under subdivision 22. To obtain the service credit, the judge shall pay an amount equal to the normal cost of the judges retirement plan on the date of return from the leave of absence, as determined in the most recent actuarial report for the plan filed with the Legislative Commission on Pensions and Retirement, multiplied by the judge's average monthly salary rate during the authorized leave of absence and multiplied by the number of months of the authorized leave of absence, plus annual compound interest at the rate of 8.5 percent from the date of the termination of the leave to the date on which payment is made. The payment must

be made within one year of the date on which the authorized leave of absence terminated. Service credit for an authorized leave of absence is in addition to a uniformed service leave under section 490.1211.

(c) "Allowable service" does not mean service as a retired judge.

Sec. 58. Minnesota Statutes 2008, section 490.121, subdivision 21b, is amended to read:

Subd. 21b. **Judge.** "Judge" for purposes of retirement coverage under this chapter means a judge or a justice of any court as defined under subdivision 7b who served in that position before July 1, 2010.

Sec. 59. Minnesota Statutes 2008, section 490.125, subdivision 1, is amended to read:

Subdivision 1. **Mandatory retirement age.** (a) Except as otherwise provided in this chapter, a judge covered by the retirement plan under this chapter shall terminate active service as a judge on the judge's mandatory retirement date.

(b) A judge who first serves in a judicial office after June 30, 2010, and is covered by the retirement plan under chapter 352D shall terminate active service as a judge on the last day of the month in which the judge becomes age 70.

Sec. 60. Minnesota Statutes 2008, section 490.126, subdivision 1, is amended to read:

Subdivision 1. **Compulsory retirement.** Proceedings for compulsory retirement of a judge covered by the retirement plan under this chapter or any judge covered by the retirement plan under chapter 352D, if necessary, must be conducted in accordance with rules issued by the Supreme Court under section 490A.02.

Sec. 61. Minnesota Statutes 2008, section 490.126, subdivision 2, is amended to read:

Subd. 2. **Vacancies.** Any judge covered by the retirement plan under this chapter or any judge covered by the retirement plan under chapter 352D may make written application to the governor for retirement. The governor thereupon shall direct the judge's retirement by written order which, when filed in the Office of the Secretary of State, effects a vacancy in the office to be filled as provided by law.

Sec. 62. Minnesota Statutes 2008, section 490.133, is amended to read:

490.133 RETIREMENT; TRANSITION PROVISIONS; TRANSFER TO COURT OF APPEALS.

(a) If a judge to whom or to whose survivors benefits would be payable under Minnesota Statutes 2004, sections 490.101 to 490.12, is elected or appointed to the Court of Appeals, that judge and the judge's survivors continue to be eligible for benefits under those sections and not under sections 490.121 to 490.132.

(b) In the case of a judge to whom paragraph (a) applies, the service of the judge in the Court of Appeals must be added to the prior service as district judge, probate judge, or judge of any other court of record in determining eligibility and the compensation of a judge of the Court of Appeals at the time of the judge's death, disability, or retirement is the "compensation allotted to the office" for the purposes of calculating benefit amounts.

(c) All ~~other~~ judges of the Court of Appeals who serve in a judicial office before July 1, 2010, and to whom paragraph (a) applies and their survivors are subject to the retirement and survivor's annuity provisions of this chapter. All judges of the Court of Appeals who first serve in a judicial office after June 30, 2010, and their survivors are subject to the provisions of chapter 352D.

Sec. 63. PRE-JULY 1, 2010, EMPLOYEE COVERAGE ELECTION.

(a) Any person who is a member of the general state employees retirement plan of the Minnesota State Retirement System, the correctional state employees retirement plan of the Minnesota State Retirement System, the general employees retirement plan of the Public Employees Retirement Association, the local government correctional service retirement plan of the Public Employees Retirement Association, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, the St. Paul Teachers Retirement Fund Association, or the judges retirement plan may elect to change retirement coverage from the prior retirement plan to retirement coverage under Minnesota Statutes, chapter 352D.

(b) The election under this section must be made on or before July 1, 2011. The election must be made on a form prescribed by the executive director of the Minnesota State Retirement System.

(c) Upon request, the executive director of the retirement system administering the person's pre-July 1, 2010, retirement plan and the executive director of the Minnesota State Retirement System shall provide applicable counseling and resources related to the potential retirement coverage change.

Sec. 64. REPEALER.

Minnesota Statutes 2008, section 352D.02, subdivisions 1d and 2, are repealed."

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 2918. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Hann amendment.

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Bonoff	Gerlach	Koch	Ortman	Rummel
Doll	Hann	Koering	Pariseau	Saltzman
Erickson Ropes	Ingebrigtsen	Limmer	Parry	Senjem
Fischbach	Johnson	Michel	Robling	Vanderveer
Fobbe	Jungbauer	Olson, G.	Rosen	

Those who voted in the negative were:

Anderson	Betzold	Clark	Dibble	Higgins
Bakk	Carlson	Cohen	Foley	Kelash
Berglin	Chaudhary	Dahle	Frederickson	Kubly

Langseth	Murphy	Prettner Solon	Skoe	Wiger
Lourey	Olseen	Rest	Skogen	
Lynch	Olson, M.	Saxhaug	Sparks	
Marty	Pappas	Sheran	Stumpf	
Metzen	Pogemiller	Sieben	Vickerman	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2918 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Koering	Murphy	Sheran
Bakk	Dibble	Kubly	Olson, G.	Sieben
Berglin	Dille	Langseth	Pappas	Skoe
Betzold	Doll	Latz	Pogemiller	Skogen
Bonoff	Fobbe	Lourey	Prettner Solon	Sparks
Carlson	Foley	Lynch	Rest	Stumpf
Chaudhary	Frederickson	Marty	Rummel	Vickerman
Clark	Higgins	Metzen	Saltzman	Wiger
Cohen	Kelash	Moua	Saxhaug	

Those who voted in the negative were:

Erickson Ropes	Ingebrigtsen	Limmer	Ortman	Rosen
Fischbach	Johnson	Michel	Pariseau	Senjem
Gerlach	Jungbauer	Olseen	Parry	Vanderveer
Hann	Koch	Olson, M.	Robling	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 184: A bill for an act relating to higher education; authorizing data matching; modifying institution eligibility; establishing award procedures; establishing scholarship priorities; establishing powers and duties; modifying security requirements; regulating the use of certain revenues; providing for refunds; defining terms; making technical corrections; amending Minnesota Statutes 2008, sections 136A.101, subdivision 10; 136A.126, subdivision 1, by adding a subdivision; 136A.127, subdivision 6, by adding subdivisions; 136A.15, subdivision 6; 136A.16, subdivision 14; 136A.62, subdivision 3; 136A.645; 136A.646; 136A.65, by adding a subdivision;

136F.581, by adding a subdivision; 141.25, subdivisions 7, 13, by adding a subdivision; 141.251, subdivision 2; 141.28, subdivision 2; Minnesota Statutes 2009 Supplement, sections 136A.01, subdivision 2; 136A.101, subdivision 4; 136A.127, subdivisions 2, 4; 299A.45, subdivision 1; 340A.404, subdivision 4a; Laws 2009, chapter 95, article 2, section 40; Laws 2010, chapter 215, article 2, sections 4, subdivision 3; 6; proposing coding for new law in Minnesota Statutes, chapters 136A; 137.

There has been appointed as such committee on the part of the House:

Rukavina, Brynaert and McFarlane.

Senate File No. 184 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on Senate File No. 184:

Delete the name of Brynaert and add the name of Reinert.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

May 5, 2010

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 364, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 364: A bill for an act relating to waters; modifying drainage system provisions; amending Minnesota Statutes 2008, sections 103B.101, by adding a subdivision; 103E.065; 103E.227; 103E.401, subdivision 3; 103E.505, subdivision 3; 103E.611, subdivision 1; 103E.735, subdivision 1; 103E.805; proposing coding for new law in Minnesota Statutes, chapter 103E.

Senate File No. 364 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2437, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2437: A bill for an act relating to public safety; recodifying and clarifying the domestic abuse no contact order law; expanding the tampering with a witness crime; increasing the maximum bail for nonfelony domestic assault and domestic abuse order for protection violations; clarifying the requirement that the data communications network include orders for protection and no contact orders; exempting certain domestic abuse or sexual attack programs from data practices requirements; extending area for protection to a reasonable area around residence or dwelling in ex parte orders for protection; modifying crime of stalking; authorizing a pilot project to allow judges to order electronic monitoring for domestic abuse offenders on pretrial release; imposing criminal penalties; amending Minnesota Statutes 2008, sections 299C.46, subdivision 6; 518B.01, subdivision 7; 609.498, subdivision 3, by adding a subdivision; 609.749; 629.471, subdivision 3, by adding a subdivision; 629.72, subdivisions 1, 2a; proposing coding for new law in Minnesota Statutes, chapters 13; 629; repealing Minnesota Statutes 2008, section 518B.01, subdivision 22.

Senate File No. 2437 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2713, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2713: A bill for an act relating to human services; amending provisions relating to judicial holds in commitment cases; amending Minnesota Statutes 2008, section 253B.07, subdivision 2b.

Senate File No. 2713 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2855, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2855: A bill for an act relating to human services; making changes to children and family services technical and policy provisions; Minnesota family investment program and adult supports; early childhood development; child welfare; amending Minnesota Statutes 2008, sections 119B.189, by adding subdivisions; 119B.19, subdivision 7; 119B.21, as amended; 245A.04, subdivision 11; 256.01, by adding a subdivision; 256.046, subdivision 1; 256.82, subdivision 3; 256.98, subdivision 8; 256J.24, subdivisions 3, 5a, 10; 256J.37, subdivision 3a; 256J.425, subdivision 5; 260C.007, subdivision 4; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.451; 626.556, subdivision 10; Minnesota Statutes 2009 Supplement, sections 256D.44, subdivision 3; 256J.24, subdivision 5;

256J.425, subdivision 2; 256J.521, subdivision 2; 256J.561, subdivision 3; 256J.66, subdivision 1; 256J.95, subdivisions 3, 11; 260.012; 260C.212, subdivision 7; repealing Minnesota Statutes 2008, section 256.82, subdivision 5; Minnesota Rules, part 9560.0660.

Senate File No. 2855 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2370, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2370: A bill for an act relating to motor vehicles; prohibiting vehicle dealers from selling vehicles that do not comply with vehicle equipment and material requirements; prohibiting sale of illegally tinted motor vehicle windows; amending Minnesota Statutes 2008, sections 168.27, by adding a subdivision; 169.71, by adding a subdivision; repealing Minnesota Statutes 2008, section 168.27, subdivision 30.

Senate File No. 2370 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2010

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2912, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2912: A bill for an act relating to human services; amending children's mental health policy provisions; making a technical change to community health workers; amending Minnesota Statutes 2008, sections 256B.761; 260C.157, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245.4885, subdivisions 1, 1a; 256B.0625, subdivision 49; 256B.0943, subdivision 9.

Senate File No. 2912 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2010

Mr. President:

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

S.F. No. 1060: A bill for an act relating to transportation; modifying management, priorities, research, and planning provisions related to Department of Transportation; requiring reports; amending Minnesota Statutes 2008, sections 161.53; 165.03, by adding a subdivision; 174.02, subdivision 1a; 174.03, subdivision 1a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 167.

Senate File No. 1060 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 3, 2010

Senator Dibble moved that the Senate do not concur in the amendments by the House to S.F. No. 1060, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2974: A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J.

Senate File No. 2974 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

Senator Lourey moved that the Senate do not concur in the amendments by the House to S.F. No. 2974, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. 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.

APPOINTMENTS

Senator Pogemiller from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2974: Senators Lourey, Prettner Solon and Rosen.

S.F. No. 1060: Senators Dibble, Saltzman and Gimse.

Senator Pogemiller moved that the foregoing appointments be approved. 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.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

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 Metzen in the chair.

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

S.F. No. 2634, which the committee recommends to pass, subject to the following motion:

The question was taken on the recommendation to pass S.F. No. 2634.

The roll was called, and there were yeas 34 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kelash	Moua	Saltzman
Bakk	Dahle	Kubly	Olson, M.	Sieben
Berglin	Dibble	Langseth	Pappas	Skoe
Betzold	Doll	Latz	Pogemiller	Stumpf
Bonoff	Erickson Ropes	Lourey	Prettner Solon	Tomassoni
Carlson	Foley	Lynch	Rest	Vickerman
Chaudhary	Higgins	Marty	Rummel	

Those who voted in the negative were:

Clark	Gerlach	Koch	Parry	Sheran
Dille	Hann	Koering	Robling	Skogen
Fischbach	Ingebrigtsen	Limmer	Rosen	Sparks
Fobbe	Johnson	Metzen	Saxhaug	Vanderveer
Frederickson	Jungbauer	Olseen	Senjem	Wiger

The motion prevailed. So S.F. No. 2634 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

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration, designated S.F. No. 2337 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2337: A bill for an act relating to human services; establishing an intensive care management program for medical assistance enrollees; reducing funding for the medical assistance program; requiring a request for proposals; requiring a report; appropriating money; amending Laws 2009, chapter 79, article 13, section 3, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapter 256B.

Senator Berglin moved to amend S.F. No. 2337 as follows:

Pages 53 to 56, delete sections 1 to 4

Pages 61 to 64, delete sections 8 and 9

Page 134, line 2, before the period, insert "including provisions of TANF summer youth program wage subsidies for MFIP youth and caregivers. MFIP youth are individuals up to age 25 who are part of an eligible household as defined under rules governing TANF maintenance of effort with incomes less than 200 percent of federal poverty guidelines. Expenditures may only be used for subsidized wages and benefits and eligible training and supervision expenditures. The commissioner shall contract with the Minnesota Department of Employment and Economic Development for the summer youth program. The commissioner shall develop procedures to maximize reimbursement of these expenditures over the TANF emergency fund year quarters. No more than \$6,000,000 shall be reimbursed. This provision is effective upon enactment"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Fischbach moved to amend S.F. No. 2337 as follows:

Page 14, after line 34, insert:

"Sec. 13. Minnesota Statutes 2008, section 256B.0625, is amended by adding a subdivision to read:

Subd. 16a. **Provider reimbursement.** Provider reimbursement for abortion services under this section or chapter 256L must not exceed \$300 per abortion."

Page 96, after line 2, insert:

"Sec. 15. **[299C.563] LIFESAVER GRANT PROGRAM.**

Subdivision 1. **Grant program.** The commissioner of public safety shall establish a lifesaver grant program to assist local law enforcement agencies with the costs of developing lifesaver rapid response programs designed to quickly find individuals with medical conditions that cause wandering and result in many of these individuals becoming lost and missing. The search and rescue program must electronically track a lost or missing vulnerable senior citizen or an individual who is mentally impaired due to autism, Down Syndrome, Alzheimer's disease, or other mental impairment that causes wandering. The lifesaver program participant wears a small transmitter on the wrist to allow the local law enforcement agency to electronically locate the participant, if necessary, using a radio transmitter. Grants may be awarded to new and existing programs. The commissioner shall administer and promote the grant program throughout the state and serve as liaison to lifesaver programs.

Subd. 2. **Lifesaver advisory task force.** (a) The commissioner of public safety must convene a task force to facilitate the coordination and implementation of lifesaver programs. When funding for the lifesaver grants becomes available, the task force shall advise the commissioner on the development and administration of the grant program. The commissioner shall appoint five persons from various geographic areas of the state to the task force. The task force must be composed of at least one member experienced in an area of mental impairment, one member experienced in the area of law enforcement, and one member experienced in the development of a lifesaver or similar program.

(b) Notwithstanding section 15.059, the task force does not expire.

Subd. 3. **Application; eligibility.** A county law enforcement agency or two or more county, or county and city law enforcement agencies may apply for a grant to the commissioner of public safety in a form and manner established by the commissioner. The application must include:

- (1) an estimate of the number of people who might qualify for lifesaver assistance;
- (2) an estimate of the start-up cost for new programs or expansion costs for existing programs;
- (3) a statement of the number of personnel available for tracking lost persons;
- (4) a statement of available local funding sources; and
- (5) other information requested by the commissioner.

Subd. 4. **Grant awards.** To the extent funds are available, the commissioner, in consultation with the advisory task force under subdivision 2, may award grants to eligible applicants to develop a new lifesaver program grants to eligible applicants to expand an existing program. If eligible applicants exceed the funds available, all grants must be reduced proportionately so that each eligible applicant receives the same proportion of the amount for which the applicant was eligible. Recipients developing a new lifesaver program shall be given priority over recipients expanding an existing program. Grant recipients must be located throughout the state to the extent feasible and consistent with this section.

Subd. 5. **Uses of grant award.** (a) A grant recipient may use an award only for the following:

- (1) to purchase emergency response kits, which shall include, at a minimum, equipment necessary to track and triangulate searches, transmitters, or any other related equipment; and

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

Senator Berglin moved to amend the first Fischbach amendment to S.F. No. 2337 as follows:

Page 1, line 6, delete "\$300 per abortion" and insert "the rates established under sections 256B.76, subdivision 1, and 256B.766"

CALL OF THE SENATE

Senator Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 2337. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Berglin amendment to the first Fischbach amendment.

The roll was called, and there were yeas 37 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Latz	Pappas	Sieben
Bakk	Dahle	Lourey	Pogemiller	Skoe
Berglin	Dibble	Lynch	Prettner Solon	Stumpf
Betzold	Doll	Marty	Rest	Tomassoni
Bonoff	Erickson Ropes	Metzen	Rummel	Wiger
Carlson	Foley	Moua	Saltzman	
Chaudhary	Higgins	Murphy	Saxhaug	
Clark	Kelash	Olseen	Sheran	

Those who voted in the negative were:

Dille	Hann	Koering	Olson, M.	Skogen
Fischbach	Ingebrigtsen	Kubly	Parry	Vanderveer
Fobbe	Johnson	Langseth	Robling	Vickerman
Frederickson	Jungbauer	Limmer	Rosen	
Gerlach	Koch	Michel	Senjem	

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

Senator Fischbach withdrew her first amendment.

Senator Hann moved to amend S.F. No. 2337 as follows:

Page 102, line 35, delete "\$18,964,000" and insert "\$19,364,000"

Page 104, delete lines 28 to 35

Page 105, delete lines 1 to 8

Page 135, line 24, delete "\$18,964,000" and insert "\$19,364,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 42, as follows:

Those who voted in the affirmative were:

Dille	Frederickson	Hann	Johnson	Koch
Fischbach	Gerlach	Ingebrigtsen	Jungbauer	Koering

Limmer	Parry	Rosen	Vandev eer
Michel	Robling	Senjem	

Those who voted in the negative were:

Anderson	Dahle	Langseth	Olson, M.	Sieben
Bakk	Dibble	Latz	Pappas	Skoe
Berglin	Doll	Lourey	Pogemiller	Skogen
Betzold	Erickson Ropes	Lynch	Prettner Solon	Stumpf
Bonoff	Fobbe	Marty	Rest	Vickerman
Carlson	Foley	Metzen	Rummel	Wiger
Chaudhary	Higgins	Moua	Saltzman	
Clark	Kelash	Murphy	Saxhaug	
Cohen	Kubly	Olseen	Sheran	

The motion did not prevail. So the amendment was not adopted.

Senator Vandev eer moved to amend S.F. No. 2337 as follows:

Page 49, after line 32, insert:

"Sec. 15. Minnesota Statutes 2008, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. **Prohibited practices.** A nursing facility is not eligible to receive medical assistance payments unless it refrains from all of the following:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances:

(1) the nursing facility may:

~~(1)~~ (i) charge private paying residents a higher rate for a private room; and

~~(2)~~ (ii) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner;

(2) effective July 1, 2010, through September 30, 2011, nursing facilities may charge private paying residents rates up to two percent higher than the allowable payment rate determined by the commissioner for the RUG's group currently assigned to the resident;

(3) effective October 1, 2011, through September 30, 2012, nursing facilities may charge private paying residents rates up to four percent higher than the allowable payment rate determined by the commissioner for the RUG's group currently assigned to the resident; and

(4) effective October 1, 2012, through September 30, 2013, nursing facilities may charge private paying residents rates up to six percent higher than the allowable payment rate determined by the commissioner for the RUG's group currently assigned to the resident.

Nothing in this section precludes a nursing facility from charging a rate allowable under the facility's single room election option under Minnesota Rules, part 9549.0060, subpart 11. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be available to all residents in all areas of the nursing facility and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing facility in order to comply with licensure

or certification standards and that if not provided would result in a deficiency or violation by the nursing facility. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing facility that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing facility that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing facility may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance.

(b) Effective October 1, 2013, paragraph (a) no longer applies, except that special services, if offered, must be available to all residents of the nursing facility and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing facility in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing facility.

(c)(1) Charging, soliciting, accepting, or receiving from an applicant for admission to the facility, or from anyone acting in behalf of the applicant, as a condition of admission, expediting the admission, or as a requirement for the individual's continued stay, any fee, deposit, gift, money, donation, or other consideration not otherwise required as payment under the state plan. For residents on medical assistance, medical assistance payment according to the state plan must be accepted as payment in full for continued stay, except where otherwise provided for under statute;

(2) requiring an individual, or anyone acting in behalf of the individual, to loan any money to the nursing facility;

(3) requiring an individual, or anyone acting in behalf of the individual, to promise to leave all or part of the individual's estate to the facility; or

(4) requiring a third-party guarantee of payment to the facility as a condition of admission, expedited admission, or continued stay in the facility.

Nothing in this paragraph would prohibit discharge for nonpayment of services in accordance with state and federal regulations.

~~(e)~~ (d) Requiring any resident of the nursing facility to utilize a vendor of health care services chosen by the nursing facility. A nursing facility may require a resident to use pharmacies that utilize unit dose packing systems approved by the Minnesota Board of Pharmacy, and may require a resident to use pharmacies that are able to meet the federal regulations for safe and timely administration of medications such as systems with specific number of doses, prompt delivery of medications, or access to medications on a 24-hour basis. Notwithstanding the provisions of this

paragraph, nursing facilities shall not restrict a resident's choice of pharmacy because the pharmacy utilizes a specific system of unit dose drug packing.

~~(d)~~ (e) Providing differential treatment on the basis of status with regard to public assistance.

~~(e)~~ (f) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance ~~or refusal to purchase special services~~. Discrimination in admissions, discrimination, services offered, or room assignment shall include, but is not limited to:

(1) basing admissions decisions upon ~~assurance by the applicant to the nursing facility, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek information or assurances regarding current or future eligibility for public assistance for payment of nursing facility care costs; and~~

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately or an applicant's refusal to pay for a special service.

The collection and use by a nursing facility of financial information of any applicant pursuant to a preadmission screening program established by law shall not raise an inference that the nursing facility is utilizing that information for any purpose prohibited by this paragraph.

~~(f)~~ (g) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any amount based on utilization or service levels or any portion of the vendor's fee to the nursing facility except as payment for renting or leasing space or equipment or purchasing support services from the nursing facility as limited by section 256B.433. All agreements must be disclosed to the commissioner upon request of the commissioner. Nursing facilities and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney's fees or their equivalent.

~~(g)~~ (h) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

(i) For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing facility or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing facility to correct the violation. The nursing facility shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing facility by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation and shall remain in effect until the violation is corrected. The nursing facility or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing facility is not eligible for

reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing facility to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing facility.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Senator Limmer moved to amend S.F. No. 2337 as follows:

Page 96, after line 2, insert:

"Sec. 15. **[256B.012] SEX-SELECTION ABORTION FUNDING BAN.**

Subdivision 1. **Funding restriction.** None of the funds appropriated under this chapter or chapter 256L, nor in any trust fund to which funds are appropriated under this chapter or chapter 256L, shall be expended for any sex-selection abortion nor for health benefits coverage that includes coverage of sex-selection abortion.

Subd. 2. **Definitions.** (a) For the purposes of this section, "sex-selection abortion" means an abortion performed when the provider has knowledge that the pregnant woman is seeking the abortion based solely on the sex of the unborn child.

(b) For the purposes of this section, "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

Subd. 3. **Severability.** If any one or more provisions, subdivisions, paragraphs, sentences, clauses, phrases or words of this section or the application thereof to any person or circumstance is found to be unconstitutional, the same is hereby declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed this section, and each provision, subdivision, paragraph, sentence, clause, phrase, or word thereof, irrespective of the fact that any one or more provision, subdivision, paragraph, sentence, clause, phrase, or word be declared unconstitutional.

Subd. 4. **Supreme Court jurisdiction.** The Minnesota Supreme Court has original jurisdiction over an action challenging the constitutionality of this section and shall expedite the resolution of the action."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Limmer appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Clark	Kelash	Murphy	Saltzman
Bakk	Cohen	Latz	Olseen	Saxhaug
Berglin	Dahle	Lourey	Pappas	Sheran
Betzold	Dibble	Lynch	Pogemiller	Sieben
Bonoff	Erickson Ropes	Marty	Prettner Solon	Skoe
Carlson	Foley	Metzen	Rest	Wiger
Chaudhary	Higgins	Moua	Rummel	

Those who voted in the negative were:

Dille	Hann	Kubly	Robling	Vandever
Doll	Ingebrigtsen	Langseth	Rosen	Vickerman
Fischbach	Johnson	Limmer	Senjem	
Fobbe	Jungbauer	Michel	Skogen	
Frederickson	Koch	Olson, M.	Sparks	
Gerlach	Koering	Parry	Stumpf	

So the decision of the President was sustained.

Senator Parry moved to amend S.F. No. 2337 as follows:

Page 84, after line 2, insert:

"Section 1. **[62Q.521] ABORTION COVERAGE; OPT-OUT PERMITTED.**

For each health plan that a health plan company offers in this state, the health plan company must permit each female enrollee to choose not to have coverage for abortion procedures. The health plan company shall inform each female enrollee of this option at the time of initial enrollment and at each renewal. The health plan company must provide a premium reduction for female enrollees who choose not to have abortion coverage, based upon the expected cost of coverage of abortion procedures. For enrollees under the age of 18, the option must be provided to the enrollee's parent or guardian."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Parry appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 35 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Clark	Higgins	Moua	Saltzman
Bakk	Cohen	Kelash	Murphy	Saxhaug
Berglin	Dahle	Latz	Olseen	Sheran
Betzold	Dibble	Lourey	Pappas	Sieben
Bonoff	Doll	Lynch	Pogemiller	Skoe
Carlson	Erickson Ropes	Marty	Prettner Solon	Tomassoni
Chaudhary	Foley	Metzen	Rummel	Wiger

Those who voted in the negative were:

Dille	Hann	Koering	Parry	Sparks
Fischbach	Ingebrigtsen	Langseth	Robling	Stumpf
Fobbe	Johnson	Limmer	Rosen	Vandever
Frederickson	Jungbauer	Michel	Senjem	Vickerman
Gerlach	Koch	Olson, M.	Skogen	

So the decision of the President was sustained.

Senator Prettner Solon moved to amend S.F. No. 2337 as follows:

Page 85, delete sections 3 to 4

Page 124, delete subdivision 6

Renumber the subdivisions and sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Betzold	Fischbach	Kelash	Parry	Sheran
Carlson	Fobbe	Koch	Prettner Solon	Sieben
Chaudhary	Frederickson	Koering	Robling	Skogen
Clark	Gerlach	Kubly	Rosen	Sparks
Dahle	Hann	Latz	Rummel	Stumpf
Dille	Ingebrigtsen	Limmer	Saltzman	Vandever
Doll	Johnson	Michel	Saxhaug	Vickerman
Erickson Ropes	Jungbauer	Olson, M.	Senjem	Wiger

Those who voted in the negative were:

Anderson	Dibble	Lynch	Olseen	Tomassoni
Bakk	Foley	Marty	Pappas	
Berglin	Higgins	Metzen	Pogemiller	
Bonoff	Langseth	Moua	Rest	
Cohen	Lourey	Murphy	Skoe	

The motion prevailed. So the amendment was adopted.

Senator Limmer moved to amend S.F. No. 2337 as follows:

Page 60, after line 5, insert:

"Sec. 7. Minnesota Statutes 2008, section 256J.39, is amended by adding a subdivision to read:

Subd. 1b. **EBT cards; photo identification required.** Cashiers at points-of-sale shall request photo identification when an MFIP electronic benefits transfer card is presented."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 35, as follows:

Those who voted in the affirmative were:

Doll	Ingebrigtsen	Limmer	Robling	Vandev eer
Fischbach	Johnson	Michel	Rosen	Vickerman
Fobbe	Jungbauer	Olseen	Saltzman	
Gerlach	Koch	Olson, M.	Senjem	
Hann	Koering	Parry	Sparks	

Those who voted in the negative were:

Anderson	Dahle	Kubly	Moua	Sheran
Berglin	Dibble	Langseth	Murphy	Sieben
Betzold	Erickson Ropes	Latz	Pappas	Skoe
Bonoff	Foley	Lourey	Prettner Solon	Skogen
Carlson	Frederickson	Lynch	Rest	Stumpf
Chaudhary	Higgins	Marty	Rummel	Tomassoni
Clark	Kelash	Metzen	Saxhaug	Wiger

The motion did not prevail. So the amendment was not adopted.

Senator Hann moved to amend S.F. No. 2337 as follows:

Page 84, after line 2, insert:

"Section 1. Minnesota Statutes 2008, section 62A.31, subdivision 1r, is amended to read:

Subd. 1r. **Community rate.** Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells Medicare-related coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no Medicare-related coverage may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this subdivision. The same community rate must apply to newly issued coverage and to renewal coverage.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

- (1) actuarially valid differences in benefit designs or provider networks;
- (2) geographic variations in rates if preapproved by the commissioner of commerce; ~~and~~
- (3) age variations in rates if preapproved by the commissioner of commerce; and

(4) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce.

For insureds not residing in Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, or Washington County, a health plan may, at the option of the health carrier, phase in compliance under the following timetable:

(i) a premium adjustment as of March 1, 1993, that consists of one-half of the difference between the community rate that would be applicable to the person as of March 1, 1993, and the premium rate that would be applicable to the person as of March 1, 1993, under the rate schedule permitted

on December 31, 1992. A health plan may, at the option of the health carrier, implement the entire premium difference described in this clause for any person as of March 1, 1993, if the premium difference would be 15 percent or less of the premium rate that would be applicable to the person as of March 1, 1993, under the rate schedule permitted on December 31, 1992, if the health plan does so uniformly regardless of whether the premium difference causes premiums to rise or to fall. The premium difference described in this clause is in addition to any premium adjustment attributable to medical cost inflation or any other lawful factor and is intended to describe only the premium difference attributable to the transition to the community rate; and

(ii) with respect to any person whose premium adjustment was constrained under clause (i), a premium adjustment as of January 1, 1994, that consists of the remaining one-half of the premium difference attributable to the transition to the community rate, as described in clause (i).

A health plan that initially follows the phase-in timetable may at any subsequent time comply on a more rapid timetable. A health plan that is in full compliance as of January 1, 1993, may not use the phase-in timetable and must remain in full compliance. Health plans that follow the phase-in timetable must charge the same premium rate for newly issued coverage that they charge for renewal coverage. A health plan whose premiums are constrained by clause (i) may take the constraint into account in establishing its community rate.

From January 1, 1993 to February 28, 1993, a health plan may, at the health carrier's option, charge the community rate under this paragraph or may instead charge premiums permitted as of December 31, 1992."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Berglin questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Hann amendment. The motion did not prevail. So the amendment was not adopted.

Senator Hann moved to amend S.F. No. 2337 as follows:

Page 53, after line 23, insert:

"Sec. 18. **[256L.031] HEALTH COVERAGE CONTRIBUTION PROGRAM.**

Subdivision 1. Coverage contributions to enrollees. (a) Beginning January 1, 2011, or upon federal approval, whichever is later, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 7, with gross family income that exceeds 133 percent of the federal poverty guidelines with a monthly coverage contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3.

(b) Enrollees eligible under paragraph (a) shall not be charged premiums under section 256L.15, and are exempt from the managed care enrollment requirement of section 256L.12.

(c) Sections 256L.03 and 256L.05, subdivision 3, do not apply to enrollees eligible under paragraph (a). Covered services, cost-sharing, and the effective date of coverage for enrollees

eligible under paragraph (a) shall be as provided under the terms of the health plan purchased by the enrollee.

Subd. 2. **Use of coverage contribution.** An enrollee may use up to the monthly coverage contribution only to pay premiums for coverage under a health plan as defined in section 62A.011, subdivision 3.

Subd. 3. **Determination of coverage contribution amount.** (a) The commissioner shall determine the coverage contribution sliding scale using the base contribution specified in paragraph (b) for the specified age ranges. The commissioner shall use a sliding scale for coverage contributions that provides:

(1) persons with household incomes greater than 133 percent but not exceeding 134 percent of the federal poverty guidelines with a coverage contribution of 150 percent of the base contribution;

(2) persons with household incomes at 175 percent of the federal poverty guidelines with a coverage contribution of 100 percent of the base contribution;

(3) persons with household incomes at 250 percent of the federal poverty guidelines with a coverage contribution of 80 percent of the base contribution; and

(4) persons with household incomes in evenly spaced increments between the percentages of the federal poverty guideline specified in clauses (1) to (3) with a base contribution that is a percentage interpolated from the coverage contribution percentages specified in clauses (1) to (3).

<u>Age</u>	<u>Monthly Per-Person Base Contribution</u>
<u>21-29</u>	<u>122.79</u>
<u>30-31</u>	<u>129.19</u>
<u>32-33</u>	<u>132.38</u>
<u>34-35</u>	<u>134.31</u>
<u>36-37</u>	<u>136.06</u>
<u>38-39</u>	<u>141.02</u>
<u>40-41</u>	<u>151.25</u>
<u>42-43</u>	<u>159.89</u>
<u>44-45</u>	<u>175.08</u>
<u>46-47</u>	<u>191.71</u>
<u>48-49</u>	<u>213.13</u>
<u>50-51</u>	<u>239.51</u>
<u>52-53</u>	<u>266.69</u>
<u>54-55</u>	<u>293.88</u>
<u>56-57</u>	<u>323.77</u>
<u>58-59</u>	<u>341.20</u>
<u>60+</u>	<u>357.19</u>

(b) The commissioner shall multiply the coverage contribution amounts developed under paragraph (a) by 1.20 for enrollees who are denied coverage under an individual health plan by a health plan company, who do not have access to an employer-sponsored group plan, and who purchase coverage through the Minnesota Comprehensive Health Association.

Subd. 4. **Administration by commissioner.** The commissioner shall administer the coverage contributions. The commissioner shall:

(1) calculate and process coverage contributions for enrollees; and

(2) pay the coverage contribution amount to health plan companies or the Minnesota Comprehensive Health Association, as applicable, for enrollee health plan coverage.

Subd. 5. **Assistance to enrollees.** The commissioner of human services, in consultation with the commissioner of commerce, shall develop an efficient and cost-effective method of referring eligible applicants to professional insurance agent associations.

Subd. 6. **MCHA.** Beginning January 1, 2011, or upon federal approval, whichever is later, MinnesotaCare enrollees who are denied coverage under an individual health plan by a health plan company, and who do not have access to an employer-sponsored group plan, are eligible for coverage through a health plan offered by the Minnesota Comprehensive Health Association. Any difference between the revenue and covered losses to the Minnesota Comprehensive Health Association related to implementation of this act shall be paid to the Minnesota Comprehensive Health Association from the health care access fund."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 38, as follows:

Those who voted in the affirmative were:

Clark	Hann	Koch	Ortman	Senjem
Fischbach	Ingebrigtsen	Koering	Parry	Vandev eer
Frederickson	Johnson	Limmer	Robling	
Gerlach	Jungbauer	Michel	Rosen	

Those who voted in the negative were:

Berglin	Erickson Ropes	Lourey	Prettner Solon	Skogen
Betzold	Fobbe	Lynch	Rest	Sparks
Bonoff	Foley	Marty	Rummel	Stumpf
Carlson	Higgins	Metzen	Saltzman	Tomassoni
Chaudhary	Kelash	Moua	Saxhaug	Vickerman
Dahle	Kubly	Murphy	Sheran	Wiger
Dibble	Langseth	Olseen	Sieben	
Doll	Latz	Pappas	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Ortman moved to amend S.F. No. 2337 as follows:

Page 96, after line 2, insert:

"Sec. 15. Minnesota Statutes 2008, section 514.982, subdivision 2, is amended to read:

Subd. 2. **Filing.** Any notice, release, or other document required to be filed under sections 514.980 to 514.985 must be recorded or filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real property is located. The agency shall redact all but the last four digits of the Social Security number of a medical assistance recipient from a document that is recorded or filed under this subdivision. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under sections 514.980 to 514.985. An attestation, certification, or acknowledgment is not required as a condition of filing. If the property described in the medical assistance lien notice is registered property, the registrar of titles shall record it on the certificate of title for each parcel of property described in the lien notice. If the property described in the medical assistance lien notice is abstract property, the recorder shall file the medical assistance lien in the county's grantor-grantee indexes and any tract indexes the county maintains for each parcel of property described in the lien notice. The recorder shall return recorded medical assistance lien notices for abstract property to the agency at no cost. If the agency provides a duplicate copy of a medical assistance lien notice for registered property, the registrar of titles shall show the recording data for the medical assistance lien notice on the copy and return it to the agency at no cost. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 22, as follows:

Those who voted in the affirmative were:

Bonoff	Fobbe	Koch	Ortman	Sheran
Chaudhary	Foley	Koering	Parry	Sieben
Clark	Frederickson	Latz	Rest	Tomassoni
Dibble	Gerlach	Limmer	Robling	Vanderveer
Dille	Hann	Marty	Rosen	Vickerman
Doll	Ingebrigtsen	Michel	Rummel	Wiger
Erickson Ropes	Johnson	Olseen	Saltzman	
Fischbach	Jungbauer	Olson, M.	Senjem	

Those who voted in the negative were:

Bakk	Dahle	Lourey	Pogemiller	Sparks
Berglin	Higgins	Lynch	Prettner Solon	Stumpf
Betzold	Kelash	Moua	Saxhaug	
Carlson	Kubly	Murphy	Skoe	
Cohen	Langseth	Pappas	Skogen	

The motion prevailed. So the amendment was adopted.

Senator Limmer moved to amend S.F. No. 2337 as follows:

Page 96, after line 2, insert:

"Sec. 15. Minnesota Statutes 2008, section 517.01, is amended to read:

517.01 MARRIAGE A CIVIL CONTRACT BETWEEN A MAN AND A WOMAN.

Marriage, so far as its validity in law is concerned, is a civil contract between a man and a woman, to which the consent of the parties, capable in law of contracting, is essential. The legislature intends that only a marriage between one man and one woman be recognized in this state. Lawful marriage may be contracted only between persons of the opposite sex and only when a license has been obtained as provided by law and when the marriage is contracted in the presence of two witnesses and solemnized by one authorized, or whom one or both of the parties in good faith believe to be authorized, so to do. Marriages subsequent to April 26, 1941, not so contracted shall be null and void."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Limmer appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 40 and nays 20, as follows:

Those who voted in the affirmative were:

Berglin	Dibble	Langseth	Olseen	Sheran
Betzold	Dille	Latz	Pappas	Sieben
Bonoff	Doll	Lourey	Pogemiller	Skoe
Carlson	Erickson Ropes	Lynch	Prettner Solon	Skogen
Chaudhary	Foley	Marty	Rest	Sparks
Clark	Higgins	Metzen	Rummel	Stumpf
Cohen	Kelash	Moua	Saltzman	Tomassoni
Dahle	Kubly	Murphy	Saxhaug	Wiger

Those who voted in the negative were:

Fischbach	Hann	Koch	Olson, M.	Rosen
Fobbe	Ingebrigtsen	Koering	Ortman	Senjem
Frederickson	Johnson	Limmer	Parry	Vandev eer
Gerlach	Jungbauer	Michel	Robling	Vickerman

So the decision of the President was sustained.

Senator Ingebrigtsen moved to amend S.F. No. 2337 as follows:

Page 58, after line 29, insert:

"Sec. 6. Minnesota Statutes 2008, section 256J.15, is amended by adding a subdivision to read:

Subd. 3. Eligibility; drug screening. (a) To be eligible for MFIP, a person must undergo drug and alcohol screening, to the extent practicable, following the established procedures and reliability safeguards provided for screening in sections 181.951, 181.953, and 181.954. A county agency must require a recipient of benefits to undergo random drug screening. An applicant must provide evidence of a negative test result to the appropriate county agency prior to being accepted for MFIP benefits and prior to receiving an extension of benefits under section 256J.425.

(b) A laboratory must report to the appropriate county agency any positive test results returned

on an applicant or recipient of MFIP benefits. Upon receipt of a positive test result, a county agency must deny or discontinue benefits until the person demonstrates a pattern of negative test results that satisfy the agency that the person is no longer a drug user."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 44, as follows:

Those who voted in the affirmative were:

Clark	Ingebrigtsen	Koering	Parry
Fischbach	Johnson	Limmer	Robling
Gerlach	Jungbauer	Michel	Rosen
Hann	Koch	Ortman	Senjem

Those who voted in the negative were:

Anderson	Dille	Langseth	Olson, M.	Sieben
Berglin	Doll	Latz	Pappas	Skogen
Betzold	Erickson Ropes	Lourey	Pogemiller	Sparks
Bonoff	Fobbe	Lynch	Prettner Solon	Stumpf
Carlson	Foley	Marty	Rest	Tomassoni
Chaudhary	Frederickson	Metzen	Rummel	Vandever
Cohen	Higgins	Moua	Saltzman	Vickerman
Dahle	Kelash	Murphy	Saxhaug	Wiger
Dibble	Kubly	Olseen	Sheran	

The motion did not prevail. So the amendment was not adopted.

Senator Parry moved to amend S.F. No. 2337 as follows:

Page 84, after line 2, insert:

"Section. 1. Minnesota Statutes 2008, section 62J.26, is amended by adding a subdivision to read:

Subd. 6. **Health benefit mandate moratorium.** No mandate for coverage of health benefits by a health plan shall be enacted until the essential benefit set required by the federal Patient Protection and Affordable Care Act of 2010 is established, or January 1, 2014, whichever comes first, and analysis has been completed by the commissioner to determine the cost impact to the state of mandating any health benefit not included within the federal essential benefit set."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 43, as follows:

Those who voted in the affirmative were:

Fischbach	Ingebrigtsen	Koch	Lynch	Parry
Gerlach	Johnson	Koering	Michel	Robling
Hann	Jungbauer	Limmer	Ortman	Rosen

Senjem

Vandever

Those who voted in the negative were:

Anderson	Dibble	Langseth	Pappas	Skoe
Berglin	Dille	Latz	Pogemiller	Skogen
Betzold	Doll	Lourey	Prettner Solon	Sparks
Bonoff	Erickson Ropes	Marty	Rest	Stumpf
Carlson	Fobbe	Metzen	Rummel	Tomassoni
Chaudhary	Foley	Moua	Saltzman	Vickerman
Clark	Frederickson	Murphy	Saxhaug	Wiger
Cohen	Higgins	Olseen	Sheran	
Dahle	Kubly	Olson, M.	Sieben	

The motion did not prevail. So the amendment was not adopted.

Senator Hann moved to amend S.F. No. 2337 as follows:

Pages 11 to 12, delete sections 9 to 11

Page 19, line 11, delete everything before "shall"

Page 20, line 8, delete "under section 256B.055, subdivision 15,"

Page 35, delete section 33

Page 36, delete sections 35 and 36

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 43, as follows:

Those who voted in the affirmative were:

Fischbach	Johnson	Limmer	Robling
Gerlach	Jungbauer	Michel	Rosen
Hann	Koch	Ortman	Senjem
Ingebrigtsen	Koering	Parry	Vandever

Those who voted in the negative were:

Anderson	Dille	Latz	Pappas	Skoe
Berglin	Doll	Lourey	Pogemiller	Skogen
Betzold	Erickson Ropes	Lynch	Prettner Solon	Sparks
Bonoff	Fobbe	Marty	Rest	Stumpf
Carlson	Foley	Metzen	Rummel	Tomassoni
Chaudhary	Higgins	Moua	Saltzman	Vickerman
Clark	Kelash	Murphy	Saxhaug	Wiger
Dahle	Kubly	Olseen	Sheran	
Dibble	Langseth	Olson, M.	Sieben	

The motion did not prevail. So the amendment was not adopted.

Senator Limmer moved to amend S.F. No. 2337 as follows:

Page 84, after line 32, insert:

"Sec. 3. Minnesota Statutes 2008, section 144.05, is amended by adding a subdivision to read:

Subd. 5. **Firearms data.** Notwithstanding any law to the contrary, the commissioner of health is prohibited from collecting data on individuals regarding lawful firearm ownership in the state or data related to an individual's right to carry a weapon under section 624.714."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Ortman moved to amend S.F. No. 2337 as follows:

Page 84, after line 2, insert:

"Section 1. [62A.645] HEALTH INSURANCE COVERAGE NOT REQUIRED.

No resident of this state, regardless of whether the individual has or is eligible for health insurance coverage under any policy or program provided by or through an employer, or a plan sponsored by the state or the federal government, shall be required to obtain or maintain a policy of individual insurance coverage. No provision of state law shall render a resident of this state liable for any penalty, assessment, fee, or fine as a result of failure to procure or obtain health insurance coverage. This section shall not apply to individuals voluntarily applying for coverage under medical assistance, MinnesotaCare, or general assistance medical care."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 42, as follows:

Those who voted in the affirmative were:

Doll	Hann	Koch	Parry	Vandev eer
Fischbach	Ingebrigtsen	Limmer	Robling	
Fobbe	Johnson	Michel	Saltzman	
Gerlach	Jungbauer	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Dahle	Lourey	Pogemiller	Skogen
Bakk	Dibble	Lynch	Prettner Solon	Sparks
Berglin	Dille	Marty	Rest	Stumpf
Betzold	Foley	Metzen	Rosen	Tomassoni
Bonoff	Higgins	Moua	Rummel	Vickerman
Carlson	Kelash	Murphy	Saxhaug	Wiger
Chaudhary	Kubly	Olseen	Sheran	
Clark	Langseth	Olson, M.	Sieben	
Cohen	Latz	Pappas	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Hann moved to amend S.F. No. 2337 as follows:

Page 83, after line 31, insert:

"ARTICLE 6

GENERAL PROVISIONSSection 1. **[62V.01] HEALTH PLAN REQUIREMENTS.**

In order to keep Minnesotans healthy and provide the best quality of health care, the Minnesota Health Plan must:

- (1) ensure all Minnesotans receive quality health care, regardless of their income;
- (2) not restrict, delay, or deny care or reduce the quality of care to hold down costs, but instead reduce costs through prevention, efficiency, and reduction of bureaucracy;
- (3) cover all necessary care, including all coverage currently required by law, complete mental health services, chemical dependency treatment, prescription drugs, medical equipment and supplies, dental care, long-term care, and home care services;
- (4) allow patients to choose their own providers;
- (5) be funded through premiums based on ability to pay and other revenue sources;
- (6) focus on preventive care and early intervention to improve the health of all Minnesota residents and reduce costs from untreated illnesses and diseases;
- (7) ensure an adequate number of qualified health care professionals and facilities to guarantee availability of, and timely access to quality care throughout the state;
- (8) continue Minnesota's leadership in medical education, training, research, and technology;
and
- (9) provide adequate and timely payments to providers.

Sec. 2. **[62V.02] MINNESOTA HEALTH PLAN GENERAL PROVISIONS.**

Subdivision 1. **Short title.** This chapter may be cited as the "Minnesota Health Act."

Subd. 2. **Purpose.** The Minnesota Health Plan shall provide all medically necessary health care services for all Minnesota residents in a manner that meets the requirements in section 62V.01.

Subd. 3. **Definitions.** As used in this chapter, the following terms have the meanings provided:

- (a) "Board" means the Minnesota Health Board.
- (b) "Plan" means the Minnesota Health Plan.
- (c) "Fund" means the Minnesota Health Fund.
- (d) "Medically necessary" means a health service that is consistent with the recipient's diagnosis or condition, is recognized as the prevailing standard or current practice by the provider's peer group, and is rendered to:
 - (1) treat an injury, illness, infection, or pain;
 - (2) treat a condition that could result in physical or mental disability;
 - (3) care for a mother and child through a maternity period;

(4) achieve a level of physical or mental function consistent with prevailing community standards for the diagnosis or condition; or

(5) provide a preventive health service.

(e) "Institutional provider" means an inpatient hospital, nursing facility, rehabilitation facility, and other health care facilities that provide overnight care.

(f) "Noninstitutional provider" means group practices, clinics, outpatient surgical centers, imaging centers, other health facilities that do not provide overnight care, and individual providers.

Subd. 4. **Ethics and conflict of interest.** (a) All provisions of section 43A.38 apply to employees and the executive officer of the Minnesota Health Plan, the members and directors of the Minnesota Health Board, the regional health boards, the director of the Office of Health Quality and Planning, the director of the Minnesota Health Fund, and the ombudsman. Failure to comply with section 43A.38 shall be grounds for disciplinary action including termination of employment or removal from the board.

(b) In order to avoid the appearance of political bias or impropriety, the Minnesota Health Plan executive officer shall not:

(1) engage in leadership of, or employment by, a political party or a political organization;

(2) publicly endorse a political candidate;

(3) contribute to any political candidates or political parties and political organizations; or

(4) attempt to avoid compliance with this subdivision by making contributions through a spouse or other family member.

(c) In order to avoid a conflict of interest, individuals specified in paragraph (a) shall not be currently employed by a medical provider or a pharmaceutical, medical insurance, or medical supply company. This paragraph does not apply to the five provider members of the board.

Sec. 3. Minnesota Statutes 2008, section 14.03, subdivision 3, is amended to read:

Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(8) standards adopted by the Electronic Real Estate Recording Commission established under section 507.0945; ~~or~~

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A; or

(10) any schedules or provisions for payment under section 62V.05.

ARTICLE 7

ELIGIBILITY

Section 1. [62V.03] ELIGIBILITY.

Subdivision 1. **Residency.** All Minnesota residents are eligible for the Minnesota Health Plan.

Subd. 2. **Enrollment; identification.** The Minnesota Health Board shall establish a procedure to enroll residents and provide each with identification that may be used by health care providers to confirm eligibility for services. The application for enrollment shall be no more than two pages.

Subd. 3. **Residents temporarily out of state.** (a) The Minnesota Health Plan shall provide health care coverage to Minnesota residents who are temporarily out of the state who intend to return and reside in Minnesota.

(b) Coverage for emergency care obtained out of state shall be at prevailing local rates. Coverage for nonemergency care obtained out of state shall be according to rates and conditions established by the board. The board may require that a resident be transported back to Minnesota when prolonged treatment of an emergency condition is necessary and when that transport will not adversely affect a patient's care or condition.

Subd. 4. **Visitors.** Nonresidents visiting Minnesota shall be billed for all services received under the Minnesota Health Plan. The board may enter into intergovernmental arrangements or contracts

with other states and countries to provide reciprocal coverage for temporary visitors.

Subd. 5. **Nonresident employed in Minnesota.** The board may extend eligibility to nonresidents employed in Minnesota using a sliding premium scale.

Subd. 6. **Retiree benefits.** (a) All persons who are eligible for retiree medical benefits under an employer-employee contract shall remain eligible for those benefits provided the contractually mandated payments for those benefits are made to the Minnesota Health Fund, which shall assume financial responsibility for care provided under the terms of the contract along with additional health benefits covered by the Minnesota Health Plan. Retirees who elect to reside outside of Minnesota shall be eligible for benefits under the terms and conditions of the retiree's employer-employee contract.

(b) The board may establish financial arrangements with states and foreign countries in order to facilitate meeting the terms of the contracts described in paragraph (a). Payments for care provided by non-Minnesota providers to Minnesota retirees shall be reimbursed at rates established by the Minnesota Health Board.

Subd. 7. **Presumptive eligibility.** (a) An individual is presumed eligible for coverage under the Minnesota Health Plan if the individual arrives at a health facility unconscious, comatose, or otherwise unable, because of the individual's physical or mental condition, to document eligibility or to act on the individual's own behalf. If the patient is a minor, the patient is presumed eligible, and the health facility shall provide care as if the patient were eligible.

(b) Any individual is presumed eligible when brought to a health facility according to any provision of section 253B.05.

(c) Any individual involuntarily committed to an acute psychiatric facility or to a hospital with psychiatric beds according to any provision of section 253B.05, providing for involuntary commitment, is presumed eligible.

(d) All health facilities subject to state and federal provisions governing emergency medical treatment must comply with those provisions.

Subd. 8. **Data.** Government data collected because an individual applies for or is enrolled in the Minnesota Health Plan are private data on individuals as defined in section 13.02, subdivision 12, but may be released to:

- (1) providers for purposes of confirming enrollment and processing payments for benefits;
- (2) the ombudsman for patient advocacy for purposes of performing duties under section 62V.10 or 62V.11; or
- (3) the inspector general for purposes of performing duties under section 62V.12.

ARTICLE 8

BENEFITS

Section 1. Minnesota Statutes 2008, section 13.3806, is amended by adding a subdivision to read:

Subd. 1b. **Minnesota Health Plan.** Data on enrollees under the Minnesota Health Plan are classified under sections 62V.03, subdivision 8, and 62V.11, subdivision 6.

Sec. 2. [62V.04] **BENEFITS.**

Subdivision 1. **General provisions.** Any eligible individual may choose to receive services under the Minnesota Health Plan from any licensed participating provider.

Subd. 2. **Covered benefits.** Covered benefits in this chapter include all medically necessary care subject to the limitations specified in subdivision 4. Covered benefits include:

- (1) inpatient and outpatient health facility services;
- (2) inpatient and outpatient professional health care provider services by licensed health care professionals;
- (3) diagnostic imaging, laboratory services, and other diagnostic and evaluative services;
- (4) medical equipment, appliances, and assistive technology, including prosthetics, eyeglasses, and hearing aids and their repair;
- (5) inpatient and outpatient rehabilitative care;
- (6) emergency transportation;
- (7) necessary transportation for health care services for disabled and indigent persons;
- (8) language interpretation and translation for health care services, including sign language and Braille or other services needed for individuals with communication disabilities;
- (9) child and adult immunizations and preventive care;
- (10) health education;
- (11) hospice care;
- (12) home health care;
- (13) all prescription drugs on the Minnesota Health Plan formulary and additional drugs as specified by the board;
- (14) all prescription drugs as determined by the board if the Minnesota Health Plan does not have a prescription drug formulary;
- (15) mental health services;
- (16) dental care;
- (17) podiatric care;
- (18) chiropractic care;
- (19) acupuncture;
- (20) blood and blood products;

- (21) emergency care services;
- (22) vision care;
- (23) adult day care;
- (24) case management and coordination to ensure services necessary to enable a person to remain safely in the least restrictive setting;
- (25) substance abuse treatment;
- (26) care in a skilled nursing facility; and
- (27) dialysis.

Subd. 3. **Benefit expansion.** The Minnesota Health Board may expand benefits beyond the minimum benefits described in this section when expansion meets the intent of this chapter and when there are sufficient funds to cover the expansion.

Subd. 4. **Exclusions.** The following health care services shall be excluded from coverage by the Minnesota Health Plan:

- (1) health care services determined to have no medical benefit by the board;
- (2) surgery, dermatology, orthodontia, prescription drugs, and other procedures primarily for cosmetic purposes, unless required to correct a congenital defect, restore or correct a part of the body that has been altered as a result of injury, disease, or surgery, or determined to be medically necessary by a qualified, licensed health care provider in the Minnesota Health Plan;
- (3) private rooms in inpatient health facilities where appropriate nonprivate rooms are available, unless determined to be medically necessary by a qualified, licensed provider in the Minnesota Health Plan; and
- (4) services of a health care provider or facility that is not licensed or accredited by the state, except for approved services provided to a Minnesota resident who is temporarily out of the state.

Subd. 5. **Prohibition.** The Minnesota Health Plan shall not pay for prescription drugs from pharmaceutical companies that directly market the drugs to consumers in Minnesota.

Sec. 3. [62V.041] CARE COORDINATION.

(a) All patients shall have a primary care provider that may include registered nurses, physician assistants, or other providers who shall coordinate the care a patient receives. A specialist may serve as the care coordinator if the patient and the specialist agree to this arrangement, and if the specialist agrees to coordinate the patient's care.

(b) Referrals are not required for a patient to see a health care specialist. If a patient sees a specialist and does not have a care coordinator, the patient must choose a care coordinator. The Minnesota Health Plan may assist with choosing a primary care provider to coordinate care.

(c) The board may establish or ensure the establishment of a computerized referral registry to facilitate referrals.

ARTICLE 9

FUNDINGSection 1. **[62V.19] MINNESOTA HEALTH FUND.**

Subdivision 1. **General provisions.** (a) The board shall establish a Minnesota Health Fund to implement the Minnesota Health Plan and to receive premiums and other sources of revenue. The fund shall be administered by a director appointed by the Minnesota Health Board.

(b) All money collected, received, and transferred according to this chapter shall be deposited in the Minnesota Health Fund for the purpose of financing the Minnesota Health Plan.

(c) Money deposited in the Minnesota Health Fund shall be used exclusively to implement the purpose of this chapter.

(d) All claims for health care services rendered shall be made to the Minnesota Health Fund.

(e) All payments made for health care services shall be disbursed from the Minnesota Health Fund.

(f) Premiums and other revenues collected each year must be sufficient to cover that year's projected costs.

Subd. 2. **Accounts.** The Minnesota Health Fund shall have operating, capital, and reserve accounts to provide for all state expenditures for health care.

Subd. 3. **Budgets within the operating account.** The operating account in the Minnesota Health Fund shall be comprised of the accounts and budgets specified in paragraphs (a) to (e).

(a) **Medical services budget and account.** The medical services budget and account must be used to provide for all medical services and benefits covered under the Minnesota Health Plan.

(b) **Prevention budget and account.** The prevention budget and account must be used solely to establish and maintain primary community prevention programs, including preventive screening tests.

(c) **Program administration, evaluation, planning, and assessment budget and account.** The program administration, evaluation, planning, and assessment budget and account must be used to monitor and improve the plan's effectiveness and operations. The board may establish grant programs including demonstration projects for this purpose.

(d) **Training, development, and continuing education budget and account.** The training, development, and continuing education budget and account must be used to support the training, development, and continuing education of health care providers and the health care workforce needed to meet the health care needs of the population.

(e) **Medical research budget and account.** The medical research budget and account must be used to support research and innovation as determined by the Minnesota Health Board, and recommended by the Office of Health Quality and Planning and the Ombudsman for Patient Advocacy.

Subd. 4. **Capital account.** The capital account must be used solely to pay for capital expenditures for institutional providers and all capital expenditures requiring approval from the Minnesota Health

Board as specified in section 62V.05, subdivision 4.

Subd. 5. **Reserve account.** (a) The Minnesota Health Plan must at all times hold in reserve an amount estimated in the aggregate to provide for the payment of all losses and claims for which the Minnesota Health Plan may be liable and to provide for the expense of adjustment or settlement of losses and claims.

(b) Money currently held in reserve by state, city, and county health programs must be transferred to the Minnesota Health Fund when the Minnesota Health Plan replaces those programs.

(c) The board shall have provisions in place to insure the Minnesota Health Plan against unforeseen expenditures or revenue shortfalls not covered by the reserve account and the board may borrow money to cover temporary shortfalls.

Sec. 2. [62V.20] REVENUE SOURCES.

Subdivision 1. **Minnesota Health Plan premium.** (a) The Minnesota Health Board shall:

(1) determine the aggregate costs of providing health care according to this chapter;

(2) develop an equitable and affordable premium structure, including unearned income as part of the premium determination for Minnesota residents, that is progressive and based on the ability to pay and a business health tax for businesses that together will generate adequate revenue for the Minnesota Health Fund;

(3) develop a premium structure for individuals that has an appropriate range based on an individual's ability to pay and includes a cap on the maximum premium any individual pays;

(4) in consultation with the Department of Revenue, develop an efficient means of collecting premiums and the business health tax; and

(5) coordinate with existing, ongoing funding sources from federal and state programs.

(b) On or before January 15, 2011, the board shall submit to the governor and the legislature a report on the premium and business health tax structure established to finance the Minnesota Health Plan.

Subd. 2. **Funds from outside sources.** Institutional providers operating under Minnesota Health Plan operating budgets may raise and expend funds from sources other than the Minnesota Health Plan including private or foundation donors. Contributions to providers in excess of \$500,000 must be reported to the board.

Subd. 3. **Governmental payments.** The executive officer and, if required under federal law, the commissioners of health and human services shall seek all necessary waivers, exemptions, agreements, or legislation so that all current federal payments to the state for health care are paid directly to the Minnesota Health Plan, which shall then assume responsibility for all benefits and services previously paid for by the federal government with those funds. In obtaining the waivers, exemptions, agreements, or legislation, the executive officer and, if required, commissioners shall seek from the federal government a contribution for health care services in Minnesota that reflects: medical inflation, the state gross domestic product, the size and age of the population, the number of residents living below the poverty level, and the number of Medicare and VA eligible individuals, and does not decrease in relation to the federal contribution to other states as a result of the waivers,

exemptions, agreements, or savings from implementation of the Minnesota Health Plan.

Subd. 4. **Federal preemption.** (a) The board shall pursue all reasonable means to secure a repeal or a waiver of any provision of federal law that preempts any provision of this chapter. The commissioners of health and human services shall provide all necessary assistance.

(b) In the event that a repeal or a waiver of law or regulations cannot be secured, the board shall adopt rules, or seek conforming state legislation, consistent with federal law, in an effort to best fulfill the purposes of this chapter.

(c) The Minnesota Health Plan's responsibility for providing care shall be secondary to existing federal government programs for health care services to the extent that funding for these programs is not transferred to the Minnesota Health Fund or that the transfer is delayed beyond the date on which initial benefits are provided under the Minnesota Health Plan.

Subd. 5. **No cost-sharing.** No deductible, co-payment, coinsurance, or other cost-sharing shall be imposed with respect to covered benefits.

Sec. 3. [62V.21] SUBROGATION.

Subdivision 1. **Collateral source.** (a) When other payers for health care have been terminated, health care costs shall be collected from collateral sources whenever medical services provided to an individual are, or may be, covered services under a policy of insurance, or other collateral source available to that individual, or when the individual has a right of action for compensation permitted under law.

(b) As used in this section, collateral source includes:

(1) health insurance policies and the medical components of automobile, homeowners, and other forms of insurance;

(2) medical components of worker's compensation;

(3) pension plans;

(4) employer plans;

(5) employee benefit contracts;

(6) government benefit programs;

(7) a judgment for damages for personal injury; and

(8) any third party who is or may be liable to an individual for health care services or costs.

(c) Collateral source does not include:

(1) a contract or plan that is subject to federal preemption; or

(2) any governmental unit, agency, or service, to the extent that subrogation is prohibited by law. An entity described in paragraph (b) is not excluded from the obligations imposed by this section by virtue of a contract or relationship with a government unit, agency, or service.

(d) The board shall negotiate waivers, seek federal legislation, or make other arrangements to

incorporate collateral sources into the Minnesota Health Plan.

Subd. 2. **Collateral source; negotiation.** When an individual who receives health care services under the Minnesota Health Plan is entitled to coverage, reimbursement, indemnity, or other compensation from a collateral source, the individual shall notify the health care provider and provide information identifying the collateral source, the nature and extent of coverage or entitlement, and other relevant information. The health care provider shall forward this information to the board. The individual entitled to coverage, reimbursement, indemnity, or other compensation from a collateral source shall provide additional information as requested by the board.

Subd. 3. **Reimbursement.** (a) The Minnesota Health Plan shall seek reimbursement from the collateral source for services provided to the individual and may institute appropriate action, including legal proceedings, to recover the reimbursement. Upon demand, the collateral source shall pay to the Minnesota Health Fund the sums it would have paid or expended on behalf of the individual for the health care services provided by the Minnesota Health Plan.

(b) In addition to any other right to recovery provided in this section, the board shall have the same right to recover the reasonable value of benefits from a collateral source as provided to the commissioner of human services under section 256B.37.

(c) If a collateral source is exempt from subrogation or the obligation to reimburse the Minnesota Health Plan, the board may require that an individual who is entitled to medical services from the source first seek those services from that source before seeking those services from the Minnesota Health Plan.

(d) To the extent permitted by federal law, the board shall have the same right of subrogation over contractual retiree health benefits provided by employers as other contracts, allowing the Minnesota Health Plan to recover the cost of services provided to individuals covered by the retiree benefits, unless arrangements are made to transfer the revenues of the benefits directly to the Minnesota Health Plan.

Subd. 4. **Defaults, underpayments, and late payments.** (a) Default, underpayment, or late payment of any tax or other obligation imposed by this chapter shall result in the remedies and penalties provided by law, except as provided in this section.

(b) Eligibility for benefits under section 62V.04 shall not be impaired by any default, underpayment, or late payment of any premium or other obligation imposed by this chapter.

ARTICLE 10

PAYMENTS

Section 1. [62V.05] PROVIDER PAYMENTS.

Subdivision 1. **General provisions.** (a) All health care providers licensed to practice in Minnesota may participate in the Minnesota Health Plan.

(b) A participating health care provider shall comply with all federal laws and regulations governing referral fees and fee splitting including, but not limited to, United States Code, title 42, sections 1320a-7b and 1395nn, whether reimbursed by federal funds or not.

(c) A fee schedule or financial incentive may not adversely affect the care a patient receives or

the care a health provider recommends.

Subd. 2. **Payments to noninstitutional providers.** (a) The Minnesota Health Board shall establish and oversee a uniform fee schedule for noninstitutional providers.

(b) The board shall pay noninstitutional providers based on rates negotiated with providers. Rates may factor in geographic differences to address provider shortages.

(c) The board shall examine the need for and methods of paying providers for care coordination for all patients especially those with chronic illness and complex medical needs.

(d) Providers may request reimbursement of ancillary health care or social services that were previously funded by money now received and disbursed by the Minnesota Health Fund.

(e) Providers who accept any payment from the Minnesota Health Plan for a covered service shall not bill the patient for the covered service.

(f) Providers shall be paid within 30 business days for claims filed following procedures established by the board.

Subd. 3. **Payments to institutional providers.** (a) The board shall establish annual budgets for institutional providers. These budgets shall consist of an operating and a capital budget. An institution's annual budget shall be negotiated to cover its anticipated services for the next year based on past performance and projected changes in prices and service levels.

(b) Providers who accept any payment from the Minnesota Health Plan for a covered service shall not bill the patient for the covered service.

Subd. 4. **Capital management plan.** (a) The board shall periodically develop a capital investment plan that will serve as a guide in determining the annual budgets of institutional providers and in deciding whether to approve applications for approval of capital expenditures by noninstitutional providers.

(b) Providers who propose to make capital purchases in excess of \$500,000 must obtain board approval. The board may alter the threshold expenditure level that triggers the requirement to submit information on capital expenditures. Institutional providers shall propose these expenditures and submit the required information as part of the annual budget they submit to the board. Noninstitutional providers shall submit applications for approval of these expenditures to the board.

ARTICLE 11

GOVERNANCE

Section 1. Minnesota Statutes 2006, section 14.03, subdivision 2, is amended to read:

Subd. 2. **Contested case procedures.** The contested case procedures of the Administrative Procedure Act provided in sections 14.57 to 14.69 do not apply to (a) proceedings under chapter 414, except as specified in that chapter, (b) the commissioner of corrections, (c) the unemployment insurance program and the Social Security disability determination program in the Department of Employment and Economic Development, (d) the commissioner of mediation services, (e) the Workers' Compensation Division in the Department of Labor and Industry, (f) the Workers' Compensation Court of Appeals, ~~or~~ (g) the Board of Pardons, or (h) the Minnesota Health Plan.

Sec. 2. Minnesota Statutes 2009 Supplement, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Group I salary limits.** The salaries for positions in this subdivision may not exceed 95 percent of the salary of the governor:

Commissioner of administration;
Commissioner of agriculture;
Commissioner of education;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of health;
Executive officer of the Minnesota Health Plan;
Executive director, Minnesota Office of Higher Education;
Commissioner, Housing Finance Agency;
Commissioner of human rights;
Commissioner of human services;
Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Director of Office of Strategic and Long-Range Planning;
Commissioner, Pollution Control Agency;
Executive director, Public Employees Retirement Association;
Commissioner of public safety;
Commissioner of revenue;
Executive director, State Retirement System;
Executive director, Teachers Retirement Association;
Commissioner of employment and economic development;
Commissioner of transportation; and
Commissioner of veterans affairs.

Sec. 3. **[62V.06] MINNESOTA HEALTH BOARD.**

Subdivision 1. **Establishment.** The Minnesota Health Board is established to promote the

delivery of high quality, coordinated health care services that enhance health; prevent illness, disease, and disability; slow the progression of chronic diseases; and improve personal health management. The board shall administer the Minnesota Health Plan. The board shall oversee:

- (1) the Office of Health Quality and Planning under section 62V.09; and
- (2) the Minnesota Health Fund under section 62V.19.

Subd. 2. **Board composition.** The board shall consist of 15 members, including a representative selected by each of the five rural regional health planning boards under section 62V.08 and three representatives selected by the metropolitan regional health planning board under section 62V.08. These members shall select the following:

- (1) one consumer member and one employer member appointed by the board members; and
- (2) five providers appointed by the board members that include one primary care physician, one registered nurse, one mental health provider, one dentist, and one facility director.

Subd. 3. **Term and compensation; selection of chair.** Board members shall serve four years. Board members shall set the board's compensation not to exceed the compensation of Public Utilities Commission members. The board shall select the chair from its membership.

Subd. 4. **General duties.** The board shall:

- (1) ensure that all of the requirements of section 62V.01 are met;
- (2) hire an executive officer for the Minnesota Health Plan to administer all aspects of the plan as directed by the board;
- (3) hire a director for the Office of Health Quality and Planning;
- (4) hire a director of the Minnesota Health Fund;
- (5) provide technical assistance to the regional boards established under section 62V.08;
- (6) conduct necessary investigations and inquiries and require the submission of information, documents, and records the board considers necessary to carry out the purposes of this chapter;
- (7) establish a process for the board to receive the concerns, opinions, ideas, and recommendations of the public regarding all aspects of the Minnesota Health Plan and the means of addressing those concerns;
- (8) conduct other activities the board considers necessary to carry out the purposes of this chapter;
- (9) collaborate with the agencies that license health facilities to ensure that facility performance is monitored and that deficient practices are recognized and corrected in a timely manner;
- (10) adopt rules as necessary to carry out the duties assigned under this chapter;
- (11) establish conflict of interest standards prohibiting providers from any financial benefit from their medical decisions outside of board reimbursement;
- (12) establish conflict of interest standards related to pharmaceutical marketing to providers; and

(13) create a program to provide support and retraining for workers dislocated by the creation of the Minnesota Health Plan.

The board shall ensure that workers who may be displaced because of the administrative efficiencies of the Minnesota Health Plan receive financial help and assistance in retraining and job placement. Because there is currently a serious shortage of providers in many health care professions, from medical technologists to registered nurses, and because many potentially displaced health administrative workers already have training in some medical field, the dislocated worker support program should emphasize retraining and placement into health care related positions. As Minnesota residents, all displaced workers shall be covered under the Minnesota Health Plan.

Subd. 5. **Conflict of interest committee.** (a) The board shall establish a conflict of interest committee to develop standards of practice for individuals or entities doing business with the Minnesota Health Plan, including but not limited to, board members, providers, and medical suppliers. The committee shall establish guidelines on the duty to disclose the existence of a financial interest and all material facts related to that financial interest to the committee.

(b) In considering the transaction or arrangement, if the committee determines a conflict of interest exists, the committee shall investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the committee shall determine whether the Minnesota Health Plan can obtain with reasonable efforts a more advantageous transaction or arrangement with a person or entity that would not give rise to a conflict of interest. If this is not reasonably possible under the circumstances, the committee shall make a recommendation to the board on whether the transaction or arrangement is in the best interest to the operation of the Minnesota Health Plan for the benefit of the plan, and whether the transaction is fair and reasonable. The committee shall provide the board with all material information used to make the recommendation. After reviewing all relevant information, the board shall decide whether to approve the transaction or arrangement.

Subd. 6. **Financial duties.** The board shall:

(1) establish and collect premiums and the business health tax according to section 62V.20, subdivision 1;

(2) approve statewide and regional budgets that include budgets for the accounts in section 62V.19;

(3) establish payment rates for providers which may reflect regional differences to address provider shortages;

(4) monitor compliance with all budgets and payment rates and take action to achieve compliance to the extent authorized by law;

(5) pay claims for medical products or services as negotiated, and may issue requests for proposals for a contract to process claims submitted by individual nonprofit providers;

(6) negotiate fees, prices, and budgets;

(7) administer the Minnesota Health Fund created under section 62V.19;

(8) annually determine the appropriate level for the Minnesota Health Plan reserve account and implement policies needed to establish the appropriate reserve;

(9) implement fraud prevention measures necessary to protect the operation of the Minnesota Health Plan; and

(10) work to ensure appropriate cost control by:

(i) instituting aggressive public health measures, early intervention and preventive care, and promotion of personal health improvement;

(ii) making changes in the delivery of health care services and administration that improve efficiency and care quality;

(iii) minimizing administrative costs;

(iv) ensuring that the delivery system does not contain excess capacity; and

(v) negotiating the lowest possible prices for prescription drugs, medical equipment, and medical services.

If the board determines that there will be a revenue shortfall despite the cost control measures mentioned in clause (10), the board shall implement measures to correct the shortfall, including an increase in premiums. The board shall report to the legislature on the causes of the shortfall, reasons for the failure of cost controls, and measures taken to correct the shortfall.

Subd. 7. **Minnesota Health Board management duties.** The board shall:

(1) develop and implement enrollment procedures for providers and persons eligible for the program and disseminate, to providers of services and to the public, information concerning the program and the persons eligible to receive benefits under the program;

(2) implement eligibility standards for the Minnesota Health Plan, including standards to prevent people moving to the state for the purpose of obtaining medical care;

(3) make recommendations, when needed, to the legislature about changes in the geographic boundaries of the health planning regions;

(4) establish an electronic claims and payments system for the Minnesota Health Plan;

(5) monitor the operation of the Minnesota Health Plan through consumer surveys and regular data collection and evaluation activities, including evaluations of the adequacy and quality of services furnished under the program, the need for changes in the benefit package, the cost of each type of service, and the effectiveness of cost control measures under the program;

(6) establish a health care Web site that provides information to the public about the Minnesota Health Plan including access information on providers and facilities, and that informs the public about state and regional health planning board meetings and activities;

(7) collaborate with public health agencies, schools, and community clinics;

(8) ensure that Minnesota Health Plan policies and providers, including public health providers, support all Minnesota residents in achieving and maintaining maximum physical and mental health

functionality; and

(9) annually report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over health care issues on the performance of the Minnesota Health Plan, fiscal condition and need for payment adjustments, any needed changes in geographic boundaries of the health planning regions, recommendations for statutory changes, receipt of revenue from all sources, whether current year goals and priorities are met, future goals and priorities, major new technology or prescription drugs, and other circumstances that may affect the cost of health care.

Subd. 8. **Policy duties.** The board shall:

(1) develop and implement cost control and quality assurance procedures, including a professional peer review system;

(2) ensure strong public health services including education and community prevention and clinical services;

(3) ensure a continuum of coordinated high-quality primary to tertiary care to all Minnesota residents; and

(4) implement policies to ensure that all Minnesotans receive culturally and linguistically competent care.

Sec. 4. [62V.07] HEALTH PLANNING REGIONS.

A metropolitan health planning region consisting of the seven-county metropolitan area is established. By October 1, 2010, the commissioner of health shall designate five rural health planning regions from the greater Minnesota area composed of geographically contiguous counties grouped on the basis of the following considerations:

(1) patterns of utilization of health care services;

(2) health care resources, including workforce resources;

(3) health needs of the population, including public health needs;

(4) geography;

(5) population and demographic characteristics; and

(6) other considerations as appropriate.

The commissioner of health shall designate the health planning regions.

Sec. 5. [62V.08] REGIONAL HEALTH PLANNING BOARD.

Subdivision 1. **Regional planning board composition.** (a) Initially, each regional board shall consist of one county commissioner per county selected by the county board and two county commissioners per county selected by the county board in the seven-county metropolitan area. A county commissioner may designate a representative to act as a member of the board in the member's absence. Each board shall select the chair from among its membership.

(b) Board members shall serve for four-year terms and may receive per diems for meetings as

provided in section 15.059, subdivision 3.

Subd. 2. **Regional health board duties.** Regional health planning boards shall:

- (1) recommend health standards, goals, priorities, and guidelines for the region;
- (2) prepare an operating and capital budget for the region to recommend to the Minnesota Health Board;
- (3) collaborate with local public health care agencies to educate consumers and providers on public health programs, goals, and the means of reaching those goals;
- (4) hire a regional health planning director;
- (5) collaborate with public health care agencies to implement public health and wellness initiatives; and
- (6) ensure that all parts of the region have access to a 24-hour nurse hotline and 24-hour urgent care clinics.

Sec. 6. **[62V.09] OFFICE OF HEALTH QUALITY AND PLANNING.**

Subdivision 1. **Establishment.** The Minnesota Health Board shall establish an Office of Health Quality and Planning to assess the quality, access, and funding adequacy of the Minnesota Health Plan.

Subd. 2. **General duties.** (a) The Office of Health Quality and Planning shall make annual recommendations to the board on the overall direction on subjects including:

- (1) the overall effectiveness of the Minnesota Health Plan in addressing public health and wellness;
- (2) access to care;
- (3) quality improvement;
- (4) efficiency of administration;
- (5) adequacy of budget and funding;
- (6) appropriateness of payments for providers;
- (7) capital expenditure needs;
- (8) long-term care;
- (9) mental health and substance abuse services;
- (10) staffing levels and working conditions in health care facilities;
- (11) identification of number and mix of health care facilities and providers required to best meet the needs of the Minnesota Health Plan;
- (12) care for chronically ill patients;

(13) research needs; and

(14) integration of disease management programs into care delivery.

(b) Analyze shortages in health care workforce required to meet the needs of the population and develop plans to meet those needs in collaboration with regional planners and educational institutions.

(c) Assist in coordination of the Minnesota Health Plan and public health programs.

Subd. 3. **Assessment and evaluation of benefits.** The Office of Health Quality and Planning shall:

(1) consider benefit additions to the Minnesota Health Plan and evaluate them based on evidence of clinical efficacy;

(2) establish a process and criteria by which providers may request authorization to provide services and treatments that are not included in the Minnesota Health Plan benefit set, including experimental treatments;

(3) evaluate proposals to increase the efficiency and effectiveness of the health care delivery system, and make recommendations to the board based on the cost-effectiveness of the proposals; and

(4) identify complementary and alternative modalities that have been shown to be safe and effective.

Sec. 7. **[62V.10] OMBUDSMAN OFFICE FOR PATIENT ADVOCACY.**

Subdivision 1. **Creation of office; generally.** (a) The Ombudsman Office for Patient Advocacy is created to represent the interests of the consumers of health care. The ombudsman shall help residents of the state secure the health care services and benefits they are entitled to under the laws administered by the Minnesota Health Board and advocate on behalf of and represent the interests of enrollees in entities created by this chapter and in other forums.

(b) The ombudsman shall be a patient advocate appointed by the governor, who serves in the unclassified service and may be removed only for just cause. The ombudsman must be selected without regard to political affiliation and must be knowledgeable about and have experience in health care services and administration.

(c) The ombudsman may gather information about decisions, acts, and other matters of the Minnesota Health Board, health care organization, or a health care program. A person may not serve as ombudsman while holding another public office.

(d) The budget for the ombudsman's office shall be determined by the legislature and is independent from the Minnesota Health Board. The ombudsman shall establish offices to provide convenient access to residents.

(e) The Minnesota Health Board has no oversight or authority over the ombudsman for patient advocacy.

Subd. 2. **Ombudsman's duties.** The ombudsman for patient advocacy shall:

- (1) ensure that patient advocacy services are available to all Minnesota residents;
- (2) establish and maintain the grievance process according to section 62V.11;
- (3) receive, evaluate, and respond to consumer complaints about the Minnesota Health Plan;
- (4) establish a process to receive recommendations from the public about ways to improve the Minnesota Health Plan;
- (5) develop educational and informational guides according to communication services under section 15.441, describing consumer rights and responsibilities;
- (6) ensure the guides in clause (5) are widely available to consumers and specifically available in provider offices and health care facilities; and
- (7) prepare an annual report about the consumer perspective on the performance of the Minnesota Health Plan, including recommendations for needed improvements.

Sec. 8. **[62V.11] GRIEVANCE SYSTEM.**

Subdivision 1. **Grievance system established.** The ombudsman for patient advocacy shall establish a grievance system for all complaints. The system shall provide a process that ensures adequate consideration of Minnesota Health Plan enrollee grievances and appropriate remedies.

Subd. 2. **Referral of grievances.** The ombudsman for patient advocacy may refer any grievance that does not pertain to compliance with this chapter to the federal Center for Medicaid or any other appropriate local, state, and federal government entity for investigation and resolution.

Subd. 3. **Submittal by designated agents and providers.** A provider may join with, or otherwise assist, a complainant to submit the grievance to the ombudsman. A provider or an employee of a provider who, in good faith, joins with or assists a complainant in submitting a grievance is subject to the protections and remedies under sections 181.931 to 181.935.

Subd. 4. **Review of documents.** The ombudsman may require additional information from health care providers or the board.

Subd. 5. **Written notice of disposition.** The ombudsman shall send a written notice of the final disposition of the grievance, and the reasons for the decision, to the complainant, to any provider who is assisting the complainant, and to the board, within 30 calendar days of receipt of the request for review unless the ombudsman determines that additional time is reasonably necessary to fully and fairly evaluate the relevant grievance. The ombudsman's order of corrective action shall be binding on the Minnesota Health Plan. A decision of the ombudsman is subject to de novo review by the district court.

Subd. 6. **Data.** Data on enrollees collected because an enrollee submits a complaint to the ombudsman are private data on individuals as defined in section 13.02, subdivision 12, but may be released to a provider who is the subject of the complaint or to the board for purposes of this section.

Sec. 9. **[62V.12] INSPECTOR GENERAL FOR THE MINNESOTA HEALTH PLAN.**

Subdivision 1. **Establishment.** There is within the Office of the Attorney General an inspector

general for the Minnesota Health Plan who is appointed by the attorney general.

Subd. 2. **Duties.** The inspector general shall:

(1) investigate, audit, and review the financial and business records of individuals, public and private agencies and institutions, and private corporations that provide services or products to the Minnesota Health Plan, the costs of which are reimbursed by the Minnesota Health Plan;

(2) investigate allegations of misconduct on the part of an employee or appointee of the Minnesota Health Board and on the part of any provider of health care services that is reimbursed by the Minnesota Health Plan, and report any findings of misconduct to the attorney general;

(3) investigate fraud and abuse;

(4) arrange for the collection and analysis of data needed to investigate the inappropriate utilization of these products and services; and

(5) annually report recommendations for improvements to the Minnesota Health Plan to the board.

ARTICLE 12

IMPLEMENTATION

Section 1. **APPROPRIATION.**

\$...... is appropriated in fiscal year 2011 from the general fund to the Minnesota Health Fund under the Minnesota Health Plan to provide start-up funding for the provisions of this act.

Sec. 2. **EFFECTIVE DATE AND TRANSITION.**

Subdivision 1. **Notice and effective date.** This act is effective the day following final enactment. The commissioner of management and budget shall notify the chairs of the house of representatives and senate committees with jurisdiction over health care when the Minnesota Health Fund has sufficient revenues to fund the costs of implementing this act.

Subd. 2. **Timing to implement.** The Minnesota Health Plan must be operational within two years from the date of final enactment of this act.

Subd. 3. **Prohibition.** On and after the day the Minnesota Health Plan becomes operational, a health plan, as defined in Minnesota Statutes, section 62Q.01, subdivision 3, may not be sold in Minnesota for services provided by the Minnesota Health Plan.

Subd. 4. **Transition.** (a) The commissioners of health and human services shall prepare an analysis of the state's capital expenditure needs for the purpose of assisting the board in adopting the statewide capital budget for the year following implementation. The commissioners shall submit this analysis to the board.

(b) The following timelines shall be implemented:

(1) the commissioner of health shall designate the health planning regions utilizing the criteria specified in Minnesota Statutes, section 62V.07, three months after the date of enactment of this act;

(2) the regional boards shall be established six months after the date of enactment of this act; and

(3) the Minnesota Health Board shall be established nine months after the date of enactment of this act; and

(4) the commissioner of health, or the commissioner's designee, shall convene the first meeting of each of the regional boards and the Minnesota Health Board within 30 days after each of the boards has been established."

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Berglin questioned whether the Hann amendment was in order. The President ruled the amendment was not in order.

Senator Pogemiller moved that S.F. No. 2337 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 2614 be taken from the table. The motion prevailed.

H.F. No. 2614: A bill for an act relating to state government; licensing; state health care programs; continuing care; children and family services; health reform; Department of Health; public health; health plans; assessing administrative penalties; modifying foreign operating corporation taxes; requiring reports; making supplemental and contingent appropriations and reductions for the Departments of Health and Human Services and other health-related boards and councils; amending Minnesota Statutes 2008, sections 62D.08, by adding a subdivision; 62J.07, subdivision 2, by adding a subdivision; 62J.38; 62J.692, subdivision 4; 62Q.19, subdivision 1; 62Q.76, subdivision 1; 62U.05; 119B.025, subdivision 1; 119B.09, subdivision 4; 119B.11, subdivision 1; 144.05, by adding a subdivision; 144.226, subdivision 3; 144.291, subdivision 2; 144.293, subdivision 4, by adding a subdivision; 144.651, subdivision 2; 144.9504, by adding a subdivision; 144A.51, subdivision 5; 144E.37; 214.40, subdivision 7; 245C.27, subdivision 2; 245C.28, subdivision 3; 246B.04, subdivision 2; 254B.01, subdivision 2; 254B.02, subdivisions 1, 5; 254B.03, subdivision 4, by adding a subdivision; 254B.05, subdivision 4; 254B.06, subdivision 2; 254B.09, subdivision 8; 256.01, by adding a subdivision; 256.9657, subdivision 3; 256B.04, subdivision 14; 256B.055, by adding a subdivision; 256B.056, subdivisions 3, 4; 256B.057, subdivision 9; 256B.0625, subdivisions 8, 8a, 8b, 18a, 22, 31, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.0644, as amended; 256B.0754, by adding a subdivision; 256B.0915, subdivision 3b; 256B.19, subdivision 1c; 256B.441, by adding a subdivision; 256B.5012, by adding a subdivision; 256B.69, subdivisions 20, as amended, 27, by adding subdivisions; 256B.692, subdivision 1; 256B.75; 256B.76, subdivisions 2, 4, by adding a subdivision; 256D.03, subdivision 3b; 256D.0515; 256D.425, subdivision 2; 256I.05, by adding a subdivision; 256J.20, subdivision 3; 256J.24, subdivision 10; 256J.37, subdivision 3a; 256J.39, by adding subdivisions; 256L.02, subdivision 3; 256L.03, subdivision 3, by adding a subdivision; 256L.04, subdivision 7; 256L.05, by adding a subdivision; 256L.07, subdivision 1, by adding a subdivision; 256L.12, subdivisions 5, 6, 9; 256L.15, subdivision 1; 290.01, subdivision 5, by adding a subdivision; 290.17, subdivision 4; 326B.43, subdivision 2; 626.556, subdivision 10i; 626.557, subdivision 9d; Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 157.16, subdivision 3; 245A.11, subdivision 7b; 245C.27, subdivision 1; 246B.06, subdivision 6; 252.025, subdivision 7; 252.27, subdivision 2a; 256.045, subdivision 3; 256.969, subdivision 3a;

256B.056, subdivision 3c; 256B.0625, subdivisions 9, 13e; 256B.0653, subdivision 5; 256B.0911, subdivision 1a; 256B.0915, subdivision 3a; 256B.69, subdivisions 5a, 23; 256B.76, subdivision 1; 256B.766; 256D.03, subdivision 3, as amended; 256D.44, subdivision 5; 256J.425, subdivision 3; 256L.03, subdivision 5; 256L.11, subdivision 1; 289A.08, subdivision 3; 290.01, subdivisions 19c, 19d; 327.15, subdivision 3; Laws 2005, First Special Session chapter 4, article 8, section 66, as amended; Laws 2009, chapter 79, article 3, section 18; article 5, sections 17; 18; 22; 75, subdivision 1; 78, subdivision 5; article 8, sections 2; 51; 81; article 13, sections 3, subdivisions 1, as amended, 3, as amended, 4, as amended, 8, as amended; 5, subdivision 8, as amended; Laws 2009, chapter 173, article 1, section 17; Laws 2010, chapter 200, article 1, sections 12, subdivisions 5, 6, 7, 8; 13, subdivision 1b; 16; 21; article 2, section 2, subdivisions 1, 8; proposing coding for new law in Minnesota Statutes, chapters 62A; 62D; 62E; 62J; 62Q; 144; 245; 254B; 256; 256B; proposing coding for new law as Minnesota Statutes, chapter 62V; repealing Minnesota Statutes 2008, sections 254B.02, subdivisions 2, 3, 4; 254B.09, subdivisions 4, 5, 7; 256D.03, subdivisions 3a, 3b, 5, 6, 7, 8; 290.01, subdivision 6b; 290.0921, subdivision 7; Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3; Laws 2009, chapter 79, article 7, section 26, subdivision 3; Laws 2010, chapter 200, article 1, sections 12, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 18; 19.

SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2614 and that the rules of the Senate be so far suspended as to give H.F. No. 2614 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2614 was read the second time.

Senator Berglin moved to amend H.F. No. 2614 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2614, and insert the language after the enacting clause, and the title, of S.F. No. 2337, the second engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 2614 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 42 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Latz	Pogemiller	Skogen
Berglin	Dille	Lourey	Prettner Solon	Sparks
Betzold	Doll	Lynch	Rest	Stumpf
Bonoff	Fobbe	Metzen	Rummel	Tomassoni
Carlson	Foley	Moua	Saltzman	Vickerman
Chaudhary	Higgins	Murphy	Saxhaug	Wiger
Clark	Kelash	Olseen	Sheran	
Cohen	Kubly	Olson, M.	Sieben	
Dahle	Langseth	Pappas	Skoe	

Those who voted in the negative were:

Erickson Ropes	Fischbach	Frederickson	Gerlach	Hann
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Ingebrigtsen
Johnson
Jungbauer

Koch
Koering
Limmer

Marty
Michel
Ortman

Parry
Robling
Rosen

Senjem
Vandevveer

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of House Bills, and Introductions and First Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1060: A bill for an act relating to transportation; modifying management, priorities, research, and planning provisions related to Department of Transportation; requiring reports; amending Minnesota Statutes 2008, sections 161.53; 165.03, by adding a subdivision; 174.02, subdivision 1a; 174.03, subdivision 1a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 167.

There has been appointed as such committee on the part of the House:

Hortman, Hornstein and McFarlane.

Senate File No. 1060 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2010

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2974: A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J.

There has been appointed as such committee on the part of the House:

Huntley, Ruud and Abeler.

Senate File No. 2974 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 5, 2010

Mr. President:

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

S.F. No. 633: A bill for an act relating to human services; encouraging medical assistance primary care providers to perform primary caries prevention services as part of the child and teen checkup program; amending Minnesota Statutes 2008, section 256B.0625, subdivision 14.

Senate File No. 633 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 3, 2010

CONCURRENCE AND REPASSAGE

Senator Sheran moved that the Senate concur in the amendments by the House to S.F. No. 633 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 633 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kubly	Ortman	Sieben
Berglin	Fobbe	Langseth	Pappas	Skoe
Betzold	Foley	Latz	Parry	Skogen
Bonoff	Frederickson	Limmer	Pogemiller	Sparks
Carlson	Gerlach	Lourey	Prettner Solon	Stumpf
Chaudhary	Hann	Lynch	Rest	Tomassoni
Clark	Higgins	Marty	Robling	Vanderveer
Cohen	Ingebrigtsen	Metzen	Rosen	Vickerman
Dahle	Johnson	Michel	Rummel	Wiger
Dibble	Jungbauer	Moua	Saltzman	
Dille	Kelash	Murphy	Saxhaug	
Doll	Koch	Olseen	Senjem	
Erickson Ropes	Koering	Olson, M.	Sheran	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2759: A bill for an act relating to the State Building Code; modifying municipal enforcement provisions; amending Minnesota Statutes 2008, sections 326B.106, subdivision 4; 326B.121, subdivision 2.

Senate File No. 2759 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 3, 2010

CONCURRENCE AND REPASSAGE

Senator Sparks moved that the Senate concur in the amendments by the House to S.F. No. 2759 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2759 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Koch	Olseen	Saxhaug
Berglin	Fischbach	Koering	Olson, M.	Sheran
Betzold	Fobbe	Kubly	Ortman	Sieben
Bonoff	Foley	Langseth	Pappas	Skoe
Carlson	Frederickson	Latz	Parry	Skogen
Chaudhary	Gerlach	Lourey	Pogemiller	Sparks
Clark	Hann	Lynch	Prettner Solon	Stumpf
Cohen	Higgins	Marty	Rest	Tomassoni
Dahle	Ingebrigtsen	Metzen	Robling	Vickerman
Dibble	Johnson	Michel	Rosen	Wiger
Dille	Jungbauer	Moua	Rummel	
Doll	Kelash	Murphy	Saltzman	

Those who voted in the negative were:

Limmer Vandever

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2880: A bill for an act relating to guardians ad litem; establishing the State Guardian Ad Litem Board; appropriating money; amending Minnesota Statutes 2008, sections 257.69, subdivision 2; 260B.331, subdivision 6; 260C.331, subdivisions 3, 6; 518.165, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 480.

Senate File No. 2880 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 3, 2010

CONCURRENCE AND REPASSAGE

Senator Moua moved that the Senate concur in the amendments by the House to S.F. No. 2880 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2880 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Kubly	Olson, M.	Sheran
Bakk	Dille	Langseth	Pappas	Sieben
Berglin	Doll	Latz	Pogemiller	Skoe
Betzold	Erickson Ropes	Lourey	Prettner Solon	Skogen
Bonoff	Fischbach	Lynch	Rest	Sparks
Carlson	Fobbe	Marty	Robling	Stumpf
Chaudhary	Foley	Metzen	Rosen	Tomassoni
Clark	Frederickson	Moua	Rummel	Vickerman
Cohen	Higgins	Murphy	Saltzman	Wiger
Dahle	Kelash	Olseen	Saxhaug	

Those who voted in the negative were:

Gerlach	Johnson	Koering	Ortman	Vandev eer
Hann	Jungbauer	Limmer	Parry	
Ingebrigtsen	Koch	Michel	Senjem	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 3027: A bill for an act relating to human services; changing health care eligibility provisions; making changes to individualized education plan requirements; state health access program; children's health insurance reauthorization act; long-term care partnership; asset transfers; community clinics; dental benefits; prior authorization for health services; drug formulary committee; preferred drug list; multisource drugs; administrative uniformity committee; health plans; claims against the state; income standards for eligibility; prepaid health plans; amending Minnesota Statutes 2008, sections 62A.045; 62Q.80; 62S.24, subdivision 8; 256B.055, subdivision 10; 256B.057, subdivision 1; 256B.0571, subdivision 6; 256B.0625, subdivisions 13c, 13g, 25, 30, by adding a subdivision; 256L.04, subdivision 7b; Minnesota Statutes 2009 Supplement, sections 15C.13; 256B.056, subdivision 1c; 256B.0571, subdivision 8; 256B.0625, subdivisions 9, 13e, 26; 256B.69, subdivisions 5a, 23; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 2008, sections 256B.0571, subdivision 10; 256B.0595, subdivisions 1b, 2b, 3b, 4b, 5.

Senate File No. 3027 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 4, 2010

CONCURRENCE AND REPASSAGE

Senator Berglin moved that the Senate concur in the amendments by the House to S.F. No. 3027 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 3027: A bill for an act relating to human services; changing health care eligibility provisions; making changes to individualized education plan requirements; state health access program; children's health insurance reauthorization act; long-term care partnership; asset transfers; community clinics; dental benefits; prior authorization for health services; drug formulary committee; preferred drug list; multisource drugs; administrative uniformity committee; health plans; claims against the state; income standards for eligibility; prepaid health plans; amending Minnesota Statutes 2008, sections 62A.045; 62Q.80; 62S.24, subdivision 8; 256B.055, subdivision 10; 256B.057, subdivision 1; 256B.0571, subdivision 6; 256B.0625, subdivisions 13c, 13g, 25, 30, by adding a subdivision; 256L.04, subdivision 7b; Minnesota Statutes 2009 Supplement, sections 15C.13; 256B.032; 256B.056, subdivision 1c; 256B.0571, subdivision 8; 256B.0625, subdivisions 9, 13e, 26; 256B.69, subdivisions 5a, 23; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 2008, sections 256B.0571, subdivision 10; 256B.0595, subdivisions 1b, 2b, 3b, 4b, 5.

S.F. No. 3027 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Koch	Murphy	Saltzman
Berglin	Fischbach	Koering	Olseen	Saxhaug
Betzold	Fobbe	Kubly	Olson, M.	Senjem
Bonoff	Foley	Langseth	Ortman	Sheran
Carlson	Frederickson	Latz	Pappas	Sieben
Chaudhary	Gerlach	Limmer	Parry	Skoe
Clark	Hann	Lourey	Pogemiller	Skogen
Cohen	Higgins	Lynch	Prettner Solon	Sparks
Dahle	Ingebrigtsen	Marty	Rest	Stumpf
Dibble	Johnson	Metzen	Robling	Tomassoni
Dille	Jungbauer	Michel	Rosen	Vickerman
Doll	Kelash	Moua	Rummel	Wiger

Those who voted in the negative were:

Vandever

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

REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 3361, 3189, 3398 and 3399. The motion prevailed.

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

S.F. No. 3361: A bill for an act relating to real property transfers; prohibiting private transfer fees; proposing coding for new law in Minnesota Statutes, chapter 513.

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

Page 3, line 9, delete everything after the period

Page 3, delete line 10

Page 3, line 11, delete everything before "It"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 910 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.
				910	214

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 910 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 910, the second engrossment; and insert the language after the enacting clause of S.F. No. 214, the fourth engrossment; further, delete the title of H.F. No. 910, the second engrossment; and insert the title of S.F. No. 214, the fourth engrossment.

And when so amended H.F. No. 910 will be identical to S.F. No. 214, and further recommends that H.F. No. 910 be given its second reading and substituted for S.F. No. 214, 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. 2612 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.
2612	2186				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2612 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2612; and insert the language after the enacting clause of S.F. No. 2186, the first engrossment; further, delete the title of H.F. No. 2612; and insert the title of S.F. No. 2186, the first engrossment.

And when so amended H.F. No. 2612 will be identical to S.F. No. 2186, and further recommends that H.F. No. 2612 be given its second reading and substituted for S.F. No. 2186, 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 Stumpf from the Committee on Education, to which was referred

S.F. No. 3189: A bill for an act relating to education; including open-ended items on statewide high school assessments; amending Minnesota Statutes 2009 Supplement, section 120B.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:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2008, section 11A.16, subdivision 5, is amended to read:

Subd. 5. Calculation of income. As of the end of each fiscal year, the state board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities ~~and~~, dividends on equity securities, and interest earned on certified monthly earnings prior to the transfer to the Department of Education. Gains and losses arising from the sale of securities shall be apportioned as follows:

(a) If the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b) it shall be added to the principal of the fund.

(b) If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered first from the gains in paragraph (a) apportioned to that fiscal year. If these gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

Sec. 2. Minnesota Statutes 2008, section 123B.12, is amended to read:

123B.12 INSUFFICIENT FUNDS TO PAY ORDERS.

(a) In the event that a district or a cooperative unit defined in section 123A.24, subdivision 2, has insufficient funds to pay its usual lawful current obligations, subject to section 471.69, the board may enter into agreements with banks or any person to take its orders. Any order drawn, after having been presented to the treasurer for payment and not paid for want of funds shall be endorsed by the treasurer by putting on the back thereof the words "not paid for want of funds," giving the date of endorsement and signed by the treasurer. A record of such presentment, nonpayment and endorsement shall be made by the treasurer. The treasurer shall serve a written notice upon the payee or the payee's assignee, personally, or by mail, when the treasurer is prepared to pay such orders. The notice may be directed to the payee or the payee's assignee at the address given in writing by such payee or assignee to such treasurer, at any time prior to the service of such notice. No order shall draw any interest if such address is not given when the same is unknown to the treasurer, and no order shall draw any interest after the service of such notice.

(b) A district may enter, subject to section 471.69, into a an unsecured line of credit agreement with a financial institution. The amount of credit available must not exceed 95 percent of average expenditure per month of operating expenditures in the previous fiscal year. Any amount advanced must be repaid no later than 45 days after the day of advancement.

Sec. 3. Minnesota Statutes 2008, section 123B.75, subdivision 5, is amended to read:

Subd. 5. Levy recognition. (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed

to the school district.

(b) For fiscal year 2004 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6.

Sec. 4. Minnesota Statutes 2009 Supplement, section 123B.92, subdivision 1, is amended to read:

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

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

(1) the sum of:

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

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

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

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

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

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident

secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

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

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

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

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

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

(2) Excess transportation is:

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

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

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

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

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

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment

centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

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

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

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

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

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

For purposes of computing special education initial aid under section 125A.76, subdivision 2, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a homeless student from a temporary nonshelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a).

(5) "Nonpublic nonregular transportation" is:

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

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

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

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

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

Sec. 5. Minnesota Statutes 2008, section 125A.79, subdivision 1, is amended to read:

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

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

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

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

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

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

(b) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, ~~plus the total qualifying referendum revenue specified in paragraph (e)~~ minus transportation sparsity revenue minus total operating capital revenue. "General revenue" for a charter school means the sum of the general education revenue according to section 124D.11, subdivision 1, and transportation revenue according to section 124D.11, subdivision 2, excluding alternative teacher compensation revenue, minus referendum equalization aid minus transportation sparsity revenue minus operating capital revenue.

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

(d) "Program growth factor" means 1.02 for fiscal year 2012 and later.

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

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

Sec. 6. Minnesota Statutes 2009 Supplement, section 126C.41, subdivision 2, is amended to read:

Subd. 2. **Retired employee health benefits.** (a) A district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992, and to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable before July 1, 1998, only if a sunset clause is in effect for the current collective bargaining agreement. The total amount of the levy each year may not exceed \$600,000.

(b) In addition to the levy authority granted under paragraph (a), a school district may levy for other postemployment benefits expenses actually paid during the previous fiscal year. For purposes of this subdivision, "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Government Accounting Standards Board. A district seeking levy authority under this subdivision must:

(1) create or have created an actuarial liability to pay postemployment benefits to employees or officers after their termination of service;

(2) have a sunset clause in effect for the current collective bargaining agreement as required by paragraph (a); and

(3) apply for the authority in the form and manner required by the commissioner of education.

If the total levy authority requested under this paragraph exceeds the amount established in paragraph (c), the commissioner must proportionately reduce each district's maximum levy authority under this subdivision. The commissioner may subsequently adjust each district's levy authority under this subdivision so long as the total levy authority does not exceed the maximum levy authority for that year.

(c) The maximum levy authority under paragraph (b) must not exceed the following amounts:

(1) \$9,242,000 for taxes payable in 2010;

(2) \$29,863,000 for taxes payable in 2011; and

(3) for taxes payable in 2012 and later, the maximum levy authority must not exceed the sum of the previous year's authority and \$14,000,000.

Sec. 7. Minnesota Statutes 2008, section 127A.45, is amended by adding a subdivision to read:

Subd. 17. **Payment to creditors.** Except where otherwise specifically authorized, state education aid payments shall be made only to the school district, charter school, or other education organization earning state aid revenues as a result of providing education services.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2008, 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) physical education;

(6) health and physical education, for which locally developed academic standards apply; and

~~(6)~~(7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

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

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

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

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.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all school districts and charter schools beginning in the 2012-2013 school year and later.

Sec. 2. Minnesota Statutes 2009 Supplement, 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 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all school districts and charter schools beginning in the 2012-2013 school year and later.

Sec. 3. Minnesota Statutes 2008, section 120B.15, is amended to read:

120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.

(a) School districts may identify students, locally develop programs addressing instructional and affective needs, provide staff development, and evaluate programs to provide gifted and talented students with challenging and appropriate educational programs.

(b) School districts may adopt guidelines for assessing and identifying students for participation in gifted and talented programs. The guidelines should include the use of:

(1) multiple and objective criteria; and

(2) assessments and procedures that are valid and reliable, fair, and based on current theory and research addressing the use of tools and methods that are sensitive to underrepresented groups, including, but not limited to, low income, minority, twice-exceptional, and English language learners.

(c) School districts and charter schools must adopt procedures for the academic acceleration of gifted and talented students. These procedures must include how the district will:

(1) assess a student's readiness and motivation for acceleration; and

(2) match the level, complexity, and pace of the curriculum to a student to achieve the best type of academic acceleration for that student.

Sec. 4. Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 1, is amended to read:

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, include multiple choice questions, and be administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Schools that the commissioner identifies for stand-alone field testing or other national sampling must participate as directed. Superintendents or charter school directors may appeal in writing to the commissioner for an exemption from a field test based on undue hardship. The commissioner's decision regarding the appeal is final. For students enrolled in grade 8 before the 2005-2006 school year, 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 based on the first uniform test administered in February 1998. Students who have not successfully passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass the graduation-required assessments for diploma under paragraph (b).

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year;

and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) 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.

(d) Students enrolled in grade 8 in any school year from the 2005-2006 school year to the 2009-2010 school year who do not pass the mathematics graduation-required assessment for diploma under paragraph (b) are eligible to receive a high school diploma ~~with a passing state~~

notation if they:

(1) complete with a passing score or grade all state and local coursework and credits required for graduation by the school board granting the students their diploma;

(2) participate in district-prescribed academic remediation in mathematics; and

(3) fully participate in at least two retests of the mathematics GRAD test or until they pass the mathematics GRAD test, whichever comes first. A school, district, or charter school must place on the high school transcript a student's highest current pass status for each subject that has a required graduation assessment score for each of the following assessments on the student's high school transcript: the mathematics Minnesota Comprehensive Assessment, reading Minnesota Comprehensive Assessment, and writing Graduation Required Assessment for Diploma, and when applicable, the mathematics Graduation Required Assessment for Diploma and reading Graduation Required Assessment for Diploma.

In addition, the school board granting the students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

(e) The 3rd through 8th grade and high school 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 high school test results upon receiving those results.

(f) The 3rd through 8th grade and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(g) 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 or alternate assessments;

(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.

(h) Any 12th grade student who does not achieve a passing score on an assessment required by this section must receive up to four weeks of remediation before the next testing opportunity. The student may participate in any reading retest administration beginning in November of the student's senior year, provided a valid form is available.

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

Sec. 5. Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** The commissioner shall report test data results 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 test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. 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.

Sec. 6. Minnesota Statutes 2009 Supplement, section 120B.30, subdivision 4, is amended to read:

Subd. 4. **Access to tests.** Consistent with section 13.34, 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 which would not compromise the objectivity or fairness of the testing or examination process. 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 for their review.

Sec. 7. Minnesota Statutes 2009 Supplement, section 120B.31, subdivision 4, is amended to read:

Subd. 4. ~~Statistical adjustments; Student performance data.~~ In developing 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, 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.

Sec. 8. Minnesota Statutes 2008, section 120B.365, is amended by adding a subdivision to read:

Subd. 1a. **Reporting.** (a) The commissioner shall expand the membership of the Assessment Advisory Committee established under this section to include assessment experts, practitioners, and other appropriate stakeholders. This committee shall report annually by January 15 to the commissioner and to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education on the implementation of the requirements of this subdivision.

(b) The Assessment Advisory Committee, in the context of the high school assessments, may

develop recommendations on integrating universal design principles to improve access to learning and assessments for all students, more accurately understand what students know and can do, provide Minnesota with more cost-effective assessments, and provide educators with more valid inferences about students' achievement levels.

Sec. 9. [121A.215] LOCAL SCHOOL DISTRICT WELLNESS POLICIES; WEB SITE.

When available, a school district must post its current local school wellness policy on its Web site.

EFFECTIVE DATE. This section is effective August 1, 2010.

Sec. 10. Minnesota Statutes 2008, section 122A.16, is amended to read:

122A.16 HIGHLY QUALIFIED TEACHER DEFINED.

(a) A qualified teacher is one holding a valid license, under this chapter, to perform the particular service for which the teacher is employed in a public school.

(b) For the purposes of the federal No Child Left Behind Act, a highly qualified teacher is one who holds a valid license under this chapter to perform the particular service for which the teacher is employed in a public school or who meets the requirements of a highly objective uniform state standard of evaluation (HOUSSE).

All Minnesota teachers teaching in a core academic subject area, as defined by the federal No Child Left Behind Act, in which they are not fully licensed may complete the following HOUSSE process in the core subject area for which the teacher is requesting highly qualified status by completing an application, in the form and manner described by the commissioner, that includes:

(1) documentation of student achievement as evidenced by norm-referenced test results that are objective and psychometrically valid and reliable;

(2) evidence of local, state, or national activities, recognition, or awards for professional contribution to achievement;

(3) description of teaching experience in the teachers' core subject area in a public school under a waiver, variance, limited license or other exception; nonpublic school; and postsecondary institution;

(4) test results from the ~~Praxis II~~ subject area content test;

(5) evidence of advanced certification from the National Board for Professional Teaching Standards;

(6) evidence of the successful completion of course work or pedagogy courses; and

(7) evidence of the successful completion of high quality professional development activities.

Districts must assign a school administrator to serve as a HOUSSE reviewer to meet with teachers under this paragraph and, where appropriate, certify the teachers' applications. Teachers satisfy the definition of highly qualified when the teachers receive at least 100 of the total number of points used to measure the teachers' content expertise under clauses (1) to (7). Teachers may acquire up to 50 points only in any one clause (1) to (7). Teachers may use the HOUSSE process

to satisfy the definition of highly qualified for more than one subject area.

(c) Achievement of the HOUSSE criteria is not equivalent to a license. A teacher must obtain permission from the Board of Teaching in order to teach in a public school.

Sec. 11. Minnesota Statutes 2008, section 124D.091, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** A district that offers a concurrent enrollment course according to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011, districts only are eligible for aid if the college or university concurrent enrollment courses offered by the district: (1) are accredited by the National Alliance of Concurrent Enrollment Partnership, or are in the process of being accredited, or; (2) are shown by clear evidence to be of comparable standard to accredited courses; or (3) are technical courses within a recognized career and technical education program of study approved by the commissioner of education and the chancellor of the Minnesota State Colleges and Universities.

Sec. 12. Minnesota Statutes 2008, section 124D.091, subdivision 3, is amended to read:

Subd. 3. **Aid.** An eligible district shall receive up to \$150 per pupil enrolled in a an eligible concurrent enrollment course. The money must be used to defray the cost of delivering the course at the high school. The commissioner shall establish application procedures, eligibility criteria to receive funding, and deadlines for receipt of aid payments.

Sec. 13. Minnesota Statutes 2009 Supplement, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (c) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

"Affidavit" means the form an authorizer submits to the commissioner that is a precondition to a charter school organizing an affiliated nonprofit building corporation under subdivision 17a.

(b) The following organizations may authorize one or more charter schools:

(1) a school board; intermediate school district school board; education district organized under sections 123A.15 to 123A.19;

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution, without an approved affidavit by the commissioner prior to July 1, 2009, and any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution, and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;

(ii) is registered with the attorney general's office;

(iii) reports an end-of-year fund balance of at least \$2,000,000; and

(iv) is incorporated in the state of Minnesota;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota; or

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years.

(5) no more than three single-purpose sponsors that are charitable, nonsectarian organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible organizations interested in being approved as a sponsor under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall consider and approve applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

(c) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 60 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the deficiencies and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

(1) capacity and infrastructure;

(2) application criteria and process;

(3) contracting process;

- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

(d) The affidavit application for approval to be submitted to and evaluated by the commissioner must include at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as a sponsor, including the personnel who will perform the sponsoring duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
- (3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters, which will include at least the following:
 - (i) how the statutory purposes defined in subdivision 1 are addressed;
 - (ii) the mission, goals, program model, and student performance expectations;
 - (iii) an evaluation plan for the school that includes criteria for evaluating educational, organizational, and fiscal plans;
 - (iv) the school's governance plan;
 - (v) the financial management plan; and
 - (vi) the administration and operations plan;
- (4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6 and defines the rights and responsibilities of the charter school for governing its educational program, controlling its funds, and making school management decisions;
- (5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;
- (6) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and
- (7) an assurance specifying that the organization is committed to serving as a sponsor for the full five-year term.

A disapproved applicant under this paragraph may resubmit an application during a future application period.

- (e) The authorizer must participate in department-approved training.

(f) An authorizer that chartered a school before August 1, 2009, must apply by June 30, 2011, to the commissioner for approval, under paragraph (c), to continue as an authorizer under this section. For purposes of this paragraph, an authorizer that fails to submit a timely application is ineligible to charter a school.

(g) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer. If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action.

(h) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph (c) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors; or

(3) unsatisfactory performance as an approved authorizer.

Sec. 14. Minnesota Statutes 2009 Supplement, section 124D.10, subdivision 4, is amended to read:

Subd. 4. Formation of school. (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph (b). 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, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

(b) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

(c) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

(d) 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 members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f). A charter school board of directors must be composed of at least five members who are not related parties. Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election. Board of director meetings must comply with chapter 13D.

(e) Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority; financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must post on its official Web site information identifying its authorizer and indicate how to contact that authorizer and include that same information about its authorizer in other school materials that it makes available to the public.

(f) Every charter school board member shall attend department-approved training on board governance, the board's role and responsibilities, employment policies and practices, and financial management. A board member who does not begin the required training within six months of being seated and complete the required training within 12 months of being seated on the board is ineligible to continue to serve as a board member.

(g) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during a time when school is in session. The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed and serving as a teacher at the school or a licensed teacher providing instruction under a ~~contract~~ contract between the charter school and a cooperative; (ii) the parent or legal guardian of a student enrolled in the charter school who is not employed by the charter school; and (iii) an interested community member who is not employed by the charter school and does not have a child enrolled in the school. The board may be a teacher majority board composed of teachers described in this paragraph. The chief financial officer and the chief administrator ~~are~~ may only serve as ex-officio nonvoting board members and shall not serve as a voting member of the board. Charter school employees or contractors shall not serve on the board unless the employee is a licensed teacher for purposes of item (i) or clause (1). Board bylaws shall outline the process and procedures for changing the board's governance model, consistent with chapter 317A. A board may change its governance model only:

(1) by a majority vote of the board of directors and the licensed teachers employed by the

school, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance must conform with the board structure established under this paragraph.

(h) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

(i) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer. Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(j) An authorizer may permit the board of directors 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 authorizer's original affidavit as approved by the commissioner only after submitting a supplemental affidavit for approval to the commissioner in a form and manner prescribed by the commissioner. The supplemental affidavit must show that:

(1) the expansion proposed by the charter school is supported by need and projected enrollment;

(2) the charter school expansion is warranted, at a minimum, by longitudinal data demonstrating students' improved academic performance and growth on statewide assessments under chapter 120B;

(3) the charter school is fiscally sound and has the financial capacity to implement the proposed expansion; and

(4) the authorizer finds that the charter school has the management capacity to carry out its expansion.

(k) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in the supplemental affidavit and the authorizer then has 30 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 15. Minnesota Statutes 2009 Supplement, 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 and its authorizer 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 an audit report 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. The entity that provides professional services to the charter school must provide information about the school's financial audit to the commissioner upon request.

Sec. 16. Minnesota Statutes 2009 Supplement, section 124D.10, subdivision 8, is amended to read:

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

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) 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.

(d) 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. A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

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

(f) 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.

(g) A charter school may not charge tuition.

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

(i) 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.

(j) 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; 471.38; 471.391; 471.392; and 471.425. 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 and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer 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.

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

(l) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

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

(n) A charter school offering online courses or programs must comply with section 124D.095.

(o) A charter school and charter school board of directors are subject to chapter 181.

(p) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(q) A charter school offering gifted and talented programs must comply with section 120B.15.

Sec. 17. Minnesota Statutes 2009 Supplement, 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 an authorizer must be for the term contained in the contract according to subdivision 6. The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer 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 authorizer 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 authorizer within 15 business 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 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

(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.

(c) If the sponsor and the charter school board of directors mutually agree to terminate or not

renew the contract, a change in sponsors is allowed if the commissioner approves the transfer to a different eligible authorizer to authorize the charter school. Both parties must jointly submit their intent in writing to the commissioner to mutually 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 operational status and student performance of the school. Before the commissioner determines whether to approve a transfer of authorizer, the commissioner first must determine whether the charter school and prospective new authorizer can identify and effectively resolve those circumstances causing the previous authorizer and the charter school to mutually agree to terminate the contract. If no transfer of 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 authorizer, and after providing an opportunity for a public hearing under chapter 14, may terminate the existing contract between the authorizer and the charter school board if the charter school has a history of:

(1) failure to meet pupil performance requirements ~~contained in the contract~~ consistent with state law;

(2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or

(3) ~~repeated or major~~ violations of the law.

(e) If the commissioner terminates a charter school contract under subdivision 3, paragraph (g), the commissioner shall provide the charter school with information about other eligible authorizers.

Sec. 18. Minnesota Statutes 2008, section 127A.42, subdivision 2, is amended to read:

Subd. 2. **Violations of law.** The commissioner may reduce or withhold the district's state aid for any school year whenever the board of the district authorizes or permits violations of law within the district by:

(1) employing a teacher who does not hold a valid teaching license or permit in a public school;

(2) noncompliance with a mandatory rule of general application promulgated by the commissioner in accordance with statute, unless special circumstances make enforcement inequitable, impose an extraordinary hardship on the district, or the rule is contrary to the district's best interests;

(3) the district's continued performance of a contract made for the rental of rooms or buildings for school purposes or for the rental of any facility owned or operated by or under the direction of any private organization, if the contract has been disapproved, the time for review of the determination of disapproval has expired, and no proceeding for review is pending;

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota;

(5) failure to reasonably provide for a resident pupil's school attendance under Minnesota Statutes;

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed,

religion, national origin, sex, age, marital status, status with regard to public assistance or disability, as defined in sections 363A.08 to 363A.19 and 363A.28, subdivision 10; or

(7) using funds contrary to the statutory purpose of the funds.

The reduction or withholding must be made in the amount and upon the procedure provided in this section, or, in the case of the violation stated in clause (1), upon the procedure provided in section 127A.43.

Sec. 19. Minnesota Statutes 2008, section 127A.43, is amended to read:

127A.43 DISTRICT EMPLOYMENT OF UNLICENSED TEACHERS; AID REDUCTION.

When a district employs one or more teachers who do not hold a valid teaching license, state aid shall be ~~withheld~~ reduced in the proportion that the number of such teachers is to the total number of teachers employed by the district, multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for the year in which the employment occurred.

Sec. 20. **DEPARTMENT OF EDUCATION.**

Subdivision 1. **Recess guidelines.** The department is encouraged to develop guidelines that school districts can adopt that promote quality recess practices and behaviors that engage all students, increase their activity levels, build social skills, and decrease behavioral issues.

Subd. 2. **Common course catalogue.** The department is encouraged to include all physical education classes, district physical education standards, and local physical education graduation requirements that districts offer as part of the Minnesota common course catalogue.

Subd. 3. **Standards adoption.** Notwithstanding Minnesota Statutes, sections 120B.021, subdivision 2, and 120B.023, any statutory criteria required when reviewing or revising standards and benchmarks and any requirements governing the content of statewide standards or any other law to the contrary, the commissioner of education shall initially adopt the most recent standards developed by the National Association for Sport and Physical Education for physical education in grades kindergarten through 12.

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

Sec. 21. **EXEMPT RULEMAKING AUTHORITY.**

The Department of Education shall amend Minnesota Rules, part 3501.1120, to conform to Minnesota Statutes, section 120B.30, subdivision 1, paragraph (h), under the good cause exemption of Minnesota Statutes, section 14.388, subdivision 1, clause (3).

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

Sec. 22. **HEALTHY KIDS AWARDS PROGRAM.**

Subdivision 1. **Establishment.** The healthy kids awards program is established to reward kindergarten through grade 12 schools that implement policies and practices that create opportunities for students to be physically active and make healthy food choices throughout the day. The program seeks to integrate physical activity into nonphysical education classes, recess,

and extracurricular activities throughout the day in addition to the physical education received in physical education classes. The program also seeks to integrate nutrition education and healthy food and beverage choices throughout the school environment, including classrooms, cafeteria, vending, school stores, and fund-raising. The program requirements align with the Institute of Medicine's guidelines for school food and beverages.

Subd. 2. **Participation by school districts.** School districts may submit letters of intent to participate in the healthy kids awards program to the commissioner of education by September 15 of each school year. Schools that report to the commissioner of education and meet the program criteria developed by the commissioner will have a "Healthy Kids Award" indicator placed on the school report card.

EFFECTIVE DATE. This section is effective the day following final enactment and applies beginning in the 2010-2011 school year and later.

Sec. 23. **PERSISTENTLY LOWEST-ACHIEVING SCHOOL DESIGNATION; FEDERAL SCHOOL IMPROVEMENT GRANTS.**

Upon request of a traditional public or charter school, the commissioner shall seek an exception from the United States Department of Education, to the extent it is permitted under the school improvement grant requirements, from the designation as a persistently lowest-achieving school if the school has shown student growth in proficiency from 2007 through 2010 of over 50 percent in the high-growth category under the Minnesota growth model under Minnesota Statutes, section 120B.299. A traditional public or charter school may only request this exemption if it is identified as a persistently lowest-achieving school under the graduation rate definition or if the school has an approved program under Minnesota Statutes, section 124D.68.

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

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2008, section 124D.61, is amended to read:

124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.

A district that enrolls one or more children of limited English proficiency must implement an educational program that includes at a minimum the following requirements:

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

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

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with children of limited English proficiency which are: (i) coordinated with the

district's professional development activities; (ii) related to the needs of children of limited English proficiency; and (iii) ongoing;

(4) to the extent possible, avoid isolating children of limited English proficiency ~~for a substantial part of the school day~~ and using the pull-out approach; and

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

Sec. 2. Minnesota Statutes 2008, section 124D.63, is amended to read:

124D.63 TECHNICAL ASSISTANCE.

The commissioner shall provide technical assistance to districts receiving aid pursuant to section 124D.65 and to postsecondary institutions for preservice and in-service training for bilingual education teachers and English as a second language teachers employed in educational programs for limited English proficient students, teaching methods, curriculum development, testing and testing mechanisms, and the development of instructional materials that systematically strengthens English language development and mastery of core content for these educational programs. The Department of Education shall consider joining the World Class Instructional Design and Assessment consortium.

Sec. 3. Minnesota Statutes 2009 Supplement, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** "Child with a disability" means a child identified under federal and state special education law ~~as having a hearing impairment, blindness, visual disability, who is deaf or hard-of-hearing, blind or visually impaired, deafblind, or has speech or language impairment, physical disability impairments, physical impairments, other health impairment, mental disabilities, a developmental cognitive disability, emotional/behavioral disorder, an emotional or behavioral disorder, a specific learning disability, autism spectrum disorders, traumatic brain injury, multiple disabilities, or deafblind disability or severe multiple impairments, and who needs special education and related services, as determined by the rules of the commissioner, is a child with a disability.~~ A licensed physician, an advanced practice nurse, 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.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 4. Minnesota Statutes 2008, section 125A.03, is amended to read:

125A.03 SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.

(a) ~~As defined~~ Except as provided in paragraph (b), every district must provide or make available special instruction education and related services, either within the district or in another district, for all children every child with a disability, including providing required services under Code of Federal Regulations, title 34, section 300.121, paragraph (d), to those children suspended or expelled from school for more than ten school days in that school year, who are residents is a resident of the

~~district and who are disabled as set forth in section 125A.02 from birth until that child becomes 21 years old or receives a regular high school diploma, whichever comes first. For purposes of state and federal special education laws, The phrase "special instruction education and related services" in the state Education Code means a free and appropriate public education provided to an eligible child with disabilities and includes special education and related services defined in the Individuals with Disabilities Education Act, subpart A, section 300.24 a disability.~~

~~(b) Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until July 1 after the child with a disability becomes 21 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 124D.68, subdivision 2. If a child with a disability becomes 21 years old during the school year, the district shall continue to make available special education and related services until the last day of the school year, or until the day the child receives a regular high school diploma, whichever comes first.~~

~~(c) For purposes of this section and section 121A.41, subdivision 7, paragraph (a), clause (2), "school year" means the days of student instruction designated by the school board as the regular school year in the annual calendar adopted under section 120A.41.~~

~~(d) A district shall identify, locate, and evaluate children with a disability in the district who are in need of special education and related services. Local health, education, and social service agencies must refer children under age five who are known to need or suspected of needing special instruction education and related services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the commissioner must cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This section does not alter the compulsory attendance requirements of section 120A.22.~~

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 5. [125A.031] RESOLVING DISPUTES AMONG DISTRICTS.

If districts dispute which is the responsible district for providing or making available special education and related services to a child with a disability who is not currently enrolled in a district because the child's district of residence is disputed, the district in which that child first tries to enroll shall provide or make available special education and related services to the child until the commissioner is notified and expeditiously resolves the dispute. For purposes of this section, "district" means a school district or a charter school.

Sec. 6. Minnesota Statutes 2008, section 125A.21, subdivision 2, is amended to read:

Subd. 2. **Third party reimbursement.** (a) Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

(b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health coverage, a district shall provide an initial written notice to the enrolled child's parent or legal representative of its intent to seek reimbursement from medical

assistance or MinnesotaCare for the individual education plan health-related services provided by the district. The notice shall include:

(1) the right of the parent or legal representative to request a copy of all records concerning individual education plan health-related services disclosed by the district to any third party;

(2) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence, including consent that was initially given as part of the application process for MinnesotaCare or medical assistance under section 256B.08, subdivision 1; and

(3) a decision to revoke consent for schools to share information from education records does not impact a parent's eligibility for MinnesotaCare or medical assistance.

(c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for individual education plan health-related services provided by the district;

(2) the right of the parent or legal representative to request a copy of all records concerning individual education plan health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence, including consent that was initially given as part of the application process for MinnesotaCare or medical assistance under section 256B.08, subdivision 1.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504.

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:

(1) obtain annual written informed consent from the parent or legal representative, in compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state Medicaid agency to access their private health care coverage does not relieve the district of its responsibility to provide all services necessary to provide free and appropriate public education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered individual education plan health-related services from the requirement that private health care coverage refuse payment before medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students with a combination of private health care coverage and health care coverage through medical assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any state agency establishes lifetime limits, limits for any health care services, cost-sharing provisions, or otherwise provides that individual education plan health-related services impact benefits for persons enrolled in medical assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are repealed on the effective date of any federal or state law or regulation that imposes the limits. In that event, districts must obtain informed consent consistent with this subdivision as it

existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement for children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health care coverage.

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

Sec. 7. Minnesota Statutes 2008, section 125A.21, subdivision 3, is amended to read:

Subd. 3. **Use of reimbursements.** Of the reimbursements received, districts may:

(1) retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;

(2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to ~~determine which services are reimbursable and to seek timely reimbursement in a cost-effective manner~~ access third-party payments for individualized education program health-related services; or

(3) reallocate reimbursements for the benefit of students with ~~special needs~~ individualized education programs or individual family service plans in the district.

Sec. 8. Minnesota Statutes 2008, section 125A.21, subdivision 5, is amended to read:

Subd. 5. **Informed consent.** When obtaining informed consent, consistent with sections 13.05, subdivision 4, paragraph (d); ~~and 256B.77, subdivision 2, paragraph (p),~~ and Code of Federal Regulations, title 34, parts 99 and 300, to bill health plans for covered services, the school district must notify the legal representative (1) that the cost of the person's private health insurance premium may increase due to providing the covered service in the school setting, (2) that the school district may pay certain enrollee health plan costs, including but not limited to, co-payments, coinsurance, deductibles, premium increases or other enrollee cost-sharing amounts for health and related services required by an individual service plan, or individual family service plan, and (3) that the school's billing for each type of covered service may affect service limits and prior authorization thresholds. The informed consent may be revoked in writing at any time by the person authorizing the billing of the health plan.

Sec. 9. Minnesota Statutes 2008, section 125A.21, subdivision 7, is amended to read:

Subd. 7. **District disclosure of information.** A school district may disclose information contained in a student's individual education plan, consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, part 99; including records of the student's diagnosis and treatment, to a health plan company only with the signed and dated consent of the student's parent, or other legally authorized individual. The school district shall disclose only that information necessary for the health plan company to decide matters of coverage and payment. A health plan company may use the information only for making decisions regarding coverage and payment, and for any other use permitted by law.

Sec. 10. Minnesota Statutes 2009 Supplement, section 125A.63, subdivision 2, is amended to read:

Subd. 2. **Programs.** The Department of Education, through the resource centers must offer summer institutes or other training programs and other educational strategies throughout the state

for deaf or hard-of-hearing, blind or visually impaired, and multiply disabled pupils. The resource centers must also offer workshops for teachers, and leadership development for teachers.

A program offered through the resource centers must promote and develop education programs offered by school districts or other organizations. The program must assist school districts or other organizations to develop innovative programs.

Sec. 11. Minnesota Statutes 2009 Supplement, section 125A.63, subdivision 4, is amended to read:

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

(b) The advisory committee for the Resource Center for the Deaf and Hard of Hearing shall meet periodically at least four times per year and submit an annual report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and Hard of Hearing Minnesotans. The report must, at least:

(1) identify and report the aggregate, data-based education outcomes for children with the primary disability classification of deaf and hard of hearing, consistent with the commissioner's child count reporting practices, the commissioner's state and local outcome data reporting system by district and region, ~~and~~ the school performance report cards under section 120B.36, subdivision 1, and relevant IDEA Parts B and C mandated reporting data; ~~and~~

(2) describe the implementation of a data-based plan for improving the education outcomes of deaf and hard of hearing children that is premised on evidence-based best practices, and provide a cost estimate for ongoing implementation of the plan; and

(3) include the recommendations for improving the developmental outcomes of children birth to age 3 and the data underlying those recommendations that the coordinator identifies under subdivision 5.

Sec. 12. Minnesota Statutes 2009 Supplement, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, the director of the Department of Education Resource Center for Deaf and Hard-of-Hearing, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school

districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf and Hard-of-Hearing Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education and health, the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, and the advisory council of the Minnesota Department of Education Resource Center for the Deaf and Hard-of-Hearing.

(b) The Department of Education must provide aggregate data regarding outcomes of ~~deaf and hard-of-hearing~~ children with hearing loss who receive early intervention services within the state in accordance with the state performance plan.

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

Sec. 13. Laws 2009, chapter 79, article 5, section 60, is amended to read:

Sec. 60. Minnesota Statutes 2008, section 256L.05, is amended by adding a subdivision to read:

Subd. 1c. **Open enrollment and streamlined application and enrollment process.** (a) The commissioner and local agencies working in partnership must develop a streamlined and efficient application and enrollment process for medical assistance and MinnesotaCare enrollees that meets the criteria specified in this subdivision.

(b) The commissioners of human services and education shall provide recommendations to the legislature by January 15, 2010, on the creation of an open enrollment process for medical assistance and MinnesotaCare that is coordinated with the public education system. The recommendations must:

(1) be developed in consultation with medical assistance and MinnesotaCare enrollees and representatives from organizations that advocate on behalf of children and families, low-income persons and minority populations, counties, school administrators and nurses, health plans, and health care providers;

(2) be based on enrollment and renewal procedures best practices, including express lane eligibility as required under subdivision 1d;

(3) simplify the enrollment and renewal processes wherever possible; and

(4) establish a process:

(i) to disseminate information on medical assistance and MinnesotaCare to all children in the public education system, including prekindergarten programs; and

(ii) for the commissioner of human services to enroll children and other household members who are eligible.

The commissioner of human services in coordination with the commissioner of education shall implement an open enrollment process by August 1, 2010, to be effective beginning with the 2010-2011 school year.

(c) The commissioner and local agencies shall develop an online application process for medical assistance and MinnesotaCare.

(d) The commissioner shall develop an application that is easily understandable and does not exceed four pages in length.

(e) The commissioner of human services shall present to the legislature, by January 15, 2010, an implementation plan for the open enrollment period and online application process.

(f) To ensure parity between all providers of medical services in the ability to seek reimbursement from MinnesotaCare or medical assistance, the commissioner of human services, in consultation with the commissioner of education, shall include on new or revised enrollment forms consent authorization language for all providers of medical services to the parent's child or children, including schools, by incorporating language on the enrollment form that is consistent with federal data practices laws requiring consent before a school may release information from individual educational records. The consent language shall include a statement that the medical services providers may share with the commissioner of human services medical or other information in the possession of the provider that is necessary for the provider to be reimbursed by MinnesotaCare or medical assistance. The consent language also shall state that information may be shared from a child's individual educational records and that the parent may revoke the consent for schools to share information from educational records at any time. The commissioner shall include substantially similar consent authorization language on each of its other enrollment forms as they are scheduled for review, revision, or replacement.

Sec. 14. **THIRD-PARTY BILLING.**

To allow the cost-effective billing of medical assistance for covered services that are not reimbursed by other legally liable third parties, the commissioner of human services must:

(1) summarize and document the prior efforts of school districts to secure reimbursement from legally liable third parties; and

(2) request permission from the Centers for Medicare and Medicaid Services to allow school districts to bill Medicaid alone, without first billing private payers, when:

(i) a child has both public and private coverage; and

(ii) documentation demonstrates that the private payer involved does not reimburse for

individual education plan health-related services.

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

Sec. 15. REVISOR'S INSTRUCTION.

The revisor of statutes shall substitute the term "individualized education program" or similar terms for "individual education plan" or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules referring to the requirements relating to the federal Individuals with Disabilities Education Act. The revisor shall also make grammatical changes related to the changes in terms.

Sec. 16. REPEALER.

Minnesota Statutes 2008, section 125A.54, is repealed.

ARTICLE 4

FACILITIES, TECHNOLOGY, AND ACCOUNTING

Section 1. Minnesota Statutes 2009 Supplement, section 123B.71, subdivision 9, is amended to read:

Subd. 9. **Information required.** A school board proposing to construct a facility described in subdivision 8 shall submit to the commissioner a proposal containing information including at least the following:

(1) the geographic area and population to be served, preschool through grade 12 student enrollments for the past five years, and student enrollment projections for the next five years;

(2) a list of existing facilities by year constructed, their uses, and an assessment of the extent to which alternate facilities are available within the school district boundaries and in adjacent school districts;

(3) a list of the specific deficiencies of the facility that demonstrate the need for a new or renovated facility to be provided, and a list of the specific benefits that the new or renovated facility will provide to the students, teachers, and community users served by the facility;

(4) the relationship of the project to any priorities established by the school district, educational cooperatives that provide support services, or other public bodies in the service area;

(5) a description of the pedestrian, bicycle, and transit connections between the school and nearby residential areas that make it easier for children, teachers, and parents to get to the school by walking, bicycling, and taking transit;

(6) a specification of how the project maximizes the opportunity for cooperative use of existing park, recreation, and other public facilities and whether and how the project will increase collaboration with other governmental or nonprofit entities;

(7) a description of the project, including the specification of site and outdoor space acreage and square footage allocations for classrooms, laboratories, and support spaces; estimated expenditures for the major portions of the project; and the dates the project will begin and be completed;

(8) a specification of the source of financing the project; the scheduled date for a bond issue or school board action; a schedule of payments, including debt service equalization aid; and the effect of a bond issue on local property taxes by the property class and valuation;

(9) an analysis of how the proposed new or remodeled facility will affect school district operational or administrative staffing costs, and how the district's operating budget will cover any increased operational or administrative staffing costs;

(10) a description of the consultation with local or state transportation officials on multimodal school site access and safety issues, and the ways that the project will address those issues;

(11) a description of how indoor air quality issues have been considered and a certification that the architects and engineers designing the facility will have professional liability insurance;

(12) as required under section 123B.72, for buildings coming into service after July 1, 2002, a certification that the plans and designs for the extensively renovated or new facility's heating, ventilation, and air conditioning systems will meet or exceed code standards; will provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;

(13) a specification of any desegregation requirements that cannot be met by any other reasonable means;

(14) a specification of how the facility will utilize environmentally sustainable school facility design concepts;

(15) a description of how the architects and engineers have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools of the maximum background noise level and reverberation times; ~~and~~

(16) any existing information from the relevant local unit of government about the cumulative costs to provide infrastructure to serve the school, such as utilities, sewer, roads, and sidewalks; and

(17) a description of how the school district considered use of laminated glass for school safety.

Sec. 2. Minnesota Statutes 2009 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 count toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or the 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 equal to a maximum of 50 percent of the student's full schedule of courses per term during a single school year and the student may exceed the supplemental online learning registration limit if the enrolling district permits supplemental online learning enrollment above the limit, or if the enrolling district and the online learning provider agree to the 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 paying 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 may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. An enrolling district that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7, unless the enrolling district 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. 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 holding a Minnesota license.

(e) Both full-time and supplemental online learning providers are subject to the reporting requirements and review criteria under subdivision 7. A teacher holding 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 holding 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. Statewide assessments must be administered by a licensed school employee in a secure location.

(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 to enroll in an approved full-time online learning program, consistent with subdivision 3, paragraph (a). Full-time online learning students may enroll in classes at a local school under a contract for instructional services between the online learning provider and the school district.

(g) An online learning provider must not spend public funds for advertising in an amount that exceeds five percent of its total operating budget. On June 30 of each year, the online learning provider must submit a report to the commissioner showing the expenses for all advertising and the

provider's annual budget.

Sec. 3. Minnesota Statutes 2009 Supplement, section 124D.095, subdivision 10, is amended to read:

Subd. 10. **Online Learning Advisory Council.** (a) An Online Learning Advisory Council is established. 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) By February 1 of each year, beginning 2011, the Online Learning Advisory Council must make recommendations to the commissioner on the following:

(1) legislative changes necessary to increase the department's oversight of online learning programs and providers; and

(2) an incentive program to reward online learning programs and providers that incorporate best practices using a hybrid program model that blends online and face-to-face education.

(c) Annually, by February 15, the commissioner must report findings of the advisory council to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction of kindergarten through grade 12 education finance and policy.

(d) The Online Learning Advisory Council ~~under this subdivision expires June 30, 2013~~ expires June 30, 2015.

ARTICLE 5

EARLY CHILDHOOD EDUCATION, PREVENTION, SELF-SUFFICIENCY, AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2008, section 121A.17, subdivision 5, is amended to read:

Subd. 5. **Developmental screening program information.** The board must inform each resident family with a child eligible to participate in the developmental screening program, and a charter school that provides screening must inform families that apply for admission to the charter school, about the availability of the program and the state's requirement that a child receive a developmental screening or provide health records indicating that the child received a comparable developmental

screening from a public or private health care organization or individual health care provider not later than 30 days after the first day of attending kindergarten in a public school. A school district must inform all resident families with eligible children under age seven that their children may receive a developmental screening conducted either by the school district or by a public or private health care organization or individual health care provider and that the screening is not required if a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened.

Sec. 2. Minnesota Statutes 2009 Supplement, section 124D.10, subdivision 8, is amended to read:

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

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) 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.

(d) 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. A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

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

(f) 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.

(g) A charter school may not charge tuition.

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

(i) 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.

(j) 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; 471.38; 471.391; 471.392; and 471.425. 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 and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer 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.

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

(l) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

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

(n) A charter school offering online courses or programs must comply with section 124D.095.

(o) A charter school and charter school board of directors are subject to chapter 181.

(p) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(q) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

Sec. 3. [124D.145] EARLY LEARNING AND CARE SYSTEM.

The early learning and care system is defined to be a voluntary, coherent structure of research-based curriculum content, instructional practice, child and program assessments, and performance-based child and programmatic standards as well as family supports, professional development, engagement and outreach, accountability, financing, and governance efforts that contribute to children's development and prepare children for kindergarten. This includes children's readiness for success in meeting Minnesota's kindergarten academic standards under section 120B.021. The system is delivered to families that chose to participate through a variety of public and private child care, preschool, Head Start, and school-based programs and services.

Sec. 4. Minnesota Statutes 2009 Supplement, section 124D.15, subdivision 3, is amended to read:

Subd. 3. **Program requirements.** A school readiness program provider must:

(1) assess each child's cognitive skills with a comprehensive child assessment instrument when the child enters and again before the child leaves the program to inform program planning and parents and promote kindergarten readiness;

(2) provide comprehensive program content and intentional instructional practice aligned with the state early childhood learning guidelines and kindergarten standards and based on early childhood research and professional practice that is focused on children's cognitive, social, emotional, and physical skills and development and prepares children for the transition to kindergarten, including early literacy skills;

(3) coordinate appropriate kindergarten transition with parents and kindergarten teachers;

~~(4) arrange for early childhood screening and appropriate referral;~~

~~(5) involve parents in program planning and decision making;~~

~~(6) (5) coordinate with relevant community-based services;~~

~~(7)~~ (6) cooperate with adult basic education programs and other adult literacy programs;

~~(8)~~ (7) ensure staff-child ratios of one-to-ten and maximum group size of 20 children with the first staff required to be a teacher; and

~~(9)~~ (8) have teachers knowledgeable in early childhood curriculum content, assessment, and instruction.

Sec. 5. Minnesota Statutes 2008, section 124D.15, subdivision 12, is amended to read:

Subd. 12. **Program fees.** A district must adopt a sliding fee schedule based on a family's income but must waive a fee for a participant unable to pay. School districts must use school readiness aid for eligible children. Children who do not meet the eligibility requirements in subdivision 15 may participate on a fee-for-service basis.

Sec. 6. Minnesota Statutes 2008, section 124D.15, is amended by adding a subdivision to read:

Subd. 15. **Eligibility.** A child is eligible to participate in a school readiness program if the child:

(1) is at least three years old on September 1;

(2) has completed health and developmental screening under sections 121A.16 to 121A.19 within 90 days of program enrollment; and

(3) has one or more of the following risk factors:

(i) qualifies for free or reduced-price lunch;

(ii) is an English language learning child;

(iii) is homeless;

(iv) has an individualized education program (IEP) or an individual interagency intervention plan (IIP);

(v) is identified, through health and developmental screenings under sections 121A.16 to 121A.19, with a potential risk factor that may influence learning; or

(vi) is defined as at risk by the school district.

Sec. 7. Minnesota Statutes 2008, section 124D.20, subdivision 8, is amended to read:

Subd. 8. **Uses of general revenue.** (a) General community education revenue may be used for:

(1) nonvocational, recreational, and leisure time activities and programs;

(2) programs for adults with disabilities, if the programs and budgets are approved by the department;

(3) adult basic education programs, according to section 124D.52;

(4) summer programs for elementary and secondary pupils;

(5) implementation of a youth development plan;

- (6) implementation of a youth service program;
- (7) early childhood family education programs, according to section 124D.13; ~~and~~
- (8) school readiness programs, according to section 124D.15; and
- (9) extended day programs, according to section 124D.19, subdivision 11.

~~(9)~~ (b) In addition to money from other sources, a district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:

- ~~(i)~~ (1) to purchase or lease computers and related materials;
- ~~(ii)~~ (2) to purchase or lease equipment for instructional programs; and
- ~~(iii)~~ (3) to purchase textbooks and library books.

~~(b)~~ (c) General community education revenue must not be used to subsidize the direct activity costs for adult enrichment programs. Direct activity costs include, but are not limited to, the cost of the activity leader or instructor, cost of materials, or transportation costs.

ARTICLE 6

RACE TO THE TOP

Section 1. Minnesota Statutes 2008, section 13.319, is amended by adding a subdivision to read:

Subd. 8. **Teacher and administration programs.** Section 122A.18, subdivision 1, governs data sharing between the Department of Education and the Boards of Teaching and School Administrators for program approval and improvement for education programs.

Sec. 2. **[120B.015] STUDENT LEARNING; DEVELOPING, MEASURING, SUPPORTING, AND IMPROVING STUDENT ACADEMIC SUCCESS.**

(a) Minnesota's ability to fairly and comprehensively develop, measure, support, and improve student learning and success and also close the academic achievement gap relies on school districts and charter schools using both multiple measures of student performance to evaluate student learning and effective strategies for eliciting parent, family, and community commitment for student success. Student achievement data provide teachers with useful information to identify students' educational challenges, monitor students' progress, and develop means to positively impact students' achievement. Although districts and charter schools must use the statewide exams under section 120B.30, as one indicator of students' readiness to graduate and pursue college or a career, it is not the sole measure for judging student learning. Consistent with statutory requirements and local decisions, school districts and charter schools must combine statewide exams with other performance indicators contained in this chapter and other education chapters to determine what students know and can do and to award high school diplomas. School districts and charter schools must use their performance indicators to account for the needs of minority students with historically lower high school graduation rates, English language learners, students struggling to stay in school rather than drop out or pursue a GED, the narrowing of a test-focused curriculum, and the neglect of higher order performance skills, among other considerations, as well as implementation costs.

(b) Consistent with paragraph (a), student achievement measures include:

(1) student achievement data based on the results of statewide summative assessments and other achievement measures such as formative and informal classroom assessments, teachers' observations of students' classroom performance, student work samples, student portfolios, and student report cards;

(2) other data relevant to students such as student mobility, attendance, and disciplinary actions; and

(3) contextual data such as students' linguistic background.

(c) Consistent with this section, multiple measures for high school graduation include: acknowledgment of significant demographic factors in developing policies and assessments under section 120B.31, subdivision 4; advanced placement and international baccalaureate programs under sections 120B.13 and 120B.132; alternative programs under section 123A.05; American Indian education programs under section 124D.74; the college-level exam program under section 120B.131; concurrent enrollment and college in the schools under section 124D.09, subdivision 10; the educational planning and assessment system under section 120B.128; improved graduation rates for students with emotional and behavioral disorders under section 120B.35; individual students' academic growth under section 120B.35; language proficiency and cultural awareness of non-English language speakers under section 120B.022; limited English proficiency programs under section 124D.61; locally-administered formative assessments; parent advisory councils for parents of children with disabilities under section 125A.24; parent involvement programs under section 124D.895; post secondary enrollment options under section 124D.09; preparation and rigorous coursework measures indicating graduates' preparation for post secondary academic and career opportunities under section 120B.35; the quality rating and improvement system under section 124D.142; reading intervention under section 120B.12; response to intervention under section 125A.515; school district review of curriculum, instruction, and student achievement under section 120B.11; school safety and student engagement and connection at school under section 120B.35; state and local graduation test requirements under section 120B.30; state graduation test requirements for students with disabilities and English language learners under section 120B.30; and other state required or locally adopted measures.

Sec. 3. Minnesota Statutes 2009 Supplement, 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, all state academic standards or local academic standards where state standards do not apply, and successfully pass graduation examinations as required under section 120B.30.

(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.

(f) The commissioner of education and the chairs of the house of representatives and senate committees having jurisdiction over kindergarten through grade 12 education shall have the authority to provisionally approve for adoption of the kindergarten through grade 12 standards developed by the common core state standards initiative supplemented with up to 15 percent additional standards recommended by the commissioner. Following such provisional approval for adoption, the supplemented kindergarten through grade 12 common core standards shall be adopted by rule in accordance with this section and sections 120B.021 and 120B.023 on or before December 31, 2010, using an expedited process in accordance with section 14.389.

Sec. 4. Minnesota Statutes 2009 Supplement, section 120B.35, subdivision 2, is amended to read:

Subd. 2. Federal expectations for student academic achievement. (a) Each school year, a school district must determine if the student achievement levels at each school site meet federal expectations. If student achievement levels at a school site do not meet federal 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 federal expectations. The commissioner of education shall establish student academic achievement levels to comply with this paragraph.

(b) School sites identified as not meeting federal expectations must develop continuous improvement plans in order to meet federal 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) assist school sites and districts identified as not meeting federal expectations to develop a school continuous improvement plan to improve and hold accountable those school sites and districts identified as not meeting federal expectations, which plan shall be at a minimum consistent with the federal Elementary and Secondary Education Act (ESEA), United States Code, title 20, section 6301, et. seq.; and

(2) provide technical assistance to schools that integrate student achievement measures into 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.

(e) If a collective bargaining agreement governs the school's employees, a further agreement between the school district or charter school, the collective bargaining unit, and the department may be entered into to address those subjects, if any, that may inhibit the successful implementation of the school's continuous improvement plan, the agreement may address subjects including, but not limited to:

(1) limitations on hiring, reassigning and transferring covered employees into and out of the school sites, such as seniority limitations;

(2) the methodology for determining which teachers may be transferred or reassigned as part of the school's continuous improvement plan;

(3) work rules relating to the educational calendar and scheduling of instructional time and noninstructional time;

(4) instructional reform;

(5) professional development requirements and other specialized training;

(6) retention and employment incentives, including performance incentives for effective teachers and principals; and

(7) any other subject required by these regulations to be addressed in the school's continuous improvement plan.

(f) In the event the parties are not able to reach the agreement required by paragraph (e) within 75 days of identification under paragraph (a), each party shall present its last best offer on the areas of disagreement along with a draft agreement to the commissioner, who shall accept one of the last best offers, or reject all of them. If the commissioner rejects all offers, the parties have 30 days to confer and present the commissioner revised offers for reconsideration under this section. If no agreement is reached after good-faith negotiations have taken place on all sides, the commissioner may intervene and impose an alternative plan for implementation.

Sec. 5. Minnesota Statutes 2009 Supplement, 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~~ pass a skills examination in reading, writing, and mathematics as a requirement for ~~initial teacher licensure~~ entrance into a board-approved teacher preparation program. Such rules must require college and universities offering a board-approved teacher preparation program to ~~provide~~ offer remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. Persons needing remedial assistance must be successfully remediated prior to entrance into a board-approved teacher preparation program.

(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 candidates for initial licenses to ~~successfully complete~~ pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to ~~successfully complete~~ pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding. The rules under this paragraph also must require general education candidates for initial licenses to teach prekindergarten or elementary students to pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' content knowledge, skill, and ability in mathematics instruction.

(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.

EFFECTIVE DATE. This section is effective September 1, 2011.

Sec. 6. Minnesota Statutes 2008, section 122A.14, is amended by adding a subdivision to read:

Subd. 10. **Tiered licensure.** (a) The Board of School Administrators shall establish requirements for issuance of initial, standard, and master principal licenses. Requirements for earning each differentiated license must be based, at a minimum, on principal performance as measured by section 122A.411.

(b) "Initial principal license" means a license granted after successfully completing the requirements for licensure as set forth by the Board of School Administrators. An initial license must be issued prior to the issuance of a standard license and cannot be issued for a duration of less than three years.

(c) "Standard principal license" means a license obtained after successfully being employed for at least three years in the area of initial licensure, completing an induction program, and achieving the minimum expectation for principal performance as measured by section 122A.411.

(d) "Master principal license" means a license obtained after having met the requirements for a standard license, meeting the definition of "highly effective" under section 122A.411, and demonstrating instructional leadership at the local, state, or national level according to the criteria established by the Board of School Administrators.

Sec. 7. Minnesota Statutes 2008, section 122A.18, subdivision 1, is amended to read:

Subdivision 1. **Authority to license.** (a) The Board of Teaching must license teachers, as defined in section 122A.15, subdivision 1, except for supervisory personnel, as defined in section 122A.15, subdivision 2.

(b) The Board of School Administrators must license supervisory personnel as defined in section 122A.15, subdivision 2, except for athletic coaches.

(c) Licenses under the jurisdiction of the Board of Teaching, the Board of School Administrators, and the commissioner of education must be issued through the licensing section of the department.

(d) The Board of Teaching and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and

improvement for teacher education programs. The program approval process must include targeted redesign of teacher preparation programs to address identified E-12 student areas of concern.

(e) The Board of School Administrators and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for education administration programs. The program approval process must include targeted redesign of education administration preparation programs to address identified E-12 student areas of concern.

(f) For purposes of the data sharing agreements under paragraphs (d) and (e), the Board of Teaching, Board of School Administrators, and Department of Education may share private data, as defined in section 13.02, subdivision 12, on teachers and school administrators. The data sharing agreements must not include educational data, as defined in section 13.32, subdivision 1, but may include summary data, as defined in section 13.02, subdivision 19, derived from educational data.

Sec. 8. Minnesota Statutes 2008, 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~~ pass an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

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

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

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

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

~~(e)~~ (d) 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.

(e) All colleges and universities approved by the Board of Teaching to prepare persons for teacher licensure must require online pedagogy and at least one online course to be completed by all persons recommended for teacher licensure.

Sec. 9. Minnesota Statutes 2008, section 122A.18, is amended by adding a subdivision to read:

Subd. 10. **Tiered licensure.** (a) The Board of Teaching shall establish requirements for issuance of initial licenses, standard licenses, and master teacher licenses. Requirements for earning each differentiated license must be based at a minimum on teacher performance as measured by section 122A.411.

(b) "Initial teacher license" means a license granted after successfully completing the requirements for licensure as set forth by the Board of Teaching. An initial license must be issued prior to the issuance of a standard license and cannot be issued for a duration of less than three years.

(c) "Standard teacher license" means a license obtained after successfully being employed for at least three years in the area of initial licensure, completing an induction program and the probationary period requirements set forth in section 122A.40, subdivision 5, or 122A.41, subdivision 2, achieving the minimum expectations for teacher performance as measured by section 122A.411, and completing continuous improvement including reflective practice under this section.

(d) "Master teacher license" means having met the requirements for a standard license, meeting the definition of "highly effective" under section 122A.411, and either being certified by the National Board for Professional Teaching Standards or demonstrating instructional leadership at the local level according to Board of Teaching established criteria. Licensed teachers who hold current certification from the National Board for Professional Teaching Standards shall be granted a master teacher license.

Sec. 10. Minnesota Statutes 2008, section 122A.23, subdivision 2, is amended to read:

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or

a temporary teaching license under paragraphs (b) to (e) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held a similar out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes field-specific teaching methods and student teaching or essentially equivalent experience.

(b) The Board of Teaching must issue a teaching license to an applicant who:

(1) ~~successfully completed~~ passed all exams and successfully completed human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels if the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license.

(c) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not ~~successfully completed~~ passed all exams and successfully completed human relations preparation components required by the Board of Teaching.

(d) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) ~~successfully completed~~ passed all exams and successfully completed human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

(e) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) ~~successfully completed~~ passed all exams and successfully completed human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

(f) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

(g) The Board of Teaching must not issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field.

EFFECTIVE DATE. This section is effective September 1, 2011.

Sec. 11. [122A.245] ALTERNATIVE TEACHER PREPARATION PROGRAM AND LIMITED-TERM TEACHER LICENSE.

Subdivision 1. **Requirements.** (a) The Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year limited-term license and to prepare for acquiring an initial license. Programs are partnerships composed of school districts or charter schools and either:

(1) a college or university with an alternative teacher preparation program approved by the Board of Teaching;

(2) a nonprofit corporation formed for an education-related purpose and subject to chapter 317A with a teacher preparation program approved by the Board of Teaching; or

(3) a teacher preparation program within a district approved by the Board of Teaching.

(b) Prior to participation in this program, a candidate must:

(1) have a bachelor's degree with a minimum 3.0 grade point average, or have a bachelor's degree and meet other criteria approved by the Board of Teaching;

(2) pass the reading, writing, and mathematics skills examination under section 122A.18; and

(3) obtain qualifying scores on content area and pedagogy tests approved by the Board of Teaching.

Subd. 2. **Characteristics.** An alternative teacher preparation program under this section must include:

(1) a minimum 200-hour instructional phase that provides intensive preparation before that person assumes classroom responsibilities;

(2) a research-based and results-oriented approach focused on best teaching practices to increase student proficiency and growth measured against state academic standards;

(3) strategies to combine pedagogy and best teaching practices to better inform a teacher's classroom instruction;

(4) assessment, supervision, and evaluation of the program participant to determine the participant's specific needs throughout the program and to support the participant in successfully completing the program;

(5) intensive, ongoing, and multiyear professional learning opportunities that can accelerate an initial educator's professional growth and that include developing dispositions and practices that support student learning, orientations to the workplace, a network of peer support, seminars and workshops, and mentoring focused on standards of professional practice and continual professional growth; and

(6) a requirement that program participants demonstrate to the local site team under subdivision 5 that they are making satisfactory progress toward acquiring an initial license from the Board of Teaching.

Subd. 3. **Program approval.** The Board of Teaching must approve alternative teacher

preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs consistent with this section. The board must permit licensure candidates to demonstrate licensure competencies in school-based settings and through other nontraditional means.

Subd. 4. **Employment conditions.** Where applicable, teachers with a limited-term license under this section are members of and subject to the terms of the local collective bargaining agreement between the local representative of the teachers and the school board.

Subd. 5. **Approval for initial license.** A local site team that includes teachers, school administrators, postsecondary faculty, and may include nonprofit staff, must evaluate the performance of a teacher candidate using the Minnesota state standards of effective practice for teachers established by rule and submit to the board an evaluation report recommending whether or not to issue an initial license to a teacher candidate.

Subd. 6. **Initial license.** The Board of Teaching must issue an initial license to a teacher candidate under this section who successfully performs throughout the program and is recommended for licensure under subdivision 5.

Subd. 7. **Qualified teacher.** A person with a valid limited-term license under this section is the teacher of record and a qualified teacher within the meaning of section 122A.16.

Sec. 12. Minnesota Statutes 2008, section 122A.40, subdivision 2, is amended to read:

Subd. 2. ~~Nonprovisional license~~ **Licenses defined.** For purposes of this section, with respect to a teacher, "nonprovisional license" means an ~~entrance, continuing, or life~~ **initial, standard, or master teacher license** as defined in section 122A.18. With respect to a principal, "license" means an initial, standard, or master principal license as defined in section 122A.14.

Sec. 13. Minnesota Statutes 2008, section 122A.40, subdivision 5, is amended to read:

Subd. 5. Probationary period. (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and after completion thereof, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that complies with section 122A.411. Evaluation must occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately,

under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher must complete at least 60 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

Sec. 14. Minnesota Statutes 2009 Supplement, section 122A.40, subdivision 6, is amended to read:

Subd. 6. Mentoring for probationary teachers. (a) A school board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement. The process ~~may~~ shall include having trained observers serve as mentors or coaches or having teachers participate in professional learning communities.

(b) Districts shall provide support to teachers throughout their probationary period to ensure new teachers are successfully building their portfolio to meet continuing tenure requirements. The support to new teachers shall include:

(1) professional learning driven by standards of professional practice to improve teaching and reflection on practice, including an orientation process introducing the new teacher to the district, school, and teaching assignment;

(2) training to promote professional growth and differentiation based on teacher and student needs;

(3) trained mentors provided with opportunities to meet with the new teacher for coaching, collaboration, and reflection on practice; to assist in implementation of professional growth plans; and to conduct formative assessments and observations to measure new teachers' development and to be utilized in improvement of teaching; and

(4) development of the new teacher's professional growth plan based on standards of professional practice, student learning, and teacher evaluations conducted at least three times per year pursuant to the objective evaluation program described in subdivision 5, paragraph (a).

Sec. 15. Minnesota Statutes 2009 Supplement, section 122A.40, subdivision 8, is amended to read:

Subd. 8. Peer coaching for continuing contract teachers. (a) A school board and an exclusive representative of the teachers in the district shall develop a peer review process for continuing contract teachers through joint agreement. The process may include having trained observers serve as peer coaches or having teachers participate in professional learning communities.

(b) Districts shall provide support to teachers to ensure teachers' professional growth through:

(1) professional learning driven by standards of professional practice to improve teaching and reflection on practice;

(2) training to promote professional growth and differentiation based on teacher and student needs; and

(3) a five-year professional growth plan focused on teachers' growth linked to standards of professional practice, student learning, and successful teacher evaluations that comply with section 122A.411, conducted at least once a year.

Sec. 16. Minnesota Statutes 2008, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan, the provisions of subdivision 11 shall apply. The negotiated plan must not include provisions which would result in the exercise of seniority by a teacher holding a ~~provisional~~ an initial license, other than a vocational education license, contrary to the provisions of subdivision 11, clause (c), or the reinstatement of a teacher holding a ~~provisional~~ an initial license, other than a vocational education license, contrary to the provisions of subdivision 11, clause (e). The provisions of section 179A.16 do not apply for the purposes of this subdivision.

Sec. 17. Minnesota Statutes 2008, section 122A.40, subdivision 11, is amended to read:

Subd. 11. **Unrequested leave of absence.** The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board is governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable;

(c) Notwithstanding the provisions of clause (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a ~~provisional~~ an initial license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a ~~provisional~~ an initial license in the same field. The provisions of this clause do not apply to vocational education licenses;

(d) Notwithstanding clauses (a), (b) and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of clause (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the ~~provisionally~~ initial licensed teacher;

(e) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a ~~provisional~~ initial license, other than a vocational education license, while another teacher who holds a ~~nonprovisional~~ standard or master license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable;

(f) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board;

(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement;

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence;

(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

Sec. 18. Minnesota Statutes 2008, section 122A.41, subdivision 1, is amended to read:

Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of the following subdivisions in this section shall be defined as follows:

(a) **Teachers.** The term "teacher" includes every person regularly employed, as a principal, or to give instruction in a classroom, or to superintend or supervise classroom instruction, or as placement teacher and visiting teacher. Persons regularly employed as counselors and school librarians shall be covered by these sections as teachers if licensed as teachers or as school librarians.

(b) **School board.** The term "school board" includes a majority in membership of any and all boards or official bodies having the care, management, or control over public schools.

(c) **Demote.** The word "demote" means to reduce in rank or to transfer to a lower branch of the service or to a position carrying a lower salary or compensation.

(d) **~~Nonprovisional license~~ Licenses defined.** For purposes of this section, with respect to a teacher, "nonprovisional license" shall mean an entrance, continuing, or life license means an initial, standard, or master teacher license as defined in section 122A.18. With respect to a principal, "license" means an initial, standard, or master principal license as defined in section 122A.14.

Sec. 19. Minnesota Statutes 2008, section 122A.41, subdivision 2, is amended to read:

Subd. 2. Probationary period; discharge or demotion. (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period ~~according to subdivision 3 that complies with section 122A.411.~~ Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher must complete at least 60 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

Sec. 20. Minnesota Statutes 2009 Supplement, section 122A.41, subdivision 3, is amended to read:

Subd. 3. Mentoring for probationary teachers. (a) A board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement. The process may include having trained observers serve as mentors or coaches or having teachers participate in professional learning communities.

(b) Districts shall provide support to teachers throughout their probationary period to ensure new teachers are successfully building their portfolio to meet continuing tenure requirements. The support to new teachers shall include:

(1) professional learning driven by standards of professional practice to improve teaching and reflection on practice, including an orientation process introducing the new teacher to the district, school, and teaching assignment;

(2) training to promote professional growth and differentiation based on teacher and student needs;

(3) trained mentors provided with opportunities to meet with the new teacher for coaching, collaboration, and reflection on practice; to assist in implementation of professional growth plans; and to conduct formative assessments and observations to measure new teachers' development and to be utilized in improvement of teaching; and

(4) development of the new teacher's professional growth plan based on standards of professional practice, student learning, and teacher evaluations, conducted at least three times per year pursuant to the objective evaluation program described in subdivision 2, paragraph (a).

Sec. 21. Minnesota Statutes 2009 Supplement, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Peer coaching for continuing contract teachers.** (a) A school board and an exclusive representative of the teachers in the district must develop a peer review process for nonprobationary teachers through joint agreement. The process may include having trained observers serve as peer coaches or having teachers participate in professional learning communities.

(b) Districts shall provide support to teachers to ensure teachers' professional growth through:

(1) professional learning driven by standards of professional practice to improve teaching and reflection on practice;

(2) training to promote professional growth and differentiation based on teacher and student needs; and

(3) a five-year professional growth plan focused on teachers' growth linked to standards of professional practice, student learning, and successful teacher evaluations that comply with section 122A.411, conducted at least once a year.

Sec. 22. Minnesota Statutes 2008, section 122A.41, subdivision 14, is amended to read:

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.** (a) A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) Notwithstanding the provisions of clause (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher

holds only a ~~provisional~~ an initial license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a ~~provisional~~ an initial license in the same field. The provisions of this clause do not apply to vocational education licenses.

(c) Notwithstanding the provisions of clause (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a ~~provisional~~ an initial license, other than a vocational education license, while another teacher who holds a ~~nonprovisional~~ standard or master license in the same field is available for reinstatement.

Sec. 23. [122A.411] STATEWIDE TEACHER, PRINCIPAL, AND SUPERINTENDENT EVALUATION.

Subdivision 1. Minnesota annual teacher appraisal system. (a) The commissioner of education, in conjunction with the Minnesota annual teacher appraisal system task force under subdivision 3, shall develop an annual review and appraisal process for probationary and continuing contract teachers holding any and all teaching licenses, including initial, standard, and master teaching licenses. The annual review and appraisal process is required of all teachers employed by school districts and charter schools. The annual review and appraisal process must be aligned to the best instructional practices in teaching and learning.

(b) The annual review and appraisal process must include, at a minimum:

(1) a written individual teacher appraisal aligned with the educational improvement plan under section 122A.413, if applicable, and the staff development plan under section 122A.60;

(2) objective evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning;

(3) measures of student achievement, including student achievement growth under section 120B.35 and another standardized student assessment if approved by the commissioner;

(4) measures of cultural proficiency, including addressing demographic inequities in achievement; and

(5) other locally selected criteria aligned to best instructional practices in teaching and learning.

(c) The commissioner of education, in conjunction with the Minnesota annual teacher appraisal system task force, shall apply ratings to teachers annually, based on at least the following minimum scale:

(1) a teacher is considered "highly effective" if the teacher's portfolio shows evidence that the teacher's students, on average, experienced more than one year of growth on the statewide student academic achievement measures defined in section 120B.35 or another standardized student assessment approved by the commissioner and the teacher received a performance rating of "5" on the Minnesota annual teacher appraisal system evaluation rubric;

(2) a teacher is considered "effective" if the teacher's portfolio shows evidence that the teacher's students, on average, experienced at least one year of growth on the statewide student academic achievement measures defined in section 120B.35 or another standardized student assessment approved by the commissioner and the teacher received a performance rating of "3" or better on

the Minnesota annual teacher appraisal system evaluation rubric;

(3) a teacher is considered in "needs improvement" if the teacher's portfolio shows evidence that the teacher's students, on average, experienced less than one year of growth on the statewide student academic achievement measures defined in section 120B.35 or another standardized assessment approved by the commissioner or the teacher received a performance rating of "2" or worse on the Minnesota annual teacher appraisal system evaluation rubric; and

(4) a teacher is considered "ineffective" if the teacher's portfolio shows evidence that the teacher's students, on average, experienced low growth on the statewide student academic achievement measures defined in section 120B.35 or another standardized student assessment approved by the commissioner and the teacher received a performance rating of "1" on the Minnesota annual teacher appraisal system rubric.

(d) The commissioner of education, in conjunction with the Minnesota annual teacher appraisal system task force under subdivision 3, shall develop, through joint agreement, a peer review and assistance system to provide support for the full spectrum of teaching, including support for teachers deemed both highly effective and ineffective, through the evaluation process under this section. Teachers receiving an "ineffective" rating as defined in paragraph (c) shall be referred to peer assistance and review. A teacher receiving an "ineffective" rating and completing the peer assistance and review process for two consecutive years shall be referred for outplacement counseling.

(e) The commissioner of education shall convene a task force of educators and stakeholders under subdivision 3 to develop a performance evaluation rubric based on standards of professional practice. The Minnesota annual teacher appraisal system evaluation rubric shall have five performance ratings. The task force must evaluate the state growth model and other growth models to determine whether there is an accurate and reliable measure of individual teacher effectiveness that is linked to student achievement. The task force shall submit a report to the commissioner of education and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over kindergarten through grade 12 education policy and finance summarizing aggregated teacher appraisal data by state, district, school, subject, and level wherever there are sufficient individuals within a cohort to prevent violation of federal privacy law. The report shall also include recommendations relating to how much of a teacher's performance evaluation should be based on measures of student achievement. The task force shall submit the report to the commissioner and legislative committees and divisions with jurisdiction over kindergarten through grade 12 education policy and finance no later than January 15, 2011.

Subd. 2. Minnesota annual principal and superintendent appraisal system. (a) The commissioner of education, in conjunction with the Minnesota annual principal and superintendent appraisal system task force under subdivision 4, shall develop an annual review and appraisal process for probationary and continuing contract principals holding any and all principal licenses and for superintendents. The annual review and appraisal process must be aligned to the best instructional practices in school and instructional leadership.

(b) The annual review and appraisal process must include, at a minimum:

(1) a written individual principal or superintendent appraisal aligned with the educational improvement plan under section 122A.413 or the staff development plan under section 122A.60, if applicable;

(2) objective evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands school and instructional leadership;

(3) evidence that, for reading and mathematics separately, the three-year average percentage of the principal's school's students making medium and high growth is equal to or greater than the percentage of students in the state making medium and high growth as defined in section 120B.299; or for a superintendent, evidence that, for reading and mathematics separately, the three-year average percentage of the school district's students making medium and high growth is equal to or greater than the percentage of students in the state making medium and high growth as defined in section 120B.299; and

(4) other locally selected criteria aligned to best instructional practices in instructional leadership, teaching, and learning.

(c) The commissioner of education, in conjunction with the Minnesota annual principal and superintendent appraisal system task force under subdivision 4, shall apply ratings to principals and superintendent, annually, based on at least the following minimum scale:

(1) a principal or superintendent is considered "highly effective" if their portfolio shows evidence that the school or the district that they are leading is making more than one year of growth on the statewide student academic achievement measures defined in section 120B.35 or another standardized student assessment approved by the commissioner and the principal or superintendent received a performance rating of "5" on the Minnesota annual principal and superintendent appraisal system evaluation rubric;

(2) a principal or superintendent is considered "effective" if their portfolio shows evidence that the school or the district that they are leading is making at least one year of growth at the rate of the state average, on the statewide student academic achievement measures defined in section 120B.35 or another standardized student assessment approved by the commissioner and the principal or superintendent received a performance rating of "3" or better on the Minnesota annual principal and superintendent appraisal system evaluation rubric;

(3) a principal or superintendent is considered in "needs improvement" if their portfolio shows evidence that the school or the district that they are leading is making growth that is less than the state average on the statewide student academic achievement measures defined in section 120B.35 or another standardized assessment approved by the commissioner or the principal or the superintendent received a performance rating of "2" or worse on the Minnesota annual principal and superintendent appraisal system evaluation rubric; and

(4) a principal or superintendent is considered "ineffective" if their portfolio shows evidence of no growth on the statewide student academic achievement measures defined in section 120B.35 or another standardized student assessment approved by the commissioner and the principal or superintendent received a performance rating of "1" on the Minnesota annual principal and superintendent appraisal system rubric.

A principal cannot be rated as effective or better unless the principal has demonstrated satisfactory levels of student growth for the school that the principal leads.

A superintendent cannot be rated as effective or better unless the superintendent has demonstrated satisfactory levels of student growth for the district that they lead.

(d) Principals receiving an "ineffective" rating as defined in paragraph (c) shall be referred to the Minnesota principals academy for remediation. A principal receiving an "ineffective" rating on two subsequent evaluations following completion of the principals academy must be referred to outplacement counseling.

(e) The commissioner of education shall convene a task force of administrators and interested parties under subdivision 4 to develop an evaluation rubric based on standards of professional practice including a strong emphasis on the levels of growth for students in math and reading. The Minnesota annual principal and superintendent appraisal system evaluation rubric shall have five performance ratings. The task force shall submit a report to the commissioner of education and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over kindergarten through grade 12 education policy and finance summarizing aggregated principal and superintendent appraisal data by state, district, school, subject, and level wherever there are sufficient individuals within a cohort to prevent violation of federal privacy law. The task force shall submit the report to the commissioner and legislative committees and divisions with jurisdiction over kindergarten through grade 12 education policy and finance no later than January 15, 2011.

Subd. 3. **Minnesota teacher appraisal system task force.** (a) A Minnesota teacher appraisal system task force is established to develop an annual review and appraisal process for probationary and continuing contract teachers for teachers employed by school districts and charter schools. The task force consists of the following members:

- (1) the commissioner of education or the commissioner's designee;
 - (2) a representative of the board of teaching;
 - (3) the chancellor of the Minnesota State Colleges and Universities or the chancellor's designee;
 - (4) the president of the Private College Council or the president's designee;
 - (5) the president of the University of Minnesota or the president's designee;
 - (6) four licensed teachers currently teaching in a Minnesota public school representing geographic balance;
 - (7) three administrators appointed by the commissioner of education, after consultation with the respective professional organizations, representing geographic balance, including:
 - (i) one elementary school principal;
 - (ii) one secondary school principal; and
 - (iii) one school superintendent; and
 - (8) the president of the Minnesota School Boards Association or the president's designee.
- (b) Task force members must be appointed by July 1, 2010.
- (c) The commissioner of education shall convene the first meeting of the task force by August 15, 2010. Task force members shall elect a chair from their membership. The task force may invite representatives of other interested education organizations to participate in task force meetings. The

task force must meet at least monthly and must provide notice of each meeting to the public. The meetings of the task force must be open to the public.

(d) The commissioner may provide technical assistance to the task force.

(e) Task force members do not receive compensation or reimbursement of expenses from the task force for service on the task force.

(f) The task force expires January 15, 2011, or upon submission of the report required under subdivision 1, whichever is sooner.

Subd. 4. Minnesota principal and superintendent appraisal system task force. (a) A Minnesota principal and superintendent appraisal system task force is established to develop an annual review and appraisal process for principals and superintendents employed by school districts. The task force consists of the following members:

(1) the commissioner of education or the commissioner's designee;

(2) a representative of the board of school administrators;

(3) the chancellor of the Minnesota State Colleges and Universities or the chancellor's designee;

(4) the president of the Private College Council or the president's designee;

(5) the president of the University of Minnesota or the president's designee; and

(6) five members appointed by the commissioner of education, after consultation with the respective professional organizations, who are employed by public schools with consideration given to geographic balance, including:

(i) one licensed teacher currently teaching in a Minnesota public school;

(ii) one elementary school principal;

(iii) one secondary school principal;

(iv) two school superintendents; and

(v) the president of the Minnesota School Boards Association or the president's designee.

(b) Task force members must be appointed by July 1, 2010.

(c) The commissioner of education shall convene the first meeting of the task force by August 15, 2010. Task force members shall elect a chair from their membership. The task force may invite representatives of other interested education stakeholders and organizations to participate in task force meetings. The task force must meet at least monthly and must provide notice of each meeting to the public. The meetings of the task force must be open to the public.

(d) The commissioner may provide technical assistance to the task force.

(e) Task force members do not receive compensation or reimbursement of expenses from the task force for service on the task force.

(f) The task force expires January 15, 2011, or upon submission of the report required under

subdivision 2, whichever is sooner.

Sec. 24. Minnesota Statutes 2008, section 122A.413, as amended by Laws 2009, chapter 96, article 2, section 25, is amended to read:

122A.413 EDUCATIONAL IMPROVEMENT PLAN.

Subdivision 1. **Qualifying plan.** A district or intermediate school district may develop an educational improvement plan for the purpose of qualifying for the alternative teacher and principal professional pay system under section 122A.414. The plan must include measures for improving school district, intermediate school district, school site, teacher, principal, and individual student performance.

Subd. 2. **Plan components.** The educational improvement plan must be approved by the school board and have at least these elements:

- (1) assessment and evaluation tools to measure student performance and progress;
- (2) performance goals and benchmarks for improvement;
- (3) measures of student attendance and completion rates;
- (4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching and principal practice and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching and principal practice;
- (5) measures of student, family, and community involvement and satisfaction;
- (6) a data system about students and their academic progress that provides parents and the public with understandable information;
- (7) ~~a teacher~~ an induction and mentoring program for probationary teachers and principals that provides continuous learning and sustained teacher or principal support; ~~and~~
- (8) substantial participation by the exclusive representative of the teachers and principals in developing the plan; and
- (9) an alternative early intervening services program consistent with section 125A.56.

Subd. 3. **School site accountability.** A district or intermediate school district that develops a plan under subdivisions 1 and 2 must ensure that each school site develops a board-approved educational improvement plan that is aligned with the district educational improvement plan under subdivision 2 and developed with the exclusive representative of the teachers and principals. While a site plan must be consistent with the district educational improvement plan, it may establish performance goals and benchmarks that meet or exceed those of the district.

Sec. 25. Minnesota Statutes 2008, section 122A.414, as amended by Laws 2009, chapter 96, article 2, section 26, is amended to read:

122A.414 ALTERNATIVE TEACHER PAY.

Subdivision 1. **Restructured pay system.** A restructured alternative teacher and principal

professional pay system is established under subdivision 2 to provide incentives to encourage teachers and principals to improve their knowledge and instructional skills in order to improve student learning and for school districts, intermediate school districts, and charter schools to recruit and retain highly qualified teachers and principals, encourage highly qualified teachers and principals to undertake challenging assignments, and support teachers' and principals' roles in improving students' educational achievement.

Subd. 1a. **Transitional planning year.** (a) To be eligible to participate in an alternative teacher and principal professional pay system, a school district, intermediate school district, or group of school districts, or site, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the school district, group of school districts, or intermediate school district and the exclusive representative of the teachers and principals to complete a plan preparing for full implementation, consistent with subdivision 2, that may include, among other activities, training to evaluate teacher and principal performance, a restructured school day to develop integrated ongoing site-based professional development activities, release time to develop an alternative pay system agreement, and teacher, principal, and staff training on using multiple data sources; and

(2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher and principal professional pay system agreement under this section.

(b) To be eligible to participate in an alternative teacher and principal professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;

(2) submit the record of a formal vote by the teachers employed at the charter school indicating at least 70 percent of all teachers agree to implement the alternative pay system; and

(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher and principal professional pay system.

(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, group of school districts, site, or charter school is ready to fully implement an alternative pay system.

Subd. 2. **Alternative teacher and principal professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher and principal professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher and principal professional pay system agreement must:

(1) describe how teachers can achieve career advancement and how teachers and principals can

achieve additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, and base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student achievement, including student achievement growth under section 120B.35 or another standardized student assessment approved by the commissioner; and

(iii) an objective evaluation program aligned with section 122A.411 that includes:

(A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and

(B) objective evaluations using multiple criteria conducted by a locally or regionally selected and periodically trained evaluation team that understands teaching and learning;

(4) prevent any principal's compensation paid before implementing the pay system from being reduced as a result of participating in this system, and base at least 60 percent of any compensation increase on performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student achievement; and

(iii) an objective evaluation program aligned with section 122A.411 that includes:

(A) individual principal evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60;

(B) objective evaluations using multiple criteria conducted by a locally or regionally selected and periodically trained evaluation team that understands teaching and learning; and

(C) a peer review and assistance system to provide support for the full spectrum of teaching, including support for teachers and principals deemed both effective and ineffective, through the evaluation process under section 122A.411;

~~(4)~~ (5) provide integrated ongoing site-based professional development activities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

~~(5)~~ (6) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without

any quota or other limit; ~~and~~

(7) ensure that teachers provide alternative intervention services, consistent with an early intervening services program under section 125A.56, that meet the needs of students in kindergarten through grade 8 and allow students in grades 9 through 12 to participate; and

~~(6)~~ (8) encourage collaboration rather than competition among teachers and principals.

Subd. 2a. **Charter school applications.** For charter school applications, the board of directors of a charter school that satisfies the conditions under subdivisions 2 and 2b must submit to the commissioner an application that contains:

(1) an agreement to implement an alternative teacher and principal professional pay system under this section;

(2) a resolution by the charter school board of directors adopting the agreement; and

(3) the record of a formal vote by the teachers employed at the charter school indicating that at least 70 percent of all teachers agree to implement the alternative teacher and principal professional pay system, unless the charter school submits an alternative teacher and principal professional pay system agreement under this section before the first year of operation.

Alternative compensation revenue for a qualifying charter school must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, school sites, group of school districts, and charter schools a standard form for applying to participate in the alternative teacher and principal professional pay system. The commissioner annually must establish three dates as deadlines by which interested applicants must submit an application to the commissioner under this section. An interested school district, intermediate school district, school site, group of school districts, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers and principals if the applicant is a school district, intermediate school district, or school site, or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher and principal professional pay system agreement under subdivision 2. The department must review a completed application within 30 days of the most recent application deadline and recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher and principal professional pay system agreement must be legally binding on the applicant and the collective bargaining representative ~~representatives~~ before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

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

and then approved are considered submitted on the date the applicant initially submitted the application.

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

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

Subd. 4. **Planning and staff development.** A school district that qualifies to participate in the alternative teacher and principal professional pay system transitional planning year under subdivision 1a may use up to two percent of basic revenue that would otherwise be reserved under section 122A.61 for complying with the planning and staff development activities under this section.

Sec. 26. Minnesota Statutes 2009 Supplement, section 122A.4155, subdivision 4, is amended to read:

Subd. 4. **Multidistrict consortia.** The department may promote the development of multidistrict consortia to optimize opportunities for rural districts to participate in and implement alternative compensation programs. A multidistrict consortium shall develop and implement a collaborative alternative compensation plan that includes the program components outlined in section 122A.414, subdivision 2. A multidistrict consortium shall provide opportunities to share resources relating to the development of career advancement program components outlined in section 122A.414, subdivision 2, paragraph (b), training for teachers and team leadership, best practices, professional development training and expertise, training of teacher observers, or the purchase of programmatic resources, and resources for a shared peer assistance and review system for teachers and principals. Revenue generated under section 122A.415 by an individual member of a consortium of schools can be appropriated to the consortium of schools for use by the multidistrict consortium in providing the services outlined in this section.

Sec. 27. Minnesota Statutes 2008, section 122A.60, as amended by Laws 2009, chapter 96, article 2, section 28, 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 and principal 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 and principals 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 instruction-based observations using objective standards-based assessments to assist in the professional growth process;

(3) provide regular and ongoing opportunities for teachers and principals to use student data as part of their daily work to increase student achievement;

(4) enhance teacher and principal content knowledge and instructional skills;

(5) align with state and local academic standards;

(6) provide job-embedded, integrated professional development opportunities during teacher and principal 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 and principal-to-principal 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 teacher and principal professional pay system under section 122A.414; and

(8) provide opportunities to meet the requirements of section 125A.56 for using alternative intervention services, including early intervening services.

Staff development activities may also include curriculum development and curriculum training programs, and activities that provide teachers and principals 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 and principal 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 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, consistent with relicensure requirements under section 122A.18, subdivision 2, paragraph (b). The plan also must:

- (1) support stable and productive professional communities achieved through ongoing and schoolwide progress and growth in teaching practice;
- (2) emphasize coaching, professional learning communities, classroom action research, and other job-embedded models;
- (3) maintain a strong subject matter focus premised on students' learning goals;
- (4) ensure specialized preparation and learning about issues related to teaching students with special needs and limited English proficiency; and
- (5) reinforce national and state standards of effective teaching practice.

Subd. 3. **Staff development outcomes.** The advisory staff development committee must adopt a staff development plan for increasing teacher and principal 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, children with disabilities, and gifted children, within the regular classroom and other settings, with specific focus on providing alternative intervention services including an early intervening services program under section 125A.56 that uses progress monitoring to assess and appropriately serves students before they are referred for a special education evaluation;
- (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 and principals in their first five years;
- (5) improve relationships between the staff, parents, and the community to enhance student achievement;
- (6) 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)~~ (7) 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. 28. Minnesota Statutes 2008, 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 for a related alternative early intervening services program under section 125A.56, 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. 29. Minnesota Statutes 2008, section 123B.09, subdivision 8, is amended to read:

Subd. 8. **Duties.** The board must superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a postsecondary institution for secondary or postsecondary nonsectarian courses to be taught at a secondary school, nonsectarian postsecondary institution, or another location. The board must not enter into an agreement which limits a district superintendent's duty to assign and reassign teachers or administrators to the schools in which the teachers will teach or the administrators will administer.

Sec. 30. Minnesota Statutes 2009 Supplement, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) before the start of the school year, and at other times as needed, assign highly effective teachers and administrators, as defined in section 122A.411, to schools to best meet student and school needs as determined by the superintendent;

(4) superintend school grading practices and examinations for promotions;

~~(4)~~ (5) make reports required by the commissioner; and

~~(5)~~ (6) perform other duties prescribed by the board.

For purposes of this section, "school" includes a public school under section 120A.22, subdivision 4, or a nonpublic school under section 120A.22, subdivision 4, that elects to comply with this section, and charter schools under section 124D.10.

Sec. 31. ALTERNATIVE TEACHER PREPARATION REPORTS.

The Board of Teaching must submit an interim report on the effectiveness of the alternative teacher preparation program under Minnesota Statutes, section 122A.245, to the chair and the ranking minority members of the house of representatives and senate committees having jurisdiction over kindergarten through grade 12 education by February 15, 2012, and a final report by February 15, 2014.

Sec. 32. COMMISSIONER; RACE TO TOP APPLICATION.

In the state's application for the second round of the federal race to the top grant, the commissioner of education must include a state goal for student performance on the National Assessment of Educational Progress assessments, for closing the achievement gap, and for increasing graduation rates. In addition, the commissioner must require teacher leaders from the lowest performing schools to participate in the American Federation of Teachers Education Research and Dissemination Course: School, Family, Community to foster partnerships with families and the community. The commissioner must acknowledge, based on the legislative auditor's report, the current successes in the state for kindergarten through grade 8 students in targeted service programs, and propose to bring the program to scale. The commissioner must express Minnesota's commitment and belief that closing the achievement gap begins with a strong, robust early childhood education system by highlighting the work of the Minnesota Early Childhood Advisory Council, the quality rating and improvement system under Minnesota Statutes, section 124D.142, Minnesota Early Learning Foundation, and Parent Aware. The commissioner must highlight the importance of reading instruction improvements to close the achievement gap, and the commitment in both statute and rules of the Board of Teaching to general and special education teacher preparation in reading instruction, both preservice and through staff development. The commissioner must further highlight the Bush Foundation work, and the work of school districts to provide community-centered schools as an integral component of our transformation strategy.

Sec. 33. ADVISORY TASK FORCE ON SCHOOL DESEGREGATION AND INTEGRATION.

Subdivision 1. **Establishment; purpose; membership.** (a) An advisory task force on school desegregation and integration is established to develop recommendations and proposed legislation for the legislature on amending Minnesota's school desegregation rule and on the purpose, use, and allocation of integration revenue under Minnesota Statutes, section 124D.86. The task force includes:

- (1) the commissioner of education or the commissioner's designee;
- (2) one member appointed by and serving at the pleasure of each of the following:
 - (i) the Minnesota Indian Affairs Council;
 - (ii) the Council on Asian-Pacific Minnesotans;

(iii) the Council on Black Minnesotans;

(iv) the Chicano Latino Affairs Council;

(3) three public members appointed by the speaker of the house, with regard to geographic distribution, who are currently serving as school district superintendents, collaborative coordinators, or school board members; and

(4) three public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, with regard to geographic distribution, who are currently serving as school district superintendents, collaborative coordinators, or school board members.

(b) Task force members shall be appointed by July 1, 2010. The task force shall seek input from nonmember organizations, including, but not limited to, the Institute on Race and Poverty, the Minneapolis Urban League, the Minnesota Minority Education Partnership, the National Association for the Advancement of Colored People, and the Office of the State Demographer.

(c) The commissioner of education shall convene the first meeting of the task force by September 15, 2010. Task force members shall elect a chair from their membership. The task force may invite representatives of other interested education stakeholders and organizations to participate in task force meetings. The task force must meet at least monthly.

(d) Upon request, the commissioner of education may provide assistance to the task force.

(e) Task force members do not receive compensation or reimbursement of expenses from the task force for service on the task force.

Subd. 2. Duties; report. (a) The task force shall develop recommendations and proposed legislation for amending Minnesota's school desegregation rule and Minnesota Statutes, section 124D.86, governing the use and allocation of integration revenue. These recommendations and proposed legislation may address but are not limited to the following policy areas:

(1) access to integrated and equitable learning environments that enhance achievement and opportunities for all students;

(2) changing demographics among Minnesota students reflected in the increasing numbers of students of color, new immigrants, and English language learners;

(3) cultural proficiency training for teachers;

(4) the impact of school choice laws on state and local school desegregation and integration efforts; and

(5) financial and other resources that enable schools and school districts to provide staff development training, magnet schools, and other interdistrict collaborative initiatives that enhance student achievement.

(b) By February 1, 2011, the task force shall submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over E-12 education policy and finance a report and accompanying proposed legislation that reflect the substance of the recommendation of the task force.

Subd. 3. **Expiration.** The task force expires on February 1, 2011, or upon submission of the report required under subdivision 2, paragraph (b), whichever is sooner.

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

Sec. 34. **REPEALER.**

Minnesota Statutes 2008, section 122A.24, is repealed effective August 1, 2010."

Delete the title and insert:

"A bill for an act relating to policy education; providing for general education, education excellence; special programs; facilities, technology, and accounting; early childhood education, prevention, self-sufficiency and lifelong learning; race to the top; amending Minnesota Statutes 2008, sections 11A.16, subdivision 5; 13.319, by adding a subdivision; 120B.021, subdivision 1; 120B.15; 120B.365, by adding a subdivision; 121A.17, subdivision 5; 122A.14, by adding a subdivision; 122A.16; 122A.18, subdivisions 1, 2, by adding a subdivision; 122A.23, subdivision 2; 122A.40, subdivisions 2, 5, 10, 11; 122A.41, subdivisions 1, 2, 14; 122A.413, as amended; 122A.414, as amended; 122A.60, as amended; 122A.61, subdivision 1; 123B.09, subdivision 8; 123B.12; 123B.75, subdivision 5; 124D.091, subdivisions 2, 3; 124D.15, subdivision 12, by adding a subdivision; 124D.20, subdivision 8; 124D.61; 124D.63; 125A.03; 125A.21, subdivisions 2, 3, 5, 7; 125A.79, subdivision 1; 127A.42, subdivision 2; 127A.43; 127A.45, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 120B.02; 120B.023, subdivision 2; 120B.30, subdivisions 1, 3, 4; 120B.31, subdivision 4; 120B.35, subdivision 2; 122A.09, subdivision 4; 122A.40, subdivisions 6, 8; 122A.41, subdivisions 3, 5; 122A.4155, subdivision 4; 123B.143, subdivision 1; 123B.71, subdivision 9; 123B.92, subdivision 1; 124D.095, subdivisions 4, 10; 124D.10, subdivisions 3, 4, 6a, 8, 23; 124D.15, subdivision 3; 125A.02, subdivision 1; 125A.63, subdivisions 2, 4, 5; 126C.41, subdivision 2; Laws 2009, chapter 79, article 5, section 60; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; 125A; repealing Minnesota Statutes 2008, sections 122A.24; 125A.54."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3398: A bill for an act relating to campaign finance reporting; requiring reports; requiring disclaimer on certain campaign material; modifying provisions related to independent expenditures; appropriating money; amending Minnesota Statutes 2008, sections 10A.01, subdivision 18; 10A.02, subdivision 10; 10A.025, subdivision 4; 10A.20, subdivision 6; 211B.04; 211B.15, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2008, sections 72A.12, subdivision 5; 211B.15, subdivision 12.

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 2008, section 10A.01, subdivision 18, is amended to read:

Subd. 18. **Independent expenditure.** "Independent expenditure" means an expenditure expressly advocating the election or defeat of a clearly identified candidate, if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate. ~~An expenditure by a political party or political party unit in a race where the political party has a candidate on the ballot is not an independent expenditure.~~ An independent expenditure does not include the act of announcing a formal public endorsement of a candidate for public office, unless the act is simultaneously accompanied by an expenditure that would otherwise qualify as an independent expenditure under this subdivision.

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

Sec. 2. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision to read:

Subd. 37. **Independent expenditure political committee.** "Independent expenditure political committee" means a political committee that makes only independent expenditures and disbursements permitted under section 10A.121, subdivision 1.

Sec. 3. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision to read:

Subd. 38. **Independent expenditure political fund.** "Independent expenditure political fund" means a political fund that makes only independent expenditures and disbursements permitted under section 10A.121, subdivision 1.

Sec. 4. Minnesota Statutes 2008, section 10A.12, is amended by adding a subdivision to read:

Subd. 1a. **When required for independent expenditures.** An association other than a political committee that makes only independent expenditures and disbursements permitted under section 10A.121, subdivision 1, must do so by forming and registering an independent expenditure political fund if the expenditure is in excess of \$100 or by contributing to an existing independent expenditure political committee or political fund.

Sec. 5. [10A.121] INDEPENDENT EXPENDITURE POLITICAL COMMITTEES AND INDEPENDENT EXPENDITURE POLITICAL FUNDS.

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or an independent expenditure political fund, in addition to making independent expenditures, may:

- (1) pay costs associated with its fund-raising and general operations;
- (2) pay for communications that do not constitute contributions or approved expenditures; and
- (3) make contributions to other independent expenditure political committees or independent expenditure political funds.

Subd. 2. **Penalty.** An independent expenditure political committee or independent expenditure political fund is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

- (1) makes a contribution to a candidate, party unit, political committee, or political fund other than an independent expenditure political committee or an independent expenditure political fund;

or

(2) makes an approved expenditure.

This penalty supercedes any penalty otherwise provided in statute.

Sec. 6. Minnesota Statutes 2008, section 10A.20, subdivision 2, is amended to read:

Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before January 31 of each year and additional reports must be filed as required and in accordance with paragraphs (b) and (c).

(b) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee must be filed 15 days before a primary and ten days before a general election, seven days before a special primary and a special election, and ten days after a special election cycle.

(c) In each general election year, a political committee, political fund, or party unit must file reports 28 and 15 days before a primary and ten 42 and 15 days before a general election. Beginning in 2012, reports required under this paragraph must also be filed 56 days before a primary.

Sec. 7. Minnesota Statutes 2008, section 10A.20, subdivision 4, is amended to read:

Subd. 4. **Period of report.** A report must cover the period from ~~the last day covered by the previous report~~ January 1 of the reporting year to seven days before the filing date, except that the report due on January 31 must cover the period from the last day covered by the previous report to December 31.

Sec. 8. Minnesota Statutes 2008, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; penalty.** The board must send a notice by certified mail to any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within ten business days after the notice was sent, the board may impose a late filing fee of \$5 \$25 per day, not to exceed ~~\$100~~ \$1,000, commencing ~~with the 11th~~ day after the notice was sent.

If an individual fails to file a statement due before a primary or election within three days after the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed ~~\$500~~ \$1,000, commencing on the ~~fourth~~ day after the date the statement was due.

The board must send an additional notice by certified mail to an individual who fails to file a statement within 14 days after the first notice was sent by the board that the individual may be subject to a civil penalty for failure to file a statement. An individual who fails to file the statement within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

EFFECTIVE DATE. This section is effective June 1, 2010, and applies to statements required to be filed on or after that date.

Sec. 9. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision to read:

Subd. 14. **Contributions of business revenue.** An association may, if not prohibited by other

law, contribute revenue from the operation of a business to an independent expenditure political committee or an independent expenditure political fund without complying with section 10A.27, subdivision 13.

Sec. 10. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision to read:

Subd. 15. **Contributions of dues or contribution revenue.** An association may, if not prohibited by other law, contribute revenue from membership dues or fees, or from contributions received by the association to an independent expenditure political committee or an independent expenditure political fund without complying with section 10A.27, subdivision 13. Before the day when the recipient committee or fund's next report must be filed with the board under section 10A.20, subdivision 2 or 5, an association that has contributed \$2,000 or more in aggregate to independent expenditure political committees or funds during the calendar year must provide in writing to the recipient's treasurer a statement that includes the name and address of each individual or association who paid the association dues or fees, or made contributions to the association that, in total, aggregate \$1,000 or more between January 1 of the calendar year and the date of the contribution. The statement must be certified as true and correct by an officer of the contributing association.

Sec. 11. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision to read:

Subd. 16. **Treasurer to submit disclosure statements.** The treasurer of a political committee or political fund receiving a statement required under section 10A.27, subdivision 15, must file a copy of the statement before the deadline for the committee or fund's next report filed with the board under section 10A.20, subdivision 2 or 5, after receiving the statement.

Sec. 12. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision to read:

Subd. 17. **Penalty.** (a) An association that makes a contribution under section 10A.27, subdivision 15, and fails to provide the required statement within the time specified is subject to a civil penalty of up to four times the amount of the contribution, but not to exceed \$25,000, except when the violation was intentional.

(b) An independent expenditure political committee or an independent expenditure political fund that files a report without including the statement required under section 10A.27, subdivision 15, is subject to a civil penalty of up to four times the amount of the contribution for which disclosure was not filed, but not to exceed \$25,000, except when the violation was intentional.

(c) The penalties provided under this subdivision supercede any penalty otherwise provided in statute.

Sec. 13. Minnesota Statutes 2008, section 211B.01, subdivision 3, is amended to read:

Subd. 3. **Candidate.** "Candidate" means an individual who seeks nomination or election to a ~~federal,~~ statewide, legislative, judicial, or local office including special districts, school districts, towns, home rule charter and statutory cities, and counties, ~~except candidates for president and vice president of the United States.~~

Sec. 14. Minnesota Statutes 2008, section 211B.04, is amended to read:

211B.04 CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the committee,(address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the committee,(address), in support of(insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee.

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the committee."

(d) Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is "in opposition to(insert name of candidate or ballot question.....)"; or that "this publication is not circulated on behalf of any candidate or ballot question."

(e) This section does not apply to objects stating only the candidate's name and the office sought, fund-raising tickets, or personal letters that are clearly being sent by the candidate.

(f) This section does not apply to an individual or association who acts independently of any candidate, candidate's committee, political committee, or political fund and spends only from the individual's or association's own resources a sum that is less than ~~\$500~~ \$2,000 in the aggregate to produce or distribute campaign material that is distributed at least seven days before the election to which the campaign material relates.

(g) This section does not modify or repeal section 211B.06.

EFFECTIVE DATE. This section is effective June 1, 2010, and applies to campaign material prepared or disseminated on or after that date.

Sec. 15. Minnesota Statutes 2008, section 211B.15, subdivision 2, is amended to read:

Subd. 2. **Prohibited contributions.** A corporation may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers, employees, or members, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate but does not include an independent expenditure authorized by subdivision 3.

Sec. 16. Minnesota Statutes 2008, section 211B.15, subdivision 3, is amended to read:

Subd. 3. **Independent expenditures.** A corporation may not make an ~~independent~~ expenditure or offer or agree to make an ~~independent~~ expenditure to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office, unless the expenditure is an independent expenditure. For the purpose of this subdivision, "independent expenditure" ~~means~~

~~an expenditure that is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate~~ has the meaning given in section 10A.01, subdivision 18.

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

Sec. 17. Minnesota Statutes 2008, section 216B.16, is amended by adding a subdivision to read:

Subd. 18. **Election or ballot question expenses.** The commission may not allow a public utility to recover from ratepayers expenses resulting from a contribution or expenditure made for a political purpose, as defined in section 211B.01. This subdivision does not prohibit a public utility from engaging in political activity or making a contribution or expenditure otherwise permitted by law.

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

Sec. 18. **REPEALER.**

Minnesota Statutes 2008, section 211B.15, subdivision 12, 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 campaign finance reporting; requiring reports; requiring disclosure related to independent expenditures; appropriating money; amending Minnesota Statutes 2008, sections 10A.01, subdivision 18, by adding subdivisions; 10A.12, by adding a subdivision; 10A.20, subdivisions 2, 4, 12; 10A.27, by adding subdivisions; 211B.01, subdivision 3; 211B.04; 211B.15, subdivisions 2, 3; 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2008, section 211B.15, subdivision 12."

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred

S.F. No. 3399: A bill for an act relating to stadiums; providing alternative plans for a new National Football League stadium in Minnesota; establishing the Minnesota Stadium Authority; abolishing the Metropolitan Sports Facilities Commission; amending Minnesota Statutes 2008, sections 13.55, subdivision 1; 297A.71, by adding a subdivision; 352.01, subdivision 2a; 473.121, subdivision 5a; 473.164; 473.551, by adding subdivisions; 473.552; 473.553, subdivisions 2, 3; 473.556, subdivision 5; 473.561; 473.581, subdivision 2; 473.5995, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.971, subdivision 6; 10A.01, subdivision 35; 340A.404, subdivision 1; Laws 1986, chapter 396, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 349A; 473; proposing coding for new law as Minnesota Statutes, chapter 473J; repealing Minnesota Statutes 2008, sections 137.50, subdivision 5; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.564, subdivisions 2, 3; 473.5995; 473.755; 473.76; 473.763.

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 2008, section 297A.71, is amended by adding a subdivision to read:

Subd. 42. **Football stadium building materials.** Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of the football stadium and public infrastructure constructed pursuant to sections 473.551 to 473.5814 are exempt. This subdivision expires one year after the date that the first National Football League game is played in the stadium for materials, supplies, and equipment used in the stadium, and five years after the issuance of the first bonds under section 473.5812 for materials, supplies, and equipment used in the public infrastructure.

Sec. 2. Minnesota Statutes 2008, section 473.551, is amended by adding a subdivision to read:

Subd. 18. **Football stadium.** "Football stadium" means the stadium suitable for professional football designed, constructed, and financed under sections 473.551 to 473.599, and owned by the commission.

Sec. 3. Minnesota Statutes 2008, section 473.551, is amended by adding a subdivision to read:

Subd. 19. **Football team.** "Football team" means the National Football League professional team known on the effective date of this act as the Minnesota Vikings, its owners and operators, or any team owned and operated by someone who purchases or otherwise takes ownership or control of or reconstitutes the professional football team known as the Minnesota Vikings.

Sec. 4. Minnesota Statutes 2008, section 473.551, is amended by adding a subdivision to read:

Subd. 20. **Development area for the football stadium.** "Development area" or "development area for the football stadium" means the football stadium site and any adjacent area designated by the commission.

Sec. 5. Minnesota Statutes 2008, section 473.551, is amended by adding a subdivision to read:

Subd. 21. **Public infrastructure for the football stadium.** "Public infrastructure" or "public infrastructure for the football stadium" means property, facilities, and improvements determined by the commission to facilitate the development and use of the football stadium, including, but not limited to, property and improvements for drainage, environmental remediation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, and transit improvements to facilitate public access to the stadium, lighting, landscaping, utilities, streets, and streetscapes.

Sec. 6. Minnesota Statutes 2008, section 473.551, is amended by adding a subdivision to read:

Subd. 22. **Streetscape.** "Streetscape" means improvements to streets and sidewalks or other public right-of-way for the purpose of enhancing the movement, safety, convenience, or enjoyment of the football stadium patrons and other pedestrians, including decorative lighting and surfaces, plantings, display and exhibit space, adornments, seating, and transit and bus shelters.

Sec. 7. Minnesota Statutes 2008, section 473.552, is amended to read:

473.552 LEGISLATIVE POLICY; PURPOSE.

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the Metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition ~~of the basketball and hockey arena~~, construction, and operation of a professional football stadium for use by the football team on the terms and conditions provided in sections ~~473.598 and 473.599~~ 473.5812 to 473.5814 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a Metropolitan Sports Facilities Commission.

Sec. 8. Minnesota Statutes 2008, section 473.556, subdivision 5, is amended to read:

Subd. 5. **Facility operation.** The commission may equip, improve, operate, manage, maintain, and control the Metrodome, ~~Met Center, basketball and hockey arena~~ football stadium, and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Sec. 9. Minnesota Statutes 2008, section 473.561, is amended to read:

473.561 EXEMPTION FROM COUNCIL REVIEW; BUSINESS SUBSIDY ACT; CHARTER LIMITATIONS.

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.599 and shall not be affected by the provisions of sections 473.165 and 473.173. Section 116J.994 does not apply to any transactions of the commission or other governmental entity related to the stadium or public infrastructure, or to any tenant or other users of them. If the football stadium is located in the city of Minneapolis, the city may spend money for acquisition, design, construction, and operation of the football stadium, notwithstanding any limitation in its home rule charter. Actions taken by the city under sections 473.551 to 473.599, in a planning or regulatory capacity, actions for which fair market value reimbursement is provided or for which standard fees are collected, and any tax exemptions established under sections 473.551 to 473.599, are deemed not to be an expenditure or other use of city resources within the meaning of any charter limitation.

Sec. 10. Minnesota Statutes 2008, section 473.581, subdivision 2, is amended to read:

Subd. 2. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge taxes and revenues related to the basketball and hockey arena provided in section

~~473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena~~ football stadium under sections 473.5812 to 473.5814. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of the city of Minneapolis to levy a tax pursuant to agreements made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Sec. 11. [473.5812] FOOTBALL STADIUM; COUNCIL DEBT OBLIGATIONS.

Subdivision 1. **Use of bond proceeds.** The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(1) to provide funds for the acquisition or betterment of a football stadium by the commission pursuant to sections 473.551 to 473.5814;

(2) to refund bonds issued under this section; and

(3) to fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the football stadium.

Subd. 2. **Amount; procedure.** The council may sell and issue bonds in an amount to be determined by the council. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. No election is required.

Subd. 3. **Prerequisite.** The council must not sell and issue bonds under this section until the council determines that the criteria and conditions in section 473.5814 have been met.

Subd. 4. **Security; maturity.** The council may pledge to the payment of the bonds money in the escrow account and money pledged by the city of Minneapolis under section 473.5814, money appropriated to the council in the football stadium account in section 473.5995, and any other revenues from leases, rents, or other sources available to the council for debt service. Notwithstanding section 475.54, the bonds may mature at not later than 40 years from the date of issue, or the useful life of the asset, whichever is less. The bonds must recite that they are issued under this section and section 473.5814, and the recital is conclusive as to the validity of the bonds and the imposition and pledge of the revenues for their payment.

Sec. 12. [473.5813] SELECTION CRITERIA; REQUEST FOR PROPOSALS.

Subdivision 1. **Selection proposals.** The commission shall issue a request for proposals for political subdivisions to be selected to finance and construct a stadium for the team. In this section, "political subdivision" includes home rule charter and statutory cities and counties. This proposal must be published in the State Register and contain, at a minimum, the following requirements:

(1) a requirement that all proposals specify a location for the new stadium or a process for

selecting a site in an expeditious fashion;

(2) a list of taxes, fees, and expenditures that will form the commitment of the political subdivision or subdivisions to the financing of the stadium;

(3) a list of amenities, infrastructure, and other improvements that will be offered to the team and the commission as part of the proposal for location of the new stadium; and

(4) if applicable, a list of any proposed subsidiary uses of proposed financing tools, such as financing for amateur sports, libraries, or other ancillary purposes.

Subd. 2. **Process.** The commission shall receive all proposals and shall publish their contents. The team and the commission shall jointly select a winning proposal and shall negotiate all necessary agreements with the selected political subdivision necessary to begin the process of constructing a stadium.

Subd. 3. **Requirements.** The following must be used as the basis for each proposal:

(1) the contributions proposed by the political subdivision are available to finance the stadium and public infrastructure;

(2) the state of Minnesota is not required to provide additional funding or resources not explicitly required or allowed under this act;

(3) all provisions of this chapter must be reflected in any proposal, but a specific modification of a provision of this chapter may be proposed as a part of a proposal; and

(4) to the extent practicable, consistent with the purpose of constructing a stadium in a partnership with the team, all revenues raised should be related directly or indirectly to the persons benefitting from the stadium.

Sec. 13. [473.5814] CRITERIA AND CONDITIONS.

Subdivision 1. **Binding and enforceable.** In developing the stadium and entering into related contracts, the commission must follow and enforce the criteria and conditions in this section, provided that a determination by the council that those criteria or conditions have been met under any agreement or otherwise shall be conclusive. All financing and use agreements between the council, commission, and the football team must be executed by September 1, 2010.

Subd. 2. **Team contribution.** The team must agree to contribute one-third of the stadium costs, less a proportionate share of any amount by which actual stadium costs may be less than a budgeted amount to be determined. The team contributions must be funded in cash during the construction period. In addition to any other team contribution, the team must agree to assume and pay when due all cost overruns for the stadium costs that exceed the budget.

Subd. 3. **Permanent seat licenses.** The team must offer permanent seat licenses for sale to the public, which gives the licensee the right to occupy the seat, upon purchase of a ticket to the event for all events held at the stadium. If a ticket for an event is not purchased by the seat licensee within two weeks of the event, a ticket for the seat may be sold to the general public. Purchase of a personal seat license must entitle the purchaser to a proportionate share of the net revenue from use of the stadium for events other than professional football games. Upon receipt, revenue from the sale of permanent seat licenses must be transferred by the team to the council to be used to reduce the

principal amount of bonds issued under section 473.5812, and may not be used by the team as a part of its contribution under subdivision 2. The price of the licenses and the calculation of the proportionate share of nongame revenues shall be negotiated between the team and the commission.

Subd. 4. **Local sales tax exemption.** No local sales or use tax may be imposed on sales at the stadium site, except a general sales tax permitted under section 297A.99.

Subd. 5. **Lease or use agreements; 40-year term.** The commission must enter into a long-term lease or use agreement with the football team for the football team's use of the stadium. The football team must agree to play all regularly scheduled and postseason home games at the stadium. Preseason games may also be scheduled and played at the stadium. The lease or use agreement must be for a term of at least 40 years from the date of stadium completion. The lease or use agreement must include terms for default, termination, and breach of the agreement. Recognizing that the presence of professional football provides to the state of Minnesota and its citizens highly valued, intangible benefits that are virtually impossible to quantify and, therefore, not recoverable in the event of a football team owner's breach of contract, the lease and use agreements must provide for specific performance and injunctive relief to enforce provisions relating to use of the stadium for professional football and must not include escape clauses or buyout provisions. The football team must not enter into or accept any agreement or requirement with or from the National Football League or any other entity that is inconsistent with the football team's binding commitment to the 40-year term of the lease or use agreement or that would in any manner dilute, interfere with, or negate the provisions of the lease or use agreement that includes a specific performance clause, providing for specific performance or injunctive relief. The legislature conclusively determines, as a matter of public policy, that the lease or use agreement, and any grant agreement under this chapter that includes a specific performance clause:

- (1) explicitly authorize specific performance as a remedy for breach;
- (2) are made for adequate consideration and upon terms which are otherwise fair and reasonable;
- (3) have not been included through sharp practice, misrepresentation, or mistake;
- (4) if specifically enforced, do not cause unreasonable or disproportionate hardship or loss to the football team or to third parties; and
- (5) involve performance in such a manner and the rendering of services of such a nature and under such circumstances that the beneficiary cannot be adequately compensated in damages.

Subd. 6. **Lease or use agreements; revenues; payments.** The commission must provide in the lease or use agreements with the football team that the football team pay for use of the stadium as follows: an amount to be determined by the commission in the first year, and an amount each year thereafter necessary to cover actual and projected operational costs. The commission must agree to provide for the football team to receive all game-day revenues, suite revenues, and proceeds from the sale of naming rights. The agreement must provide for the commission to receive all general ticket revenues from nonprofessional football games or events.

Subd. 7. **Notice of breach or default.** Until 40 years from the date of stadium completion, the football team must provide written notice to the commission not less than 90 days prior to any action, including any action imposed upon the football team by the National Football League, that would result in a breach or default of provisions of the lease or use agreements required to be included

under this section. If this notice provision is violated and the football team has already breached or been in default under the required provisions, the commission or the state of Minnesota is authorized to specifically enforce the lease or use agreement and Minnesota courts are authorized and directed to fashion equitable remedies so that the football team may fulfill the conditions of the lease and use agreements including, but not limited to, remedies against the National Football League.

Subd. 8. **Enforceable financial commitments.** The commission must determine before stadium construction begins that all public and private funding sources for construction of the stadium are included in written agreements. The committed funds must be adequate to acquire, design, construct, furnish, and equip the stadium.

Subd. 9. **Council and commission access to football team financial information.** The lease or use agreement must provide the council and commission access to annual audited financial statements of the football team and other financial books and records that the council or commission deems necessary to determine compliance by the football team with sections 473.551 to 473.599, and to enforce the terms of any lease or use agreements entered into under sections 473.551 to 473.599. Any financial information obtained by the commission under this subdivision is nonpublic data under section 13.02, subdivision 9.

Subd. 10. **Environmental planning and zoning.** (a) The commission shall be the responsible governmental unit for any environmental impact statement for the football stadium prepared under section 116D.04. Notwithstanding section 116D.04, subdivision 2b, and implementing rules: (1) the environmental impact statement shall not be required to consider alternative football stadium sites; and (2) the environmental impact statement must be determined to be adequate before commencing work on the foundation of the football stadium, but the football stadium and public infrastructure may otherwise be started and all preliminary and final government decisions and actions may be made and taken, including, but not limited to, acquiring land, obtaining financing, granting permits or other land use approvals, entering into grant, lease, or use agreements, or preparing the site or related public infrastructure prior to a determination of the adequacy of the environmental impact statement.

(b) In order to accomplish the objectives of sections 473.551 to 473.599 within the shortest possible time frame, it is necessary to establish an alternative process for municipal land use and development review. It is hereby found and declared that the construction of a football stadium within the development area is consistent with the adopted area plan, is the preferred football stadium location, and is a permitted land use. This subdivision establishes a procedure for all land use and development reviews and approvals by the municipality for the football stadium and public infrastructure and supersedes all land use and development rules and restrictions and procedures imposed by other law, charter, or ordinance, including without limitation section 15.99. No later than 30 days after enactment, the commission shall establish a stadium implementation committee to make recommendations on the design plans submitted for the stadium, public infrastructure and related improvements, including, but not limited to, street vacation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, transit improvements to facilitate public street access to the stadium and integration into the transportation plan for the municipality and the region, lighting, landscaping, utilities, streets, drainage, environmental remediation, and land acquired and prepared for private redevelopment in a manner related to the use of the football stadium. The implementation committee must take action to issue its recommendations within the time frames established in the planning and construction timetable issued by the commission

which shall provide for no less than 60 days for the committee's review. The recommendations of the implementation committee shall be forwarded to the municipality's planning commission for an advisory recommendation and then to the municipality's governing body for final action in a single resolution, which final action must be taken within 45 days of the submission of the recommendations to the planning commission. The governing body of the municipality shall not impose any unnecessary or unreasonable conditions on the recommendations of the implementation committee, nor take any action or impose any conditions that will result in delay from the time frames established in the planning and construction timetable or in additional overall costs. Failure of the governing body to act within the 45-day period is deemed to be approval. The commission may seek de novo review in the district court of any city council action. The district court or any appellate court shall expedite review to the maximum extent possible and timely issue relief, orders, or opinions as necessary to give effect to the provisions and objectives in this article.

Subd. 11. **No strikes; lockouts.** The commission must negotiate a public sector project labor agreement or other agreement to prevent strikes and lockouts that would halt, delay, or impede construction of the stadium and related facilities.

Subd. 12. **Football team name retained.** The lease or use agreement must provide that the football team and National Football League will transfer to the state of Minnesota the Minnesota Vikings' heritage and records, including the name, logo, colors, history, playing records, trophies, and memorabilia in the event of any dissolution or relocation of the Vikings franchise.

Subd. 13. **Public share on sale of team.** The lease or use agreement must provide that, if the team is sold after the effective date of this act, a portion of the sale price must be paid to the commission and deposited in a reserve fund for improvements to the stadium or expended as the commission may otherwise direct. The portion required to be paid to the commission is 18 percent of the gross sale price, declining to zero ten years after commencement of stadium construction in increments of 1.8 percent each year. The agreement must provide exceptions for sales to members of the owner's family and entities and trusts beneficially owned by family members, sales to employees of equity interests aggregating up to ten percent, and sales related to capital infusions not distributed to the owners.

Subd. 14. **Stadium design.** (a) If the commission obtains private funding sources sufficient to cover the increased costs, the commission must ensure that the stadium receives Leadership in Energy and Environmental Design (LEED) certification for environmental design, and to the extent practicable, that the stadium design is architecturally significant. The Department of Administration and the Department of Commerce must cooperate with the commission to obtain any grants or other funds that are available to help to pay for the cost of meeting the requirements for the LEED certification.

(b) The stadium design must, to the extent feasible, follow sustainable building guidelines established under section 16B.325.

(c) The commission must ensure that the stadium be, to the greatest extent practicable, constructed of American-made steel.

Sec. 14. Minnesota Statutes 2008, section 473.5995, is amended by adding a subdivision to read:

Subd. 3. **Account funds appropriated.** All money in the stadium account is appropriated to the council to pay debt service on bonds issued by the council for the acquisition and betterment of a

football stadium, as authorized in sections 473.5812 to 473.5814. Money in this account may be pledged to the repayment of the debt.

Sec. 15. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Amend the title numbers accordingly

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H.F. Nos. 910 and 2612 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Senator Lynch introduced--

S.F. No. 3406: A bill for an act relating to taxation; modifying Rochester's local option sales tax; amending Laws 1998, chapter 389, article 8, section 43, subdivisions 3, as amended, 4, as amended, 5, as amended.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Rest moved that S.F. No. 3152 be withdrawn from the Committee on Rules and Administration and returned to its author. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Senator Kelash moved that the vote whereby the Kelash motion to not concur in the amendments by House to S.F. No. 2756, adopted May 4, 2010, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 2756: A bill for an act relating to transportation; allowing escort drivers of overdimensional loads to control traffic; directing commissioner of public safety to establish escort driver training and certification program; amending Minnesota Statutes 2008, sections 169.06, subdivision 4; 169.86, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299D.

CONCURRENCE AND REPASSAGE

Senator Kelash moved that the Senate concur in the amendments by the House to S.F. No. 2756 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2756 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Langseth	Pappas	Skoe
Bakk	Dille	Latz	Pogemiller	Skogen
Berglin	Doll	Lourey	Prettner Solon	Stumpf
Betzold	Erickson Ropes	Lynch	Rest	Tomassoni
Bonoff	Fischbach	Marty	Robling	Vickerman
Carlson	Fobbe	Metzen	Rummel	Wiger
Chaudhary	Frederickson	Moua	Saltzman	
Clark	Higgins	Murphy	Saxhaug	
Cohen	Kelash	Olseen	Sheran	
Dahle	Kubly	Olson, M.	Sieben	

Those who voted in the negative were:

Foley	Johnson	Limmer	Rosen
Gerlach	Jungbauer	Michel	Senjem
Hann	Koch	Ortman	Sparks
Ingebrigtsen	Koering	Parry	Vandever

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

MOTIONS AND RESOLUTIONS - CONTINUED**RECONSIDERATION**

Having voted on the prevailing side, Senator Rest moved that the vote whereby H.F. No. 3327 failed to pass the Senate on May 3, 2010, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 3327: A bill for an act relating to city and county employees; exempting employees of a city-owned or county-owned hospital from certain reporting requirements; amending Minnesota Statutes 2008, section 471.701.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Chaudhary	Dahle	Fobbe
Bakk	Bonoff	Clark	Dibble	Foley
Berglin	Carlson	Cohen	Dille	Frederickson

Higgins
Kelash
Koering
Kubly
Langseth
Latz

Lourey
Lynch
Marty
Metzen
Moua
Murphy

Olseen
Pappas
Pogemiller
Prettner Solon
Rest
Rosen

Rummel
Saltzman
Saxhaug
Sheran
Sieben
Skoe

Skogen
Sparks
Tomassoni
Vickerman
Wiger

Those who voted in the negative were:

Doll
Erickson Ropes
Fischbach
Gerlach

Hann
Ingebrigtsen
Johnson
Jungbauer

Koch
Limmer
Michel
Olson, M.

Ortman
Parry
Robling
Senjem

Stumpf
Vanderveer

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 653, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 653 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 4, 2010

CONFERENCE COMMITTEE REPORT ON H. F. NO. 653

A bill for an act relating to elections; changing certain municipal precinct and ward boundary procedures and requirements; amending Minnesota Statutes 2008, sections 204B.135, subdivisions 1, 3; 204B.14, subdivisions 3, 4; 205.84, subdivisions 1, 2.

April 27, 2010

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 653 report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 653 be further amended as follows:

Page 3, line 10, strike "May" and insert "June"

We request the adoption of this report and repassage of the bill.

House Conferees: Phyllis Kahn, Ryan Winkler, Mary Liz Holberg

Senate Conferees: Sandra Pappas, Katie Sieben, Chris Gerlach

Senator Pappas moved that the foregoing recommendations and Conference Committee Report on H.F. No. 653 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 653 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 655, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 655 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2010

CONFERENCE COMMITTEE REPORT ON H. F. NO. 655

A bill for an act relating to elections; requiring an affidavit of candidacy to state the candidate's residence address and telephone number; prohibiting placement of a candidate on the ballot if residency requirements are not met; amending Minnesota Statutes 2008, section 204B.06, subdivision 1.

May 3, 2010

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 655 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 655 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 13.607, is amended by adding a subdivision to read:

Subd. 8. **Candidates for office; address of residence.** The address of residence of certain candidates for office is classified as provided in section 204B.06, subdivision 1b.

Sec. 2. Minnesota Statutes 2008, section 204B.06, is amended by adding a subdivision to read:

Subd. 1b. **Address and telephone number.** (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign contact address. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that the candidate's address of residence be classified as private data, and to provide the certification required under paragraph (c) for classification of that address.

(b) For an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.

(c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. The candidate must also certify on the affidavit that a police report has been submitted or

an order for protection has been issued in regard to the safety of the candidate or the candidate's family. The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy and provides the certification required by this paragraph is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.

(d) The requirements of this subdivision do not apply to affidavits of candidacy for a candidate for: (1) judicial office; (2) the office of county attorney; or (3) county sheriff.

EFFECTIVE DATE. This section is effective on May 18, 2010.

Sec. 3. Minnesota Statutes 2008, section 211B.20, is amended to read:

211B.20 DENIAL OF ACCESS BY POLITICAL CANDIDATES TO MULTIPLE UNIT DWELLINGS.

Subdivision 1. **Prohibition.** (a) It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or an area in which two or more single-family dwellings are located on private roadways to a candidate who has filed for election to public office or to campaign workers accompanied by the candidate, if the candidate and workers seeking admittance to the facility do so solely for the purpose of campaigning. a candidate who has:

- (1) organized a campaign committee under applicable federal or state law;
- (2) filed a financial report as required by section 211A.02; or
- (3) filed an affidavit of candidacy for elected office.

A candidate granted access under this section must be allowed to be accompanied by campaign volunteers.

(b) Access to a facility or area is only required if it is located within the district or territory that will be represented by the office to which the candidate seeks election, and the candidate and any accompanying campaign volunteers seek access exclusively for the purpose of campaigning for a candidate or registering voters. The candidate must be seeking election to office at the next general or special election to be held for that office.

(c) A candidate and any accompanying campaign volunteers granted access under this section must be permitted to leave campaign materials for residents at their doors, except that the manager of a nursing home may direct that the campaign materials be left at a central location within the facility. The campaign materials must be left in an orderly manner.

(d) If a facility or area contains multiple buildings, a candidate and accompanying volunteers must be permitted to access more than one building on a single visit, but access is limited to only one building at a time. If multiple candidates are traveling together, each candidate and that candidate's accompanying volunteers is limited to one building at a time, but all of the candidates and accompanying volunteers traveling together must not be restricted to accessing the same building at the same time.

(e) A violation of this section is a petty misdemeanor.

Subd. 2. **Exceptions.** Subdivision 1 does not prohibit:

(1) denial of admittance into a particular apartment, room, manufactured home, or personal residential unit;

(2) requiring reasonable and proper identification as a necessary prerequisite to admission to a multiple unit dwelling;

(3) in the case of a nursing home or a registered housing with services establishment providing assisted living services meeting the requirements of section 144G.03, subdivision 2, denial of permission to visit certain persons for valid health reasons;

(4) limiting visits by candidates or ~~workers~~ volunteers accompanied by the candidate to a reasonable number of persons or reasonable hours;

(5) requiring a prior appointment to gain access to the facility; or

(6) denial of admittance to or expulsion from a multiple unit dwelling for good cause.

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

Sec. 4. Laws 2010, chapter 194, section 9, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all return envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each return envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the return envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as the number provided on the voter's application for ballots. If the number does not match the number as submitted on the application, or if a number was not submitted on the application, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the return envelope; ~~and~~

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the fourth day before the election, by absentee ballot.

The return envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a return envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the return envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and return envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot return envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

EFFECTIVE DATE. This section is effective June 25, 2010."

Delete the title and insert:

"A bill for an act relating to elections; requiring an affidavit of candidacy to state the candidate's residence address or campaign contact address and telephone number; classifying certain information; prohibiting placement of a candidate on the ballot if residency requirements are not met; modifying candidate access to certain facilities; requiring completion of absentee ballot certificate as prescribed in directions before acceptance by ballot board; amending Minnesota Statutes 2008, sections 13.607, by adding a subdivision; 204B.06, by adding a subdivision; 211B.20; Laws 2010, chapter 194, section 9, subdivision 2."

We request the adoption of this report and repassage of the bill.

House Conferees: Phyllis Kahn, Nora Slawik, Mary Liz Holberg

Senate Conferees: Sandra Pappas, Katie Sieben, Chris Gerlach

Senator Pappas moved that the foregoing recommendations and Conference Committee Report on H.F. No. 655 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 655 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Koch	Murphy	Saltzman
Bakk	Fischbach	Koering	Olseen	Saxhaug
Berglin	Fobbe	Kubly	Olson, M.	Senjem
Bonoff	Foley	Langseth	Ortman	Sheran
Carlson	Frederickson	Latz	Pappas	Sieben
Chaudhary	Gerlach	Limmer	Parry	Skoe
Clark	Hann	Lourey	Pogemiller	Skogen
Cohen	Higgins	Lynch	Prettner Solon	Sparks
Dahle	Ingebrigtsen	Marty	Rest	Stumpf
Dibble	Johnson	Metzen	Robling	Tomassoni
Dille	Jungbauer	Michel	Rosen	Vickerman
Doll	Kelash	Moua	Rummel	Wiger

Those who voted in the negative were:

Betzold Vandever

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2668, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2668 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 5, 2010

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2668

A bill for an act relating to landlord and tenant; modifying certain procedures relating to

expungement; providing procedures relating to the charging and recovery of various fees; providing certain rights to tenants of foreclosed properties; amending Minnesota Statutes 2008, sections 484.014, subdivision 3; 504B.111; 504B.173; 504B.178, subdivision 7; 504B.215, subdivision 4; 504B.271, subdivisions 1, 2; 504B.285, by adding subdivisions; 504B.291, subdivision 1; 504B.365, subdivision 4; Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B.

April 30, 2010

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 2668 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2668 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** The court shall order expungement of an eviction case commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(1) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(2) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1 1a, 1b, or 1c, clause (1), to vacate on a date prior to commencement of the eviction case.

Sec. 2. **[504B.118] RECEIPT FOR RENT PAID IN CASH.**

A landlord receiving rent or other payments from a tenant in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person.

Sec. 3. **[504B.172] RECOVERY OF ATTORNEY FEES.**

If a residential lease specifies an action, circumstances, or an extent to which a landlord, directly, or through additional rent, may recover attorney fees in an action between the landlord and tenant, the tenant is entitled to attorney fees if the tenant prevails in the same type of action, under the same circumstances, and to the same extent as specified in the lease for the landlord.

EFFECTIVE DATE. This section is effective for leases entered into on or after August 1, 2011, and for leases renewed on or after August 1, 2012.

Sec. 4. Minnesota Statutes 2008, section 504B.173, is amended to read:

504B.173 APPLICANT SCREENING FEE.

Subdivision 1. ~~Limit on number of applicant screening fees~~ Limitations. A landlord ~~or the landlord's agent~~ may not:

(1) charge an applicant a screening fee when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time;

(2) collect or hold an applicant screening fee without giving the applicant a written receipt for the fee, which may be incorporated into the application form, upon request of the applicant; or

(3) use, cash, or deposit an applicant screening fee until all prior applicants have either been screened and rejected, or offered the unit and declined to enter into a rental agreement.

Subd. 2. **Return of applicant screening fee.** ~~If the landlord or the landlord's agent does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord or the landlord's agent shall return any amount of the screening fee that is not used for those purposes.~~ (a) The landlord must return the applicant screening fee if:

(1) the applicant is rejected for any reason not listed in the disclosure required under subdivision 3; or

(2) a prior applicant is offered the unit and agrees to enter into a rental agreement.

(b) If the landlord does not perform a personal reference check or does not obtain a consumer credit report or tenant screening report, the landlord must return any amount of the applicant screening fee that is not used for those purposes.

(c) The applicant screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve.

Subd. 3. **Disclosures to applicant.** ~~If a landlord or the landlord's agent, prior to taking an application~~ accepts an applicant screening fee from a prospective tenant, the landlord must:

(1) disclose ~~on the application form or orally~~ in writing prior to accepting the applicant screening fee:

(i) the name, address, and telephone number of the tenant screening service the ~~owner~~ landlord will use, unless the ~~owner~~ landlord does not use a tenant screening service; and

(ii) the criteria on which the decision to rent to the prospective tenant will be based; and

(2) notify the applicant within 14 days of rejecting a rental application, identifying the criteria the applicant failed to meet.

Subd. 4. **Remedies.** (a) In addition to any other remedies, a landlord who violates this section is liable to the applicant for the ~~application~~ applicant screening fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy.

(b) A prospective tenant who provides materially false information on the application or omits material information requested is liable to the landlord for damages, plus a civil penalty of up to

\$500, civil court filing costs, and reasonable attorney fees.

Sec. 5. **[504B.177] LATE FEES.**

(a) A landlord of a residential building may not charge a late fee if the rent is paid after the due date, unless the tenant and landlord have agreed in writing that a late fee may be imposed. The agreement must specify when the late fee will be imposed. In no case may the late fee exceed eight percent of the overdue rent payment. Any late fee charged or collected is not considered to be either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date, earlier than the date contained in the written or oral lease by which, if the rent is paid, the tenant earns a discount.

(b) If a federal statute, regulation, or handbook providing for late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then the landlord may continue to publish and implement a late payment fee schedule that complies with the federal statute, regulation, or handbook.

EFFECTIVE DATE. This section is effective January 1, 2011, for leases entered into or renewed on or after that date.

Sec. 6. Minnesota Statutes 2008, section 504B.178, subdivision 7, is amended to read:

Subd. 7. **Bad faith retention.** The bad faith retention by a landlord of a deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed ~~\$200~~ \$500 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 7. Minnesota Statutes 2008, section 504B.215, subdivision 2a, is amended to read:

Subd. 2a. **Conditions of separate utility billing to tenant in single-meter buildings.** ~~If the (a) A~~ A landlord of a single-metered residential building who bills for utility charges separate from the rent, the following conditions apply:

(1) must provide prospective tenants ~~must be provided~~ notice of the total utility cost for the building for each month of the most recent calendar year; and

(2) must predetermine and put in writing for all leases an equitable method of apportionment and the frequency of billing by the landlord ~~must be predetermined and put in writing for all leases;~~

(3) must include in the lease ~~must contain~~ a provision that, upon a tenant's request, a the landlord must provide a copy of the actual utility bill for the building along with each apportioned utility bill. Upon a tenant's request, a landlord must also provide past copies of actual utility bills for any period of the tenancy for which the tenant received an apportioned utility bill. Past copies of utility bills must be provided for the preceding two years or from the time the current landlord acquired the building, whichever is most recent; and

The landlord of a single-metered residential building who bills separately for utilities (4) may, if the landlord and tenant agree, provide tenants with a lease term of one year or more the option to pay those bills under an annualized budget plan providing for level monthly payments based on a

good faith estimate of the annual bill.

(b) By September 30 of each year, a landlord of a single-metered residential building who bills for gas and electric utility charges separate from rent ~~shall~~ must inform tenants in writing of the possible availability of energy assistance from the low income home energy assistance program. The information must contain the toll-free telephone number of the administering agency.

(c) A failure by the landlord to comply with this subdivision is a violation of sections 504B.161, subdivision 1, clause (1), and 504B.221.

Sec. 8. Minnesota Statutes 2008, section 504B.271, subdivision 1, is amended to read:

Subdivision 1. **Abandoned property.** (a) If a tenant abandons rented premises, the landlord may take possession of the tenant's personal property remaining on the premises, and shall store and care for the property. The landlord has a claim against the tenant for reasonable costs and expenses incurred in removing the tenant's property and in storing and caring for the property.

(b) The landlord may sell or otherwise dispose of the property ~~60~~ 28 days after the landlord receives actual notice of the abandonment, or ~~60~~ 28 days after it reasonably appears to the landlord that the tenant has abandoned the premises, ~~whichever occurs last, and.~~

(c) The landlord may apply a reasonable amount of the proceeds of ~~the~~ a sale to the removal, care, and storage costs and expenses or to any claims authorized pursuant to section 504B.178, subdivision 3, paragraphs (a) and (b). Any remaining proceeds of any sale shall be paid to the tenant upon written demand.

(d) ~~Prior to the~~ a sale, the landlord shall make reasonable efforts to notify the tenant of the sale at least 14 days prior to the sale, by personal service in writing or sending written notification of the sale by first-class and certified mail, ~~return receipt requested,~~ to the tenant's last known address or usual place of abode, if known by the landlord, and by posting notice of the sale in a conspicuous place on the premises ~~for~~ at least two weeks ~~prior to the sale.~~ If notification by mail is used, the 14-day period shall be deemed to start on the day the notices are deposited in the United States mail.

Sec. 9. Minnesota Statutes 2008, section 504B.271, subdivision 2, is amended to read:

Subd. 2. **Landlord's punitive damages.** If a landlord, an agent, or other person acting under the landlord's direction or control, in possession of a tenant's personal property, fails to allow the tenant to retake possession of the property within 24 hours after written demand by the tenant or the tenant's duly authorized representative or within 48 hours, exclusive of weekends and holidays, after written demand by the tenant or a duly authorized representative when the landlord, the landlord's agent or person acting under the landlord's direction or control has removed and stored the personal property in accordance with subdivision 1 in a location other than the premises, the tenant shall recover from the landlord punitive damages in an amount not to exceed ~~\$300~~ twice the actual damages or \$1,000, whichever is greater, in addition to actual damages and reasonable attorney's fees.

In determining the amount of punitive damages the court shall consider (1) the nature and value of the property; (2) the effect the deprivation of the property has had on the tenant; (3) if the landlord, an agent, or other person acting under the landlord's direction or control unlawfully took possession of the tenant's property; and (4) if the landlord, an agent, or other person under the landlord's direction or control acted in bad faith in failing to allow the tenant to retake possession of the property.

The provisions of this subdivision do not apply to personal property which has been sold or otherwise disposed of by the landlord in accordance with subdivision 1, or to landlords who are housing authorities, created, or authorized to be created by sections 469.001 to 469.047, and their agents and employees, in possession of a tenant's personal property, except that housing authorities must allow the tenant to retake possession of the property in accordance with this subdivision.

Sec. 10. Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment; or

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property; ~~, provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period under a lease of any duration and the lease began after the date the mortgage or contract for deed was executed but prior to the expiration of the time for redemption or termination, and the person has received:~~

~~(A) at least two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or~~

~~(B) at least two months' written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;~~

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

Sec. 11. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1a. **Grounds when the person holding over is a tenant in a foreclosed property.** (a) For any eviction action commenced on or before December 31, 2012, where the person holding the real property after the expiration of the time for redemption on foreclosure of a mortgage was a tenant during the redemption period under a lease of any duration, and the lease began after the date the mortgage was executed, but prior to the expiration of the time for redemption, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, and effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

(b) For any eviction action commenced on or before December 31, 2012, where the term of a bona fide lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease, and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest or an immediate subsequent bona fide purchaser will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

For purposes of this section, a "bona fide lease" means:

- (1) the mortgagor or the child, spouse, or parent of the mortgagor is not the tenant;
- (2) the lease or tenancy was the result of an arm's-length transaction; and
- (3) the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property or the unit's rent is reduced or subsidized by a federal, state, or local subsidy.

(c) For any eviction action commenced on or before December 31, 2012, in the case of a tenancy subject to section 8 of the United States Housing Act of 1937, as amended, where the term of the lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

Sec. 12. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1b. **Grounds when the person holding over is a tenant in a property subject to a contract for deed.** For any eviction action commenced on or before December 31, 2012, the person entitled to the premises may recover possession by eviction when any person holds over real property after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for termination was a tenant during the termination period under a lease of any duration and the lease began after the date the contract for deed was executed but prior to the expiration of the time for termination, and the person has received:

(1) at least two months' written notice to vacate no sooner than one month after the expiration of the time for termination, provided that the tenant pays the rent and abides by all terms of the lease;
or

(2) at least two months' written notice to vacate no later than the date of the expiration of the time for termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the contract is reinstated.

Sec. 13. Minnesota Statutes 2008, section 504B.285, is amended by adding a subdivision to read:

Subd. 1c. **Grounds for evictions on or after January 1, 2013.** For any eviction action commenced on or after January 1, 2013, the person entitled to the premises may recover possession by eviction when any person holds over real property after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for redemption or termination was a tenant during the redemption or termination period under a lease of any duration, and the lease began after the date the mortgage or contract for deed was executed, but prior to the expiration of the time for redemption or termination and the person holding the premises has received:

(1) at least two months' written notice to vacate no sooner than one month after the expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(2) at least two months' written notice to vacate no later than the date of the expiration of the term for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premise if the mortgage is redeemed or the contract is reinstated.

Sec. 14. Minnesota Statutes 2008, section 504B.291, subdivision 1, is amended to read:

Subdivision 1. **Action to recover.** (a) A landlord may bring an eviction action for nonpayment of rent irrespective of whether the lease contains a right of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a rebuttable presumption that the rent has been paid if the tenant produces a copy or copies of one or more money orders or produces one or more original receipt stubs evidencing the purchase of a money order, if the documents: (i) total the amount of the rent; (ii) include a date or dates approximately corresponding with the date rent was due; and (iii) in the case of copies of money orders, are made payable to the landlord. This presumption is rebutted if the landlord produces a business record that shows that the tenant has not paid the rent. The landlord is not precluded from introducing other evidence that rebuts this presumption. In such an action, unless the landlord has also sought to evict the tenant by alleging a material violation of the lease under section 504B.285, subdivision 5, the tenant may, at any time before possession has been delivered, redeem the tenancy and be restored to possession by paying to the landlord or bringing to court the amount of the rent that is in arrears, with interest, costs of the action, and an attorney's fee not to exceed \$5, and by performing any other covenants of the lease.

(b) If the tenant has paid to the landlord or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fees required by paragraph (a), the court may permit the tenant to pay these amounts into court and be restored to possession within the same period of time, if any, for which the court stays the issuance of the order to vacate under section 504B.345.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 504B.345 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the

claim for rent from prior rental periods has been waived.

Sec. 15. Minnesota Statutes 2008, section 504B.365, subdivision 4, is amended to read:

Subd. 4. ~~Second and Fourth Judicial Districts Motions concerning removal or storage of personal property. In the Second and Fourth Judicial Districts, the housing calendar consolidation project~~ The court hearing the eviction action shall retain jurisdiction in matters relating to removal of personal property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504B.271, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant."

Delete the title and insert:

"A bill for an act relating to real property; landlord and tenant; requiring receipts for cash payments; providing for recovery of attorney fees under certain conditions; modifying procedures for tenant screening fees; providing for imposition of late fees; providing for eviction procedures for tenants of certain foreclosed property; making clarifying, conforming, technical, and other changes to landlord and tenant provisions; amending Minnesota Statutes 2008, sections 484.014, subdivision 3; 504B.173; 504B.178, subdivision 7; 504B.215, subdivision 2a; 504B.271, subdivisions 1, 2; 504B.285, by adding subdivisions; 504B.291, subdivision 1; 504B.365, subdivision 4; Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B."

We request the adoption of this report and repassage of the bill.

House Conferees: Joe Mullery, Jeff Hayden, Bob Gunther

Senate Conferees: D. Scott Dibble, Linda Higgins, Dennis Frederickson

Senator Dibble moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2668 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2668 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Ortman	Sieben
Bakk	Erickson Ropes	Langseth	Pappas	Skoe
Berglin	Fischbach	Latz	Pogemiller	Skogen
Betzold	Fobbe	Lourey	Prettner Solon	Sparks
Bonoff	Foley	Lynch	Rest	Stumpf
Carlson	Frederickson	Marty	Robling	Tomassoni
Chaudhary	Hann	Metzen	Rosen	Vickerman
Clark	Higgins	Michel	Rummel	Wiger
Cohen	Ingebrigtsen	Moua	Saltzman	
Dahle	Jungbauer	Murphy	Saxhaug	
Dibble	Kelash	Olseen	Senjem	
Dille	Koering	Olson, M.	Sheran	

Those who voted in the negative were:

Gerlach
Johnson

Koch
Limmer

Parry
Vandev eer

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2511 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2511

A bill for an act relating to state government; establishing a collaborative governance council; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 6.

May 4, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2511 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2511 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[6.81] COLLABORATIVE GOVERNANCE COUNCIL.**

Subdivision 1. Establishment; purpose; membership. (a) A collaborative governance council is established and shall include major statewide governmental entities and nongovernmental statewide organizations as provided in this subdivision. The council has nine members, including the state auditor and one member appointed by and serving at the pleasure of each of the following:

- (1) League of Minnesota Cities;
- (2) Minnesota Association of Townships;
- (3) Association of Minnesota Counties;
- (4) Minnesota School Board Association;
- (5) American Federation of State, County, and Municipal Employees Council 5;
- (6) Education Minnesota;
- (7) Service Employees International Union; and

(8) the Minnesota Chamber of Commerce.

The appointing authorities under this section shall complete their initial appointments no later than July 1, 2010.

(b) The council shall seek input from nonmember organizations whose expertise can help inform the council's work.

(c) In conjunction with the state auditor's duties to recommend best practices for delivery of local government services, the state auditor shall serve as chair of the council and shall convene the first meeting by July 31, 2010. The council must meet at least quarterly and must provide notice of its meetings to the public and to the members of the legislative committees and divisions with jurisdiction over state and local government, education policy and finance, and early childhood through grade 12 education policy and finance. Meetings of the council shall be open to the public.

(d) Members do not receive compensation or reimbursement of expenses from the council for service on the council.

Subd. 2. **Powers and duties; report.** (a) The council shall develop recommendations to the governor and the legislature designed to increase collaboration in government. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on the following:

- (1) the review of statutes, laws, and rules that slow or prevent collaboration efforts;
- (2) the use of collaboration to improve the delivery of governmental services;
- (3) the use of technology to connect entities and share information, including broadband access;
- (4) the modernization of financial transactions and their oversight by facilitating credit and debit card transactions, electronic funds, transfers, and electronic data interchange; and
- (5) the creation of model forms for joint power agreements.

(b) By February 1 of each year, the council shall submit its recommendations, including any draft legislation necessary to implement its recommendations, to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over state and local government policy and finance and early childhood through grade 12 education policy and finance.

Subd. 3. **Expiration.** This section expires June 30, 2015.

EFFECTIVE DATE. This section is effective June 1, 2010."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Ann H. Rest, Claire Robling, Sandy Rummel

House Conferees: Marsha Swails, John Ward, Carol McFarlane

Senator Rest moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2511 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report

were adopted.

S.F. No. 2511 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Limmer Vandever

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2846 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2846

A bill for an act relating to transportation; modifying provisions governing movement of large vehicles on public streets and highways; making technical changes; repealing certain rules related to motor carriers; amending Minnesota Statutes 2008, sections 169.801, subdivision 5; 169.823, as amended; 169.826, as amended; 169.828, subdivision 1; 169.829; 169.851, subdivision 5; 169.86, subdivisions 1a, 5; 169.862, subdivision 1; 169.863, subdivision 1; 169.864, subdivision 4; 169.871, subdivisions 1, 1a, 1b; Minnesota Statutes 2009 Supplement, sections 169.801, subdivision 10; 169.81, subdivision 3; 169.824, subdivisions 1, 2; 169.8261, subdivisions 1, 2; 169.85, subdivision 2; 169.862, subdivision 2; 169.864, subdivision 2; 169.865, subdivision 1; 169.87, subdivision 2; 221.025; 221.031, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 2008, section 169.826, subdivision 6; Minnesota Rules, parts 7800.0100, subparts 4, 6, 7, 8, 11, 12, 13, 14; 7800.0200; 7800.0400; 7800.0800; 7800.0900; 7800.1000; 7800.3200, subpart 2; 7800.3300; 7805.0500; 7805.0900; 7805.1300; 8850.7950; 8850.8000; 8850.8050, subpart 2; 8850.8100; 8850.8250; 8850.8300; 8850.8350; 8850.8800; 8850.8850; 8850.9050, subpart 3; 8855.0410; 8855.0600; 8855.0850; 8920.0100; 8920.0150; 8920.0200; 8920.0300; 8920.0400; 8920.0500; 8920.0600; 8920.0700; 8920.0800; 8920.0900; 8920.1000; 8920.1100; 8920.1200; 8920.1300; 8920.1400; 8920.1500; 8920.1550; 8920.1600; 8920.1700; 8920.1800; 8920.1900; 8920.2000; 8920.2100; 8920.2200;

8920.2300; 8920.2400; 8920.2500; 8920.2600; 8920.2700; 8920.2800; 8920.2900; 8920.3000; 8920.3100; 8920.3200; 8920.3300; 8920.3400; 8920.3500; 8920.3600; 8920.3700; 8920.3800; 8920.3900; 8920.4000; 8920.4100; 8920.4200; 8920.4300; 8920.4400; 8920.4500.

May 4, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2846 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2846 be further amended as follows:

Page 6, line 7, delete the first "axle" and insert "axles"

Page 6, line 9, after "rearmost" insert "axles of any" and delete "groups" and insert "group"

We request the adoption of this report and repassage of the bill.

Senate Conferees: Rod Skoe, Rick Olseen, Joe Gimse

House Conferees: Melissa Hortman, Alice Hausman, Mary Liz Holberg

Senator Skoe moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2846 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2846 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Olson, M.	Senjem
Bakk	Erickson Ropes	Langseth	Ortman	Sheran
Berglin	Fischbach	Latz	Pappas	Sieben
Betzold	Fobbe	Limmer	Parry	Skoe
Bonoff	Frederickson	Lourey	Pogemiller	Skogen
Carlson	Gerlach	Lynch	Prettner Solon	Sparks
Chaudhary	Hann	Marty	Rest	Stumpf
Clark	Higgins	Metzen	Robling	Tomassoni
Cohen	Ingebrigtsen	Michel	Rosen	Vandevver
Dahle	Johnson	Moua	Rummel	Vickerman
Dibble	Jungbauer	Murphy	Saltzman	Wiger
Dille	Kelash	Olseen	Saxhaug	

Those who voted in the negative were:

Foley	Koch	Koering
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3128 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3128

A bill for an act relating to residential construction; providing for lead poisoning prevention; amending the State Building Code; modifying licensing requirements; amending Minnesota Statutes 2008, sections 326B.106, by adding subdivisions; 326B.805, by adding a subdivision.

May 4, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 3128 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 3128 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 326B.106, is amended by adding a subdivision to read:

Subd. 13. **Lead certification.** When issuing permits in compliance with the State Building Code to a residential building contractor, residential remodeler, manufactured home installer, or residential roofer licensed under section 326B.805, municipalities must verify lead certification qualifications of the licensee required under subdivision 14 for renovations performed on residential property constructed prior to 1978. Municipalities may charge a surcharge for verification of this certification under section 326B.815, subdivision 2.

EFFECTIVE DATE. This section is effective February 1, 2011.

Sec. 2. Minnesota Statutes 2008, section 326B.106, is amended by adding a subdivision to read:

Subd. 14. **Pre-1978 structures.** A residential building contractor, residential remodeler, manufactured home installer, or residential roofer licensed under section 326B.805 performing renovation as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure constructed prior to 1978 must be certified in accordance with Code of Federal Regulations, title 40, section 745.89, unless the property has been determined to meet an exemption under Code of Federal Regulations, title 40, section 745.82. Before performing the renovations as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure constructed prior to 1978, a licensee working on the structure must be able to provide to the commissioner information so that proof of certification can be obtained as required in this

subdivision. The department shall provide on its Web site a link to the United States Environmental Protection Agency Web site for verification of certification of a licensee.

EFFECTIVE DATE. This section is effective February 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 326B.805, is amended by adding a subdivision to read:

Subd. 1a. Pre-1978 structures. A licensee performing renovation defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure constructed prior to 1978 must comply with section 326B.106, subdivision 14.

EFFECTIVE DATE. This section is effective February 1, 2011."

Delete the title and insert:

"A bill for an act relating to residential construction; providing for lead poisoning prevention; amending the State Building Code; modifying licensing requirements for firms and contractors performing work on certain structures where lead may be present; amending Minnesota Statutes 2008, sections 326B.106, by adding subdivisions; 326B.805, by adding a subdivision."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Kenneth Kelash, Chris Gerlach, Jim Carlson

House Conferees: Karen Clark, Jim Davnie, Bob Gunther

Senator Kelash moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3128 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 3128 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Kubly	Murphy	Saxhaug
Bakk	Doll	Langseth	Olseen	Sheran
Berglin	Erickson Ropes	Latz	Olson, M.	Sieben
Betzold	Fobbe	Limmer	Pappas	Skoe
Bonoff	Foley	Lourey	Pogemiller	Skogen
Carlson	Frederickson	Lynch	Prettner Solon	Sparks
Chaudhary	Gerlach	Marty	Rest	Stumpf
Clark	Hann	Metzen	Robling	Vickerman
Cohen	Higgins	Michel	Rummel	Wiger
Dahle	Kelash	Moua	Saltzman	

Those who voted in the negative were:

Dille	Johnson	Koering	Rosen	Vandev eer
Fischbach	Jungbauer	Ortman	Senjem	
Ingebrigtsen	Koch	Parry	Tomassoni	

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

MOTIONS AND RESOLUTIONS - CONTINUED**CONFIRMATION**

Senator Rest moved that the report from the Committee on State and Local Government Operations and Oversight, reported April 19, 2010, pertaining to appointments to the Campaign Finance and Public Disclosure Board, be taken from the table. The motion prevailed.

Senator Rest moved that the foregoing report be now adopted. The motion prevailed.

Senator Rest moved that in accordance with the report from the Committee on State and Local Government Operations and Oversight, reported April 19, 2010, the Senate, having given its advice, do now consent to and confirm the appointment of:

CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

Greg McCullough, 5512 McGuire Rd., Edina, Hennepin County, effective May 19, 2009, for a term expiring on January 7, 2013.

John J. Scanlon, 75 Upper Afton Ter., Saint Paul, Ramsey County, effective January 4, 2010, for a term expiring on January 6, 2014.

The motion prevailed. So the appointments were confirmed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement on S.F. No. 3379. The motion prevailed.

CALENDAR

S.F. No. 2702: A bill for an act relating to health; establishing licensure for birth centers; appropriating money; amending Minnesota Statutes 2008, sections 62Q.19, subdivision 1; 144.651, subdivision 2; 144A.51, subdivision 5; 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

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 59 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Frederickson	Koering	Metzen
Berglin	Dibble	Hann	Kubly	Michel
Betzold	Dille	Higgins	Langseth	Moua
Bonoff	Doll	Ingebrigtsen	Latz	Murphy
Carlson	Erickson Ropes	Johnson	Limmer	Olseen
Chaudhary	Fischbach	Jungbauer	Lourey	Olson, M.
Clark	Fobbe	Kelash	Lynch	Ortman
Cohen	Foley	Koch	Marty	Pappas

Parry	Robling	Saxhaug	Skoe	Tomassoni
Pogemiller	Rosen	Senjem	Skogen	Vickerman
Prettner Solon	Rummel	Sheran	Sparks	Wiger
Rest	Saltzman	Sieben	Stumpf	

Those who voted in the negative were:

Gerlach Vanderveer

So the bill passed and its title was agreed to.

H.F. No. 3106: A bill for an act relating to public safety; amending first-degree driving while impaired crime to include prior felony convictions from other states; modifying implied consent, driving while impaired, and ignition interlock provisions; amending Minnesota Statutes 2008, sections 169A.24, subdivision 1; 169A.52, subdivisions 3, 4; 169A.54, subdivisions 2, 5; 169A.55, by adding a subdivision; 169A.60, subdivision 1; 171.09; 171.30, subdivisions 1, 2a, 4; 171.306, as amended; 609.131, subdivision 2; Minnesota Statutes 2009 Supplement, sections 169A.275, subdivision 7; 169A.54, subdivision 1; repealing Minnesota Statutes 2008, sections 169A.54, subdivision 11; 169A.55, subdivision 1; 171.30, subdivision 2c; 171.305, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11.

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 59 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Koch	Murphy	Saxhaug
Berglin	Fischbach	Koering	Olseen	Senjem
Betzold	Fobbe	Kubly	Olson, M.	Sheran
Bonoff	Foley	Langseth	Ortman	Sieben
Carlson	Frederickson	Latz	Pappas	Skoe
Chaudhary	Gerlach	Limmer	Parry	Skogen
Clark	Hann	Lourey	Pogemiller	Sparks
Cohen	Higgins	Lynch	Prettner Solon	Stumpf
Dahle	Ingebrigtsen	Marty	Robling	Vanderveer
Dibble	Johnson	Metzen	Rosen	Vickerman
Dille	Jungbauer	Michel	Rummel	Wiger
Doll	Kelash	Moua	Saltzman	

Those who voted in the negative were:

Tomassoni

So the bill passed and its title was agreed to.

S.F. No. 2900: A bill for an act relating to natural resources; modifying aquaculture provisions; modifying disposal restrictions for certain livestock taken by wild animals; modifying provisions for taking, possessing, and transporting wild animals; modifying requirements for fish and wildlife management plans; modifying game and fish provisions; modifying game and fish license requirements and fees for youths; increasing certain fishing license fees; modifying certain requirements for invasive species control; modifying certain administrative accounts; modifying electronic transaction provisions; providing for certain registration exemptions;

modifying all-terrain vehicle definitions; modifying all-terrain vehicle operation restrictions; modifying state trails and canoe and boating routes; modifying fees and disposition of certain receipts; modifying certain competitive bidding exemptions; modifying horse trail pass provisions; modifying beaver dam provisions; modifying the Water Law; modifying nongame wildlife check offs; modifying method of determining value of acquired stream easements; providing for certain historic property exemption; modifying adding to and deleting from state parks and state forests; authorizing public and private sales, conveyances, and exchanges of certain state land; providing exemptions from rulemaking and requiring rulemaking; providing criminal penalties; appropriating money; amending Minnesota Statutes 2008, sections 17.4982, subdivision 12, by adding a subdivision; 17.4991, subdivision 3; 17.4994; 35.82, subdivision 2; 84.025, subdivision 9; 84.027, subdivision 15; 84.0272, subdivision 2; 84.0856; 84.0857; 84.82, subdivision 3, by adding a subdivision; 84.92, subdivisions 9, 10; 84.922, subdivision 5, by adding a subdivision; 84.925, subdivision 1; 84.942, subdivision 1; 84D.03, subdivision 3; 84D.13, subdivision 3; 85.012, subdivision 40; 85.015, subdivision 14; 85.22, subdivision 5; 85.32, subdivision 1; 85.43; 85.46, as amended; 86B.101; 89.032, subdivision 2; 97A.015, subdivision 52, by adding a subdivision; 97A.055, subdivision 4b; 97A.101, subdivision 3; 97A.145, subdivision 2; 97A.311, subdivision 5; 97A.331, by adding subdivisions; 97A.420, subdivisions 2, 3, 4, 6, by adding a subdivision; 97A.421, subdivision 4a, by adding a subdivision; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 5; 97A.451, subdivision 3; 97A.475, subdivisions 3a, 4, 43, 44; 97A.535, subdivision 2a; 97A.545, subdivision 5; 97B.015; 97B.020; 97B.021, subdivision 1; 97B.022, subdivision 2; 97B.031, subdivision 5; 97B.045, by adding a subdivision; 97B.075; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.301, subdivisions 3, 6; 97B.325; 97B.405; 97B.515, by adding a subdivision; 97B.601, subdivision 4; 97B.665, subdivision 2; 97B.711, by adding a subdivision; 97B.803; 97C.005, subdivision 3; 97C.087, subdivision 2; 97C.205; 97C.341; 103A.305; 103G.271, subdivision 3; 103G.285, subdivision 5; 103G.301, subdivision 6; 103G.305, subdivision 2; 103G.315, subdivision 11; 103G.515, subdivision 5; 290.431; 290.432; Minnesota Statutes 2009 Supplement, sections 84.928, subdivision 1; 84.95, subdivision 2; 85.015, subdivision 13; 86A.09, subdivision 1; 97A.075, subdivision 1; 97A.445, subdivision 1a; 97A.451, subdivision 2; 97A.475, subdivisions 2, 3; 97B.055, subdivision 3; 97C.395, subdivision 1; 103G.201; Laws 2008, chapter 368, article 1, section 34, as amended; Laws 2009, chapter 176, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 17; 84D; 85; 97B; 97C; 103G; repealing Minnesota Statutes 2008, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 84.942, subdivisions 2, 3, 4; 97A.435, subdivision 5; 97A.451, subdivisions 3a, 4; 97A.485, subdivision 12; 97B.022, subdivision 1; 97B.511; 97B.515, subdivision 3; 97B.665, subdivision 1; 97C.346; 103G.295; 103G.650; Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b; Laws 2009, chapter 172, article 5, section 8.

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 57 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Clark	Erickson Ropes	Higgins	Kubly
Berglin	Cohen	Fischbach	Ingebrihtsen	Langseth
Betzold	Dahle	Fobbe	Johnson	Latz
Bonoff	Dibble	Foley	Jungbauer	Lourey
Carlson	Dille	Frederickson	Kelash	Lynch
Chaudhary	Doll	Hann	Koch	Marty

Metzen	Ortman	Robling	Sheran	Tomassoni
Michel	Pappas	Rosen	Sieben	Vickerman
Moua	Parry	Rummel	Skoe	Wiger
Murphy	Pogemiller	Saltzman	Skogen	
Olseen	Prettner Solon	Saxhaug	Sparks	
Olson, M.	Rest	Senjem	Stumpf	

Those who voted in the negative were:

Gerlach	Koering	Limmer	Vandever
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So the bill passed and its title was agreed to.

S.F. No. 3379: A bill for an act relating to public safety; appropriating money to match federal disaster assistance made available through FEMA Public Assistance Program.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senators Gimse and Torres Ray were excused from the Session of today. Senator Metzen was excused from the Session of today from 3:30 to 4:30 p.m. Senator Scheid was excused from the Session of today at 4:00 p.m. Senator Cohen was excused from the Session of today from 4:25 to 4:55 p.m. Senator Tomassoni was excused from the Session of today from 4:30 to 5:10 p.m. Senators Olson, G. and Pariseau were excused from the Session of today at 6:45 p.m. Senator Murphy was excused from the Session of today from 6:45 to 7:00 p.m. Senator Michel was excused from the Session of today from 6:45 to 7:10 p.m. Senator Ortman was excused from the Session of today from 6:45 to 8:30 p.m. Senator Anderson was excused from the Session of today from 8:30 to 8:50 p.m. Senator Bakk was excused from the Session of today from 9:15 to 10:10 p.m. Senator Rest was excused from the Session of today from 10:30 to 10:35 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 1:00 p.m., Thursday, May 6, 2010. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

