

THIRTY-FIFTH DAY

St. Paul, Minnesota, Monday, April 15, 2013

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

CALL OF THE SENATE

Senator Bakk 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. Bob White.

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

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

Anderson	Eken	Johnson	Ortman	Sheran
Bakk	Fischbach	Kent	Osmek	Sieben
Benson	Franzen	Kiffmeyer	Pappas	Skoe
Bonoff	Gazelka	Koenen	Pederson, J.	Sparks
Brown	Goodwin	Latz	Petersen, B.	Stumpf
Chamberlain	Hall	Limmer	Pratt	Thompson
Champion	Hann	Lourey	Rest	Tomassoni
Clausen	Hawj	Marty	Rosen	Torres Ray
Cohen	Hayden	Metzen	Ruud	Weber
Dahle	Hoffman	Miller	Saxhaug	Westrom
Dahms	Housley	Nelson	Scalze	Wiger
Dziedzic	Ingebrigtsen	Newman	Schmit	Wiklund
Eaton	Jensen	Nienow	Senjem	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 76 and 166.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 11, 2013

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 131, 143, 853, 232, 748, 834 and 1243.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 11, 2013

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 131: A bill for an act relating to commerce; requiring estate sale conductors to post a bond to protect owners of the property to be sold; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 316, now on General Orders.

H.F. No. 143: A bill for an act relating to veterans; authorizing placement of a plaque in the court of honor on the Capitol grounds to honor American Indian veterans from this state.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 87, now on General Orders.

H.F. No. 853: A bill for an act relating to public safety; fire and police department aid; modifying threshold for financial reports and audits; amending Minnesota Statutes 2012, section 69.051, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 746, now on General Orders.

H.F. No. 232: A bill for an act relating to civil law; modifying the statutory short form power of attorney; authorizing certain judicial relief; modifying gift transaction amount; amending Minnesota Statutes 2012, sections 523.20; 523.23, subdivision 1, by adding subdivisions; 523.24, subdivisions 8, 14; proposing coding for new law in Minnesota Statutes, chapter 523.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 327, now on General Orders.

H.F. No. 748: A bill for an act relating to employment; modifying prompt payment of wages requirements; modifying penalties; amending Minnesota Statutes 2012, sections 181.13; 181.14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 602, now on General Orders.

H.F. No. 834: A bill for an act relating to metropolitan planning activities; extending the sunset date of the Metropolitan Area Water Supply Advisory Committee; amending Minnesota Statutes 2012, section 473.1565, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 515, now on General Orders.

H.F. No. 1243: A bill for an act relating to commerce; modifying securities registration and franchise registration provisions; amending Minnesota Statutes 2012, sections 80A.41; 80A.54; 80A.58; 80A.61; 80A.66; 80C.08, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1376, now on General Orders.

REPORTS OF COMMITTEES

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

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

S.F. No. 1081: A bill for an act relating to health; changing licensing requirements for businesses regulated by the Board of Pharmacy; making changes to the prescription monitoring program; amending Minnesota Statutes 2012, sections 151.01, subdivision 27; 151.19, subdivisions 1, 3; 151.37, subdivision 4; 151.47, subdivision 1, by adding a subdivision; 151.49; 152.126; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 2012, sections 151.19, subdivision 2; 151.25; 151.45; 151.47, subdivision 2; 151.48.

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

Page 6, after line 28, insert:

"Sec. 5. Minnesota Statutes 2012, section 151.26, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Nothing in this chapter shall subject a person duly licensed in this state to practice medicine, dentistry, or veterinary medicine, to inspection by the State Board of Pharmacy, nor prevent the person from administering drugs, medicines, chemicals, or poisons in the person's practice, nor prevent a duly licensed practitioner from furnishing to a patient properly packaged and labeled drugs, medicines, chemicals, or poisons as may be considered appropriate in the treatment of such patient; unless the person is engaged in the dispensing, sale, or distribution of drugs and the board provides reasonable notice of an inspection.

Except for the provisions of section 151.37, nothing in this chapter applies to or interferes with the dispensing, in its original package and at no charge to the patient, of a legend drug, ~~other than a controlled substance~~; that was packaged by a manufacturer and provided to the dispenser for ~~distribution~~ dispensing as a professional sample, so long as the sample is prepared and distributed pursuant to Code of Federal Regulations, title 21, section 203, subpart D.

Nothing in this chapter shall prevent the sale of drugs, medicines, chemicals, or poisons at wholesale to licensed physicians, dentists and veterinarians for use in their practice, nor to hospitals for use therein.

Nothing in this chapter shall prevent the sale of drugs, chemicals, or poisons either at wholesale or retail for use for commercial purposes, or in the arts, nor interfere with the sale of insecticides, as defined in Minnesota Statutes 1974, section 24.069, and nothing in this chapter shall prevent the sale of common household preparations and other drugs, chemicals, and poisons sold exclusively for use for nonmedicinal purposes.

Nothing in this chapter shall apply to or interfere with the vending or retailing of any nonprescription medicine or drug not otherwise prohibited by statute which is prepackaged, fully prepared by the manufacturer or producer for use by the consumer, and labeled in accordance with the requirements of the state or federal Food and Drug Act; nor to the manufacture, wholesaling, vending, or retailing of flavoring extracts, toilet articles, cosmetics, perfumes, spices, and other commonly used household articles of a chemical nature, for use for nonmedicinal purposes. Nothing in this chapter shall prevent the sale of drugs or medicines by licensed pharmacists at a discount to persons over 65 years of age."

Page 12, line 10, reinstate the stricken colon

Page 12, line 11, reinstate the stricken "(1)"

Page 12, line 19, delete the period and insert "; and"

Page 12, after line 19, insert:

"(2) individuals receiving a drug sample that was packaged by a manufacturer and provided to the dispenser for dispensing as a professional sample pursuant to Code of Federal Regulations, title 21, section 203, subpart D."

Page 13, line 7, delete everything after "transfer" and insert "the data into a database that"

Page 13, line 10, delete "Data"

Page 13, line 11, delete everything before "No"

Page 13, line 12, delete "the inactive" and insert "this"

Page 14, line 18, after the semicolon, insert "and"

Page 14, line 23, delete "; and"

Page 14, delete lines 24 to 27

Page 14, line 28, delete the new language

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 671: A bill for an act relating to public safety; providing that funds received for out-of-state offenders incarcerated in Minnesota are appropriated to the Department of Corrections; modifying certificates of compliance for public contracts; appropriating money for public safety, judiciary, corrections, and human rights; amending Minnesota Statutes 2012, sections 161.20, subdivision 3; 243.51, subdivisions 1, 3; 363A.36, subdivisions 1, 2; repealing Minnesota Statutes 2012, section 243.51, subdivision 5.

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

Delete everything after the enacting clause and insert:

"Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this act.

	<u>2014</u>	<u>2015</u>	<u>Total</u>
General	\$ <u>873,062,000</u>	\$ <u>890,165,000</u>	\$ <u>1,763,227,000</u>
Special Revenue	<u>3,870,000</u>	<u>3,870,000</u>	<u>7,740,000</u>
Total	\$ <u>876,932,000</u>	\$ <u>894,035,000</u>	\$ <u>1,770,967,000</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015. Appropriations for the fiscal year ending June 30, 2013, are effective the day following final enactment.

APPROPRIATIONS**Available for the Year****Ending June 30****2014****2015****Sec. 3. SUPREME COURT**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>44,948,000</u>	\$	<u>44,805,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Supreme Court Operations</u>		<u>32,682,000</u>		<u>32,539,000</u>
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(a) Contingent Account.

\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

(b) Employer Pension Fund Contribution.

\$22,000 each year is for a two percent increase in the employer pension fund contribution rate to the judge retirement plan. These appropriations take effect only if legislation to increase the employer

pension fund contribution rate by two percent is enacted into law by July 1, 2013. If the appropriations do not take effect, this appropriation cancels to the general fund.

Subd. 3. Civil Legal Services

12,266,000

12,266,000

Legal Services to Low-Income Clients in Family Law Matters.

\$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Sec. 4. COURT OF APPEALS

\$

10,641,000

\$ 11,023,000

Employer Pension Fund Contribution.

\$55,000 the first year and \$57,000 the second year are for a two percent increase in the employer pension fund contribution rate to the judge retirement plan. These appropriations take effect only if legislation to increase the employer pension fund contribution rate by two percent is enacted into law by July 1, 2013. If the appropriations do not take effect, this appropriation cancels to the general fund.

Sec. 5. DISTRICT COURTS

\$

246,334,000

\$ 255,991,000

Employer Pension Fund Contribution.

\$778,000 the first year and \$809,000 the second year are for a two percent increase in the employer pension fund contribution rate to the judge retirement plan. These appropriations take effect only if legislation to increase the employer pension fund contribution rate by two percent is enacted into law by July 1, 2013. If the appropriations do not take effect, this appropriation cancels to the general fund.

Sec. 6. <u>GUARDIAN AD LITEM BOARD</u>	\$	<u>12,414,000</u>	\$	<u>12,756,000</u>
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Sec. 7. <u>TAX COURT</u>	\$	<u>1,011,000</u>	\$	<u>1,011,000</u>
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(a) Additional Resources.

\$161,000 each year is for two law clerks, continuing legal education costs, and Westlaw costs.

(b) Case Management System.

\$25,000 each year is for the implementation and maintenance of a modern case management system.

Sec. 8. <u>UNIFORM LAWS COMMISSION</u>	\$	<u>147,000</u>	\$	<u>84,000</u>
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Back Dues.

\$63,000 the first year is to pay back dues owing to the National Conference of Commissioners on Uniform State Laws.

Sec. 9. <u>BOARD ON JUDICIAL STANDARDS</u>	\$	<u>756,000</u>	\$	<u>456,000</u>
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(a) Deficiencies.

\$300,000 the first year is for deficiencies occurring in fiscal year 2013. This appropriation is available for expenditure the day following final enactment.

(b) Major Disciplinary Actions.

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any encumbered and unspent balances remain available for these expenditures in subsequent fiscal years.

Sec. 10. <u>BOARD OF PUBLIC DEFENSE</u>	\$	<u>70,548,000</u>	\$	<u>73,499,000</u>
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(a) Information Technology Staffing.

\$388,000 the first year and \$582,000 the second year are for information technology staffing.

(b) Public Defense Corporations.

The base budget for public defense corporations is \$1,537,000 each year.

(c) Transcripts.

The base budget for transcript costs is \$500,000 each year.

Sec. 11. PEACE OFFICER STANDARDS AND TRAINING BOARD

<u>\$</u>	<u>3,870,000</u>	<u>\$</u>	<u>3,870,000</u>
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(a) Excess Amounts Transferred.

This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$3,870,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of \$3,870,000 must be transferred and credited to the general fund.

(b) Peace Officer Training Reimbursements.

\$2,734,000 each year is for reimbursements to local governments for peace officer training costs.

<u>Sec. 12. PRIVATE DETECTIVE BOARD</u>	<u>\$</u>	<u>120,000</u>	<u>\$</u>	<u>120,000</u>
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<u>Sec. 13. HUMAN RIGHTS</u>	<u>\$</u>	<u>3,297,000</u>	<u>\$</u>	<u>3,297,000</u>
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Increased Compliance.

\$129,000 each year is for two additional contract compliance officers.

Sec. 14. DEPARTMENT OF CORRECTIONS

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>481,960,000</u>	<u>\$</u>	<u>486,537,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Correctional Institutions</u>	<u>344,750,000</u>	<u>348,531,000</u>
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(a) Chemical Dependency.

\$1,300,000 each year is for additional chemical dependency treatment beds.

(b) Medical Release Planners.

\$68,000 the first year and \$136,000 the second year are for two medical release planners.

(c) MINNCOR.

Notwithstanding Minnesota Statutes, section 241.27, the commissioner of management and budget shall transfer \$1,700,000 each year from the Minnesota correctional industries revolving fund to the general fund.

<u>Subd. 3. Community Services</u>	<u>114,967,000</u>	<u>115,494,000</u>
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(a) Probation Supervision, CCA System.

\$1,772,000 the first year and \$1,773,000 the second year are added to the Community Corrections Act subsidy, as described in Minnesota Statutes, section 401.14.

(b) Probation Supervision, CPO System.

\$242,000 each year is for county probation officers reimbursement, as described in Minnesota Statutes, section 244.19, subdivision 6.

<u>Subd. 4. Operations Support</u>	<u>22,243,000</u>	<u>22,512,000</u>
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<u>Sec. 15. SENTENCING GUIDELINES</u>	<u>\$</u>	<u>886,000</u>	<u>\$</u>	<u>586,000</u>
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Electronic Sentencing Worksheet.

\$300,000 the first year is for a transfer to the Office of Enterprise Technology for an electronic sentencing worksheet system. This appropriation is available until expended. Any ongoing information technology support or costs for this application shall be incorporated into the service-level agreement and shall be paid to the Office of Enterprise Technology.

Sec. 16. Minnesota Statutes 2012, section 243.51, subdivision 1, is amended to read:

Subdivision 1. **Contracting with other states and federal government.** The commissioner of corrections is hereby authorized to contract with agencies and bureaus of the United States and

with the proper officials of other states or a county of this state for the custody, care, subsistence, education, treatment and training of persons convicted of criminal offenses constituting felonies in the courts of this state, the United States, or other states of the United States. ~~Such~~ The contracts shall provide for reimbursing the state of Minnesota for all costs or other expenses involved, and, to the extent possible, require payment to the Department of Corrections of a per diem amount that is substantially equal to or greater than the per diem for the cost of housing Minnesota inmates at the same facility. This per diem cost shall be based on the assumption that the facility is at or near capacity. Funds received under the contracts shall be deposited in the state treasury and are appropriated to the commissioner of corrections for correctional purposes. Any prisoner transferred to the state of Minnesota pursuant to this subdivision shall be subject to the terms and conditions of the prisoner's original sentence as if the prisoner were serving the same within the confines of the state in which the conviction and sentence was had or in the custody of the United States. Nothing herein shall deprive ~~such~~ the inmate of the right to parole or the rights to legal process in the courts of this state.

Sec. 17. Minnesota Statutes 2012, section 243.51, subdivision 3, is amended to read:

Subd. 3. **Temporary detention.** The commissioner of corrections is authorized to contract with agencies and bureaus of the United States and with the appropriate officials of any other state or county of this state for the temporary detention of any person in custody pursuant to any process issued under the authority of the United States, other states of the United States, or the district courts of this state. The contract shall provide for reimbursement to the state of Minnesota for all costs and expenses involved, and, to the extent possible, require payment to the Department of Corrections of a per diem amount that is substantially equal to or greater than the per diem for the cost of housing Minnesota inmates at the same facility. This per diem cost shall be based on the assumption that the facility is at or near capacity. Funds received under the contracts shall be deposited in the state treasury and are appropriated to the commissioner of corrections for correctional purposes.

Sec. 18. Minnesota Statutes 2012, section 363A.36, subdivision 1, is amended to read:

Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in excess of \$100,000, no department or agency of the state shall accept any bid or proposal for a contract or agreement from any business having more than 40 full-time employees within this state on a single working day during the previous 12 months, unless the commissioner is in receipt of the business' affirmative action plan for the employment of minority persons, women, and qualified disabled individuals. No department or agency of the state shall execute any such contract or agreement until the affirmative action plan has been approved by the commissioner. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of ~~two~~ four years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled and submit the plan to the commissioner.

(b) This paragraph applies to a contract for goods or services in excess of \$100,000 to be entered into between a department or agency of the state and a business that is not subject to paragraph (a), but that has more than 40 full-time employees on a single working day during the previous 12 months in the state where the business has its primary place of business. A department or agency of the state may not execute a contract or agreement with a business covered by this paragraph unless

the business has a certificate of compliance issued by the commissioner under paragraph (a) or the business certifies that it is in compliance with federal affirmative action requirements.

(c) This section does not apply to contracts entered into by the State Board of Investment for investment options under section 352.965, subdivision 4.

Sec. 19. Minnesota Statutes 2012, section 363A.36, subdivision 2, is amended to read:

Subd. 2. **Filing fee; account; appropriation.** The commissioner shall collect a ~~\$75~~ \$150 fee for each certificate of compliance issued by the commissioner or the commissioner's designated agent. The proceeds of the fee must be deposited in a human rights fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of issuing certificates and investigating grievances.

Sec. 20. Laws 2011, First Special Session chapter 1, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. Civil Legal Services	11,016,000	11,016,000
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~~(a)~~ **Legal Services to Low-Income Clients in Family Law Matters.** Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

~~(b) Case Priorities.~~ For legal services funded by state funds, priority must be given to clients with civil matters within the jurisdiction of the state courts or agencies.

Sec. 21. **JUDICIAL SALARY INCREASE.**

(a) The salaries of Supreme Court justices, Court of Appeals judges, and district court judges are increased by three percent on July 1, 2013, and by four percent on July 1, 2014.

(b) In addition to the increases specified in paragraph (a), the salaries of Supreme Court justices, Court of Appeals judges, and district court judges are increased by one percent on July 1, 2013, if legislation to increase pension fund contribution rates by judges by one percent has been enacted into law by July 1, 2013. If the salary increases described in this paragraph do not take effect, the amount necessary to fund this portion of the salary increase is canceled to the general fund from the appropriations in sections 3 to 5.

Sec. 22. **INTERAGENCY AGREEMENT.**

The commissioner of corrections shall execute an interagency agreement with the commissioner of human services to pay the medical assistance cost attributable to medical assistance eligibility for inmates of public institutions admitted to hospitals on an inpatient basis. The amount that must be paid by the Department of Corrections shall include all state medical assistance costs, including administrative costs, attributable to inmates under state and county jurisdiction admitted to hospitals on an inpatient basis.

Sec. 23. **REPEALER.**

Minnesota Statutes 2012, section 243.51, subdivision 5, is repealed."

Amend the title numbers accordingly

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

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

H.F. No. 504 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
504	372				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1378 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.
1378	1337				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1378 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1378; and insert the language after the enacting clause of S.F. No. 1337, the first engrossment; further, delete the title of H.F. No. 1378; and insert the title of S.F. No. 1337, the first engrossment.

And when so amended H.F. No. 1378 will be identical to S.F. No. 1337, and further recommends that H.F. No. 1378 be given its second reading and substituted for S.F. No. 1337, and that the Senate File be indefinitely postponed.

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

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

S.F. No. 1236: A bill for an act relating to higher education; providing funding for the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Regents of the University of Minnesota, and the Office of Higher Education; appropriating money.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. Summary By Fund. The amounts shown in this subdivision summarize direct appropriations, by fund, made in this article.

	<u>SUMMARY BY FUND</u>		
	<u>2014</u>	<u>2015</u>	<u>Total</u>
General	\$ 1,398,228,000	\$ 1,429,733,000	\$ 2,827,961,000
Health Care Access	2,157,000	2,157,000	4,314,000
Total	\$ 1,400,385,000	\$ 1,431,890,000	\$ 2,832,275,000

Subd. 2. Summary By Agency - All Funds. The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

	<u>SUMMARY BY AGENCY - ALL FUNDS</u>		
	<u>2014</u>	<u>2015</u>	<u>Total</u>
Minnesota Office of Higher Education	\$ 243,113,000	\$ 242,218,000	\$ 485,331,000
Board of Trustees of the Minnesota State Colleges and Universities	577,615,000	593,115,000	1,170,730,000
Board of Regents of the University of Minnesota	578,306,000	595,206,000	1,173,512,000
Mayo Clinic	1,351,000	1,351,000	2,702,000
Total	\$ 1,400,385,000	\$ 1,431,890,000	\$ 2,832,275,000

Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another

named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2014</u>	<u>2015</u>
<u>Sec. 3. MINNESOTA OFFICE OF HIGHER EDUCATION</u>		
<u>Subdivision 1. Total Appropriation</u>	<u>\$ 243,113,000</u>	<u>\$ 242,218,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
<u>Subd. 2. State Grants</u>	<u>194,625,000</u>	<u>194,625,000</u>
<u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.</u>		
<u>Subd. 3. Child Care Grants</u>	<u>6,684,000</u>	<u>6,684,000</u>
<u>Subd. 4. State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>11,465,000</u>	<u>10,570,000</u>
<u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.</u>		
<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
<u>This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.</u>		
<u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.</u>		
<u>Subd. 7. Indian Scholarships</u>	<u>3,100,000</u>	<u>3,100,000</u>

The director must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Minnesota Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126. This appropriation includes funding to administer the American Indian scholarship program.

Subd. 8. Tribal College Grants 150,000 150,000

For tribal college assistance grants under new Minnesota Statutes, section 136A.50.

Subd. 9. High School-to-College Developmental Transition Grants 100,000 100,000

For grants under Minnesota Statutes, section 135A.61, for the high school-to-college developmental transition program grants.

Subd. 10. Intervention for College Attendance Program Grants 671,000 671,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

This appropriation includes funding to administer the intervention for college attendance program grants.

Subd. 11. Student-Parent Information 122,000 122,000

Subd. 12. Get Ready 180,000 180,000

Subd. 13. Midwest Higher Education Compact 95,000 95,000

Subd. 14. Minnesota Minority Partnership 45,000 45,000

Subd. 15. United Family Medicine Residency Program 351,000 351,000

For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 18 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.

Subd. 16. <u>MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
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Subd. 17. <u>Statewide Longitudinal Education Data System</u>	<u>882,000</u>	<u>882,000</u>
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\$582,000 in fiscal year 2014 and \$582,000 in fiscal year 2015 are appropriated to the Office of Higher Education for transfer to the Office of Enterprise Technology to maintain infrastructure of the Statewide Longitudinal Education Data System and to acquire additional data through purchase and development. This transfer to the Office of Enterprise Technology is onetime. Any ongoing information technology support or costs for the Statewide Longitudinal Education Data System will be incorporated into the service level agreement and will be paid to the Office of Enterprise Technology by the Office of Higher Education under the rates and mechanism specified in that agreement.

Subd. 18. <u>Hennepin County Medical Center</u>	<u>645,000</u>	<u>645,000</u>
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For transfer to Hennepin County Medical Center for graduate family medical education programs at Hennepin County Medical Center.

Subd. 19. <u>Teach for America</u>	<u>750,000</u>	<u>750,000</u>
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For the purpose of supporting Teach for America activities in Minnesota and must not be used for teaching services performed

outside Minnesota. The appropriation shall be used for:

(1) expenses related to the recruitment, selection, and training of Teach for America corps members;

(2) ongoing professional development and support of Teach for America corps members;

(3) ongoing alumni support; and

(4) management and operational support, development, and central services, including finance, technology, and human services.

The appropriations are expected to leverage an additional \$2,121,230 in fiscal year 2014 and \$3,428,730 in fiscal year 2015 in nonstate money.

Teach for America must by February 1, 2015, report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education on activities funded by this appropriation. Specifically, and without limitation, the report must include a report on the number of teachers of color funded and on the success of the teaching activities. To the extent possible, success must be measured using the Minnesota teachers development and evaluation program.

Subd. 20. Collaborative Urban Education

250,000

250,000

For East African teacher educative activities at Augsburg College. Augsburg College must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education finance on activities funded by this appropriation, including the number of teachers produced, the diversity of each cohort of teachers produced, and the success of the program. To the extent possible, success must be measured using the Minnesota teachers' development and evaluation program. Any balance in the

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

Subd. 21. <u>Agency Administration</u>	<u>2,491,000</u>	<u>2,491,000</u>
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Subd. 22. **Balances Forward**

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 23. **Transfers**

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, and the public safety officers' survivors appropriation. Transfers from the child care or state work-study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over higher education finance.

Sec. 4. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. <u>Total Appropriation</u>	<u>\$ 577,615,000</u>	<u>\$ 593,115,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Central Office and Shared Services Unit</u>	<u>33,074,000</u>	<u>33,074,000</u>
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For the Office of the Chancellor and the Shared Services Division.

Subd. 3. <u>Operations and Maintenance</u>	<u>540,426,000</u>	<u>555,926,000</u>
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\$18,000 each year is for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to the \$102,000 per fiscal year this project currently receives. The project shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students. The base appropriation under this paragraph is \$120,000 each year.

\$9,000,000 in fiscal year 2014 and \$10,000,000 in fiscal year 2015 are for a leveraged equipment program. For the purpose of this section, "equipment" means equipment for instructional purposes for programs that the board determines would produce graduates with skills for which there is a high employer need within the state. An equipment acquisition may be made under this appropriation only if matched by cash or in-kind contributions from nonstate sources.

\$4,000,000 in fiscal year 2014 and \$4,000,000 in fiscal year 2015 are for a faculty-driven innovations program. The faculty-driven innovations program will enable faculty to enhance the quality of instruction and accelerate student progress through technology-driven learning.

\$9,000,000 in fiscal year 2014 and \$20,000,000 in fiscal year 2015 are to retain high-quality faculty and staff.

\$1,000,000 in fiscal year 2014 and \$1,000,000 in fiscal year 2015 are for an internship and apprenticeship program. Fiscal year 2015 funds are available when the Board of Trustees demonstrates to the commissioner of management and budget that \$2,000,000 in nonstate matching funds have been secured for the program.

\$3,500,000 in fiscal year 2014 and \$6,500,000 in fiscal year 2015 are for purposes of meeting the needs in high-demand professions.

This appropriation includes a onetime appropriation of \$50,000 in fiscal year 2014, to convene a mental health issues summit, and complete the activities described in article 2, section 13. Fiscal year 2015 appropriated funds are available when the Board of Trustees of the Minnesota State Colleges and Universities demonstrates to the commissioner of management and budget that twenty new or expanded programs will be enrolling students for the fall 2014 term.

\$5,750,000 in fiscal year 2014 and \$6,250,000 in fiscal year 2015 for the purpose of increasing retention and completion rates, leading to higher numbers of certificates, diplomas, and degrees conferred.

Five percent of the fiscal year 2015 appropriation in this subdivision is available in fiscal year 2015 when the Board of Trustees of the Minnesota State Colleges and Universities (MnSCU) demonstrates to the commissioner of management and budget that the board has met at least three of the following five performance goals:

(1) increase by at least four percent in fiscal year 2013, compared to fiscal year 2010, graduates or degrees, diplomas, and certificates conferred;

(2) increase by at least one percent the fall 2013 persistence and completion rate for fall 2012 entering students compared to the fall 2010 rate for fall 2009 entering students;

(3) increase by at least four percent the fiscal year 2013 related employment rate for 2012 graduates compared to the 2011 rate for 2010 graduates;

(4) by 2014, MnSCU must collect data on the number of Open Educational Resources (OER) tools and services offered and formulate a plan to actualize a one percent reduction in expenses directly related to the cost of instruction incurred by students; and

(5) reallocate \$22,000,000 that became available through expense realignment in fiscal year 2014.

"Open Educational Resources" includes, but is not limited to, textbooks, study guides, worksheets, journals, video, audio recordings, massive open online courses, or other innovative course configuration.

"Cost of instruction" means average tuition, average fees, average cost to student for textbooks and related course material.

By August 1, 2013, the Board of Trustees and the Minnesota Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the Minnesota State Colleges and Universities' attainment of each goal. On or before April 1, 2014, the Board of Trustees must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the Minnesota State Colleges and Universities toward attaining the goals. The appropriation base for the next biennium shall include appropriations not made available under this subdivision for failure to meet performance goals.

<u>Subd. 4. Learning Network of Minnesota</u>	<u>4,115,000</u>	<u>4,115,000</u>
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Sec. 5. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>578,306,000</u>	<u>\$</u>	<u>595,206,000</u>
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Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>576,149,000</u>	<u>593,049,000</u>
<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Operations and Maintenance</u>	<u>514,686,000</u>	<u>530,386,000</u>
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This appropriation includes funding for operation and maintenance of the system.

This appropriation includes \$14,200,000 in fiscal year 2014 and \$28,400,000 in fiscal year 2015 for tuition relief. The Board of Regents is requested to maintain the Minnesota resident undergraduate tuition rate for the 2013-2014 and 2014-2015 academic years at the 2012-2013 academic year rate.

\$17,250,000 in fiscal year 2014 and \$18,750,000 in fiscal year 2015 is for the Minnesota Discovery, Research, and InnoVation Economy (MnDRIVE) funding program.

Five percent of the fiscal year 2015 appropriation in this subdivision is available in fiscal year 2015 when the Board of Regents of the University of Minnesota demonstrates to the commissioner of management and budget that the board has met at least three of the following five performance goals:

(1) increase by at least one percent the Twin Cities campus undergraduate four-year, five-year, or six-year graduation rates averaged over three years, for low-income students reported in fall 2014 over fall 2012. The average rate for fall 2012 is calculated with the fall 2010, 2011, and 2012 graduation rates;

(2) increase by at least three percent the total number of undergraduate STEM degrees, averaged over three years, conferred by the University of Minnesota Twin Cities campus reported in fiscal year 2014 over fiscal year 2012. The averaged number for fall 2012 is calculated with the fall 2010, 2011, and 2012 number;

(3) increase by at least one percent the four-year, five-year, or six-year graduation rates, averaged over three years, at the University of Minnesota reported in fall 2014 over fall 2012. The average rate for fall 2012 is calculated with the fall 2010, 2011, and 2012 graduation rates;

(4) for fiscal year 2014, decrease by \$15,000,000 of the university's total operating budget expenditures devoted to administration oversight and mission support/facilities. Administration oversight and mission support/facilities are the expenses: (i) to support the delivery of mission activities; and (ii) the leadership, direction, control, and management of the mission; and

(5) increase invention disclosures by three percent for fiscal year 2014 over fiscal year 2013 (net of student disclosures).

By August 1, 2013, the Board of Regents and the Minnesota Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the University of Minnesota's attainment of each goal. On or before April 1, 2014, the Board of Regents must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the University of Minnesota toward attaining the goals. The appropriation base for the next biennium shall include appropriations not made available under this subdivision for failure to meet performance goals.

<u>Subd. 3. Primary Care Education Initiatives</u>	<u>2,157,000</u>	<u>2,157,000</u>
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This appropriation is from the health care access fund.

Subd. 4. **Special Appropriations**

<u>(a) Agriculture and Extension Service</u>	<u>42,922,000</u>	<u>42,922,000</u>
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For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly

transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2015, the Board of Regents must submit a report to the legislative committees and divisions with responsibility for agriculture and higher education finance on the status and outcomes of research and initiatives funded in this section.

(b) Health Sciences

4,854,000

6,054,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice

primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. \$1,200,000 the second year is for the health care professional loan forgiveness program. The remainder of this appropriation is for the rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
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For the geological survey and the talented youth mathematics program.

<u>(d) System Special</u>	<u>5,056,000</u>	<u>5,056,000</u>
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For general research, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey Exhibit.

<u>(e) University of Minnesota and Mayo Foundation Partnership</u>	<u>7,491,000</u>	<u>7,491,000</u>
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For the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation is available until expended. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committee responsible for higher education finance by June 30 of each fiscal year.

Subd. 5. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

Sec. 6. MAYO CLINIC

Subdivision 1. <u>Total Appropriation</u>	\$	<u>1,351,000</u>	\$	<u>1,351,000</u>
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The amounts that may be spent are specified in the following subdivisions.

Subd. 2. <u>Medical School</u>		<u>665,000</u>		<u>665,000</u>
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The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between each year of the biennium to accommodate enrollment fluctuations. It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. <u>Family Practice and Graduate Residency Program</u>		<u>686,000</u>		<u>686,000</u>
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The state must pay stipend support for up to 27 residents each year.

ARTICLE 2

REFORM AND PATHWAYS TO REFORM

Section 1. Minnesota Statutes 2012, section 135A.61, is amended to read:

135A.61 HIGH SCHOOL-TO-COLLEGE DEVELOPMENTAL TRANSITION PROGRAMS PROGRAM GRANTS.

Subdivision 1. High school-to-college developmental transition programs program grants. ~~All public higher education systems and other higher education institutions in Minnesota are encouraged to offer~~ (a) The director of the Minnesota Office of Higher Education shall award competitive matching grants to Minnesota public and private postsecondary institutions offering research-based high school-to-college developmental transition programs to prepare students for college-level academic coursework. A program under this section must, at a minimum, include instruction to develop the skills and abilities necessary to be ready for college-level coursework when the student enrolls in a degree, diploma, or certificate program and must address the academic skills identified as needing improvement by a college readiness assessment completed by the student. A program ~~Developmental courses offered under this section must not constitute more than the equivalent of one semester of full-time study occurring in the summer following high school graduation. The courses completed in a program under this section must be identified on the student's transcript with a unique identifier to distinguish it~~ them ~~from other developmental education courses or programs. Courses attended will not count towards the limit on postsecondary education used for state financial aid programs under sections 136A.121, subdivision 9, and 136A.125, subdivision 2, paragraph (a), clause (4).~~

Grants must be awarded to programs that provide instruction and services including, but not limited to:

- (1) summer developmental courses in academic areas requiring remediation;
 - (2) academic advising, mentoring, and tutoring during the summer program and throughout the student's first year of enrollment;
 - (3) interaction with student support services, admissions and financial aid offices; and
 - (4) orientation to college life, such as study skills or time management.
- (b) Grants shall be awarded to eligible postsecondary institutions as defined in section 136A.103.
- (c) Grants shall be awarded for one year and may be renewed for a second year with documentation to the Minnesota Office of Higher Education of successful program outcomes.

Subd. 1a. **Eligible students.** (a) Eligible students include students who earned a high school diploma or its equivalent during the academic year immediately preceding the summer program and who meet one or more of the following criteria:

- (1) are counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (Title I);
 - (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
 - (3) receive assistance under the Temporary Assistance for Needy Families Law (Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or
 - (4) are a member of a group traditionally underrepresented in higher education.
- (b) Eligible students include those who met the student eligibility criteria in the student's final year of high school and plan to enroll in college the academic year following high school graduation or its equivalency.

Subd. 1b. **Application process.** (a) The director of the Minnesota Office of Higher Education shall develop a grant application process. The director shall attempt to support projects in a manner that ensures that eligible students throughout the state have access to program services.

- (b) The grant application must include, at a minimum, the following information:
- (1) a description of the characteristics of the students to be served reflective of the need for services listed in subdivision 1;
 - (2) a description of the services to be provided and a timeline for implementation of the activities;
 - (3) a description of how the services provided will improve postsecondary readiness and support postsecondary retention;
 - (4) a description of how the services will be evaluated to determine whether the program goals were met; and
 - (5) other information as identified by the director.

Grant recipients must specify both program and student outcome goals, and performance measures for each goal.

Subd. 1c. **Match required.** Applicants are required to match the grant amount dollar-for-dollar. The match may be in cash or an in-kind contribution.

Subd. 1d. **Review committee.** The director must establish and convene a grant selection committee to review applications and award grants. The members of the committee may include representatives of postsecondary institutions, school districts, organizations providing college outreach services, and others deemed appropriate by the director.

Subd. 2. **High school-to-college developmental transition programs evaluation report.**
(a) Institutions that offer a high school-to-college developmental transition program ~~and enroll students that receive a grant under section 136A.121, subdivision 9b,~~ must annually submit data and information about the services provided and program outcomes to the director of the Minnesota Office of Higher Education.

(b) The director must establish and convene a data working group to develop: (1) the data methodology to be used in evaluating the effectiveness of the programs implemented to improve the academic performance of participants, including the identification of appropriate comparison groups; and (2) a timeline for institutions to submit data and information to the director. The data working group must develop procedures that ensure consistency in the data collected by each institution. Data group members must have expertise in data collection processes and the delivery of academic programs to students, and represent the types of institutions that offer a program under this section. The data group must assist the director in analyzing and synthesizing institutional data and information to be included in the evaluation report submitted to the legislature under subdivision 3.

(c) Participating institutions must specify both program and student outcome goals and the activities implemented to achieve the goals. The goals must be clearly stated and measurable, and data collected must enable the director to verify the program has met the outcome goals established for the program.

(d) The data and information submitted must include, at a minimum, the following:

- (1) demographic information about program participants;
- (2) names of the high schools from which the students graduated;
- (3) the college readiness test used to determine the student was not ready for college-level academic coursework;
- (4) the academic content areas assessed and the scores received by the students on the college readiness test;
- (5) a description of the services, including any supplemental noncredit academic support services, provided to students;
- (6) data on the registration load, courses completed, and grades received by students;
- (7) the retention of students from the term they participated in the program to the fall term immediately following graduation from high school;
- (8) information about the student's enrollment in subsequent terms; and

(9) other information specified by the director or the data group that facilitates the evaluation process.

Subd. 3. **Report to legislature.** By March 15 of each year, ~~beginning in 2011~~, the director shall submit a report to the committees of the legislature with jurisdiction over higher education finance and policy that evaluates the effectiveness of programs in improving the academic performance of students who participated in the transition programs.

EFFECTIVE DATE. The amendments in this section are effective for programs offered in the summer of 2014 and thereafter.

Sec. 2. Minnesota Statutes 2012, section 136A.121, is amended by adding a subdivision to read:

Subd. 20. **Institution reporting.** (a) Each institution receiving financial aid under this section must annually report by December 31 to the office the following for its undergraduate programs:

(1) enrollment, persistence, and graduation data for all students, including aggregate information on state and federal Pell grant recipients;

(2) the job placement rate and salary and wage information for graduates of each program that is either designed or advertised to lead to a particular type of job or advertised or promoted with a claim regarding job placement; and

(3) the student debt to earnings ratio of graduates.

(b) The office shall provide the following on its Internet Web site:

(1) the information submitted by an institution pursuant to paragraph (a), which shall be made available in a searchable database; and

(2) other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but is not limited to, local occupational profiles.

(c) The office shall provide a standard format and instructions for supplying the information required under paragraph (a).

Sec. 3. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant must be based on:

(1) the income of the applicant and the applicant's spouse;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

(b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 4. Minnesota Statutes 2012, section 136A.62, is amended by adding a subdivision to read:

Subd. 6. **Online platform service.** An online platform service is a nondegree granting entity that provides online access to schools as defined in subdivision 3, to enable the schools to offer online training, courses, or programs.

Sec. 5. Minnesota Statutes 2012, section 136A.653, is amended by adding a subdivision to read:

Subd. 3a. **Tuition-free educational courses.** A school, including a school using an online platform service, offering training, courses, or programs is exempt from sections 136A.61 to 136A.71, to the extent it offers tuition-free courses to students in Minnesota. A course will be considered tuition-free if the school charges no tuition and the required fees and other required charges paid by the student for the course do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption a school or online platform service must prominently display a notice comparable to the following: "IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Sec. 6. **[136F.791] MNSCU RESERVES PROJECT.**

Subdivision 1. **Establishment.** To increase the distribution of potential economic benefit of deposits of reserve funds of the institutions of the Minnesota State Colleges and Universities (MnSCU), the MnSCU reserves project is established to transfer certain reserve deposits of selected institutions from the state treasury to a community financial institution. Notwithstanding section 16A.27, by January 2 of every other year beginning January 2, 2014, the commissioner of management and budget shall transfer the specified amount of board-required reserve funds of colleges and universities selected by the Board of Trustees under subdivision 2 to a community financial institution designated for each of the participating colleges and universities.

Subd. 2. **Participating colleges and universities.** By August 15 of every other year beginning August 15, 2013, colleges and universities may apply to the Board of Trustees of the Minnesota State Colleges and Universities for participation in the MnSCU reserves project. Each applicant must designate one or more community financial institutions for the deposit of a specified amount of board-required reserves with the terms of the deposit for each designated community financial institution. The designated community financial institution must be located in the geographic area of a participating campus. From the applicants, the board may select up to eight postsecondary institutions to participate in the MnSCU reserves project. In making its selection, the board must consider the size of the institution's reserves and the terms offered by the designated community financial institutions. Unless there are not sufficient applicants, two-year and four-year institutions may be selected to participate in the MnSCU reserves project and the majority of the selected institutions must be located in greater Minnesota. By December 1 of every other year beginning December 1, 2013, the board must notify the commissioner of management and budget and the chair and ranking minority members of the legislative committees and divisions with jurisdiction over higher education finance of the participating colleges and universities, the deposit amount for each institution, and the associated community financial institutions. The MnSCU reserves project shall provide for the transfer of deposits for up to a five-year period.

Subd. 3. **Community financial institution.** As used in this section, "community financial institution" means a federally insured bank or credit union, chartered as a bank or credit union by the state of Minnesota or the United States.

Subd. 4. **Evaluation and report.** The commissioner of management and budget and the Board of Trustees shall independently evaluate the effectiveness or harm of the MnSCU reserves project in increasing the use of community financial institutions and providing wider distribution of the economic benefit of the deposit of postsecondary reserves. Each evaluation must include the participating colleges, universities, and community financial institutions. The commissioner of management and budget and the Board of Trustees shall report on the MnSCU reserves project evaluation to the committees and divisions of the legislature with primary jurisdiction over higher education finance by February 1 every four years beginning on February 1, 2016.

Sec. 7. Minnesota Statutes 2012, section 141.35, is amended to read:

141.35 EXEMPTIONS.

Sections 141.21 to 141.32 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) schools licensed by boards authorized under Minnesota law to issue licenses except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the school used "academy" or "institute" in its name prior to August 1, 2008;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than

commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

(12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

(13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; ~~and~~

(17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions; and

(18) schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed \$100.

Sec. 8. DEVELOPMENT OF FINANCIAL STRATEGIES FOR TIMELY COMPLETION OF POSTSECONDARY PROGRAMS.

The director of the Minnesota Office of Higher Education, in consultation with the higher education policy and finance committees of the legislature, shall analyze strategies to financially assist students in the timely completion of their higher education program. The director shall seek the advice of stakeholders in the higher education community about the analysis. In addition to other issues, the analysis must include consideration of the following:

(1) tuition policies such as tuition guarantees, tuition rebates, declining tuition, and other tuition strategies that provide a financial incentive to complete a program in a timely fashion;

(2) financial aid policies, including state grant awards and loan interest rate adjustments, that make completing a program less of a financial burden than the costs at the beginning of a program;

(3) a system for identifying, counseling, and assisting students who are considering leaving a program due to financial reasons;

(4) increased state grant awards for enrollment in programs for which there is a demonstrated employment need within the state for program graduates; and

(5) a strategy to connect students to employers prior to completion of a program and combining a work experience with program completion.

The director shall report the results of the analysis along with any recommendations to the committees and divisions of the legislature with jurisdiction over higher education finance and policy by January 15, 2014.

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

Sec. 9. DIRECTOR OF THE OFFICE OF MINNESOTA HIGHER EDUCATION STUDENT LOAN REFINANCING ANALYSIS.

The director of the Minnesota Office of Higher Education, in consultation with the higher education finance and policy committees of the legislature, shall analyze the feasibility and appropriate components of a program that would assist Minnesota residents in refinancing student loans for higher education. Without limitation, the outlines of the program could include the issuance of bonds by the Minnesota Office of Higher Education to provide a pool of money that could be lent at a lower rate to student loan debtors than is charged on their existing student loan debt, thereby reducing borrowing costs.

In addition to any other issues the director determines necessary to analyze, the director shall analyze:

(1) whether there would be a sufficient spread between interest that could be charged by the office on its refinancing loans and the current interest on existing student loans to make the loans from the office attractive and sufficiently beneficial to student loan debtors;

(2) the amount of bonds that need to be issued to make them marketable;

(3) the eligibility requirements for student loan debtors seeking to refinance, including whether a debtor must be employed, the sort of education received, and whether the education received was completed; and

(4) the appropriate cap on the amount of a refinancing loan and other loan program specifics.

The director shall report on the analysis under this section and make recommendations to the higher education finance and policy committees of the legislature by January 15, 2014.

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

Sec. 10. PILOT PROGRAM OF INTENSIVE GUIDANCE; MENTORING AND JOB PLACEMENT.

The Board of Trustees of the Minnesota State Colleges and Universities must operate at least one pilot program at a college and one at a university that provides a high level of course advising and guidance, personal financial counseling, and job placement for students who are at risk of not completing their studies. The objectives of the pilot program are as follows:

(1) to increase the likelihood that students will complete their higher education programs of study by identifying programs of study that interest the students and connecting those interests to appropriate programs within the college or university;

(2) to provide mentoring to students;

(3) to monitor and advise students concerning higher education finance and financial assistance;

(4) to connect students to employers while enrolled at the college or university; and

(5) to connect graduates of the college or university with postgraduation employment options.

The board must report by November 1, 2015, on the results of the pilot program to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education finance. The report must identify for each pilot program its success in achieving program objectives specified in clauses (1) to (5), and the cost and cost-effectiveness of meeting each objective. The report must include recommendations on whether to make the program permanent and on appropriate cost-effective program components.

Sec. 11. HIGHER EDUCATION INSTITUTIONAL PARTICIPATION IN STATE STUDENT AID PROGRAMS; REPORT.

The Minnesota Office of Higher Education must report by February 1, 2014, to the chairs and ranking minority members of the legislative committees and divisions with the primary jurisdiction over higher education finance on the available and appropriate data that should be used as statutory criteria to determine whether a higher education institution should be allowed to participate in state financial aid programs. Among other data, the data could include an institution's completion/graduation rates, student debt to income ratios, and employment rates related to field of study. The office must consult regularly with the higher education finance committees or divisions about the purpose and content of the report.

Sec. 12. UNIVERSITY OF MINNESOTA REPORTS.

Subdivision 1. **Medical school capacity.** The Board of Regents of the University of Minnesota must report, by November 1, 2013, to the legislative committees and divisions with primary jurisdiction over higher education finance and policy the following information with respect to its Twin Cities campus medical school:

(1) the number of applicants seeking admission to the school for the academic term commencing in the fall of 2013 and the number admitted;

(2) the number of applicants admitted to the school for each of the fall academic terms commencing between 2000 and 2012;

(3) the number of school graduates projected for each of the next ten years;

(4) the number of school graduates projected to remain and practice in Minnesota after graduation for each of the next ten years; and

(5) plans of the university to increase the capacity of the school.

The report must include the most recent and accepted analysis concerning the need for physicians in Minnesota in the future, including time frames of the next five, ten, 15, and 20 years. The need must be stated in aggregate and in specialty practice areas.

Subd. 2. **STEM programs.** The Board of Regents of the University of Minnesota must report, by November 1, 2013, to the legislative committees and divisions with primary jurisdiction over higher education finance and policy with respect to its undergraduate science, technology, engineering, and mathematics programs on the Twin Cities campus the following information:

(1) the number of applicants seeking admission to those programs for the academic term commencing in the fall of 2013 and the number admitted;

(2) the percentage of students that graduate from the programs who remain in Minnesota both historically and projected into the future; and

(3) plans to expand the capacity of the programs.

The report must include the most recent and accepted analysis of the projected need of employers within the state for graduates of science, technology, engineering, and mathematics programs in the future, including times frames of five, ten, 15, and 20 years.

Subd. 3. **University administrative costs.** (a) The Board of Regents of the University of Minnesota must, within 30 days of its receipt of the report or study, provide to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education finance, a report currently expected to be received by the university in July 2013, concerning what is commonly known as a spans and layers analysis by Sibson Consulting and an administrative services benchmarking and diagnostic study expected to be done in May 2013, by Huron Consulting.

(b) The Board of Regents of the University of Minnesota must provide to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance a plan to lower its overall costs based on its work with Huron Consulting concerning administrative services benchmarking and diagnostic study within 90 days of its receipt of the final report from Huron Consulting. The board must update the committees and minority members every 30 days on the progress of the analysis and any preliminary findings or recommendations.

Sec. 13. **MENTAL HEALTH ISSUES SUMMIT.**

The Board of Trustees of the Minnesota State Colleges and Universities, in cooperation with the commissioner of human services, shall convene a summit of representatives of the Minnesota State Colleges and Universities, the University of Minnesota, private colleges, mental health professionals, special education representatives, children and adult mental health advocates and providers, and community mental health centers. The summit shall develop a comprehensive workforce development plan to:

(1) increase the number of mental health professionals and practitioners;

(2) ensure appropriate course work and training experience; and

(3) increase the number of culturally diverse mental health professionals and practitioners.

The plan required by this section shall be submitted to the chairs and ranking minority members of the legislative committees responsible for health and human services policy and higher education policy no later than January 15, 2015.

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

Sec. 14. **SALARY STUDY.**

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must each conduct a study comparing the number of faculty and administrative staff employed and the salary and benefit of its faculty and staff to the number of faculty and administrative staff employed and the salary and benefits of faculty and staff in comparable non-Minnesota institutions. Each board must report the results of its study to the

legislative committees and divisions with jurisdiction over higher education finance by February 1, 2014.

Sec. 15. **REPEALER.**

Minnesota Statutes 2012, section 136A.121, subdivision 9b, is repealed.

ARTICLE 3

MISCELLANEOUS

Section 1. Minnesota Statutes 2012, section 13.47, subdivision 3, is amended to read:

Subd. 3. **Dissemination.** Employment and training data may be disseminated by employment and training service providers:

(a) to other employment and training service providers to coordinate the employment and training services for the data subject or to determine eligibility or suitability for services from other programs;

(b) to local and state welfare agencies for monitoring the eligibility of the participant for assistance programs, or for any employment or training program administered by those agencies; **and**

(c) to the commissioner of employment and economic development; and

(d) by the commissioner of employment and economic development to the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System.

Sec. 2. Minnesota Statutes 2012, section 127A.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties; report.** (a) The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work; and

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers.

(b) Under the direction of the P-20 Education Partnership Statewide Longitudinal Education Data System Governance Committee, the Office of Higher Education, and the Departments of Education and Employment and Economic Development shall improve and expand the statewide longitudinal education data system (SLEDS) to:

(1) provide authorized officials of early learning programs, schools, school districts, institutions of higher education, and workforce programs with access to individual-level data, summary reports,

and access to data in a manner that can be integrated with additional data maintained outside of the SLEDS system to inform education decision-making;

(2) provide policymakers, education and workforce leaders, researchers, and members of the public with data, research, and reports to:

- (i) expand reporting on students' educational outcomes;
- (ii) support instruction and collaboration among faculty, teachers, and instructors;
- (iii) evaluate the effectiveness of educational and workforce programs;
- (iv) evaluate the relationship between education and workforce outcomes; and
- (v) evaluate the efficacy of teacher preparation programs.

To the extent possible under federal and state law, research and reports should be accessible to the public on the Internet, and disaggregated by student and worker demographic characteristics, organization and organization characteristics, and geography, including legislative district.

It is the intent of the legislature that the statewide longitudinal education data system inform public policy and decision-making. The SLEDS governance committee, with assistance from staff of the Office of Higher Education, the Department of Education, and the Department of Employment and Economic Development, shall respond to legislative committee and agency requests on topics utilizing data made available through the statewide longitudinal education data system as resources permit. Any analysis of or report on the data must contain only summary data.

(c) By January 15 of each year, the partnership shall submit a report to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance that summarizes the partnership's progress in meeting its goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Sec. 3. Minnesota Statutes 2012, section 136A.031, subdivision 2, is amended to read:

Subd. 2. **Higher Education Advisory Council.** A Higher Education Advisory Council (HEAC) is established. The HEAC is composed of the Director of the Office of Higher Education; the president of the University of Minnesota or designee; the chancellor of the Minnesota State Colleges and Universities or designee; the commissioner of education; the commissioner of employment and economic development; the president of the Private College Council or a nonprofit private college; and a representative from the Minnesota Career College Association; and a member appointed by the governor. The chair shall be designated by the governor. The HEAC shall bring to the attention of the Minnesota Office of Higher Education governor and the legislature any matters that the HEAC deems important and necessary.

Sec. 4. Minnesota Statutes 2012, section 136A.101, subdivision 3, is amended to read:

Subd. 3. **Director Commissioner.** "Director" "Commissioner" means the director commissioner of the Minnesota Office of Higher Education.

Sec. 5. Minnesota Statutes 2012, section 136A.101, subdivision 9, is amended to read:

Subd. 9. **Independent student.** "Independent student" has the meaning given it in under Title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070a-6 as amended, and applicable regulations.

Sec. 6. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 7. [136A.221] RESEARCH DOGS AND CATS.

(a) A higher education research facility that receives public money or a facility that provides research in collaboration with a higher education facility that confines dogs or cats for science or research purposes and plans on destroying a dog or cat for other than science or research purposes, must first offer the dog or cat to an animal rescue organization. A facility that is required to offer dogs or cats to an animal rescue organization under this section may enter into an agreement with the animal rescue organization to protect the facility. A facility that provides a dog or cat to a rescue organization under this section is immune from any civil liability that otherwise might result from their actions, provided that the facility is acting in good faith.

(b) For the purposes of this section, "animal rescue organization" means any nonprofit organization incorporated for the purpose of rescuing animals in need and finding permanent, adoptive homes for the animals.

Sec. 8. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota postsecondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a postsecondary institution as determined by a postsecondary institution according to guidelines established by the Minnesota Office of Higher Education.

(d) "Eligible employer" means any eligible postsecondary institution, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, a disabled person or a person over 65 who employs a student to provide personal services in or about the person's residence, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(e) "Eligible postsecondary institution" means any postsecondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it ~~in~~ under Title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070a-6 as amended, and applicable regulations.

(g) "Half time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 9. [136A.50] TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a tribally controlled college but is not an enrolled member of a federally recognized Indian tribe.

(c) "Tribally controlled college" means an accredited institution of higher education located in this state that is formally controlled by or has been formally sanctioned or chartered by the governing body of a federally recognized Indian tribe, or a combination of federally recognized Indian tribes. Tribally controlled college does not include any institution or campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to receive supplemental grant assistance from the Office of Higher Education, as provided in this section, for nonbeneficiary student enrollment if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808.

(b) The office shall make grants to tribally controlled colleges to defray the costs of education associated with the enrollment of nonbeneficiary students. Grants made pursuant to this section must be provided directly to the recipient college.

Subd. 3. **Grant application.** To receive a grant under this section, a tribally controlled college must submit an application in the manner required by the Office of Higher Education. Upon submission of a completed application indicating that the tribally controlled college is eligible, the office shall distribute to the college, during each year of the biennium, a grant of \$5,300 for each nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants under

this section is insufficient to cover the total amount of grant eligibility, the office shall distribute a prorated amount per nonbeneficiary student on a full-time equivalent basis.

Subd. 4. **Reporting by recipient institutions.** Each tribally controlled college receiving a grant under this section shall provide to the Office of Higher Education, on an annual basis, an accurate and detailed account of the expenditures of the grant funds received by the college, and a copy of the college's most recent audit report and documentation of the enrollment status and ethnic status of each nonbeneficiary student for which grant assistance is sought under this section.

Sec. 10. Minnesota Statutes 2012, section 136A.646, is amended to read:

136A.646 ADDITIONAL SECURITY.

(a) In the event any registered institution is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the institution shall provide a surety bond conditioned upon the faithful performance of all contracts and agreements with students in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000.

(b) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash; or

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond.

(c) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

Sec. 11. Minnesota Statutes 2012, section 136A.65, subdivision 4, is amended to read:

Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:

(1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered, and the school has made available to the school's admission staff, financial aid staff, administrative or office staff, and faculty, information on the authoritative source of information within the institution on financial aid and transfer of credits for students and prospective students;

(2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered;

(3) the school operates in conformity with generally accepted budgeting and accounting principles;

- (4) the school provides an educational program leading to the degree it offers;
- (5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;
- (6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;
- (7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment;
- (8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students; and
- (9) the school provides information to students and prospective students concerning:
 - (i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;
 - (ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;
 - (iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;
 - (iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and
 - (v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program.
- (b) An application for degree approval must also include:
 - (i) title of degree and formal recognition awarded;
 - (ii) location where such degree will be offered;
 - (iii) proposed implementation date of the degree;
 - (iv) admissions requirements for the degree;
 - (v) length of the degree;
 - (vi) projected enrollment for a period of five years;
 - (vii) the curriculum required for the degree, including course syllabi or outlines;
 - (viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;
 - (ix) statement of satisfaction of professional licensure criteria, if applicable;

(x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and

(xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

Sec. 12. Minnesota Statutes 2012, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration appeal.** ~~(a) If a school's degree or use of a term in its name is disapproved by the office, the school may request a hearing under chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the disapproval.~~

~~(b) (a) The office may refuse to renew, revoke, or suspend registration, approval of a school's degree, or use of a regulated term in its name by giving written notice and reasons to the school. The school may request a hearing under chapter 14. If a hearing is requested, no revocation or suspension shall take effect until after the hearing.~~

~~(c) (b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:~~

- ~~(1) violating the provisions of sections 136A.61 to 136A.71;~~
- ~~(2) providing false, misleading, or incomplete information to the office;~~
- ~~(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students; or~~
- ~~(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received.~~

~~(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.~~

Sec. 13. [137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION ECONOMY FUNDING PROGRAM.

Subdivision 1. Establishment. (a) The Minnesota Discovery, Research, and Innovation Economy (MnDRIVE) funding program is established to discover new knowledge through scientific research that will:

- (1) advance the state's economy;
- (2) leverage opportunities and establish priorities in sectors of state strength and comparative advantage;
- (3) improve the health and wellbeing of Minnesota's citizens;
- (4) advance the capacity and competitiveness of existing and emerging food- and manufacturing-related science and technology industries; and
- (5) build a better Minnesota by driving progress and advancing the common good.

(b) The MnDRIVE funding program shall establish priorities by investing in scientific research that promotes:

(1) programs that can position Minnesota as a leader in engineering, science, technology, and food-related solutions;

(2) initiatives that support the growth of targeted industry clusters and the competitiveness of existing Minnesota engineering, science, technology, and food companies in developing new products and services;

(3) initiatives that can result in creating new Minnesota-based companies;

(4) initiatives that can improve the quality of life of Minnesota's citizens, decrease the incidence of disease, and transform how we prevent, treat, and cure diseases; and

(5) initiatives that can secure a safer environment, seek sustainable energy solutions, and prevent, diagnose, and treat environmental problems associated with Minnesota industry.

Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota, acting alone or in partnership with other public or private entities, is requested to submit investment proposals consistent with the goals and objectives of the MnDRIVE funding program as part of the Board of Regents biennial budget request to the legislature. The Board of Regents must give consideration to investments in existing scientific research programs that meet these guidelines but may require additional resources in order to preserve or accelerate Minnesota into a national or global leadership position. The governor shall submit a recommendation to the legislature regarding funding requests submitted by the Board of Regents.

Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents of the University of Minnesota must provide to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance a summary report of investments and accomplishments related to funds received from the state under subdivision 2 from the prior biennium.

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

Sec. 14. Minnesota Statutes 2012, section 141.25, subdivision 7, is amended to read:

Subd. 7. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the school's financial obligations;

(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe;

(6) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;

(7) that the living quarters which are owned, maintained, recommended, or approved by the applicant for students are sanitary and safe;

(8) that the contract or enrollment agreement used by the school complies with the provisions in section 141.265;

(9) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause; **and**

(10) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the school or its owner, officers, agents, or sponsoring organization; **and**

(11) that the applicant has made available to the applicant's admissions staff, financial aid staff, administrative or office staff, and faculty, information on the authoritative sources of information within the institution on financial aid and transfer of credits for students or prospective students.

Sec. 15. Minnesota Statutes 2012, section 197.775, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "State college or university" means a unit of the University of Minnesota or Minnesota State Colleges and Universities.

(d) "Veteran" includes the definition provided in section 197.447, and also includes any person serving in active service, as defined in section 190.05, subdivision 5.

Sec. 16. Minnesota Statutes 2012, section 197.775, subdivision 2, is amended to read:

Subd. 2. **Recognition of courses.** (a) Minnesota State Colleges and Universities must recognize courses and award educational credits for courses that were part of a veteran's military training or service if the courses meet the standards of the American Council on Education or equivalent standards for awarding academic credits. In recognizing courses and awarding educational credits, consideration must be given to academic skills developed in all aspects of the training or service course curriculum, and may not be limited solely to the physical fitness or activity components of the course.

(b) The University of Minnesota and private colleges and universities in Minnesota are encouraged to recognize courses and award educational credits for courses that were part of a

veteran's military training or service if the courses meet the standards of the American Council on Education or equivalent standards for awarding academic credits. In recognizing courses and awarding educational credits, the University of Minnesota and private colleges and universities in Minnesota are encouraged to consider academic skills developed in all aspects of the training or service course curriculum, and not limit consideration solely to the physical fitness or activity components of the course.

Sec. 17. Minnesota Statutes 2012, section 197.775, is amended by adding a subdivision to read:

Subd. 2a. **Recognition of veteran status.** (a) With the policy in this subdivision, the state recognizes veterans' selfless sacrifices in service to our nation, and their varied and specialized military education and training, as well as the need for their timely and meaningful reintegration into civilian society. The state also recognizes the special value of veterans in furthering the goal of creating a diverse student population in the state's postsecondary institutions.

(b) Minnesota State Colleges and Universities must adopt a policy recognizing, for applicants who are veterans, the applicant's veteran status as a positive factor in determining whether to grant admission to a graduate or professional academic degree program. The Board of Trustees must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education policy and finance annually by February 15 on the number of veterans who apply for a graduate or professional academic degree program and the number accepted.

(c) The University of Minnesota, and private colleges and universities in Minnesota, are encouraged to adopt a policy recognizing, for applicants who are veterans, the applicant's veteran status as a positive factor in determining whether to grant admission to an undergraduate, graduate, or professional academic degree program.

Sec. 18. Minnesota Statutes 2012, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;
- (5) human rights agencies within Minnesota that have enforcement powers;
- (6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(11) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(12) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(13) the Department of Health for the purposes of epidemiologic investigations;

(14) the Department of Corrections for the purpose of preconfinement and postconfinement employment tracking of committed offenders for the purpose of case planning; ~~and~~

(15) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; and

(16) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 19. Minnesota Statutes 2012, section 299A.45, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Each award must be given for one academic year and is renewable for a maximum of eight semesters or the equivalent. A student who withdraws from enrollment for active military service or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester

or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 20. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "director" as it relates to the director of the Minnesota Office of Higher Education to "commissioner" wherever in Minnesota Statutes or Minnesota Rules the term appears.

ARTICLE 4

STATE GRANT PROGRAM

Section 1. Minnesota Statutes 2012, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 96 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 86 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is ~~68~~ 50 percent of the student contribution.

Sec. 2. Minnesota Statutes 2012, section 136A.121, subdivision 5, is amended to read:

Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least ~~46~~ 50 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

Sec. 3. **STATE GRANT TUITION CAPS; LIVING AND MISCELLANEOUS EXPENSE ALLOWANCE.**

(a) For the purposes of the state grant program under Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2015, the tuition maximum is \$13,000 each fiscal year of the biennium for students in four-year programs, and \$5,808 in each fiscal year of the biennium, for students in two-year programs.

(b) The living and miscellaneous expense allowance for the state grant program under Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2015, is set at \$7,940, for each fiscal year of the biennium.

Sec. 4. **STATE GRANT AWARD CALCULATION; MNSCU PART-TIME STUDENTS.**

(a) State grant awards under Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2015, made from appropriations for that biennium for part-time students attending a Minnesota

state college and university system institution shall be modified as provided by this section. All other provisions of law and rule applying to state grant awards not inconsistent with this section shall apply to awards to those part-time students.

(b) For a student registering for less than full-time, the assigned family responsibility is the amount determined for a full-time student under Minnesota Statutes, section 136A.101, subdivision 5a, prorated by the percent of full-time for which a student is enrolled."

Delete the title and insert:

"A bill for an act relating to higher education; providing funding for the University of Minnesota, Minnesota State Colleges and Universities, the Minnesota Office of Higher Education, and for other higher education purposes; regulating the state grant program; eliminating state regulation of certain online instruction; providing for local bank deposit of certain MnSCU reserves; requiring the development of strategies to assist in the completion of post-secondary programs; requiring an assessment of the feasibility of a state program to refinance student debt; creating a pilot program for intensive mentoring, counseling, and job placement activities for certain students; requiring an evaluation of which performance standards should be used to evaluate institutional eligibility for state student financial aid programs; requiring the University of Minnesota to develop a plan to reduce administrative costs; requiring a higher education mental health summit; creating a tribal college supplemental grant assistance program; recognizing veteran's experience and training for various higher education purposes; providing a pilot program for state grant aid to part-time students at MnSCU institutions; appropriating money; amending Minnesota Statutes 2012, sections 13.47, subdivision 3; 127A.70, subdivision 2; 135A.61; 136A.031, subdivision 2; 136A.101, subdivisions 3, 5a, 9; 136A.121, subdivision 5, by adding a subdivision; 136A.125, subdivisions 2, 4; 136A.233, subdivision 2; 136A.62, by adding a subdivision; 136A.646; 136A.65, subdivisions 4, 8; 136A.653, by adding a subdivision; 141.25, subdivision 7; 141.35; 197.775, subdivisions 1, 2, by adding a subdivision; 268.19, subdivision 1; 299A.45, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 136A; 136F; 137; repealing Minnesota Statutes 2012, section 136A.121, subdivision 9b."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1081, 671 and 1236 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 504 and 1378 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Carlson introduced—

S.F. No. 1595: A bill for an act relating to local government; authorizing certain cities to collect civil penalties and fees as a special assessment; amending Minnesota Statutes 2012, section 412.231.

Referred to the Committee on State and Local Government.

Senators Clausen, Ingebrigtsen, Schmit, Cohen and Carlson introduced—

S.F. No. 1596: A bill for an act relating to arts and cultural heritage; appropriating money for Minnesota Zoological Garden.

Referred to the Committee on Finance.

Senator Newman introduced—

S.F. No. 1597: A bill for an act relating to campaign finance; prohibiting use of public funds to promote or defeat a ballot question; proposing coding for new law in Minnesota Statutes, chapters 5; 10A.

Referred to the Committee on Rules and Administration.

Senator Westrom introduced—

S.F. No. 1598: A bill for an act relating to capital investment; appropriating money for University of Minnesota, Morris, higher education asset preservation and replacement; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Pratt introduced—

S.F. No. 1599: A bill for an act relating to trade practices; amending termination of sales representatives; amending Minnesota Statutes 2012, section 325E.37, subdivision 6.

Referred to the Committee on Commerce.

Senator Miller introduced—

S.F. No. 1600: A bill for an act relating to taxation; local government; expanding authorization to tax camping sites to include private campgrounds; amending Minnesota Statutes 2012, section 469.190, subdivision 1.

Referred to the Committee on Taxes.

Senators Scalze and Wiger introduced—

S.F. No. 1601: A bill for an act relating to the legislature; creating a Legislative Water Commission; prescribing its powers and duties; providing legislative appointments; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on State and Local Government.

Senator Hoffman introduced–

S.F. No. 1602: A bill for an act relating to homebuyer savings plans; establishing a homebuyer savings plan trust; providing income and franchise tax deductions; amending Minnesota Statutes 2012, section 290.01, subdivisions 19a, 19b, 19d; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

Senators Sparks, Tomassoni and Bakk introduced–

S.F. No. 1603: A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2012, sections 176.011, subdivisions 15, 16; 176.081, subdivisions 1, 7; 176.101, subdivision 1; 176.102, subdivisions 5, 10; 176.106, subdivision 3; 176.136, subdivision 1b; 176.191, subdivision 3; 176.645; 176.83, subdivision 5.

Referred to the Committee on Jobs, Agriculture and Rural Development.

MOTIONS AND RESOLUTIONS

Senator Petersen, B. moved that his name be stricken as a co-author to S.F. No. 71. The motion prevailed.

Senator Petersen, B. moved that his name be stricken as a co-author to S.F. No. 73. The motion prevailed.

Senator Nelson moved that her name be stricken as a co-author to S.F. No. 262. The motion prevailed.

Senator Dibble moved that the name of Senator Marty be added as a co-author to S.F. No. 1153. The motion prevailed.

Senator Petersen, B. moved that his name be stricken as a co-author to S.F. No. 1480. The motion prevailed.

Senator Goodwin moved that the name of Senator Wiger be added as a co-author to S.F. No. 1592. The motion prevailed.

Senator Westrom introduced –

Senate Resolution No. 61: A Senate resolution congratulating Zachary Abraham Thomson of Alexandria, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Benson introduced –

Senate Resolution No. 62: A Senate resolution congratulating Brandon Joseph Plante for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Bakk moved that Senate Resolution No. 55 be taken from the table. The motion prevailed.

Senate Resolution No. 55: A Senate resolution honoring the University of Minnesota women's hockey team for an historic championship season.

WHEREAS, on Sunday, March 24, 2013, the University of Minnesota Golden Gophers defeated Boston University 6-3 at Ridder Arena to capture the 2013 NCAA women's hockey championship for a second consecutive season; and

WHEREAS, the Gophers earned a grueling triple overtime win against North Dakota in the quarterfinals and defeated Boston College in another overtime contest in the semifinals on their way to the fourth championship season in team history; and

WHEREAS, the win in the finals capped a perfect 41-0 season and marked their 49th victory in a row; and

WHEREAS, the Gophers are the first NCAA hockey team in 43 years to conclude a season undefeated and the first in the 13-year history of NCAA women's hockey; and

NOW, THEREFORE, BE IT RESOLVED by the Senate of the State of Minnesota that it congratulates the University of Minnesota women's hockey team upon winning the 2013 NCAA women's hockey championship and recognizes the team's historic achievement in the 2012-13 season

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by the Secretary's signature and that of the Chair of the Senate Rules and Administration Committee, and transmit it to the University of Minnesota Golden Gophers.

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

RECESS

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

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Bakk, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 489, 1168, 840, 663 and 843.

SPECIAL ORDER

S.F. No. 489: A bill for an act relating to retirement; Minnesota State Retirement System, Public Employees Retirement Association, and former local police and paid firefighter relief associations; authorizing investments in swaps; clarifying language; removing obsolete language; revising outdated requirements; revising contribution rate revision procedures; revising disability standards and disability benefit administration procedures; merging the elected state officers retirement plan into the legislators retirement plan; revising pension commission standards provision; revising pension plan financial report contents provision; clarifying coverage of student employees and extending duration of excluded work-study positions; revising military service credit purchase provision for consistency with federal code; clarifying average salary for benefit purposes; clarifying MERF division benefit eligibility; adding Lake County Sunrise Home to privatization chapter; removing legislative approval requirements for privatizations; modifying legislative notification requirements for privatizations; clarifying privatized public hospital pension benefit eligibility; making various administrative changes; eliminating the PERA Social Security leveling optional annuity; revising and repealing various statutes to reflect the recent mergers of local police and salaried firefighter relief associations and consolidation accounts with the public employees police and fire retirement plan; streamlining amortization state aid programs; extending the deadline for participation in the voluntary statewide lump-sum volunteer firefighter retirement plan; requiring municipal approval for deferred service pension interest rate changes by volunteer firefighter relief association boards of trustees; authorizing a resumption of the payment of a death benefit to estates of certain White Bear Lake volunteer firefighter relief association retirees; including Minnesota Association of Professional Employees in MSRS-General plan coverage; authorizing the termination of nonspousal survival designations in optional annuity form elections in certain instances; authorizing certain service credit purchases; providing instructions to the revisor of statutes; amending Minnesota Statutes 2012, sections 3.85, subdivision 10; 3A.011; 3A.03, subdivision 3; 3A.07; 3A.115; 3A.13; 3A.15; 6.495, subdivisions 1, 3; 6.67; 11A.24, subdivision 1; 13D.01, subdivision 1; 69.011, subdivisions 1, 2, 3, 4; 69.021, subdivisions 1, 2, 3, 4, 5, 7, 7a, 8, 9, 10, 11; 69.031, subdivisions 1, 3, 5; 69.041; 69.051, subdivisions 1, 1a, 1b, 2, 3, 4; 69.33; 69.77, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 69.771, subdivision 1; 69.774, subdivision 1; 69.80; 275.70, subdivision 5; 297I.10, subdivision 1; 345.381; 352.01, subdivisions 2a, 17b; 352.029, subdivisions 1, 2a, 2b, 3, 5; 352.03, subdivisions 4, 8; 352.045, by adding subdivisions; 352.113, subdivisions 4, 6, 8, by adding subdivisions; 352.115, subdivision 3; 352.22, subdivision 3; 352.87, subdivision 3; 352.93, subdivision 2; 352.95, subdivision 1; 352.955, subdivisions 1, 3; 352B.011, subdivision 13; 352B.08, subdivision 2; 352B.10, subdivision 1, by adding a subdivision; 352D.04, subdivision 2; 353.01, subdivisions 2a, 2b, 6, 10, 16, 17a, 29; 353.03, subdivision 3; 353.27, subdivision 7; 353.29, subdivision 3; 353.34, subdivisions 1, 2; 353.50, subdivisions 3, 6; 353.64, subdivision 1a; 353.651, subdivision 3; 353.656, subdivisions 1, 1a, 3a; 353.657, subdivisions 2, 2a, 3; 353.659; 353.665, subdivisions 1, 5, 8; 353.71, subdivision 1; 353E.04, subdivision 3; 353E.06, subdivision 1; 353F.02, subdivisions 3, 4, 6, by adding a subdivision; 353F.025, subdivisions 1, 2; 353F.03; 353F.04; 353F.05; 353F.051, subdivision 1; 353F.052; 353F.06; 353F.07; 353F.08; 353G.05, subdivision 2; 354.07, subdivision 1; 354.44, subdivision 6; 354A.021, subdivision 2; 354A.31, subdivisions 4, 4a; 356.20, subdivisions 2, 4; 356.214, subdivision 1; 356.215, subdivisions 1, 8, 18; 356.216; 356.219, subdivisions 1, 2, 8; 356.30, subdivisions 1, 3; 356.315, subdivision 9; 356.401, subdivision 3; 356.406, subdivision 1; 356.415, subdivisions 1, 1a, 1b, 2; 356.48, subdivision 1; 356.635, subdivision 1; 356A.01, subdivision 19; 356A.06, subdivision 4; 356A.07, subdivision 2; 423A.02, subdivisions 1, 1b, 2,

3, 3a, 4, 5; 424A.001, subdivision 4, by adding a subdivision; 424A.01, subdivision 6; 424A.015, subdivisions 1, 4; 424A.016, subdivision 6; 424A.02, subdivisions 7, 9; 424A.10, subdivisions 1, 2; 475.52, subdivision 6; 490.121, subdivision 22; 490.124, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3A; 6; 353F; 356; repealing Minnesota Statutes 2012, sections 3A.02, subdivision 3; 69.021, subdivision 6; 69.77, subdivision 3; 352.955, subdivision 2; 352C.001; 352C.091, subdivision 1; 352C.10; 353.29, subdivision 6; 353.64, subdivision 3; 353.665, subdivisions 2, 3, 4, 6, 7, 9, 10; 353.667; 353.668; 353.669; 353.6691; 353A.01; 353A.02; 353A.03; 353A.04; 353A.05; 353A.06; 353A.07; 353A.08; 353A.081; 353A.083; 353A.09; 353A.10; 353B.01; 353B.02; 353B.03; 353B.04; 353B.05; 353B.06; 353B.07; 353B.08; 353B.09; 353B.10; 353B.11; 353B.12; 353B.13; 353B.14; 353F.02, subdivisions 4, 5; 353F.025, subdivision 3; 356.315, subdivisions 1, 1a, 2, 2a, 2b, 3, 4, 5, 5a, 6, 7, 8; 423A.01; 423A.02, subdivision 1a; 423A.04; 423A.05; 423A.07; 423A.10; 423A.11; 423A.12; 423A.13; 423A.14; 423A.15; 423A.16; 423A.17; 423A.171; 423A.18; 423A.19; 423A.20; 423A.21; 423A.22; 424A.10, subdivision 5.

Senator Pappas moved to amend S.F. No. 489 as follows:

Page 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 2012, section 11A.24, subdivision 1, is amended to read:

Subdivision 1. **Securities generally.** (a) Pursuant to an investment policy adopted by the state board, the state board is authorized to purchase, sell, lend, and exchange the securities specified in this section, for funds or accounts specifically made subject to this section, including. This authority includes puts and call options and, future contracts, and swap contract marked to market, if these options and contracts are traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned directly or through shares in exchange-traded or mutual funds, or as units in commingled trusts, subject to any limitations as specified in this section.

(b) Any agreement to lend securities must be concurrently collateralized with cash or securities with a market value of not less than 100 percent of the market value of the loaned securities at the time of the agreement. Any agreement for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or securities. Only securities authorized by this section, excluding those under subdivision 6, paragraph (a), clauses (1) to (3), may be accepted as collateral or offsetting securities.

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

The motion prevailed. So the amendment was adopted.

S.F. No. 489 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 48 and nays 12, as follows:

Those who voted in the affirmative were:

Bakk	Dziedzic	Hawj	Latz	Pappas
Bonoff	Eaton	Housley	Lourey	Pederson, J.
Champion	Eken	Ingebrigtsen	Marty	Pratt
Clausen	Fischbach	Jensen	Metzen	Rest
Cohen	Franzen	Johnson	Miller	Rosen
Dahle	Gazelka	Kent	Nelson	Ruud
Dahms	Goodwin	Koenen	Ortman	Saxhaug

Scalze	Sieben	Stumpf	Weber	Wiklund
Schmit	Skoe	Tomassoni	Westrom	
Senjem	Sparks	Torres Ray	Wiger	

Those who voted in the negative were:

Anderson	Hall	Limmer	Osmek
Benson	Hann	Newman	Petersen, B.
Chamberlain	Kiffmeyer	Nienow	Thompson

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

SPECIAL ORDER

S.F. No. 1168: A bill for an act relating to public safety; creating new crimes relating to 911 emergency calls; providing criminal penalties; amending Minnesota Statutes 2012, section 609.78.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiffmeyer	Pappas	Skoe
Bakk	Franzen	Koenen	Pederson, J.	Sparks
Benson	Gazelka	Latz	Petersen, B.	Stumpf
Bonoff	Goodwin	Limmer	Pratt	Thompson
Chamberlain	Hall	Lourey	Rest	Tomassoni
Champion	Hann	Marty	Rosen	Torres Ray
Clausen	Hawj	Metzen	Ruud	Weber
Cohen	Hayden	Miller	Saxhaug	Westrom
Dahle	Housley	Nelson	Scalze	Wiger
Dahms	Ingebrigtsen	Newman	Schmit	Wiklund
Dziedzic	Jensen	Nienow	Senjem	
Eaton	Johnson	Ortman	Sheran	
Eken	Kent	Osmek	Sieben	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 840: A bill for an act relating to employment; modifying use of personal sick leave benefits; amending Minnesota Statutes 2012, section 181.9413.

Senator Petersen, B. moved to amend S.F. No. 840 as follows:

Page 1, line 8, after "employee" insert ", if authorized by the employer,"

The motion prevailed. So the amendment was adopted.

S.F. No. 840 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bakk	Benson	Bonoff	Champion
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Clausen	Hann	Limmer	Petersen, B.	Sparks
Cohen	Hawj	Lourey	Pratt	Stumpf
Dahle	Hayden	Marty	Rest	Thompson
Dahms	Hoffman	Metzen	Rosen	Tomassoni
Dziedzic	Housley	Miller	Ruud	Torres Ray
Eaton	Ingebrigtsen	Nelson	Saxhaug	Weber
Eken	Jensen	Newman	Scalze	Westrom
Fischbach	Johnson	Nienow	Schmit	Wiger
Franzen	Kent	Ortman	Senjem	Wiklund
Gazelka	Kiffmeyer	Osmek	Sheran	
Goodwin	Koenen	Pappas	Sieben	
Hall	Latz	Pederson, J.	Skoe	

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

SPECIAL ORDER

S.F. No. 663: A bill for an act relating to state government; making changes to resource recovery provisions; amending Minnesota Statutes 2012, section 115A.15, subdivisions 2, 9, 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiffmeyer	Pappas	Skoe
Bakk	Franzen	Koenen	Pederson, J.	Sparks
Benson	Gazelka	Latz	Petersen, B.	Stumpf
Bonoff	Goodwin	Limmer	Pratt	Thompson
Chamberlain	Hall	Lourey	Rest	Tomassoni
Champion	Hann	Marty	Rosen	Torres Ray
Clausen	Hawj	Metzen	Ruud	Weber
Cohen	Hayden	Miller	Saxhaug	Westrom
Dahle	Hoffman	Nelson	Scalze	Wiger
Dahms	Housley	Newman	Schmit	Wiklund
Dziedzic	Ingebrigtsen	Nienow	Senjem	
Eaton	Johnson	Ortman	Sheran	
Eken	Kent	Osmek	Sieben	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 843: A bill for an act relating to local government; authorizing publication of advertisements for competitive bids in a recognized industry trade journal; amending Minnesota Statutes 2012, sections 331A.01, by adding a subdivision; 429.041, subdivision 1.

Senator Scalze moved to amend S.F. No. 843 as follows:

Page 2, line 27, delete "331A.12" and insert "331A.03"

The motion prevailed. So the amendment was adopted.

S.F. No. 843 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kent	Osmek	Sieben
Bakk	Franzen	Kiffmeyer	Pappas	Skoe
Benson	Gazelka	Koenen	Pederson, J.	Sparks
Bonoff	Goodwin	Latz	Petersen, B.	Stumpf
Chamberlain	Hall	Limmer	Pratt	Thompson
Champion	Hann	Lourey	Rest	Tomassoni
Clausen	Hawj	Marty	Rosen	Torres Ray
Cohen	Hayden	Metzen	Ruud	Weber
Dahle	Hoffman	Miller	Saxhaug	Westrom
Dahms	Housley	Nelson	Scalze	Wiger
Dziedzic	Ingebrigtsen	Newman	Schmit	Wiklund
Eaton	Jensen	Nienow	Senjem	
Eken	Johnson	Ortman	Sheran	

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

MEMBERS EXCUSED

Senators Carlson, Dibble and Reinert were excused from the Session of today. Senators Hayden and Sheran were excused from the Session of today from 11:00 a.m. to 12:20 p.m. Senator Hoffman was excused from the Session of today from 11:00 a.m. to 12:35 p.m. Senator Brown was excused from the Session of today at 12:10 p.m. Senator Jensen was excused from the Session of today from 12:40 to 12:50 p.m.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Tuesday, April 16, 2013. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

