

THIRTY-THIRD DAY

St. Paul, Minnesota, Wednesday, April 7, 2021

The Senate met at 12:00 noon and was called to order by the President.

The members of the Senate paused for a moment of silent prayer and reflection.

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 were present:

Abeler	Draheim	Howe	Marty	Rosen
Anderson	Duckworth	Ingebrigtsen	Mathews	Ruud
Bakk	Dziedzic	Isaacson	Miller	Senjem
Benson	Eaton	Jasinski	Murphy	Tomassoni
Bigham	Eichorn	Johnson	Nelson	Torres Ray
Carlson	Eken	Johnson Stewart	Newman	Utke
Chamberlain	Fateh	Kent	Newton	Weber
Champion	Franzen	Kiffmeyer	Osmek	Westrom
Clausen	Frentz	Klein	Pappas	Wiger
Coleman	Gazelka	Koran	Port	Wiklund
Cwodzinski	Goggin	Kunesh	Pratt	
Dahms	Hawj	Lang	Putnam	
Dibble	Hoffman	Latz	Rarick	
Dornink	Housley	Limmer	Rest	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Abeler, Anderson, Bakk, Carlson, Champion, Clausen, Coleman, Dibble, Duckworth, Dziedzic, Eaton, Eken, Fateh, Gazelka, Hawj, Housley, Isaacson, Johnson Stewart, Kent, Klein, Kunesh, Latz, Marty, Murphy, Newton, Osmek, Pappas, Port, Rest, Rosen, Senjem, Torres Ray, and Wiklund.

The President declared a quorum present.

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

REPORTS OF COMMITTEES

Senator Johnson moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1861, 1520, 2279, and 799. The motion prevailed.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 1861: A bill for an act relating to state government; establishing Autism Awareness and Acceptance Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 1520: A bill for an act relating to state government; establishing Autism Awareness and Acceptance Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 2279: A bill for an act relating to state government; expanding the authority of the Legislative Budget Office to order fiscal notes; changing data classifications for data related to fiscal notes; modifying the treatment of unofficial fiscal notes; amending Minnesota Statutes 2020, sections 3.8853, by adding a subdivision; 3.98, subdivision 1; 13.64, subdivisions 3, 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Civil Law and Data Practices Policy.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 799: A bill for an act relating to state government; establishing Autism Awareness and Acceptance Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Tomassoni from the Committee on Higher Education Finance and Policy, to which was referred

S.F. No. 975: A bill for an act relating to higher education; providing funding and related policy changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain student aid programs; creating

a direct admissions pilot program; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 136A.121, subdivisions 6, 9; 136A.125, subdivisions 2, 4; 136A.126, subdivisions 1, 4; 136A.1275; 136A.246, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1
APPROPRIATIONS**

Section 1. **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 "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>
<u>Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION</u>		
<u>Subdivision 1. Total Appropriation</u>	<u>\$ 277,075,000</u>	<u>\$ 277,455,000</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>211,701,000</u>	<u>212,101,000</u>
<u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it. The base amount for this appropriation in fiscal year 2024 and each year thereafter is \$211,957,000.</u>		
<u>Subd. 3. Child Care Grants</u>	<u>6,694,000</u>	<u>6,694,000</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>11,018,000</u>	<u>11,018,000</u>
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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>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
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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.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

<u>Subd. 7. American Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
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The commissioner 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 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.

<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
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For tribal college assistance grants under Minnesota Statutes, section 136A.1796.

<u>Subd. 9. Intervention for College Attendance Program Grants</u>	<u>785,000</u>	<u>785,000</u>
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For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

The commissioner may use no more than three percent of this appropriation to administer the intervention for college attendance program grants.

Subd. 10. <u>Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
Subd. 11. <u>Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
Subd. 12. <u>Minnesota Education Equity Partnership</u>	<u>45,000</u>	<u>45,000</u>
Subd. 13. <u>Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
Subd. 14. <u>United Family Medicine Residency Program</u>	<u>501,000</u>	<u>501,000</u>

For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 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. 15. <u>MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
Subd. 16. <u>Statewide Longitudinal Education Data System</u>	<u>1,782,000</u>	<u>1,782,000</u>
Subd. 17. <u>Hennepin Healthcare</u>	<u>645,000</u>	<u>645,000</u>

For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.

Subd. 18. <u>College Possible</u>	<u>600,000</u>	<u>600,000</u>
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(a) This appropriation is for immediate transfer to College Possible to support programs of college admission and college graduation for low-income students through an intensive curriculum of coaching and support at both the high school and postsecondary levels.

(b) This appropriation must, to the extent possible, be proportionately allocated between students from greater Minnesota and students in the seven-county metropolitan area.

(c) This appropriation must be used by College Possible only for programs supporting students who are residents of Minnesota and attending colleges or universities within Minnesota. The base for fiscal year 2024 and all years thereafter is \$500,000.

(d) By February 1 of each year, College Possible must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education and E-12 education on activities funded by this appropriation. The report must include, but is not limited to, information about the work of College Possible Minnesota throughout the state; the number of College Possible coaches hired; the number of existing partner high schools; the geographic distribution of participants; the number of high school and college students specifically supported by the appropriations funds; the percentages of students who applied to college, were admitted into college, and enrolled in college from the previous program year; the number of college graduates supported by the appropriation funding in the previous program year; and a list of all communities and partner institutions benefiting from coaching and support through College Possible programming.

Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program

5,000,000

3,000,000

For transfer to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the grant program.

The base for fiscal year 2024 and thereafter is \$3,000,000.

<u>Subd. 20. Summer Academic Enrichment Program</u>	<u>250,000</u>	<u>250,000</u>
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For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

The commissioner may use no more than three percent of this appropriation to administer the grant program under this subdivision.

<u>Subd. 21. Dual Training Competency Grants; Office of Higher Education</u>	<u>2,000,000</u>	<u>2,000,000</u>
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For transfer to the Dual Training Competency Grants account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10.

<u>Subd. 22. Dual Training Competency Grants; Department of Labor and Industry</u>	<u>200,000</u>	<u>200,000</u>
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For transfer to the commissioner of labor and industry for identification of competency standards for dual training under Minnesota Statutes, section 175.45.

<u>Subd. 23. Concurrent Enrollment Courses</u>	<u>340,000</u>	<u>340,000</u>
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(a) \$225,000 in fiscal year 2022 and \$225,000 in fiscal year 2023 are for grants to develop new concurrent enrollment courses under Minnesota Statutes, section 124D.09, subdivision 10, that satisfy the elective standard for career and technical education. Any balance in the first year does not cancel but is available in the second year.

(b) \$115,000 in fiscal year 2022 and \$115,000 in fiscal year 2023 are for grants to postsecondary institutions currently sponsoring a concurrent enrollment course to expand existing programs. The

commissioner shall determine the application process and the grant amounts. The commissioner must give preference to expanding programs that are at capacity. Any balance in the first year does not cancel but is available in the second year.

(c) By December 1 of each year, the office shall submit a brief report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education regarding:

(1) the courses developed by grant recipients and the number of students who enrolled in the courses under paragraph (a); and

(2) the programs expanded and the number of students who enrolled in programs under paragraph (b).

Subd. 24. <u>Campus Sexual Assault Reporting</u>	<u>25,000</u>	<u>25,000</u>
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For the sexual assault reporting required under Minnesota Statutes, section 135A.15.

Subd. 25. <u>Campus Sexual Violence Prevention and Response Coordinator</u>	<u>150,000</u>	<u>150,000</u>
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For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions. \$50,000 each year is for administrative funding to conduct trainings and provide materials to postsecondary institutions.

Subd. 26. <u>Emergency Assistance for Postsecondary Students</u>	<u>175,000</u>	<u>175,000</u>
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(a) This appropriation is for the Office of Higher Education to allocate grant funds on a matching basis to eligible institutions as defined under Minnesota Statutes, section 136A.103, located in Minnesota with a demonstrable homeless student population.

(b) This appropriation shall be used to meet immediate student needs that could result in a student not completing the term or their program including, but not limited to, emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

(c) The commissioner shall determine the application process and the grant amounts. The Office of Higher Education shall partner with interested postsecondary institutions, other state agencies, and student groups to establish the programs.

Subd. 27. Student Teacher Grants

2,250,000

1,250,000

For grants to teacher candidates under Minnesota Statutes, section 136A.1275. Of this amount, \$750,000 each year is directed to support candidates belonging to an underrepresented racial or ethnic group and meeting other eligibility requirements. If this dedicated amount is not fully spent because of a lack of qualifying candidates, any remaining amount may be awarded to qualifying teacher candidates in a shortage area.

The commissioner may use no more than three percent of the appropriation for administration of the program.

The base for this appropriation in fiscal year 2024 and all years thereafter is \$1,250,000.

Subd. 28. Teacher Shortage Loan Repayment

200,000

200,000

For transfer to the teacher shortage loan forgiveness repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the program.

Subd. 29. Large Animal Veterinarian Loan Forgiveness Program

375,000

375,000

For transfer to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2.

Subd. 30. Agricultural Educators Loan Forgiveness 50,000 50,000

For transfer to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2.

Subd. 31. Aviation Degree Loan Forgiveness Program 25,000 25,000

For transfer to the aviation degree loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1789, subdivision 2.

Subd. 32. Grants for Students with Intellectual and Developmental Disabilities 200,000 200,000

For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.

Subd. 33. Loan Repayment Assistance Program 25,000 25,000

For a grant to the Loan Repayment Assistance Program of Minnesota to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for this work.

Subd. 34. Minnesota Independence College and Community 2,000,000 2,000,000

For a grant to Minnesota Independence College and Community for need-based scholarships, tuition reduction, and expenses related to the expansion of programming. Minnesota Independence College and Community shall explore plans for expansion to provide programming at an additional location outside of the seven-county metropolitan area. Beginning with students first enrolled in the fall of 2019, eligibility for tuition reduction and scholarships is limited to students who meet Minnesota residency requirements in Minnesota

Statutes, section 136A.101, subdivision 8.
The base for this appropriation in fiscal year
2024 and all years thereafter is \$1,000,000.

Subd. 35. Student Loan Debt Counseling 200,000 200,000

For student loan debt counseling under
Minnesota Statutes, section 136A.1788.

The Office of Higher Education may use no
more than three percent of the appropriation
to administer the student loan debt counseling
program.

Subd. 36. Hunger-Free Campus Grants 200,000 84,000

(a) This appropriation is for the Office of
Higher Education to provide initial and
sustaining grants, \$5,000 and \$2,000
respectively, for campuses to meet and
maintain the criteria in Minnesota Statutes,
sections 136F.245 and 137.375, to address
food insecurity on campus.

(b) The student associations representing the
community and technical colleges and the
universities shall review all grant applications
and provide final approval of all grant
disbursements from the Office of Higher
Education to colleges and universities,
respectively.

(c) The base for fiscal year 2024 and
thereafter is \$42,000.

Subd. 37. Fostering Independence Higher Education
Grants 238,000 3,759,000

For grants to eligible students under
Minnesota Statutes, section 136A.1241. The
base for fiscal year 2024 and thereafter is
\$3,761,000.

Subd. 38. Direct Admissions 500,000 75,000

For the direct admissions pilot program in
article 2, section 42. This is a onetime
appropriation.

Subd. 39. Agency Administration 4,327,000 4,327,000

Up to \$500,000 in fiscal year 2022 and \$250,000 in fiscal year 2023 are available for communications and outreach to students, adults, and families to provide information on the expected costs of college and the various grant options made available to them through the state.

Subd. 40. Balances Forward

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

Subd. 41. Transfers

The commissioner of the 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, the intervention for college attendance appropriation, the student-parent information appropriation, the summer academic enrichment program appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the hunger-free campus appropriations to the emergency assistance for postsecondary students grant. Transfers from the child care state work-study appropriations or the hunger-free campus 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 with jurisdiction over higher education finance.

Subd. 42. Maintenance of Effort

The commissioner of the Office of Higher Education shall request the waivers from

maintenance of effort requirements permitted under section 317(b) of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and section 2004(a)(2) of the American Rescue Plan Act, as provided by Public Law 117-2.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

<u>Subdivision 1. Total Appropriation</u>	<u>\$ 776,422,000</u>	<u>\$ 773,703,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Central Office and Shared Services Unit</u>	<u>33,762,000</u>	<u>34,401,000</u>
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For the Office of the Chancellor and the Shared Services Division.

The base for this appropriation in fiscal year 2024 and all years thereafter is \$34,401,000.

<u>Subd. 3. Operations and Maintenance</u>	<u>738,545,000</u>	<u>735,186,000</u>
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(a) The Board of Trustees must establish tuition rates as follows:

(1) for the 2021-2022 and 2022-2023 academic years, tuition rates for undergraduate students at colleges and universities must be five percent lower than the tuition rates for the 2020-2021 academic year. The board is encouraged to allocate federal funds received under Section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and Section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to implement the tuition reduction required in this clause; and

(2) the student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student. Colleges and universities are permitted to increase differential tuition charges in fiscal years

2022 and 2023 where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Rates and rationale must be approved by the Board of Trustees.

(b) The Board of Trustees shall provide a tuition credit for enrolled students and a refund to students who are no longer enrolled. The credit or refund must equal the amount of the online differential tuition rate charged to students for online courses during the 2020-2021 academic year that were not offered as online courses during the previous academic year. The institution shall inform students who are no longer enrolled in the institution of their eligibility for a refund. In order to receive a refund, the student must apply for the refund.

(c) \$5,700,000 in fiscal year 2022 and \$5,700,000 in fiscal year 2023 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer \$150,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(d) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(e) \$6,000,000 in fiscal year 2022 and \$6,000,000 in fiscal year 2023 are for workforce development scholarships under Minnesota Statutes, section 136F.38. The base for fiscal year 2024 and thereafter is \$6,000,000.

(f) \$300,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 are for transfer to the

Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

(g) \$40,000 in fiscal year 2022 and \$40,000 in fiscal year 2023 are to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) \$8,000,000 in fiscal year 2022 and \$8,000,000 in fiscal year 2023 are for upgrading the Integrated Statewide Record System.

(i) \$1,000,000 in fiscal year 2022 and \$141,000 in fiscal year 2023 are for developing and offering courses to implement the Z-Degree textbook program under Minnesota Statutes, section 136F.305. This is a onetime appropriation.

(j) \$1,500,000 in fiscal year 2022 is for the mental health awareness program for students required under Minnesota Statutes, section 136F.20, subdivision 4. Of this amount: \$500,000 must be used for training opportunities under Minnesota Statutes, section 136F.20, subdivision 4, paragraph (a), clause (2); and \$200,000 must be used for grants to colleges and universities to establish peer support pilot programs in Minnesota Statutes, section 136F.20, subdivision 4, paragraph (c). The Board of Trustees shall convene a committee that includes students to review and approve grant applications. A balance in the first year for this appropriation does not cancel but is available in the second year. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(k) \$1,000,000 in fiscal year 2022 is for colleges and universities to comply with the student basic needs requirements under Minnesota Statutes, section 136F.202. The Board of Trustees must use at least 25 percent of this appropriation for grants to colleges and universities to comply with Minnesota Statutes, section 136F.202, subdivision 1, paragraph (a). The board must use a consultation and committee process that includes students to review and approve grant applications. A balance in the first year for this appropriation does not cancel but is available in the second year. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(l) The Board of Trustees shall award onetime faculty COVID-19 risk stipends to instructors, including adjunct and part-time instructors who taught in-person during the spring 2021 semester in which students were present. The board is encouraged to allocate federal funds received under Section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and Section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2 to award the stipends in this paragraph. The stipends shall be \$500 for each eligible instructor.

(m) The total operations and maintenance base for fiscal year 2024 and thereafter is \$773,561,000.

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

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>678,213,000</u>	<u>\$</u>	<u>675,213,000</u>
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Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>676,056,000</u>	<u>673,056,000</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.

Subd. 2. Operations and Maintenance

611,968,000

608,968,000

(a) The Board of Regents is requested to establish the resident undergraduate tuition rate for the 2021-2022 and 2022-2023 academic years at three percent lower than tuition rates for the 2020-2021 academic year. The board is encouraged to allocate federal funds received under Section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and Section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to implement the tuition reduction requested in this paragraph.

(b) \$15,000,000 in fiscal year 2022 and \$15,000,000 in fiscal year 2023 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(c) \$7,800,000 in fiscal year 2022 and \$7,800,000 in fiscal year 2023 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(d) \$4,000,000 in fiscal year 2022 and \$4,000,000 in fiscal year 2023 are for the

Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(e) \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(f) \$150,000 in fiscal year 2022 and \$150,000 in fiscal year 2023 are for the Chloe Barnes Advisory Council on Rare Diseases under Minnesota Statutes, section 137.68. This is a onetime appropriation.

(g) The Board of Regents is requested to award onetime faculty COVID-19 risk stipends to instructors, including adjunct and part-time instructors who taught in-person during the spring 2021 semester in which students were present. The board is encouraged to allocate federal funds received under Section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and Section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to award the stipends in this paragraph. The stipends shall be \$500 for each eligible instructor.

(h) The base for operations and maintenance in fiscal year 2024 and all years thereafter is \$607,818,000.

Subd. 3. <u>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

(a) <u>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, 2023, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences4,854,0004,854,000

\$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. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering1,140,0001,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special7,181,0007,181,000

For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

\$2,000,000 in fiscal year 2022 and \$2,000,000 in fiscal year 2023 are for the Natural Resources Research Institute to invest in applied research for economic development.

(e) University of Minnesota and Mayo Foundation Partnership7,991,0007,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2022 and \$7,491,000 in fiscal year 2023 are 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. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

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. 5. MAYO CLINIC

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

<u>Subd. 2. Medical School</u>		<u>665,000</u>		<u>665,000</u>
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The state must pay a capitation rate 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.

<u>Subd. 3. 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.

Sec. 6. CANCELLATIONS.

(a) The day following final enactment, \$340,000 of the fiscal year 2021 appropriation to the Office of Higher Education in Laws 2019, chapter 64, article 1, section 2, is canceled to the general fund. The appropriation canceled must come from the provisions in Laws 2019, chapter 64, article 1, section 2, subdivisions 11, 25, and 26.

(b) The day following final enactment, \$5,000,000 of the fiscal year 2021 appropriation to the Office of Higher Education for state grants in Laws 2019, chapter 64, article 1, section 2, subdivision 2, is canceled to the general fund.

ARTICLE 2

HIGHER EDUCATION PROVISIONS

Section 1. [135A.137] HUNGER-FREE CAMPUS DESIGNATION.

Subdivision 1. **Establishment.** A Hunger-Free Campus designation is established for nonprofit degree-granting institutions physically located in Minnesota and registered with the Office of Higher Education under section 136A.63. In order to be awarded the designation, a campus must meet the following minimum criteria:

(1) have an established on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(2) provide information to students on SNAP, MFIP, and other programs that reduce food insecurity. The campus shall notify students in work-study employment of their potential eligibility for SNAP benefits, and provide information to those students that includes eligibility criteria and how to apply for benefits;

(3) hold or participate in one hunger awareness event per academic year;

(4) have an established emergency assistance grant that is available to students; and

(5) establish a hunger task force that meets a minimum of three times per academic year.

The task force must include at least two students currently enrolled at the institution.

Subd. 2. **Designation approval.** (a) The Minnesota Association of Private College Students shall create an application process and a nonmonetary award, and provide final approval for the designation at each nonprofit degree-granting institution.

(b) Each campus must reapply at least every three years to maintain the designation.

Sec. 2. Minnesota Statutes 2020, 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 ~~82~~ 72 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is ~~74~~ 72 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 38 percent of the student contribution.

Sec. 3. Minnesota Statutes 2020, section 136A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

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

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

(4) is not in default, as defined by the office, of any federal or state student educational loan; and

(5) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages.

(b) A student who is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment;

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c, or who withdraws from enrollment;

(2) for a ~~major illness~~ serious health condition, 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; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 4. Minnesota Statutes 2020, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or the equivalent, excluding (1) courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit, and (2) courses taken that qualify as developmental education or below college-level. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 5. [136A.1241] FOSTERING INDEPENDENCE HIGHER EDUCATION GRANTS.

Subdivision 1. **Establishment.** The office must establish a grant program for individuals who satisfy the eligibility requirements under subdivision 3. Using available FAFSA or other state aid data, the office shall identify and inform eligible individuals, and the institutions for which the individuals have been accepted or are attending, of their eligibility for the foster grant. This program is established to provide an individual who is currently or was formerly in foster care with foster grants for up to five years for higher education costs.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Adoption" means adoption of an individual who has been in the care and custody of a responsible social services agency or tribal social services agency and in foster care.

(c) "Eligible institution" means an eligible public institution or an eligible private institution.

(d) "Eligible public institution" or "public institution" means an institution operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

(e) "Eligible private institution" or "private institution" means an institution eligible for state student aid under section 136A.103, paragraph (a), clause (2).

(f) "Foster care" has the meaning given in section 260C.007, subdivision 18.

(g) "Foster grant" means a grant under this section.

(h) "Office" means the Office of Higher Education.

(i) "Recognized cost of attendance" means the amount calculated under subdivision 4.

(j) "Responsible social services agency" has the meaning given in section 260C.007, subdivision 27a.

(k) "Tribal social services agency" has the meaning given in section 260.755, subdivision 21.

Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training Voucher Program is eligible for a foster grant.

(b) If the individual is not eligible for the Education and Training Voucher program, in order to receive a foster grant, an individual must:

(1) meet the definition of a resident student under section 136A.101, subdivision 8;

(2) be at least 13 years of age but fewer than 27 years of age;

(3) after the individual's thirteenth birthday, be in or have been in foster care in Minnesota before, on, or after the effective date of this section, including any of the following:

(i) placement in foster care at any time while 13 years of age or older;

(ii) adoption from foster care at any time after reaching 13 years of age; and

(iii) placement from foster care with a permanent legal custodian at any time after reaching 13 years of age;

(4) have graduated from high school or completed the equivalent as approved by the Department of Education;

(5) have been accepted for admission to, or be currently attending, an eligible institution;

(6) have submitted a FAFSA; and

(7) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10.

Subd. 4. **Cost of attendance.** (a) The recognized cost of attendance for a public institution has the meaning in Code of Federal Regulations, title 20, chapter 28, subchapter IV, Part F, section 1087II.

(b) The recognized cost of attendance for a private institution equals the lesser of:

(1) the cost of attendance for the institution as calculated under Code of Federal Regulations, title 20, chapter 28, subchapter IV, Part F, section 1087II; or

(2) for two-year programs, an amount equal to the highest recognized cost of attendance charged at a public two-year institution, or for four-year programs, an amount equal to the highest recognized cost of attendance at a public university.

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after deducting:

(1) the student aid index as calculated by the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the Federal Supplemental Educational Opportunity Grant;

(5) the sum of all tribal scholarships;

(6) the amount of any other state and federal gift aid;

(7) the Education and Training Voucher Program;

(8) extended foster care benefits under section 260C.451;

(9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and

(10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.

(b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by September 1 for the next academic year.

(d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:

(1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and

(2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time as defined in section 136A.101, subdivision 7a, or the equivalent for eight semesters or the equivalent, or received a foster grant for five years, whichever occurs first. A foster grant must not be awarded to a student for more than three years for a two-year degree, certificate, or diploma, or five years for a four-year undergraduate degree.

Subd. 6. Dissemination of information. (a) The office shall, by September 1, 2022, and September 1 each year thereafter, prepare and provide the information to be disseminated by responsible social services agencies, tribal social services agencies, the office, the Department of Human Services, and eligible state and private institutions that:

(1) describes the availability of the program established under this section;

(2) explains how to participate in the program; and

(3) includes information on all available federal and state grants identified under subdivision 5.

(b) The office shall maintain and annually update the list of eligible private institutions that opt out under subdivision 5, paragraph (c), and post the list of the institutions on the office's website.

Subd. 7. Assistance from the Office of Higher Education. The office shall assist foster grant applicants eligible under subdivision 3 by providing assistance in:

(1) completing the foster grant application; and

(2) accessing and applying for available federal and state financial aid resources under subdivision 5.

Subd. 8. **Report.** (a) The office shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains:

- (1) the number of students receiving foster grants and the institutions attended; and
- (2) annual retention and graduation data on students receiving foster grants.

(b) The report required under this subdivision may be combined with other legislatively required reporting. If submitted as a separate report, the report must be submitted by January 15.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to foster grants awarded beginning the 2022-2023 academic year. The first report under subdivision 8 must be submitted by January 15, 2024, unless included in other legislatively required reporting.

Sec. 6. Minnesota Statutes 2020, 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 or the applicant's spouse 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) either has not earned a baccalaureate degree and has been enrolled full time less than received child care grant funds for a period of ten semesters or the equivalent, or has earned a baccalaureate degree and has been enrolled full time less than ten semesters or the equivalent in a graduate or professional degree program;~~

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

(6) is enrolled in at least ~~six credits~~ one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

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

(b) A student ~~who~~ is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c, ~~or~~;

~~(2) for a major illness serious health condition, 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; or~~

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 7. Minnesota Statutes 2020, 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) (a) The maximum award to the applicant shall be \$3,000 \$6,000 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.~~

~~(c) (b) Applicants with family incomes expected family contributions at or below a percentage of the federal poverty level the qualifying expected family contribution for the federal Pell Grant, as determined by the commissioner, will qualify for the maximum award. The commissioner shall attempt to set the percentage at a level estimated to fully expend the available appropriation for child care grants. Applicants with family incomes expected family contributions exceeding that threshold will but less than 200 percent of the qualifying expected family contribution receive the maximum award minus ten percent of their income exceeding that threshold an amount proportional to their expected family contribution as determined by the commissioner. If the result is less than zero, the grant is zero.~~

~~(d) (c) The academic year award amount must be disbursed by academic term using the following formula:~~

- ~~(1) the academic year amount described in paragraph ~~(b) (a)~~;~~
- ~~(2) divided by the number of terms in the academic year; and~~
- ~~(3) divided by 15 for undergraduate students and six for graduate and professional students; and~~

~~(4) (3) multiplied by the number of credits for which the student is enrolled that academic term, up to 15 credits for undergraduate students and six for graduate and professional students. applicable enrollment factor:~~

(i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the equivalent or for graduate students enrolled in six or more semester credits or the equivalent;

(ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the equivalent or for graduate students enrolled in five semester credits or the equivalent;

(iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or the equivalent or for graduate students enrolled in three or four semester credits or the equivalent; and

(iv) 0.25 for undergraduate students enrolled in at least one but less than six semester credits or the equivalent or for graduate students enrolled in one or two semester credits or the equivalent.

~~(e)~~ (d) Payments shall be made each academic term to the student or to the child care provider, as determined by the institution. Institutions may make payments more than once within the academic term.

Sec. 8. Minnesota Statutes 2020, section 136A.126, subdivision 1, is amended to read:

Subdivision 1. **Student eligibility.** The commissioner shall establish procedures for the distribution of scholarships to a Minnesota resident student as defined under section 136A.101, subdivision 8, who:

(1) is of one-fourth or more Indian ancestry or is an enrolled member or citizen of a federally recognized American Indian or Canadian First Nations tribe;

(2) has applied for other existing state and federal scholarship and grant programs;

(3) is meeting satisfactory academic progress as defined under section 136A.101, subdivision 10;

(4) is not in default, as defined by the office, of a federal or state student educational loan;

(5) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for nine semester credits per term or more, or the equivalent; and

(6) if enrolled in a graduate program, demonstrates a remaining financial need in the award amount calculation and is enrolled, per term, on a half-time basis or more as defined by the postsecondary institution.

Sec. 9. Minnesota Statutes 2020, section 136A.126, subdivision 4, is amended to read:

Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after deducting:

(1) the expected family contribution as calculated by the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

- (3) the amount of the state grant;
- (4) the federal Supplemental Educational Opportunity Grant;
- (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;
- (6) the sum of all tribal scholarships;
- (7) the amount of any other state and federal gift aid; and
- (8) the amount of any private grants or scholarships.

(b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.

(c) Awards are limited as follows:

- (1) the maximum award for an undergraduate is \$4,000 per ~~award~~ academic year;
- (2) the maximum award for a graduate student is \$6,000 per ~~award~~ academic year; and
- (3) the minimum award for all students is \$100 per ~~award~~ academic year.

(d) Scholarships may not be given to any Indian student for more than three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.

(e) Scholarships may be given to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 10. Minnesota Statutes 2020, section 136A.1275, is amended to read:

136A.1275 STUDENT TEACHER CANDIDATE GRANTS.

Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education must establish a grant program for student teaching stipends for low-income students enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program who ~~intend to teach in a shortage area after graduating and receiving their teaching license or belong to an underrepresented~~ a racial or ethnic group underrepresented in the teacher workforce, intend to teach in a rural school district, or intend to work in a license shortage area.

(b) "License shortage area" means a license field or economic development region within Minnesota defined as a shortage area by the Professional Educator Licensing and Standards Board in coordination with the commissioner using data collected for the teacher supply and demand report under section 122A.091, subdivision 5 teaching in one of the following license fields: (1) special

education, (2) English as a second language, (3) physics, (4) chemistry, (5) mathematics, and (6) middle level science.

(c) "Racial or ethnic group underrepresented in the teacher workforce" means a racial or ethnic group for which the aggregate percentage of Minnesota teachers of that racial or ethnic group is lower than the aggregate percentage of Minnesota kindergarten through grade 12 students of that racial or ethnic group.

(d) "Rural school district" means a school district with fewer than 30 resident pupil units under section 126C.05, subdivision 6, per square mile.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a student teacher candidate must:

(1) be enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program that requires at least 12 weeks of student teaching ~~in order to be recommended for any Tier 3 teaching license;~~

(2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;

(3) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10; and

~~(4) intend to teach in a shortage area or~~ belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce, intend to teach in a rural school district, or intend to teach in a license shortage area. Intent ~~can~~ to teach in a license shortage area must be documented verified based on the teacher license field the student is pursuing or a statement of. To verify intent to teach in an economic development region defined as a shortage area in the year the student receives a grant a rural school district, the student must submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the student's intent to teach in a rural district following graduation. Upon obtaining employment after graduating, the teacher shall report to the office the name of the school district in which the teacher is teaching.

Subd. 3. ~~Administration; repayment.~~ (a) The commissioner must establish an application process and other guidelines for implementing this program. The commissioner must notify grant recipients of their award amounts by the following dates:

(1) for fall student teaching placements, recipients must be notified by August 1;

(2) for spring student teaching placements, recipients must be notified by December 1; and

(3) for summer student teaching placements, recipients must be notified by May 1.

These notification deadlines do not apply in cases where grants are awarded to student teachers who applied after application deadlines and funds remained after the initial round of grants were awarded.

(b) The commissioner must determine each academic year the stipend amount up to \$7,500 based on the amount of available funding, the number of eligible applicants, and the financial need of the applicants.

(c) If there are insufficient funds to provide an award to all eligible participants, the commissioner shall prioritize the awards to eligible participants based on:

(1) the financial need of an applicant;

(2) whether the applicant intends to teach in both a rural school district and a license shortage area; and

(3) the statewide distribution of funds.

(d) The percentage of the total award funds available at the beginning of the fiscal year reserved for ~~teacher candidates~~ student teachers who identify as belonging to a racial or ethnic group underrepresented in the Minnesota teacher workforce must be equal to or greater than the total percentage of students of racial or ethnic groups underrepresented in the Minnesota teacher workforce as measured under section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of qualifying ~~candidates~~ student teachers, the remaining amount may be awarded to ~~teacher candidates~~ student teachers who intend to teach in a shortage area or rural school district.

Subd. 4. **Annual reporting.** By February 1 of each year, the commissioner must report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over E-12 and higher education finance and policy on:

(1) the total number of awards, the total dollar amount of all awards, and the average award amount;

(2) the number of eligible applicants and the number of student teachers receiving an award, each broken down by postsecondary institution;

(3) the race or ethnicity of the student teachers participating in the program;

(4) the licensure areas and school districts in which the student teachers taught; and

(5) other summary data identified by the commissioner as outcome indicators, including how many student teachers awarded a rural teacher grant were employed in a rural district after graduation.

Sec. 11. [136A.1467] COMPETITIVE GRANT FOR HUNGER-FREE CAMPUSES.

Subdivision 1. **Competitive grant.** (a) The commissioner shall establish a competitive grant program to distribute grants to schools to meet and maintain the requirements under sections 136F.245 and 137.375. Initial grants shall be made to schools that have not earned the designation and demonstrate a need for funding to meet the hunger-free campus designation requirements. Sustaining grants shall be made to schools that have earned the designation and demonstrate both a partnership with a local food bank or organization that provides regular, on-campus food distributions and a need for funds to maintain the requirements under sections 136F.245 and 137.375.

(b) The commissioner shall prioritize applications for initial grants and applications from schools with the highest number of federal Pell Grant eligible students enrolled.

(c) Grant recipients must use the grant funds to meet or maintain the requirements under sections 136F.245 and 137.375.

Subd. 2. **Maximum grant.** The maximum grant award for an initial campus designation is \$5,000. The maximum grant award for sustaining a campus designation is \$2,000.

Subd. 3. **Mandatory match.** Each campus must match at least 25 percent of the grant awarded with funds or in-kind resources.

Subd. 4. **Review.** The student associations representing the community and technical colleges and the universities shall review all grant applications and provide final approval of all grant disbursements from the Office of Higher Education.

Sec. 12. Minnesota Statutes 2020, section 136A.1791, is amended to read:

136A.1791 TEACHER SHORTAGE LOAN ~~FORGIVENESS~~ REPAYMENT PROGRAM.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational and living expenses related to a teacher's preparation or further education, only if the further education will result in the teacher decreasing the gap in a new shortage area.

(c) "School district" means an independent school district, special school district, intermediate district, education district, special education cooperative, service cooperative, a cooperative center for vocational education, ~~or a charter school,~~ or a nonpublic school, excluding a home school, located in Minnesota.

(d) "Teacher" means an individual holding a teaching license issued by the Professional Educator Licensing and Standards Board who is employed by a school district to provide classroom instruction.

~~(e) "Teacher shortage area" means:~~

~~(1) the licensure fields and economic development regions reported by the Professional Educator Licensing and Standards Board in coordination with the commissioner as experiencing a teacher shortage; and~~

~~(2) economic development regions where there is a shortage of licensed teachers who reflect the racial or ethnic diversity of students in the region as reported by the Professional Educator Licensing and Standards Board in coordination with the commissioner.~~

~~(f)~~ (e) "Commissioner" means the commissioner of the Office of Higher Education unless indicated otherwise.

(f) "License shortage area" means teaching in one of the following license fields: (1) special education, (2) English as a second language, (3) physics, (4) chemistry, (5) mathematics, and (6) middle level science.

(g) "Racial or ethnic group underrepresented in the teacher workforce" means a racial or ethnic group for which the aggregate percentage of Minnesota teachers of that racial or ethnic group is

lower than the aggregate percentage of Minnesota kindergarten through grade 12 students of that racial or ethnic group.

(h) "Rural school district" means a school district with fewer than 30 resident pupil units under section 126C.05, subdivision 6, per square mile.

Subd. 2. **Program established; administration.** The commissioner shall establish and administer a teacher shortage loan ~~forgiveness repayment~~ program. ~~A teacher is eligible for the program if the teacher is teaching in an identified teacher shortage area under subdivision 3 and complies with the requirements of this section.~~

~~Subd. 3. **Report on teacher shortage areas.** Using data collected for the teacher supply and demand report to the legislature under section 122A.091, subdivision 5, the Professional Educator Licensing and Standards Board shall identify the licensure fields and economic development regions in Minnesota experiencing a teacher shortage.~~

Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce, teach in a rural school district, or teach in a license shortage area.

Subd. 4. **Application for loan ~~forgiveness repayment~~.** Each applicant for loan ~~forgiveness repayment~~, according to rules adopted by the commissioner, shall:

(1) apply for teacher shortage loan ~~forgiveness repayment~~ and promptly submit any additional information required by the commissioner; and

(2) submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the teacher is teaching in: (i) ~~a licensure field identified by the commissioner as experiencing a teacher license shortage area;~~ or (ii) ~~an economic development region identified by the commissioner as experiencing a teacher shortage~~ a rural school district.

Subd. 5. **Amount of loan ~~forgiveness repayment~~.** (a) To the extent funding is available, the annual amount of teacher shortage loan ~~forgiveness repayment~~ for an approved applicant shall not exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans, including principal and interest, whichever amount is less.

(b) Recipients must secure their own qualified educational loans. Teachers who graduate from an approved teacher preparation program or teachers who add a licensure field, consistent with the teacher shortage requirements of this section, are eligible to apply for the loan ~~forgiveness repayment~~ program.

(c) No teacher shall receive more than five annual awards.

Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements directly to the participant of the amount for which a participant is eligible, for each year that a participant is eligible.

(b) Within 60 days of the disbursement date, the participant must provide the commissioner with verification that the full amount of loan repayment disbursement has been applied toward the

designated loans. A participant that previously received funds under this section but has not provided the commissioner with such verification is not eligible to receive additional funds.

Subd. 7. **Penalties.** (a) A teacher who submits a false or misleading application or other false or misleading information to the commissioner may:

(1) have his or her teaching license suspended or revoked under section 122A.20;

(2) be disciplined by the teacher's employing school district; or

(3) be required by the commissioner to repay the total amount of the loan ~~forgiveness repayment~~ he or she received under this program, plus interest at a rate established under section 270C.40.

(b) The commissioner must deposit any repayments received under paragraph (a) in the fund established in subdivision 8.

Subd. 8. **Account established.** A teacher shortage loan ~~forgiveness repayment~~ account is created in the special revenue fund for depositing money appropriated to or received by the commissioner for the program. Money deposited in the account is appropriated to the commissioner, does not cancel, and is continuously available for loan ~~forgiveness repayment~~ under this section.

Subd. 9. **Annual reporting.** By February 1 of each year, the commissioner must report to the chairs of the kindergarten through grade 12 and higher education committees of the legislature on the number of individuals who received loan ~~forgiveness repayment~~ under this section, the race or ethnicity of the teachers participating in the program, the licensure areas and ~~economic development regions~~ school districts in which the teachers taught, the average amount paid to a teacher participating in the program, and other summary data identified by the commissioner as outcome indicators.

Subd. 10. **Rulemaking.** The commissioner shall adopt rules under chapter 14 to administer this section.

Sec. 13. Minnesota Statutes 2020, section 136A.246, subdivision 1, is amended to read:

Subdivision 1. **Program created.** The commissioner shall make grants for the training of employees to achieve the competency standard for an occupation identified by the commissioner of labor and industry under section 175.45 and Laws 2014, chapter 312, article 3, section 21. ~~"Competency standard" has the meaning given in section 175.45, subdivision 2.~~ An individual must, no later than the commencement of the training, be an employee of the employer seeking a grant to train that individual.

Sec. 14. Minnesota Statutes 2020, section 136A.246, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training; and

(3) results in the employee receiving an industry-recognized degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

(2) licensed or registered as a postsecondary institution by the office; or

(3) exempt from the provisions of sections 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized degrees, certificates, or credentials" means:

(1) certificates, diplomas, or degrees issued by a postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Sec. 15. Minnesota Statutes 2020, section 136A.246, subdivision 2, is amended to read:

Subd. 2. **Eligible grantees.** An employer or an organization representing the employer is eligible to apply for a grant to train employees if the employer has an employee who is in or is to be trained to be in an occupation for which a competency standard has been identified and the employee has not attained the competency standard prior to the commencement of the planned training. ~~Training need not address all aspects of a competency standard but may address only the competencies of a standard that an employee is lacking. An employee must receive an industry-recognized degree, certificate, or credential upon successful completion of the training. A grantee must have an agreement with an eligible training provider to provide eligible training prior to payment of grant.~~

Sec. 16. Minnesota Statutes 2020, section 136A.246, subdivision 3, is amended to read:

Subd. 3. **Eligible training institution or program provider.** ~~The employer must have an agreement with a training institution or program to provide the employee competency standard training prior to the grant award. The training may be provided by any institution or program having trainers qualified to instruct on the competency standard.~~

The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's website with contact information for each program by September 1, 2016. The postings must be updated periodically.

Sec. 17. Minnesota Statutes 2020, section 136A.246, subdivision 4, is amended to read:

Subd. 4. **Application.** Applications must be made to the commissioner on a form provided by the commissioner. The commissioner must, to the extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner shall establish a schedule for applications and grants. The application must include, without limitation:

- (1) the projected number of employee trainees;
- ~~(2) the number of projected employee trainees who graduated from high school or passed the commissioner of education selected high school equivalency test in the current or immediately preceding calendar year;~~
- ~~(3)~~ (2) the competency standard for which training will be provided;
- ~~(4)~~ (3) the credential the employee will receive upon completion of training;
- ~~(5)~~ (4) the name and address of the eligible training institution or program and a signed statement by the institution or program that it is able and agrees to provide the training provider;
- ~~(6)~~ (5) the period of the training; and
- ~~(7)~~ (6) the cost of the training charged by the eligible training institution or program and certified by the institution or program provider. The cost of training includes tuition, fees, and required books and materials.

An application may be made for training of employees of multiple employers either by the employers or by an organization on their behalf.

Sec. 18. Minnesota Statutes 2020, section 136A.246, subdivision 5, is amended to read:

Subd. 5. **Grant criteria.** ~~(a) Except as provided in this subdivision, the commissioner shall award grants to employers solely for training employees who graduated from high school or passed commissioner of education selected high school equivalency tests in the current or immediately preceding calendar year.~~

~~(b) If there are not sufficient eligible applications satisfying paragraph (a), the commissioner may award grants to applicants to train employees who do not meet the requirements of paragraph (a).~~

~~(c)~~ (a) The commissioner shall, to the extent possible after complying with paragraph (a), make at least an approximately equal dollar amount of grants for training for employees whose work site is projected to be outside the metropolitan area as defined in section 473.121, subdivision 2, as for employees whose work site is projected to be within the metropolitan area.

~~(d)~~ (b) In determining the award of grants, the commissioner must consider, among other factors:

- (1) the aggregate state and regional need for employees with the competency to be trained;
- (2) the competency standards developed by the commissioner of labor and industry as part of the Minnesota PIPELINE Project;

(3) the per employee cost of training;

(4) the additional employment opportunities for employees because of the training;

(5) the on-the-job training the employee receives;

(6) the employer's demonstrated ability to recruit, train, and retain employees who are recent high school graduates or who recently passed high school equivalency tests;

~~(6)~~ (7) projected increases in compensation for employees receiving the training; and

~~(7)~~ (8) the amount of employer training cost match, if required, on both a per employee and aggregate basis.

Sec. 19. Minnesota Statutes 2020, section 136A.246, subdivision 6, is amended to read:

Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of the eligible training institution's or program's provider's charge for the eligible training to the training institution or program provider. For the purpose of this subdivision, a "large employer" means a business with more than \$25,000,000 in annual gross revenue in the previous calendar year.

Sec. 20. Minnesota Statutes 2020, section 136A.246, subdivision 7, is amended to read:

Subd. 7. **Payment of grant.** (a) The commissioner shall pay the grant to the employer after the employer presents satisfactory evidence to the commissioner that the employer has paid the eligible training institution or program provider.

(b) If an employer demonstrates that it is not able to pay for the training in advance, the commissioner shall make grant payments directly to the eligible training institution or program provider.

Sec. 21. Minnesota Statutes 2020, section 136A.246, subdivision 8, is amended to read:

Subd. 8. **Grant amounts.** (a) The maximum grant for an application is \$150,000. A grant may not exceed \$6,000 per year for a maximum of four years per employee.

(b) An employee who is ~~attending an eligible institution~~ attending an eligible training provider that is an institution under section 136A.103 must apply for Pell and state grants as a condition of payment for training that employee under this section.

Sec. 22. Minnesota Statutes 2020, section 136A.63, subdivision 2, is amended to read:

Subd. 2. **Sale of an institution.** Within 30 days of a change of its ownership a school must submit a registration renewal application, all usual and ordinary information and materials for an initial registration, and applicable registration fees for a new institution. For purposes of this subdivision, "change of ownership" means a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; the school enters receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 23. Minnesota Statutes 2020, section 136A.645, is amended to read:

136A.645 SCHOOL CLOSURE.

(a) When a school intends to cease postsecondary education operations, announces its closure, or is informed by the office that the office anticipates the school's closure due to its registration status or ability to meet criteria for approval under section 136A.65, the school must provide the office:

(1) a notice of closure, including the name of the school, the name of the school owner, an active mailing address and telephone number that the school owner may be reached at after the school physically closes, the name of the school director, and the planned date for termination of postsecondary operations;

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school e-mail address, alternate e-mail address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;

(3) a report of refunds due to any student and the amount due;

(4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;

(5) a copy of any communication between the school's accreditors about the school closure;

(6) confirmation that the requirements for student records under section 136A.68 have been satisfied, including:

(i) the planned date for the transfer of the student records;

(ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information; and

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

(b) Without limitation as to other circumstance, a school shall be deemed to have ceased operations when the school:

(1) has an unscheduled nonemergency closure or cancellation of classes for more than 24 hours without prior notice to the office;

(2) announces it is closed or closing; ~~or~~

(3) files for bankruptcy; or

(4) fails to complete a renewal application when required under section 136A.63, subdivision 2.

(c) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's registration. This revocation is not appealable under section 136A.65, subdivision 8.

Sec. 24. Minnesota Statutes 2020, section 136A.653, subdivision 5, is amended to read:

Subd. 5. **Regionally Higher Learning Commission accredited institutions in Minnesota.**

(a) ~~A regionally accredited~~ postsecondary institution accredited by the Higher Learning Commission or its successor with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:

(1) majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;

(2) nondegree programs within approved degrees;

(3) underlying curriculum or courses;

(4) modes of delivery; and

(5) locations.

(b) The institution must annually notify the commissioner of the exempt actions listed in paragraph (a) and, upon the commissioner's request, must provide additional information about the action.

(c) The institution must notify the commissioner within 60 days of a program closing.

(d) Nothing in this subdivision exempts an institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71.

Sec. 25. Minnesota Statutes 2020, section 136A.68, is amended to read:

136A.68 RECORDS.

(a) A registered school shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A registered school offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include a student's academic transcript,

documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A registered school shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.

(c) To preserve permanent records, a school shall submit a plan that meets the following requirements:

(1) at least one copy of the records must be held in a secure, fireproof depository or duplicate records must be maintained off site in a secure location and in a manner approved by the office;

(2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

(3) an alternative method approved by the office of complying with clauses (1) and (2) must be established if the school ceases to exist; and

(4) if the school has no binding agreement approved by the office for preserving student records, a continuous surety bond or an irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 26. Minnesota Statutes 2020, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent student records.** (a) A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record for each student for 50 years from the last date of the student's attendance. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record required for professional licensure in Minnesota for each student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.

(c) To preserve permanent student records, a private career school shall submit a plan that meets the following requirements:

- (1) at least one copy of the records must be held in a secure, fireproof depository;
- (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;
- (3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and
- (4) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 27. Minnesota Statutes 2020, section 136A.8225, is amended to read:

136A.8225 SCHOOL CLOSURE.

(a) When a school intends to cease postsecondary education operations, announces its closure, or is informed by the office that the office anticipates the school's closure due to its licensure status or ability to meet criteria for approval under section 136A.822, subdivision 8, the school must provide the office:

- (1) a notice of closure, including the name of the school, the name of the school owner, an active mailing address and telephone number that the school owner may be reached at after the school physically closes, the name of the school director, and the planned date for termination of postsecondary operations;
- (2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school e-mail address, alternate e-mail address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;
- (3) a report of refunds due to any student and the amount due;
- (4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;
- (5) a copy of any communication between the school's accreditors about the school closure;
- (6) confirmation that the requirements for student records under section 136A.822, subdivision 12, have been satisfied, including:
 - (i) the planned date for the transfer of the student records;
 - (ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information; and

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

(b) Without limitation as to other circumstance, a school shall be deemed to have ceased operations when the school:

(1) has an unscheduled nonemergency closure or cancellation of classes for more than 24 hours without prior notice to the office;

(2) announces it is closed or closing; ~~or~~

(3) files for bankruptcy; or

(4) fails to complete a renewal application when required under section 136A.823, subdivision 3.

(c) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's license. This revocation is not appealable under section 136A.829, subdivision 2.

Sec. 28. Minnesota Statutes 2020, section 136A.823, is amended by adding a subdivision to read:

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under section 136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824, subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 29. Minnesota Statutes 2020, section 136A.827, subdivision 4, is amended to read:

Subd. 4. **Proration.** (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, ~~but before completion of 75 percent of the program, the amount charged for tuition, fees and all other charges shall be prorated based~~

on the number of days in the term as a portion of the total charges for tuition, fees and all other charges. An additional 25 percent of the total cost of the program may be added but shall not exceed \$100. After completion of 75 percent of the program, no refunds are required. the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

(b) A notice of cancellation from a student under this subdivision must be confirmed in writing by the private career school and mailed to the student's last known address. The confirmation from the school must state that the school has withdrawn the student from enrollment, and if this action was not the student's intent, the student must contact the school.

(c) The length of a program of instruction for a program that has a defined calendar start and end date that does not change after the program has begun equals the number of days from the first scheduled date of the program through the last scheduled date of the program. To calculate the completion percentage, divide the number of calendar days from the first date of the program through the student's last documented date of attendance by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed \$50; plus

(3) the lesser of (i) 25 percent of the total tuition or (ii) \$100.

(d) The length of a program of instruction for a program that is measured in clock hours equals the number of clock hours the student was scheduled to attend. To calculate the completion percentage, divide the number of clock hours that the student actually attended by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed \$50; plus

(3) the lesser of (i) 25 percent of the total tuition or (ii) \$100.

Sec. 30. Minnesota Statutes 2020, section 136A.827, subdivision 8, is amended to read:

Subd. 8. **Cancellation occurrence.** ~~Written notice of cancellation shall take place on the date the letter of cancellation is postmarked or, in the cases where the notice is hand carried, it shall occur on the date the notice is delivered to the private career school.~~ Notice of cancellation shall be the date a student notifies a private career school of the student's intention to withdraw or otherwise leave the program of study. The student is not required to provide a written notice. The private career school may require a student to provide the student's notification only to specific offices or personnel

at the school as long as this requirement is documented as part of the "Student's Right to Cancel" in all places that the information appears, including on the private career school's website. The date of the notice of cancellation may or may not be the same date as the student's last documented date of attendance. If a student has not attended class for a period of ~~21~~ 14 consecutive days without contacting the private career school to ~~indicate an intent to continue in the private career school~~ provide notice of cancellation or otherwise ~~making~~ make arrangements concerning the absence, the student is considered to have withdrawn from the private career school for all purposes as of the student's last documented date of attendance.

Sec. 31. Minnesota Statutes 2020, section 136F.20, is amended by adding a subdivision to read:

Subd. 4. **Mental health awareness program.** (a) The board shall implement a mental health awareness program at each Minnesota state college and university by the start of the 2022-2023 academic year. A mental health awareness program shall include:

(1) a web page at each institution that includes links to existing self-assessment resources, resources connecting students to campus and community-based resources, and emergency contact information and resources;

(2) mandatory mental health first aid training, evidence-based suicide prevention training, or other similar mental health training for faculty, staff, and students, giving priority to those who serve in roles that include increased direct contact with students who are experiencing mental health concerns, such as student housing and campus safety employees. Each college and university shall identify the appropriate faculty, staff, and students to receive training based on college or university structure and available funding;

(3) a session at each student orientation program that includes information about maintaining good mental health, the symptoms of mental health conditions common among college students, and mental health resources and services available to students;

(4) a messaging strategy to send students information on available mental health resources and services at least once per term, and during periods of high academic stress; and

(5) distributing the suicide prevention helpline and text line contact information in a way that increases accessibility and awareness of that information to students.

(b) The board shall create and maintain a mental health community of practice including faculty and staff with subject matter expertise in mental health to identify resources and best practices to inform campus-based strategies to raise awareness of local and state resources and implement appropriate training experiences.

(c) The board shall make grants to Minnesota State Colleges and Universities to establish a peer support pilot program designed to assist students with a mental health condition. The program shall utilize student peers to support students living with mental health conditions on campus. The peer support program may be housed within the counseling center, wellness center, or resident assistance programs on campus. The peer support program leaders must be trained to facilitate discussions on mental health, identify students who may be in crisis, and refer students to programs for mental health support.

Sec. 32. [136F.202] STUDENT SUCCESS BASIC NEEDS BARRIER REDUCTION.

Subdivision 1. **Basic needs resources.** (a) Each college and university shall create and maintain a web page that clearly identifies basic needs resources available at the college or university. This web page shall clearly identify at least one staff, faculty member, or department as a point of contact for whom students may direct questions. Each college and university shall also make the information under this paragraph available on the college or university mobile application, if possible.

(b) The board shall pursue the creation of a centralized basic needs online resource web page that will raise awareness of campus-based resources available at colleges and universities and local, state, and national resources that can assist in addressing basic needs insecurity.

Subd. 2. **Basic needs support trigger.** (a) The board shall develop and implement, at each college and university, initiatives or campaigns to raise awareness among all students of potential Supplemental Nutrition Assistance Program (SNAP) eligibility including targeted communications to students who are likely eligible.

(b) The board shall develop a financial aid resource trigger that utilizes data from the Free Application for Federal Student Aid (FAFSA), applications for state financial aid, or other applicable data to identify students who are likely eligible for assistance or programs that reduce basic needs insecurity such as SNAP. The board shall utilize this resource trigger to provide information and support to students on how to access assistance or programs that reduce basic needs insecurity.

Sec. 33. Minnesota Statutes 2020, section 136F.245, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A Hunger-Free Campus designation for Minnesota State community and technical colleges and universities is established. In order to be awarded the designation, a campus must meet the following minimum criteria:

(1) have an established on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(2) provide information to students on SNAP, MFIP, and other programs that reduce food insecurity. The campus shall notify students in work-study employment of their potential eligibility for SNAP benefits, and provide information to those students that includes eligibility criteria and how to apply for benefits;

(3) hold or participate in one hunger awareness event per academic year;

(4) have an established emergency assistance grant that is available to students; and

(5) establish a hunger task force that meets a minimum of three times per academic year. The task force must include at least two students currently enrolled at the college or university.

Sec. 34. Minnesota Statutes 2020, section 136F.245, subdivision 2, is amended to read:

Subd. 2. **Designation approval.** (a) The statewide student ~~association~~ associations representing the community and technical colleges and the universities shall create an application process and for the designation and a ~~nonmonetary~~ award, and provide final approval for the designation at each college and university, respectively.

(b) Each campus must reapply at least every three years to maintain the designation.

Sec. 35. Minnesota Statutes 2020, section 136F.245, is amended by adding a subdivision to read:

Subd. 2a. **Grant funds.** (a) Grant recipients must use the grant funds to meet or maintain the requirements under this section. Grants are administered by the Office of Higher Education under section 136A.1467.

(b) In order to receive a sustaining grant, the campus must demonstrate a partnership with a local food bank or organization that provides regular, on-campus food distributions.

Sec. 36. Minnesota Statutes 2020, section 136F.305, subdivision 2, is amended to read:

Subd. 2. **Requirement.** (a) Three additional colleges must offer the opportunity to earn a Z-Degree by academic year 2020-2021.

(b) At least eight additional colleges must offer the opportunity to earn a Z-Degree in the 2022-2023 academic year.

(c) A college's course offerings for its Z-Degree program must include at least two distinct courses in each transfer curriculum goal area and at least enough credits in each transfer curriculum goal area to complete the transfer curriculum package.

Sec. 37. Minnesota Statutes 2020, section 136F.305, subdivision 3, is amended to read:

Subd. 3. **Open educational resource development.** (a) The Minnesota State Colleges and Universities must develop a program to offer a Z-Degree at ~~three~~ additional colleges by expanding the use of open educational resources, including custom and open textbooks. The system office must provide opportunities for faculty to identify, review, adapt, author, and adopt open educational resources. The system office must develop incentives to academic departments to identify, review, adapt, author, or adopt open educational resources within their academic programs.

(b) The programs and incentives developed under this subdivision must be implemented pursuant to faculty collective bargaining agreements.

Sec. 38. Minnesota Statutes 2020, section 136F.305, subdivision 4, is amended to read:

Subd. 4. **Report.** The board must submit reports by January 13, 2021, and January 12, 2022, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. Each report must include (1) the number of courses transitioned to using an open textbook resulting from the programs in this section, ~~and~~ (2) the total amount of student textbook savings resulting from the transitions, ~~and~~ (3) information on the types of incentives developed and offered to faculty, and the corresponding funding for those incentives.

Sec. 39. Minnesota Statutes 2020, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4)

information technology; (5) early childhood; ~~or~~ (6) transportation; (7) construction; or (8) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least 12 credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 40. **[137.375] HUNGER-FREE CAMPUS DESIGNATION.**

Subdivision 1. **Establishment.** A Hunger-Free Campus designation is established for the University of Minnesota. In order to be awarded the designation, a campus must meet the following minimum criteria:

(1) have an established on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(2) provide information to students on SNAP, MFIP, and other programs that reduce food insecurity. The campus shall notify students in work-study employment of their potential eligibility for SNAP benefits, and provide information to those students that includes eligibility criteria and how to apply for benefits;

(3) hold or participate in one hunger awareness event per academic year;

(4) have an established emergency assistance grant that is available to students; and

(5) establish a hunger task force that meets a minimum of three times per academic year. The task force must include at least two students currently enrolled at the university.

Subd. 2. **Designation approval.** (a) The University of Minnesota campus student associations shall create an application process for the designation and award, and provide final approval for the designation at each university, in consultation with relevant university staff.

(b) Each campus must reapply at least every three years to maintain the designation.

Subd. 3. **Grant funds.** (a) Grant recipients must use the grant funds to meet or maintain the requirements under this section. Grants are administered by the Office of Higher Education under section 136A.1467.

(b) In order to receive a sustaining grant, the campus must demonstrate a partnership with a local food bank or organization that provides regular, on-campus food distributions.

Sec. 41. **CREDIT FOR PRIOR LEARNING.**

(a) Minnesota State Colleges and Universities must expand credit for prior learning to include as many forms of work-based experiences as possible, working with faculty to properly credit experiences for students, as appropriate. Minnesota State Colleges and Universities shall proactively make students aware of the credit for prior learning program and take steps to ensure gaining credit is easily accessible to students.

(b) By February 1, 2022, Minnesota State Colleges and Universities must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education on the success of credit for prior learning in granting credits and its continued development as required under this subdivision.

Sec. 42. **DIRECT ADMISSIONS PILOT PROGRAM.**

Subdivision 1. **Authorization.** The commissioner of the Office of Higher Education shall develop a pilot program in consultation with stakeholders including Minnesota State Colleges and Universities, the University of Minnesota, the Student Advisory Council under Minnesota Statutes, section 136A.031, Minnesota Department of Education, the Minnesota Association of Secondary School Principals, and the Minnesota School Board Association to automatically offer conditional admission into Minnesota public colleges and universities to Minnesota public high school seniors based on a student's high school grade point average, high school and college transcript information, standardized tests, statewide assessments, and other measures as determined by stakeholders.

Subd. 2. **Pilot design and goals.** The pilot program shall establish and, to the extent feasible, implement a process for leveraging existing kindergarten through grade 12 and higher education student information systems to automate the admissions process for students. The pilot program will specifically evaluate the impact this process has on outcomes for students with lower levels of college knowledge, low-income students, and students from populations underserved in higher education. Initial pilot program participants must include high schools with a significant number of students of color, low-income students, or both, and must achieve statewide representation.

Subd. 3. **Evaluation and report.** By February 1, 2022, the Office of Higher Education shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy and higher education on activities occurring under this section. The report must include but is not limited to information about the pilot program design, implementation challenges and recommendations, outcomes, and the feasibility of scaling the program to all public high schools.

Sec. 43. **REPEALER.**

(a) Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; and 136F.245, subdivision 3, are repealed.

(b) Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; and 4830.9090, are repealed."

Amend the title numbers accordingly

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

Senator Senjem from the Committee on Energy and Utilities Finance and Policy, to which was referred

S.F. No. 2075: A bill for an act relating to energy; modifying a public utility reporting requirement; amending Minnesota Statutes 2020, section 216B.1691, subdivision 2f.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **ENERGY AND UTILITIES FINANCE.**

(a) 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 "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

Available for the Year

Ending June 30

2022

2023

Sec. 2. **DEPARTMENT OF COMMERCE**

<u>Subdivision 1. Total Appropriation</u>	\$	<u>8,543,000</u>	\$	<u>7,487,000</u>
		<u>Appropriations by Fund</u>		
		<u>2022</u>		<u>2023</u>
<u>General</u>		<u>5,427,000</u>		<u>5,427,000</u>
<u>Special Revenue</u>		<u>2,060,000</u>		<u>2,060,000</u>
<u>Petroleum Tank</u>		<u>1,056,000</u>		<u>-0-</u>

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

<u>Subd. 2. Telecommunications</u>	<u>3,107,000</u>	<u>3,107,000</u>
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Appropriations by Fund

<u>General</u>	<u>1,047,000</u>	<u>1,047,000</u>
<u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>

\$2,060,000 each year is from the telecommunications access Minnesota fund account in the special revenue fund for the following transfers. This appropriation is added to the department's base:

(1) \$1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This appropriation is available until June 30, 2023, and any unexpended amount on that date must be returned to the telecommunications access Minnesota fund;

(2) \$290,000 each year is to the chief information officer for the purpose of coordinating technology accessibility and usability;

(3) \$100,000 each year is to the Legislative Coordinating Commission for captioning of legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) \$50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of their web-based services.

<u>Subd. 3. Energy Resources</u>	<u>4,380,000</u>	<u>4,380,000</u>
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(a) \$150,000 each year is to remediate vermiculate insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes,

section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(b) \$832,000 each year is for energy regulation and planning unit staff.

Subd. 4. Petroleum Tank Release Compensation Board

1,056,000

-0-

This appropriation is from the petroleum tank fund to account for base adjustments provided in Minnesota Statutes, section 115C.13.

Sec. 3. **PUBLIC UTILITIES COMMISSION** \$ 7,793,000 \$ 7,793,000

(a) \$21,000 each year is to process utility applications to install equipment crossing a railroad right-of-way.

(b) \$300,000 each year is the enhance the commission's decision-making capability.

ARTICLE 2

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

(a) 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 renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

Available for the Year

Ending June 30

2022

2023

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

\$ 2,500,000 \$ -0-

(a) Clean Energy Career Training Pilot Project. \$2,500,000 the first year is for a grant to Northgate Development, LLC, for a pilot project to provide training pathways into careers in the clean energy sector for students and young adults in underserved communities. Training must be provided at a location that is accessible by public transportation and must prioritize the inclusion of communities of color, indigenous people, and individuals with low incomes.

(b) The pilot project must provide skills training relevant to the design, construction, operation, or maintenance of:

(1) systems producing renewable solar or wind energy;

(2) systems resulting in improvements in energy efficiency as defined in Minnesota Statutes, section 216B.241, subdivision 1;

(3) systems of energy storage for renewable energy systems, including battery technology;

(4) infrastructure for charging all-electric or electric hybrid vehicles; or

(5) grid technologies that manage load and provide services to the distribution grid that reduce usage or shift demand to off-peak periods.

(c) Training must be designed to create pathways to a postsecondary degree or industry certification related to the fields in paragraph (b) and then to stable career employment at a living wage.

(d) Grant funds may be used for all expenses related to the training program, including curriculum, instructors, equipment, materials,

and leasing and improving space for use by the program.

(e) By January 15, 2023, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development on the results of the pilot program, including but not limited to information on use of grant funds and program outcomes.

Sec. 3. **DEPARTMENT OF COMMERCE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>37,905,000</u>	<u>\$</u>	<u>3,750,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Final "Made In Minnesota" solar energy production program administration

\$26,155,000 the first year is appropriated from the renewable development account in the special revenue fund established under Minnesota Statutes, section 116C.779, subdivision 1, to make the final payments for the remaining program obligations under the "Made in Minnesota" solar energy production incentive program in Minnesota Statutes, section 216C.417. Of this amount, \$100,000 the first year is to administer the final payments for the program. Any remaining unspent funds at the end of fiscal year 2025 cancel to the renewable development account.

Subd. 3. Solar for Schools

\$8,000,000 the first year is for the solar for schools program under Minnesota Statutes, section 216C.376. Any unobligated amount of this appropriation remaining on June 30, 2026, is canceled to the renewable development account.

Subd. 4. Wood Pellet Production Incentive

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$3,750,000 each year is for wood pellet manufacturing incentives under Minnesota Statutes, section 216B.2428. Any unobligated amount of this appropriation remaining on June 30, 2023, is canceled to the renewable development account.

Sec. 4. **UNIVERSITY OF MINNESOTA** \$ 10,000,000 \$ -0-

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$10,000,000 the first year is to the Board of Regents of the University of Minnesota, West Central Research and Outreach Center, for the purpose of leading research, development, and advancement of energy storage systems that utilize hydrogen and ammonia production from renewables and other sources of clean energy. This is a onetime appropriation and any amount unexpended by June 30, 2025, must be returned to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1.

Sec. 5. **DEPARTMENT OF ADMINISTRATION** \$ 5,000,000 \$ -0-

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$5,000,000 the first year is for deposit in the state building energy conservation improvement account established in Minnesota Statutes, section 16B.86, for the purpose of providing loans to state agencies for energy conservation projects under Minnesota Statutes, section 16B.87.

Sec. 6. CANCELLATION; FISCAL YEAR 2021.

The fiscal year 2021 appropriation under Laws 2019, First Special Session chapter 7, article 1, section 6, subdivision 7, paragraph (d), is canceled.

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

ARTICLE 3**ENERGY POLICY**

Section 1. Minnesota Statutes 2020, section 16B.86, is amended to read:

16B.86 PRODUCTIVITY STATE BUILDING ENERGY CONSERVATION IMPROVEMENT REVOLVING LOAN ACCOUNT.

Subdivision 1. Definitions. (a) For purposes of this section and section 16B.87, the following terms have the meanings given them.

(b) "Energy conservation" has the meaning given in section 216B.241, subdivision 1, paragraph (d).

(c) "Energy conservation improvement" has the meaning given in section 216B.241, subdivision 1, paragraph (e).

(d) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f).

(e) "Project" means the energy conservation improvements financed by a loan made under this section.

(f) "State building" means an existing building owned by the state of Minnesota.

Subd. 2. Account established. The ~~productivity state building energy conservation improvement revolving loan account is established as a special~~ separate account in the state treasury. The commissioner shall manage the account and shall credit to the account investment income, repayments of principal and interest, and any other earnings arising from assets of the account. Money in the account is appropriated to the commissioner of administration to make loans to ~~finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency.~~ state agencies to implement energy conservation and energy efficiency improvements in state buildings under section 16B.87.

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

Sec. 2. Minnesota Statutes 2020, section 16B.87, is amended to read:

16B.87 AWARD AND REPAYMENT OF PRODUCTIVITY STATE BUILDING ENERGY IMPROVEMENT CONSERVATION LOANS.

Subdivision 1. **Committee.** The ~~Productivity State Building Energy Conservation Improvement Loan~~ Committee consists of the commissioners of administration, management and budget, and ~~revenue~~ commerce. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form ~~provided~~ developed by the commissioner of administration; that requires an applicant to submit the following information:

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan; and

(6) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. ~~The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed five years. Priority in granting awards shall be given to projects for state buildings located within the retail electric service area of the public utility that is subject to section 116C.779.~~

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the commissioner of administration, who shall deposit it in the productivity state building energy conservation improvement revolving loan fund account. Payments of loan principal and interest must begin no later than one year after the project is completed.

Sec. 3. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph

(i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) ~~and~~, (g), and (m), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Except as otherwise provided herein, members of the advisory group shall be chosen by the public utility. The public utility may design a request for proposal in conjunction with the advisory group. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(m) The cost of acquiring the services of the independent third-party expert described in paragraph (l) and any other costs incurred in administering the advisory group and its actions as required by

this section, not to exceed \$150,000, shall be paid from funds withheld by the public utility under paragraph (e).

~~(m)~~ (n) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted ~~by the advisory group~~ to the ~~legislature~~ commission. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph ~~(n)~~ (o).

~~(n)~~ (o) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

~~(p)~~ (r) The ~~advisory group~~ public utility must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

~~(q)~~ (s) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

~~(r)~~ (t) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

~~(s)~~ (u) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

~~(t)~~ (v) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

~~(u)~~ (w) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Sec. 4. Minnesota Statutes 2020, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021; ~~and~~

(2) \$10,000,000 in 2022;

(3) \$5,000,000 in 2023; and

(4) \$5,000,000 in 2024.

(e) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

(f) Any unspent amount remaining on January 1, ~~2023~~ 2025, must be transferred to the renewable development account.

(g) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

(h) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and 2b, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

(d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

(f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scam mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

(g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

(i) ~~Beginning July 1, 2014, and each~~ By July 1 through 2020, each, 2021, a public utility ~~shall~~ must file a final report with the commission ~~reporting its~~ detailing the utility's progress in ~~toward~~ achieving the solar energy standard established under this subdivision.

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

Sec. 6. Minnesota Statutes 2020, section 216B.241, is amended by adding a subdivision to read:

Subd. 11. **Minnesota efficient technology accelerator.** (a) A nonprofit organization with extensive experience implementing energy efficiency programs in Minnesota and conducting efficient technology research in the state may file a proposal with the commissioner of commerce for a program to accelerate deployment and reduce the cost of emerging and innovative efficient technologies and approaches and lead to lower energy costs for Minnesota consumers. Activities of the accelerator shall include strategic initiatives with technology manufacturers to improve the efficiency and performance of their products, as well as with equipment installers and other key actors in the technology supply chain. Benefits of activities expected from the accelerator include cost effective energy savings for Minnesota utilities, bill savings for Minnesota utility consumers, enhanced employment opportunities in the state, and avoidance of greenhouse gas emissions.

(b) Prior to developing and filing a proposal, the nonprofit must submit to the commissioner of commerce a notice of intent to file a proposal under this subdivision describing the eligibility and qualifications of the nonprofit to file a proposal under this subdivision. The commissioner shall review the notice of intent and issue a determination of eligibility within 30 days if the commissioner finds that the nonprofit meets the qualifications required.

(c) Upon receiving the determination by the commissioner under paragraph (b), the nonprofit organization must engage with interested stakeholders on at least the following attributes required of a program proposal under this subdivision:

(1) a proposed budget and operational guidelines for the accelerator;

(2) a proposed energy savings attribution, evaluation, and allocation methodology that includes a method for calculating net benefits from activities under the program. Energy savings and net benefits from activities under the program must be allocated to participating utilities and be considered when determining cost-effectiveness of achieved energy savings and related incentives;

(3) a process to ensure that the technologies that are selected for the program benefit electric and natural gas utility customers in proportion to the funds each utility sector contributes to the program and address residential, commercial, and industrial building energy use; and

(4) a process for identifying and tracking performance metrics for each technology selected against which progress can be measured, including one or more methods for evaluating cost-effectiveness.

(d) No earlier than January 1, 2023, the nonprofit may file a program proposal under this subdivision. The filing must describe how the proposal addresses each of the required attributes listed in paragraph (c), clauses (1) to (4), and how the proposal addresses the recommendations and concerns identified in the stakeholder engagement process required under paragraph (c).

(e) Within ten days of receiving the proposal, the commissioner shall provide public notice of the proposal and solicit feedback from interested parties for a period of not less than ten business days.

(f) Within 90 days of the filing of the proposal, the commissioner shall approve, modify, or reject a proposal under this subdivision. In making a determination, the commissioner must consider

public comments, the expected costs and benefits of the program from the perspectives of ratepayers, the participating utilities, and society, and the expected costs and benefits relative to other energy conservation programming authorized under this section.

(g) A program under this section may not be implemented prior to January 1, 2024. The initial program term may be up to five years. At the request of the nonprofit, the commissioner may renew a program approved under paragraph (d) for up to five years at a time. The nonprofit shall submit to the commissioner a request to renew the program no later than 180 days prior to the end of the term of the program approved or renewed under this subdivision. When making a request to renew and determination on renewal, the nonprofit and commissioner shall follow the process established under this subdivision, except that a qualified nonprofit is not required to seek eligibility under paragraph (b).

(h) Upon approval, each public utility with over 30,000 customers shall participate in the program and contribute to the approved budget of the program in proportion to its gross operating revenue from sales of gas or electric service in the state, excluding revenues from large customer facilities exempted under subdivision 1a. No participating utility may be required to contribute more than the following percentages of the utility's spending approved by the commission in the plan filed under subdivision 2: (1) two percent in the program's initial two years; (2) 3.5 percent in the program's third and fourth years; and (3) five percent thereafter. Other utilities may elect to participate in the accelerator program. Costs incurred by a public utility under this subdivision are recoverable under subdivision 2b as an assessment to the energy and conservation account. Amounts provided to the account under this subdivision are not subject to the cap on assessments in section 216B.62. The commissioner may make expenditures from the account for the purposes of this subdivision, including amounts necessary to cover administrative costs incurred by the department under this subdivision. Costs for research projects under this subdivision that the commissioner determines may be duplicative to projects that would be eligible for funding under subdivision 1e, paragraph (a), may be deducted from the assessment under subdivision 1e for utilities participating in the accelerator.

(i) The commissioner shall not approve more than one program for implementation at a time under paragraphs (d) to (e) or (f). No more than one program approved under this subdivision may be implemented or in operation at any given time.

(j) At least once during the term of a program that is approved or renewed, the commissioner shall contract for an independent review of the program to determine if it meets the objectives and requirements of this section and any criteria established by the department as a condition of approval. The review may not be conducted by an entity or person that acted as a stakeholder or interested party, or otherwise participated in the program preparation, filing, or review process. Upon completion, the reviewer shall prepare a report detailing findings and recommendations, and the commissioner must transmit a copy of the report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy. Funds required to conduct the review and prepare the report shall be deducted from the total contribution amount under paragraph (h).

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

Sec. 7. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 2d. **Plan to minimize impacts to workers due to facility retirement.** As a part of a resource plan filing, a utility that has scheduled the retirement of an electric generating facility located in Minnesota must include in the filing a narrative identifying and describing the utility's plan and efforts made to date to work with the utility's workers represented by an exclusive representative to:

- (1) minimize financial losses to workers;
- (2) provide a transition timeline to ensure certainty for workers;
- (3) protect pension benefits;
- (4) extend or replace health insurance, life insurance, and other benefits;
- (5) identify and maximize opportunities within the utility for dislocated workers, including providing incentives for the utility to retain as many workers as possible;
- (6) provide training and skill development for workers who must or choose to leave the utility;
- (7) create targeted transition plans for workers at all locations impacted by the facility retirement;
and
- (8) quantify any additional costs the utility would incur and specifying what costs, if any, the utility would request be recovered in its rates as a result of efforts made under this subdivision to minimize impacts to workers.

Sec. 8. Minnesota Statutes 2020, section 216B.2424, is amended by adding a subdivision to read:

Subd. 5b. **Definitions.** (a) For the purposes of subdivision 5c, the following terms have the meanings given.

(b) "Agreement period" means the period beginning on January 1, 2023, and ending on December 31, 2024.

(c) "Ash" means all species of the genus *Fraxinus*.

(d) "Cogeneration facility" means the St. Paul district heating and cooling system cogeneration facility that uses waste wood as the facility's primary fuel source, provides thermal energy to St. Paul, and sells electricity to a public utility through a power purchase agreement approved by the Public Utilities Commission.

(e) "Department" means the Department of Agriculture.

(f) "Emerald ash borer" means the insect known as emerald ash borer, *Agrilus planipennis* Fairmaire, in any stage of development.

(g) "Renewable energy technology" has the meaning given to "eligible energy technology" in section 216B.1691, subdivision 1.

(h) "St. Paul district heating and cooling system" means a system of boilers, distribution pipes, and other equipment that provides energy for heating and cooling in St. Paul, and includes the cogeneration facility.

(i) "Waste wood from ash trees" means ash logs and lumber, ash tree waste, and ash chips and mulch.

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

Sec. 9. Minnesota Statutes 2020, section 216B.2424, is amended by adding a subdivision to read:

Subd. 5c. **New power purchase agreement.** (a) No later than August 1, 2021, a public utility subject to subdivision 5 and the cogeneration facility may file a proposal with the commission to enter into a power purchase agreement that governs the public utility's purchase of electricity generated by the cogeneration facility. The power purchase agreement may extend no later than December 21, 2024, and must not be extended beyond that date except as provided in paragraph (f).

(b) The commission is prohibited from approving a new power purchase agreement filed under this subdivision that does not meet all of the following conditions:

(1) the cogeneration facility agrees that any waste wood from ash trees removed from Minnesota counties that have been designated as quarantined areas in Section IV of the Minnesota State Formal Quarantine for Emerald Ash Borer, issued by the commissioner of agriculture under section 18G.06, effective November 14, 2019, as amended, for utilization as biomass fuel by the cogeneration facility must be accompanied by evidence:

(i) demonstrating that the transport of biomass fuel from processed waste wood from ash trees to the cogeneration facility complies with the department's regulatory requirements under the Minnesota State Formal Quarantine for Emerald Ash Borer, which may consist of:

(A) a certificate authorized or prepared by the commissioner of agriculture or an employee of the Animal and Plant Health Inspection Service of the United States Department of Agriculture verifying compliance; or

(B) shipping documents demonstrating compliance; or

(ii) certifying that the waste wood from ash trees has been chipped to one inch or less in two dimensions, and was chipped within the county from which the ash trees were originally removed;

(2) the price per megawatt hour of electricity paid by the public utility demonstrates significant savings compared to the existing power purchase agreement, with a price that does not exceed \$98 per megawatt hour;

(3) the proposal includes a proposal to the commission for one or more electrification projects that result in the St. Paul district heating and cooling system being powered by electricity generated from renewable energy technologies. The plan must evaluate electrification at three or more levels from ten to 100 percent, including 100 percent of the energy used by the St. Paul district heating

and cooling system to be accomplished by December 31, 2027. The proposal may also evaluate alternative dates for implementation. For each level of electrification analyzed, the proposal must contain:

(i) a description of the alternative electrification technologies evaluated and whose implementation is proposed as part of the electrification project;

(ii) an estimate of the cost of the electrification project to the public utility, the impact on the monthly energy bills of the public utility's Minnesota customers, and the impact on the monthly energy bills of St. Paul district heating and cooling system customers;

(iii) an estimate of the reduction in greenhouse gas emissions resulting from the electrification project, including greenhouse gas emissions associated with the transportation of waste wood;

(iv) estimated impacts on the operations of the St. Paul district heating and cooling system; and

(v) a timeline for the electrification project; and

(4) the power purchase agreement provides a net benefit to the utility customers or the state.

(c) The commission may approve, modify, or reject a proposed electrification project that meets the requirements of this subdivision if it finds the electrification project is in the public interest. When determining whether an electrification project is in the public interest, the commission may consider the effects of the electrification project on air emissions from the St. Paul district heating and cooling system and how the emissions impact the environment and residents of affected neighborhoods.

(d) During the agreement period, the cogeneration facility must attempt to obtain funding sources to reduce the cost of generating electricity and enable the facility to continue to operate beyond the agreement period to address the removal of ash trees, as described in paragraph (b), clause (1), without any subsidy or contribution through any power purchase agreement after December 31, 2024. The cogeneration facility must submit periodic reports to the commission regarding the efforts made under this paragraph.

(e) Upon approval of the new power purchase agreement, the commission must require periodic reporting regarding progress toward development of a proposal for an electrification project.

(f) Except as provided in paragraph (a), the commission is prohibited from approving a power purchase agreement after the agreement period unless it approves an electrification project. Nothing in this section shall require any utility to enter into a power purchase agreement with the cogeneration facility after December 31, 2024.

(g) Upon approval of an electrification project, the commission must require periodic reporting regarding the progress toward implementation of the electrification project.

(h) If the commission approves the proposal submitted under paragraph (b), clause (3), the commission may allow the public utility to recover prudently incurred costs net of revenues resulting from the electrification project through an automatic cost recovery mechanism that allows for cost

recovery outside of a general rate case. The cost recovery mechanism approved by the commission must:

(1) allow a reasonable return on the capital invested in the electrification project by the public utility, as determined by the commission; and

(2) recover costs only from the public utility's Minnesota electric service customers.

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

Sec. 10. **[216B.2427] NATURAL GAS UTILITY INNOVATION PLANS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and the lifecycle carbon accounting framework and cost-benefit test for innovative resources issued by the commission, the terms defined in this subdivision have the meanings given.

(b) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture and utilization, strategic electrification, district energy, and energy efficiency.

(c) "Biogas" means gas created by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(d) "Carbon capture and utilization" means the capture of greenhouse gases that would otherwise be released into the atmosphere and the use of those gases to create industrial or commercial products for sale.

(e) "Carbon-free resource" means an electricity generation facility that, when operating, does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(f) "District energy" means a network of hot- and cold-water pipes used to provide thermal energy to multiple buildings.

(g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f), but does not include energy conservation investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program.

(h) "Lifecycle greenhouse gas emissions" means the emissions of an energy resource associated with the production, processing, transmission, and consumption of energy associated with the resource.

(i) "Natural gas utility" means a public utility as defined in section 216B.02, subdivision 4, that provides natural gas sales or transportation services to customers in Minnesota.

(j) "Power-to-ammonia" means the creation of ammonia from hydrogen created via power-to-hydrogen using a process that has lower lifecycle greenhouse gas intensity than conventional geologic natural gas.

(k) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to create hydrogen.

(l) "Renewable natural gas" means biogas that has been processed to be interchangeable with conventional natural gas and has lower lifecycle greenhouse gas intensity than conventional geologic natural gas.

(m) "Strategic electrification" means the installation of electric end-use equipment where natural gas is a primary or back-up fuel source provided that installation (1) will result in a net reduction in statewide greenhouse gas emissions as defined in section 216H.01, subdivision 2, over the life of the equipment as compared to the most efficient commercially available natural gas alternative, and (2) is installed and operated in a manner that improves the customer's electric utility's load factor. Electric end-use equipment installed pursuant to this section is the exclusive property of the building owner. Strategic electrification does not include investments that the commissioner determines could be reasonably included in the natural gas utility's conservation improvement program pursuant to section 216B.241. Strategic electrification approved pursuant to this section is not eligible for a financial incentive pursuant to section 216B.241, subdivision 2c.

(n) "Total incremental cost" means the sum of:

(1) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources included in a utility innovation plan approved pursuant to subdivision 2;

(2) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources included in a utility innovation plan approved under subdivision 2;

(3) the incremental cost to procure innovative resources from third parties;

(4) the incremental costs to develop and administer programs included in a utility innovation plan; and

(5) incremental costs for research and development related to innovative resources approved pursuant to subdivision 2, less the sum of:

(i) any value received by the natural gas utility upon the resale of the innovative resources or their byproducts, including any environmental credits included with the resale of renewable gaseous fuels or value received by the natural gas utility when innovative resources are used as vehicle fuel;

(ii) any cost savings achieved through avoidance of conventional natural gas purchases, including but not limited to any avoided commodity purchases or avoided pipeline costs; and

(iii) any other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

Subd. 2. **Innovation plans.** (a) A natural gas utility may file an innovation plan with the commission. The utility's recommended plan must describe or include, as applicable, the following components:

(1) the recommended innovative resource or resources the utility plans to implement to advance the state's goals established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, within the requirements and limitations set forth in this section;

(2) any recommended research and development investments related to innovative resources the utility plans to undertake as part of the plan;

(3) the total lifecycle greenhouse gas emissions that the natural gas utility expects to reduce or avoid pursuant to the plan;

(4) the natural gas utility's estimate of how emissions expected to be avoided or reduced compare to total emissions from natural gas use by its customers in 2020;

(5) any pilot program proposed by the natural gas utility related to the development or provision of innovative resources, including an estimate of the total incremental costs to implement the pilot program;

(6) the cost effectiveness of innovative resources proposed from the perspective of the natural gas utility, society, the utility's nonparticipating customers, and participating customers as compared to other innovative resources that could be deployed to reduce or avoid the same greenhouse gas emissions targeted by the utility's proposed resource;

(7) for any pilot not previously approved as part of the utility's most recent innovation plan, a third-party analysis of the lifecycle greenhouse gas intensity of any innovative resources proposed to be included in the pilot;

(8) for any proposed pilot not previously approved as part of the utility's most recent innovation plan, a third-party analysis of the forecasted lifecycle greenhouse gas emissions reductions achieved or the lifecycle greenhouse gas emissions reduced or avoided if the proposed pilot is implemented;

(9) an explanation of how the utility calculated the lifecycle greenhouse gas emissions avoided or reduced by each pilot including descriptions of how the utility's method deviated, if at all, from the carbon accounting frameworks established by the commission;

(10) whether the recommended plan supports the development and use of alternative agricultural products, waste reduction, reuse, or anaerobic digestion of organic waste, and the recovery of energy from wastewater and, if so, a description of where those benefits will be realized;

(11) a description of third-party systems and processes the utility plans to use to:

(i) track the proposed innovative resources included in the plan so that environmental benefits are used only for this plan and not claimed for any other program; and

(ii) verify the environmental attributes and greenhouse gas intensity of proposed innovative resources included in the plan;

(12) a description of known local job impacts and the steps the utility and its energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers;

(13) a description of how the utility proposes to recover annual total incremental costs and any steps the utility has taken or proposes to take to reduce the expected cost impact on low- and moderate-income residential customers;

(14) any steps the utility has taken or proposes to take to ensure that low- and moderate- income residential customers will benefit from innovative resources included in the plan;

(15) a report on the utility's progress toward implementing the approved proposals contained in its previously approved innovation plan, if applicable; and

(16) a report of the utility's progress toward achieving the cost-effectiveness objectives established upon approval of its previously approved innovation plan, if applicable.

(b) Along with its recommended plan, the natural gas utility must provide forecasted total incremental costs and lifecycle greenhouse gas emissions for:

(1) a set of pilots that the utility estimates would provide approximately half of the greenhouse gas reduction or avoidance benefits of the utility's preferred plan;

(2) a set of pilots that the utility estimates would provide approximately one and a half times the greenhouse gas reduction or avoidance benefits of the utility's preferred plan; and

(3) a set of pilots that the utility estimates would provide approximately twice the greenhouse gas reduction or avoidance benefits of the utility's preferred plan.

(c) In deciding whether to approve, modify, or deny a plan, the commission may not approve an innovation plan unless it finds that:

(1) the size, scope, and scale of the plan and the incremental total cost of the plan will result in net benefits under the cost-benefit framework established by the commission;

(2) the plan will promote the use of renewable energy resources and reduce or avoid greenhouse gas emissions at a cost level consistent with subdivision 3;

(3) the plan will promote local economic development;

(4) the innovative resources included in the plan have a lower lifecycle greenhouse gas intensity than conventional geologic natural gas;

(5) reasonable systems will be used to track and verify the environmental attributes of the innovative resources included in the plan, taking into account any third-party tracking or verification systems available;

(6) the costs and revenues expected to be incurred pursuant to the plan are reasonable in comparison to other innovative resources the utility could deploy to address greenhouse gas emissions and considering other benefits of the innovative resources included in the plan;

(7) the costs and revenues expected to be incurred for any energy efficiency, district energy, or strategic electrification measures included in the plan are reasonable in comparison to the costs of

renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, or ammonia produced via power-to-ammonia resources that the utility could deploy to address greenhouse gas emissions;

(8) the total amount of estimated greenhouse gas reduction or avoidance to be achieved is reasonable considering the state's goals established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, customer cost, and the total amount of greenhouse gas reduction or avoidance achieved under the natural gas utility's previously approved plans, if applicable; and

(9) 50 percent or more of estimated costs included for recovery in the plan are for the procurement and distribution of renewable natural gas, biogas, hydrogen produced via power-to-hydrogen, or ammonia produced via power-to-ammonia.

(d) The utility bears the burden to prove the actual total incremental costs to implement the approved innovation plan were reasonable. Prudently incurred costs incurred pursuant to an approved plan and prudently incurred costs for obtaining the third-party analysis required in paragraph (a), clauses (6) and (7), are recoverable either:

(1) under section 216B.16, subdivision 7, clause (2), via the utility's purchased gas adjustment;

(2) in the natural gas utility's next general rate case; or

(3) via annual adjustments provided that, after notice and comment, the commission determines that the costs included for recovery through the rate schedule are prudently incurred. Annual adjustments shall include a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance expense. The rate of return shall be at the level approved by the commission in the natural gas utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

(e) Upon approval of a utility's plan, the commission shall establish plan cost-effectiveness objectives based on the cost-benefit test for innovative resources. The cost-effectiveness objective for each plan should demonstrate incremental progress from the previously approved plan's cost-effectiveness objective.

(f) A natural gas utility with an approved plan must provide annual reports to the commission regarding the work completed pursuant to the plan, including the costs incurred under the plan and lifecycle greenhouse gas reduction or avoidance accomplished under the plan; a description of the processes used to track, verify, and retire the innovative resources and associated environmental attributes; an update on the lifecycle greenhouse gas accounting methodology consistent with current science; an update on the economic impact of the plan including job creation; and the utility's progress toward achieving the cost-effectiveness objectives established by the commission on approval of the plan. As part of the annual status report, the natural gas utility may propose modifications to pilot programs in the plan. In evaluating a utility's annual report, the commission may:

(1) approve the continuation of a pilot program, with or without modifications;

(2) require the utility to file a new or modified plan to account for changed circumstances; or

(3) disapprove the continuation of a pilot program.

(g) Each innovation plan shall be in effect for five years. Once a natural gas utility has an approved innovation plan, it must file a new innovation plan within four years for implementation at the end of the prior five-year plan period.

(h) A utility may file an innovation plan at any time after this section becomes effective.

(i) For purposes of this section, and the commission's lifecycle carbon accounting framework and cost-benefit test for innovative resources, whenever an analysis or estimate of lifecycle greenhouse gas emissions reductions, lifecycle greenhouse gas avoidance, or lifecycle greenhouse gas intensity is required, the analysis will include, but not be limited to, as applicable:

(1) avoided or reduced emissions attributable to utility operations;

(2) avoided or reduced emissions from the production, processing, and transmission of fuels prior to receipt by the utility; and

(3) avoided or reduced emissions at the point of end use, but in no event shall the analysis count any one unit of greenhouse gas emissions avoidance or reduction more than once.

The analysis or estimate may rely on emissions factors, default values, or engineering estimates from a publicly accessible source accepted by a federal or state government agency, where direct measurement is not technically or economically feasible, if such emissions factors, default values, or engineering estimates can be demonstrated to produce a reasonable estimate of greenhouse gas emissions reductions, avoidance, or intensity.

Subd. 3. **Limitations on utility customer costs.** (a) The first innovation plan submitted to the commission by a natural gas utility may not propose, and the commission may not approve, recovery of annual total incremental costs exceeding the lesser of (1) one and three quarters percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional quarter of one percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$5 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(b) Subsequent innovation plans submitted to the commission may not propose and the commission may not approve, recovery of annual total incremental costs exceeding the limits set

forth in paragraph (a) unless the commission determines that the utility has successfully achieved the cost-effectiveness objectives established upon approval of a utility innovation plan under paragraph (a), in which case the utility may propose, and the commission may approve, recovery of annual total incremental costs of up to the lesser of (1) two and three quarters percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$35 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional three quarters of one percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$10 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(c) Subsequent innovation plans submitted to the commission may not propose, and the commission may not approve, recovery of total incremental costs exceeding the limits set forth in paragraph (b) unless the commission determines that the utility has successfully achieved the cost-effectiveness objectives established upon approval of a utility innovation plan under paragraph (b), in which case the utility may propose, and the commission may approve, recovery of annual total incremental costs of up to the lesser of (1) four percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing, or (2) \$50 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers. Notwithstanding this limitation, the commission may approve additional annual recovery of up to the lesser of (1) an additional one and one-half percent of the natural gas utility's gross operating revenues from service provided in the state at the time of plan filing for recovery, or (2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs for the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) community wastewater treatment; or

(iii) an organic mixture including at least 15 percent sustainably harvested native prairie grasses or locally appropriate cover crops selected in consultation with the local Soil and Water Conservation District or the United States Department of Agriculture, Natural Resources Conservation Service, by volume.

(d) A large customer facility that has been exempted by the commissioner of commerce from a utility's conservation improvement program under section 216B.241, subdivision 1a, paragraph

(b), shall be exempt from the utility's innovation plan offerings and shall not bear any costs incurred to implement an approved innovation plan unless the large customer facility files a request with the commissioner to be included in a utility's innovation plan. The commission may prohibit large customer facilities exempted from innovation plan costs from participating in innovation plan pilots. For purposes of this subdivision, "gross operating revenues" do not include revenues from large customer facilities exempted from innovation plan costs.

(e) A natural gas utility filing an innovation plan may also include spending and investments annually up to ten percent of the proposed total incremental costs related to innovative plan pilots, subject to the limitations in paragraphs (a), (b), and (c).

Subd. 4. **Innovative resources procured outside of an innovation plan.** Without filing an innovation plan, a natural gas utility may propose and the commission may approve cost recovery for:

(1) innovative resources acquired to satisfy a commission-approved green tariff program that allows customers to choose to meet a portion of the customers' energy needs through innovative resources; or

(2) utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for conventional natural gas at the time of the transaction per unit of fossil natural gas that the innovative resource will displace.

An approved green-tariff program must include provisions to ensure reasonable systems are used to track and verify the environmental attributes of innovative resources included in the program, taking into account any third-party tracking or verification systems available.

Subd. 5. **Thermal energy leadership challenge.** The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot thermal energy leadership challenge for small- and medium-sized businesses. The pilot program must provide small- and medium-sized businesses with thermal energy audits to identify opportunities to reduce or avoid greenhouse gas emissions from natural gas use, and provide incentives for businesses to follow through with audit recommendations. The utility must develop criteria to identify businesses that take meaningful steps to follow through on audit recommendations and recognize qualifying businesses as thermal energy leaders.

Subd. 6. **Innovative resources for very high-heat industrial processes.** The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot program that will provide innovative resources for hard-to-electrify industrial processes. A large customer facility exempt from innovation plan offerings under subdivision 3, paragraph (e), shall not be eligible to participate in this pilot.

Subd. 7. **Electric cold climate air-source heat pumps.** (a) The first innovation plan filed by a natural gas utility with more than 800,000 customers must include a pilot program that facilitates deep energy retrofits and the installation of cold climate electric air-source heat pumps with natural gas backups in existing residential homes that have natural gas heating systems.

(b) For purposes of this subdivision, "deep energy retrofit" means the installation of any measure or combination of measures, including air sealing and addressing thermal bridges, that under normal

weather and operating conditions can reasonably be expected to reduce the building's calculated design load to ten or fewer British Thermal Units per hour per square foot of conditioned floor area. Deep energy retrofit does not include the installation of photovoltaic electric generation equipment, but may include the installation of a qualifying solar thermal project, as defined in section 216B.2411.

EFFECTIVE DATE. This section is effective June 1, 2022.

Sec. 11. **[216B.2428] WOOD PELLET PRODUCTION INCENTIVE.**

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

(b) "Forest residue" means unused portions of harvested trees and materials from diseased, distressed, or burned trees that are processed into chips or sawdust in the field near the forested area from which the tree or tree material is supplied.

(c) "Residual materials" means forest and wood mill residue.

(d) "Wood mill residue" means wood residue generated at a manufacturing plant that processes harvested trees into products, including but not limited to lumber and sheathing, that are suitable for processing into chips or sawdust.

(e) "Wood pellets" means a pellet manufactured from forest and wood mill residuals that is burned to produce heat or electricity.

Subd. 2. **Eligible facility.** (a) To be eligible for payments under this section, a facility must:

(1) be located in Minnesota;

(2) dry and process residual materials from Minnesota forests and sawmills into wood pellets;

(3) begin construction no later than December 31, 2022;

(4) produce at least 50,000 metric tons of wood pellets annually; and

(5) certify that all contractors and subcontractors pay employees constructing the facility no less than the prevailing wage rate, as defined in section 177.42.

(b) An eligible facility is prohibited from transferring eligibility for payments under this section to a facility at a different location.

(c) An eligible facility that ceases production for any reason is prohibited from receiving payments under this section until the eligible facility resumes production.

(d) Payments under this section may be made to no more than two eligible facilities. Payments must be made to eligible facilities on a first-come, first-served basis.

Subd. 3. **Forest residue; requirements.** (a) Forest residue harvested from land parcels larger than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System as being harvested from sustainably managed forests.

(b) Forest residue not certified under paragraph (a) must be harvested under a forest stewardship plan by a logger certified as a qualified logging professional by the Minnesota logger education program, or an equivalent certification by an independent third-party organization that teaches sustainable harvesting practices to loggers.

Subd. 4. **Payment; process.** (a) The commissioner must make payments under this section to an eligible facility as provided in this subdivision.

(b) By the last day of January, April, July, and October, each eligible facility must file a claim for payment for wood pellets produced by the eligible facility during the preceding three calendar months. The claim must be filed with the commissioner on a form developed by the commissioner.

(c) A claim submitted under this section must include documentation and verification by an independent third party that, with respect to an eligible facility's claim filed under this subdivision:

(1) the conditions of subdivision 3 have been met; and

(2) the amount of wood pellets, expressed in metric tons, that the eligible facility claims to have produced during the quarter is accurate.

(d) No later than February 15, May 15, August 15, and November 15, the commissioner must issue payments under this section for the applicable quarter to an eligible facility that filed a quarterly claim approved by the commissioner.

Subd. 5. **Payment amount; limitation.** (a) The commissioner must pay an eligible facility \$25 per metric ton of wood pellets produced, subject to the limitations provided under this subdivision.

(b) An eligible facility must not be paid more than \$3,750,000 in a calendar year under this section, irrespective of the number of metric tons of wood pellets produced in a calendar year.

(c) An eligible facility may receive payments under this section for no more than ten years.

(d) A payment must not be made under this section after June 30, 2033.

Sec. 12. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. ~~Nuclear power plant; new construction prohibited; relicensing~~ **Additional storage of spent nuclear fuel.** (a) ~~The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.~~

(b) Any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension shall address the impacts of continued operations over the period for which approval is sought.

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

Sec. 13. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(d) "School" means a school that operates as part of an independent or special school district.

(e) "School district" means an independent or special school district.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the cost, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** (a) A solar for schools program account is established in the special revenue fund. Money received from the general fund must be transferred to the commissioner of commerce and credited to the account. Money deposited in the account remains in the account until expended and does not cancel to the general fund.

(b) When a grant is awarded under this section, the commissioner must reserve the grant amount in the account.

Subd. 4. **Expenditures.** (a) Money in the account may be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

(b) Grant awards made with funds in the account must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to the school building that consumes the electricity generated by the solar energy system, on property within the service territory of the utility currently providing electric service to the school building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed.

(b) A school district that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. Application process. (a) The commissioner must issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the school building on which the solar energy generating system is to be installed and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(4) the total cost to purchase and install the solar energy system and the solar energy system's life-cycle cost, including removal and disposal at the end of the system's life;

(5) a copy of the proposed contract agreement between the school and the public utility or developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum and provisions for real-time monitoring of the solar energy system performance for display in a prominent location within the school or on-demand in the classroom;

(7) information that demonstrates the school district's level of need for financial assistance available under this section;

(8) information that demonstrates the school's readiness to implement the project, including but not limited to the availability of the site on which the solar energy system is to be installed and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) how the developer or public utility plans to reduce the school's initial capital expense to purchase and install the solar energy system, and to provide financial benefits to the school from the utilization of federal and state tax credits, utility incentives, and other financial incentives; and

(11) any other information deemed relevant by the commissioner.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section shall provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant must be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Application deadline.** No application may be submitted under this section after December 31, 2025.

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

Sec. 14. **[216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY SERVICE TERRITORY.**

Subdivision 1. **Establishment; purpose.** The utility subject to section 116C.779 must operate a program to develop, and to supplement with additional funding, financial arrangements that allow schools to benefit from state and federal tax and other financial incentives that schools are ineligible to receive directly in order to enable schools to install and operate solar energy systems that can be used as teaching tools and integrated into the school curriculum.

Subd. 2. **Required plan.** (a) By October 1, 2021, the public utility must file a plan for the solar for schools program with the commissioner. The plan must contain but is not limited to the following elements:

(1) a description of how the public utility uses incentive funds appropriated to the program from the renewable development account to provide additional financial assistance to schools at which a solar energy system is installed;

(2) an estimate of the amount of financial assistance that the public utility provides to a school under clause (1), and the length of time financial assistance is provided;

(3) administrative procedures governing the application and financial benefit award process, and the costs the public utility is projected to incur to administer the program;

(4) the public utility's proposed process for periodic reevaluation and modification of the program; and

(5) any additional information required by the commissioner.

(b) The public utility may not implement the program until the commissioner approves the public utility's plan submitted under this subdivision. The commissioner must approve a plan under this subdivision that the commissioner determines to be in the public interest no later than December 31, 2021. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits under this section if it meets all of the following conditions:

(1) the solar energy system must be located on or adjacent to a school building receiving retail electric service from the public utility and completely located within the public utility's electric service territory, provided that any land situated between the school building and the site where the solar energy system is installed is owned by the school district in which the school building operates; and

(2) the total aggregate nameplate capacity of all distributed generation serving the school building, including any subscriptions to a community solar garden under section 216B.1641, may not exceed the lesser of one megawatt alternating current or 120 percent of the average annual electric energy consumption of the school building.

Subd. 4. **Application process.** (a) A school seeking financial assistance under this section must submit an application to the public utility, including a plan for how the school uses the solar energy system as a visible learning tool for students, teachers, and visitors to the school, and how the solar energy system may be integrated into the school's curriculum.

(b) The public utility must award financial assistance under this section on a first-come, first-served basis.

(c) The public utility must discontinue accepting applications under this section after all funds appropriated under subdivision 5 are allocated to program participants, including funds from canceled projects.

Subd. 5. **Cost recovery; renewable energy credits.** (a) Payments by the public utility to a school receiving financial assistance under this section are fully recoverable by the public utility.

(b) The renewable energy credits associated with the electricity generated by a solar energy system installed under this section are the property of the public utility that is subject to this section for the life of the system, regardless of the solar on school incentive's duration.

Subd. 6. **Limitation.** (a) No more than 75 percent of the financial assistance provided by the public utility to schools under this section may be provided to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of financial assistance provided by the public utility to schools under this section may be provided to schools that are part of the same school district.

Subd. 7. **Technical assistance.** The commissioner may provide technical assistance to schools to develop and execute projects under this section.

Subd. 8. **Application deadline.** No application may be submitted under this section after December 31, 2025.

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

Sec. 15. **PUBLIC UTILITIES COMMISSION LIFECYCLE CARBON ACCOUNTING FRAMEWORK AND COST-BENEFIT TEST FOR INNOVATIVE RESOURCES.**

By June 1, 2022, the Public Utilities Commission shall issue by order frameworks for the calculation of lifecycle carbon intensities of each innovative resource for natural gas utilities as follows:

(1) a general framework for the comparison of power-to-hydrogen, strategic electrification, renewable natural gas, district energy, energy efficiency, biogas, carbon capture, and power-ammonia according to their lifecycle greenhouse gas intensities; and

(2) a cost-benefit analytic framework to be applied to innovative resources and innovation plans filed pursuant to section 216B.2427, that the commission will use to compare the cost-effectiveness of those resources and plans. This analytic framework shall take into account:

(i) the total incremental cost of the plan or resource that would be evaluated under the framework and the lifecycle greenhouse gas emissions avoided or reduced by the innovative resource or plan, using the framework developed under clause (1);

(ii) any important additional economic costs and benefits, programmatic costs and benefits, additional environmental costs and benefits, and other costs or benefits that may be expected under a plan; and

(iii) baseline cost-effectiveness criteria against which an innovation plan should be compared. In establishing the baseline criteria, the commission shall take into account the options available for reducing lifecycle greenhouse gas emissions from natural gas end uses and the goals in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1. To the maximum reasonable extent, the cost-benefit framework shall be consistent with environmental cost values established pursuant to section 216B.2422, subdivision 3, and other calculation of the social value of greenhouse gas emissions reduction.

The commission may update frameworks established under this section as necessary.

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

Sec. 16. **BIOMASS BUSINESS COMPENSATION.**

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

(b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (f).

(c) "Early termination" means the early termination of the power purchase agreement authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass plant.

(d) "Operating income" means a business's revenue minus its operating expenses.

Subd. 2. **Office of Administrative Hearings; claims process.** (a) The chief administrative law judge of the Office of Administrative Hearings must assign an administrative law judge to administer a claims award process to compensate businesses negatively affected by the early termination. The chief administrative law judge may develop a process, prescribe forms, identify documentation affected businesses must submit with claims, and issue awards to eligible businesses consistent with this section. The process must allow, but not require, an authorized representative from each business that applies for compensation to appear in person before the assigned administrative law judge to provide evidence in support of the business's claim.

(b) The chief administrative law judge may contract with and use the services of financial or other consultants to examine financial documentation presented by claimants or otherwise assist in the evaluation and award of claims.

(c) Records submitted to the Office of Administrative Hearings as part of the claims process constitute business data under Minnesota Statutes, section 13.591.

(d) An award made under this section is final and is not subject to judicial review.

(e) An award made under this section does not constitute an admission of liability by the state for any damages or other losses suffered by a business affected by the early termination.

Subd. 3. **Eligibility.** To be eligible for an award of compensation, an affected business must meet the following criteria:

(1) as of May 1, 2017, the affected business was operating under the terms of a valid written contract, or an oral contract that is sufficiently supported by business records, with the company operating the biomass plant or the fertilizer plant integrated with the biomass plant to supply or manage material for, or receive material from, the biomass plant or the fertilizer plant integrated with the biomass plant;

(2) the affected business is located in the state; and

(3) as the result of the early termination, the affected business suffered:

(i) decreased operating income; or

(ii) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

Subd. 4. **Types of claims.** (a) An eligible business may make claims for a compensation award based on either or both:

(1) decreased operating income; or

(2) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

(b) To establish and quantify a claim for decreased operating income, an eligible business must:

(1) demonstrate its operating income over the past five years derived from supplying or managing material for, or receiving material from, the biomass plant;

(2) present evidence of any alternative business opportunities it has pursued or could pursue to mitigate the loss of revenue from the termination of its contract with the biomass plant; and

(3) demonstrate the amount that the business's annual operating income, including operating income from any alternative business opportunities, after the termination of the business's contract with the biomass plant is less than the five-year average of the business's annual operating income before the early termination.

(c) To establish and quantify a loss of value of investments in real or personal property claim, an eligible business must provide sufficient evidence of:

(1) the essential nature of the investment made in the property to fulfill the contract with the biomass plant;

(2) the extent to which the eligible business is able to repurpose the property for another productive use after the early termination, including but not limited to the use, sales, salvage, or scrap value of the property for which the loss is claimed; and

(3) the value of the eligible business's nondepreciated investment in the property.

Subd. 5. **Limitations on awards.** (a) A compensation award for a decreased operating income claim must not exceed the amount calculated under subdivision 4, paragraph (b), clause (3), multiplied by two.

(b) The use, sales, salvage, or scrap value of the property for which a loss is claimed must be deducted from a compensation award for a loss of value of investments in real or personal property claim.

(c) A payment received from business interruption insurance policies, settlements, or other forms of compensation related to the termination of the business's contract with the biomass plant must be deducted from any compensation award provided under this section.

Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by eligible businesses that demonstrate a significant effort to pursue alternative business opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related to the termination of its contract with the company operating the biomass plant.

Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass business compensation account established under section 17 is insufficient to fully award all claims eligible for an award, all awards must be adjusted proportionally based on the value of the claim.

Subd. 8. **Deadlines.** The chief administrative law judge must make the application process for eligible claims available by August 1, 2021. A business seeking an award under this section must file all claims with the chief administrative law judge within 60 days of the date the chief administrative law judge makes the application process for eligible claims available. All preliminary awards on eligible claims must be made within 120 days of the deadline date to file claims. Any requests to reconsider an award denial must be filed with the chief administrative law judge within 60 days of the notice date for preliminary awards. All final awards for eligible claims must be made within 60 days of the deadline date to file reconsideration requests. The commissioner of management and budget must pay all awarded claims within 45 days of the date the commissioner of management and budget receives notice of the final awards from the chief administrative law judge.

Subd. 9. **Expiration.** This section expires June 30, 2023.

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

Sec. 17. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

Subdivision 1. **Account established.** A biomass business compensation account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account must be credited to the account. Earnings, such as interest, and any other earnings arising from the assets of the account are credited to the account. Funds remaining in the account as of December 31, 2023, must be transferred to the renewable development account established under Minnesota Statutes, section 116C.779.

Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), on July 1, 2021, \$20,000,000, and on July 1, 2022, \$20,000,000 must be transferred from the renewable development account under Minnesota Statutes, section 116C.779, to the biomass business compensation account established under subdivision 1. The transferred funds are appropriated to pay eligible obligations under the biomass business compensation program established under section 16.

Subd. 3. **Payment of expenses.** The chief administrative law judge must certify to the commissioner of management and budget the total costs incurred to administer the biomass business compensation claims process. The commissioner of management and budget must transfer an amount equal to the certified costs incurred for biomass business compensation claim activities from the renewable development account under Minnesota Statutes, section 116C.779, and deposit it in the administrative hearings account under Minnesota Statutes, section 14.54. Transfers may occur quarterly throughout the fiscal year and must be based on quarterly cost and revenue reports, with final certification and reconciliation after each fiscal year. The total amount transferred under this subdivision must not exceed \$200,000.

Subd. 4. **Expiration.** This section expires June 30, 2023.

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

Sec. 18. **REMAINING "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION PROGRAM INCENTIVE OBLIGATION.**

(a) On or before June 30, 2021, the commissioner of commerce must (1) determine the total remaining obligation for the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417, and (2) report the amount determined under clause (1) to the commissioner of management and budget and the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy.

(b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the amount determined by the commissioner of commerce under paragraph (a) is appropriated in equal amounts over four consecutive years beginning in fiscal year 2022 from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (a), to the commissioner of commerce to make final payments for "Made in Minnesota" obligations.

(c) By October 15, 2021, the commissioner of commerce must pay the total remaining obligation for a "Made in Minnesota" solar energy production incentive approved by the commissioner under Minnesota Statutes 2016, section 216C.415, to an owner whose application was approved by the commissioner.

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

Sec. 19. **REPEALER.**

(a) Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9, is repealed.

(b) Minnesota Statutes 2020, section 216C.417, is repealed.

(c) Minnesota Statutes 2020, section 115C.13, is repealed.

EFFECTIVE DATE. Paragraphs (a) and (c) are effective the day following final enactment. Paragraph (b) is effective October 16, 2021.

ARTICLE 4

TELECOMMUNICATIONS

Section 1. Minnesota Statutes 2020, section 237.025, subdivision 6, is amended to read:

Subd. 6. **Market regulation and consumer protection.** (a) A local exchange carrier that has received approval from the commission to be regulated under this section in one or more of its exchange service areas shall be subject to regulation in those approved exchange service areas as a telecommunications carrier under section 237.035, and as a competitive local exchange carrier under Minnesota Rules, parts 7811.2210 and 7812.2210, as applicable. A local exchange carrier that has obtained approval for at least 90 percent of the local exchange carrier's access lines may elect to have all of the local exchange carrier's lines regulated under this section. Nothing in this section shall be construed to provide or imply that a local exchange carrier regulated under this section is

exempted from Minnesota Statutes and Minnesota Rules applying to competitive local exchange carriers, including, but not limited to:

- (1) sections 237.50 to 237.56;
- (2) sections 237.66, 237.661, 237.663, and 237.665;
- (3) sections 237.69 to 237.71; and
- (4) Minnesota Rules, chapter 7810.

(b) Regulation under this section is effective 30 days after a petition is deemed approved under subdivision 3 or approved by the commission under subdivision 4.

Sec. 2. Minnesota Statutes 2020, section 237.025, subdivision 9, is amended to read:

~~Subd. 9. **Obligation to serve.** Nothing in this section affects the obligation of a local exchange carrier that petitions the commission to be regulated under this section to provide service to customers, when requested, in accordance with this chapter, commission rules, and its duly authorized tariffs.~~
A local exchange carrier that elects to be regulated under this section is required to offer service throughout the local exchange carrier's service territory to the extent required by federal law."

Delete the title and insert:

"A bill for an act relating to energy; establishing a revolving loan fund for energy conservation improvements in state buildings; establishing the Minnesota efficient technology accelerator; authorizing a power purchase agreement for certain electric cogeneration activities; encouraging natural gas utilities to develop innovative resources; establishing a program to provide financial incentives for the production of wood pellets; abolishing prohibition on issuing certificate of need for new nuclear power plant; establishing a program to promote the use of solar energy on school buildings; establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant; authorizing a local exchange carrier to elect competitive market regulation under certain conditions; appropriating money; amending Minnesota Statutes 2020, sections 16B.86; 16B.87; 116C.779, subdivision 1; 116C.7792; 216B.1691, subdivision 2f; 216B.241, by adding a subdivision; 216B.2422, by adding a subdivision; 216B.2424, by adding subdivisions; 216B.243, subdivision 3b; 237.025, subdivisions 6, 9; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2020, sections 115C.13; 216C.417; Laws 2005, chapter 97, article 10, section 3, as amended."

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

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

H.F. No. 820 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
820	852

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 820 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 820, the first engrossment; and insert the language after the enacting clause of S.F. No. 852; further, delete the title of H.F. No. 820, the first engrossment; and insert the title of S.F. No. 852.

And when so amended H.F. No. 820 will be identical to S.F. No. 852, and further recommends that H.F. No. 820 be given its second reading and substituted for S.F. No. 852, 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.

SECOND READING OF HOUSE BILLS

H.F. No. 820 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Gazelka introduced--

S.F. No. 2371: A bill for an act relating to arts and cultural heritage; appropriating money for Region 5 Children's Museum.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Benson introduced--

S.F. No. 2372: A bill for an act relating to health care; increasing the dispensing fee for prescription drugs in the medical assistance program; amending Minnesota Statutes 2020, section 256B.0625, subdivision 13e.

Referred to the Committee on Health and Human Services Finance and Policy.

Senator Dziejczak introduced--

S.F. No. 2373: A bill for an act relating to capital investment; appropriating money for phase I of completing the Grand Rounds Missing Link trail connection in Minneapolis; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Dziejdzic and Hawj introduced--

S.F. No. 2374: A bill for an act relating to taxation; income and corporate franchise; providing a onetime subtraction for small business relief grants.

Referred to the Committee on Taxes.

Senator Pratt introduced--

S.F. No. 2375: A bill for an act relating to transit; requiring the Department of Transportation to administer the replacement service provider program; amending the allocation of motor vehicle sales tax revenue; amending Minnesota Statutes 2020, sections 16A.88, subdivisions 1a, 2; 297B.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 2020, section 473.388, subdivisions 1, 2, 3, 4, 4a, 5, 7.

Referred to the Committee on Transportation Finance and Policy.

Senator Pratt introduced--

S.F. No. 2376: A bill for an act relating to taxation; tax increment financing; providing flexibility on the use of increments; extending the five-year rule for certain redevelopment districts; providing flexibility on the use of proceeds of certain local sales taxes; amending Minnesota Statutes 2020, sections 469.176, by adding a subdivision; 469.1763, subdivisions 2, 3, 4.

Referred to the Committee on Taxes.

Senator Fateh introduced--

S.F. No. 2377: A bill for an act relating to capital investment; appropriating money for a youth mental health and wellness community center in Minneapolis.

Referred to the Committee on Human Services Reform Finance and Policy.

Senator Fateh introduced--

S.F. No. 2378: A bill for an act relating to public safety; repealing crime of falsely reporting police misconduct; repealing Minnesota Statutes 2020, section 609.505, subdivision 2.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Putnam, Dziejdzic, and Rest introduced--

S.F. No. 2379: A bill for an act relating to taxation; income; conforming to the clarification of the federal exclusion of certain educator expenses.

Referred to the Committee on Taxes.

Senator Putnam introduced--

S.F. No. 2380: A bill for an act relating to economic development; appropriating money for business relief payments to certain businesses; amending Laws 2020, Seventh Special Session chapter 2, article 1, section 1, subdivision 2.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Osmek introduced--

S.F. No. 2381: A bill for an act relating to public safety; prohibiting any state loan, grant, or assistance for persons convicted of offense related to protest, demonstration, rally, civil unrest, or march; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Rarick, Utke, Chamberlain, and Mathews introduced--

S.F. No. 2382: A bill for an act relating to energy; establishing a right to market-based power supply for certain customers; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senator Kent introduced--

S.F. No. 2383: A bill for an act relating to health; appropriating money for school-based health clinics.

Referred to the Committee on Health and Human Services Finance and Policy.

Senators Kent, Bigham, and Wiger introduced--

S.F. No. 2384: A bill for an act relating to transportation; capital investment; appropriating money for improvements to the system interchange at Interstates 694, 494, and 94 and sections of Interstate 694; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Kiffmeyer introduced--

S.F. No. 2385: A bill for an act relating to the Metropolitan Council; requiring local approval of gubernatorial appointees to the Metropolitan Council; providing a method for local governments to remove a member of the Metropolitan Council; amending Minnesota Statutes 2020, section 473.123, subdivisions 3, 4.

Referred to the Committee on Local Government Policy.

MOTIONS AND RESOLUTIONS

Senator Dahms moved that the name of Senator Senjem be added as a co-author to S.F. No. 972. The motion prevailed.

Senator Dahms moved that the name of Senator Duckworth be added as a co-author to S.F. No. 1020. The motion prevailed.

Senator Howe moved that the names of Senators Gazelka, Ingebrigtsen, and Housley be added as co-authors to S.F. No. 1040. The motion prevailed.

Senator Eaton moved that the name of Senator Pappas be added as a co-author to S.F. No. 1143. The motion prevailed.

Senator Eaton moved that the name of Senator Pappas be added as a co-author to S.F. No. 1144. The motion prevailed.

Senator Abeler moved that the name of Senator Marty be added as a co-author to S.F. No. 1514. The motion prevailed.

Senator Benson moved that the names of Senators Johnson and Ruud be added as co-authors to S.F. No. 1589. The motion prevailed.

Senator Mathews moved that the name of Senator Koran be added as a co-author to S.F. No. 1610. The motion prevailed.

Senator Miller moved that the name of Senator Nelson be added as a co-author to S.F. No. 1701. The motion prevailed.

Senator Pappas moved that the name of Senator Marty be added as a co-author to S.F. No. 1888. The motion prevailed.

Senator Jasinski moved that the name of Senator Chamberlain be added as a co-author to S.F. No. 1926. The motion prevailed.

Senator Housley moved that the name of Senator Newton be added as a co-author to S.F. No. 2102. The motion prevailed.

Senator Nelson moved that the name of Senator Eken be added as a co-author to S.F. No. 2170. The motion prevailed.

Senator Weber moved that the name of Senator Eken be added as a co-author to S.F. No. 2175. The motion prevailed.

Senator Abeler moved that the name of Senator Wiger be added as a co-author to S.F. No. 2222. The motion prevailed.

Senator Housley moved that the name of Senator Newton be added as a co-author to S.F. No. 2267. The motion prevailed.

Senator Hawj moved that the name of Senator Pappas be added as a co-author to S.F. No. 2323. The motion prevailed.

Senator Pappas moved that the name of Senator Pratt be added as a co-author to S.F. No. 2339. The motion prevailed.

Senator Dibble moved that the name of Senator Rest be added as a co-author to S.F. No. 2340. The motion prevailed.

Senator McEwen moved that the name of Senator Rest be added as a co-author to S.F. No. 2344. The motion prevailed.

Senator Putnam moved that the name of Senator Rest be added as a co-author to S.F. No. 2349. The motion prevailed.

Senator Ingebrigtsen moved that the name of Senator Eken be added as a co-author to S.F. No. 2358. The motion prevailed.

Senator Benson moved that the names of Senators Abeler and Draheim be added as co-authors to S.F. No. 2360. The motion prevailed.

Senator Johnson, designee of the Chair of the Committee on Rules and Administration, moved that H.F. No. 2253 be taken from the table and given a second reading. The motion prevailed.

H.F. No. 2253: A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2020, sections 176.101, subdivision 1; 176.136, by adding a subdivision; 176.1362, subdivisions 1, 6; 176.1363, subdivisions 1, 2, 3; 176.194, subdivisions 3, 4; 176.223, as amended; 176.351, by adding a subdivision; Laws 2020, chapter 72, section 1.

H.F. No. 2253 was read the second time.

Senator Johnson moved that H.F. No. 2253 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Senator McEwen was excused from the Session of today.

ADJOURNMENT

Senator Johnson moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 8, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

